

***TWINSBURG CITY SCHOOL DISTRICT***

***SUMMIT COUNTY, OHIO***

***AUDIT REPORT***

***For the year ended June 30, 2019***







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Columbus, Ohio 43215  
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(800) 282-0370

Board of Education  
Twinsburg City School District  
11136 Ravenna Road  
Twinsburg, Ohio 44087

We have reviewed the *Independent Auditor's Report* of the Twinsburg City School District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2018 through June 30, 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 Twinsburg City School District 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

March 17, 2020

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**TWINSBURG CITY SCHOOL DISTRICT**  
**SUMMIT COUNTY, OHIO**  
**AUDIT REPORT**  
**For the Year Ended June 30, 2019**

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**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>Nutrition Cluster</b>			
<i>Passed Through Ohio Department of Education</i>			
Cash Assistance:			
National School Lunch Program	10.555	N/A	\$ 307,814
School Breakfast Program	10.553	N/A	63,276
 <b>Direct Program</b>			
Non-Cash Assistance:			
National School Lunch Program (Commodities - Note E)	10.555	N/A	81,337
Total Nutrition Cluster			<u>452,427</u>
Total U.S. Department of Agriculture			<u><b>452,427</b></u>
 <b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	050070-C1S1	313,138
 <b>Special Education Cluster</b>			
Special Education (IDEA, Part B)	84.027	0500703-6BSF	758,234
ECSE IDEA	84.173	0500703-PGS1	18,567
Total Special Education Cluster			<u>776,801</u>
Title II-A, Impr Teach Quality	84.367	0500703-TRS1	80,216
Title III LEP	84.365	N/A	18,274
Title IV-A	84.424	N/A	<u>38,286</u>
Total U.S. Department of Education			<u><b>1,226,715</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 1,679,142</b></u>

*The accompanying notes are an integral part of this schedule.*

**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Twinsburg City School District (the District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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



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***Charles E. Harris & Associates, Inc***  
*Certified Public Accountants*

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

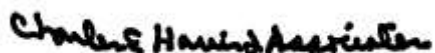
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

***Compliance and Other Matters***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
February 25, 2020

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

To the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited the Twinsburg City School District's, Summit County, Ohio (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

***Management's Responsibility***

The District's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on the Major Federal Program***

In our opinion, the Twinsburg City School District, Summit County, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated February 25, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (Schedule) is presented for purposes of additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



***Charles E. Harris & Associates, Inc.***  
February 25, 2020

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**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2019**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	<b>Special Education Cluster:</b> Special Education (IDEA, Part B) -CFDA# 84.027 Early Childhood Special Education (ECSE IDEA) -CFDA # 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	<b>Type A: &gt; \$ 750,000</b> <b>Type B: all others</b>
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Twinsburg

CITY SCHOOL DISTRICT



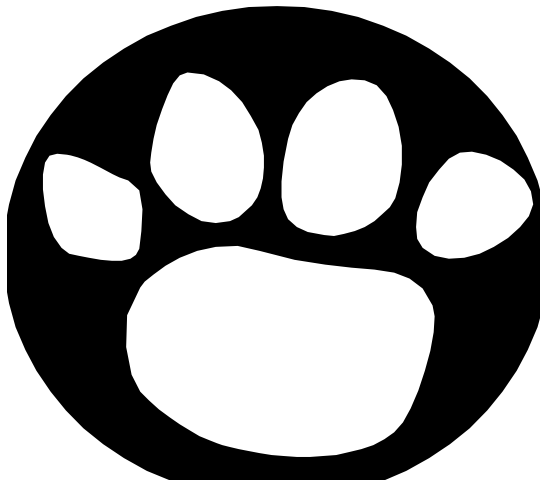
## Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2019



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

TWINSBURG, OHIO



# *Twinsburg City School District*

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Comprehensive Annual Financial Report

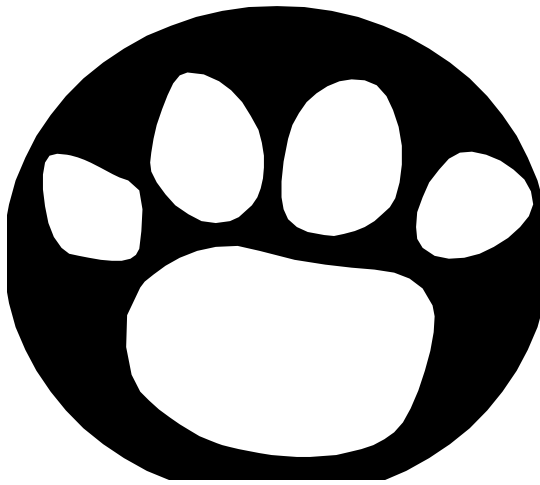
Fiscal Year Ended June 30, 2019



*where the schools and the communities are one.*

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

11136 Ravenna Road  
Twinsburg, Ohio 44087



**Twinsburg City School District  
 Comprehensive Annual Financial Report  
 For the fiscal year ended June 30, 2019**

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***Twinsburg City School District***  
**Comprehensive Annual Financial Report**  
**For the fiscal year ended June 30, 2019**

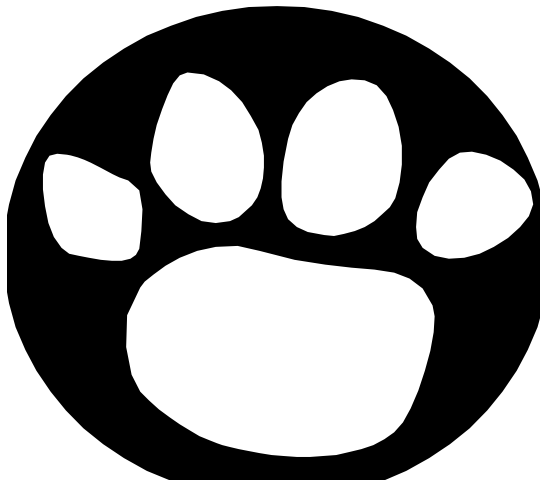
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## INTRODUCTORY SECTION





# Twinsburg City School District

11136 Ravenna Road • Twinsburg, Ohio 44087-1022

Phone: (330) 486-2000

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Kathryn Powers, Superintendent  
Martin Aho, Treasurer  
Jennifer Farthing, Director of Curriculum

Timothy Sullen, Director of Human Resources  
Denise Traphagen, Director of Pupil Services  
Chad Welker, Business Manager

February 25, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the Twinsburg City School District, (the School District) for the fiscal year ended June 30, 2019, is hereby submitted. This report, prepared by the Fiscal Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 2018-2019 fiscal year. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and is representative of the School District's commitment to provide meaningful information to its stakeholders.

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

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

This CAFR, which includes an opinion from Charles E. Harris & Associates Inc., conforms to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District's commitment to provide meaningful information to the citizens of the School District.

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

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

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

As of October 2018, there were 4,142 students attending the five schools in the School District. They are: Wilcox Primary built in 1960, Bissell Elementary built in 1963, Dodge Intermediate built in 1969, Chamberlin Middle School built in 1958, and Twinsburg High School built in 1999. The School District also owns a central office building built in 1957, a bus garage, a football stadium, and various athletic fields. To date Twinsburg residents have invested over \$75 million in School District buildings, land, furniture, equipment and vehicles.

There has been overall growth in student population. The 1992-93 enrollment was 2,431 students. Since then the student population has increased nearly 70%. However, enrollment projections indicate stagnate student population census over the next ten years. Projections indicate the School District's student population should flatten at approximately 4,200 students over the next ten years.

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

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

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

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

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

### **The Reporting Entity**

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

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

### **Economic Conditions**

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

### **Local Economy**

The City of Twinsburg is an enviable location as part of the metropolitan Cleveland-Akron area. The two entrances to Interstate 480 are in very close proximity to Interstate 271 and Interstate 80 (Ohio Turnpike). The easy access to interstate highways has enabled the vitality of a large industrial park. Located within this park was a Chrysler stamping plant that closed March 2010 and shortly thereafter the buildings were demolished. The property has been cleared and is being redeveloped as warehouse/shipping space for FedEx, Amazon and several other large companies.

Four State-supported and six private colleges and universities are located within a convenient driving distance from Twinsburg. The Twinsburg Public Library has been nationally recognized when compared to similar size libraries. The Twinsburg Public Library’s consistently receives top ratings and has received several number one rating as measured by Hennen’s American Public Library Ratings. In 2006 the Library surpassed the circulation milestone of one million items and in 2014 surpassed 1.25 million items. The Library celebrated its 100 birthday on May 2, 2010 and serves a population of just over 24,000.

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

Twinsburg City, Twinsburg Township and the Village of Reminderville have experienced a vibrant business sector over the past two decades. Limited growth is expected to continue as space is available for this use. Tax incentive programs have assisted the growth. The benefits of the plans are being realized as businesses are committed to their partnership and remain in the community. The School District is deeply affected by the local economy as well as the overall economic health of the country. Property taxes and intergovernmental revenues, prime indicators of the strength or weaknesses of the local economy, are closely tracked.

In monitoring property tax revenues, the School District takes in account several factors, including tax collections, the values of new construction, foreclosures and reappraisals. Having declined 8% after the mortgage-meltdown-fueled-national-recession; Summit County real estate valuations for the School District have regained their pre-meltdown values.

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

During these uncertain economic times the administration and Board of Education endeavor to hold down expenditures and continue to examine areas to make future resource reallocations. Our goal is to create dynamic curriculum and learning environments that challenge all students' creative, analytical and critical thinking abilities and skills beyond standardized requirements. The Twinsburg City School District focuses on developing the "whole child" by implementing a focused curriculum, community partnerships and high quality professional development.

The litigation now referred to as the "DeRolph Case" began in 1991 ultimately found the State's method of funding school districts to be unconstitutional. Subsequently the Ohio Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. Under the guise of education reform, charter schools, online schools in addition to voucher programs deleteriously divert funds from traditional public schools. And in most cases charters perform substantially below their public counterparts and lack accountability and transparency giving rise to concerns over their fiscal stewardship.

The Ohio Legislature enacted in 1976, House Bill 920, severely limiting school funding. This law prohibits school districts from realizing additional revenue from previously voted millage on the reappraisal of property values due to inflation. In 1972, taxpayers were promised Real Estate tax relief when the State proposed an income tax. In 2013 HB59 ended this promise by denying homeowners the discount on all new levies.

House Bill 95 passed in June 2003 and House Bill 66 passed in June 2005 have eliminated the collection of taxes on tangible personal property. Tangible personal property is the machinery, inventory, furniture and fixtures owned by businesses. As the tax on tangible personal property was terminated, the State provided a limited reimbursement for a short period of time. The flow of these revenues will come via a Commercial Activity Tax. Interestingly, revenue that once flowed from local sources now comes from the State, appearing as if the State has increased funding to education. *The net effect is an overall reduction of revenues to the School District and consequently many Ohio schools are forced to seek voter-approved levies more frequently.* Instead of the State of Ohio assisting public schools, as directed by the DeRolph decisions, the State has and continues to limit and/or reduce public school funding. The State is further shifting the tax burden from the State to the local level by shifting foundation funding aid from traditional public schools via transfers to charter school, scholarship programs and voucher schemes.

### **Financial Policy**

The School District is required by Ohio law to complete a five-year financial forecast annually. The School District completed the forecast in October as required and updated the forecast in May. Per the ODE the forecast is designed to engage the local board of education and community in the long range planning and discussion of financial issues facing the school district based on information currently available and serves as a basis for determining school district's ability to sign the "412 certificate". The five-year forecast is the primary process for the Department of Education and Auditor of State to identify school districts with potential financial problems. Events and circumstances frequently do not occur as expected and will significantly alter the outcomes and results of the forecast and assumptions. The forecast numbers, and assumptions while made in good faith, *can, will and do* change over time and cannot be guaranteed.

The financial forecast of the general fund operations for the next five years demonstrates the School District's eroding financial position. Even though the School District adopted an Operational Change Plan in fiscal year 2013 reducing expenditures by \$3.2 million paired with a new operating levy, expenditures are expected to exceed revenues in fiscal years 2020 through 2024. Although the School District has a carry-over cash balance and has made expenditure reductions, negative ending operating results are projected for the near future. Furthermore, State legislative decisions have resulted in flat funding as fiscal year 2018 School District revenues marginally exceed those received since fiscal year 2007.

As measured by the Ohio Department of Education, the School District's per-pupil expenditures are lower than the State average, similar districts and most of the neighboring school districts. The focus on academic results in the School District being among the top 20% of public districts with the highest academic performance index scores.

### **Initiatives and Accomplishments**

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

## Instruction

### ➤ Curriculum and Instruction

The School District offers over twenty Advanced Placement courses permitting students to earn college level credits. Additionally, Duel Credit, Credit Flex and College Credit Plus options are available to students. The Academy at Twinsburg High School is designed for students to shadow and/or participate in internships with over 60 surrounding businesses while they explore future career pathways.

Curriculum leaders and teachers have continued to work hard on refining curriculum maps and develop quality formative assessments. The School District emphasis on professional development ensures the coherent and rigorous implementation of Ohio's Learning Standards and Next Generation Assessments. Professional development opportunities support teachers' use of the data to improve instruction. Additionally, Professional Learning Communities (PLCs) enhance teaching, learning and collaboration.

The School District has implemented Makerspaces environments which challenge students to create and learn through hands-on, personalized experiences. Also, Blended Learning was introduced combining online educational materials and traditional classroom methods. Students can, to a degree, choose their path and pace in the classroom during instruction.

### ➤ Activities

Many activities support student learning such as Vocal/Orchestra/Band Music Programs, Cub Community Program, Interactive Media Program, Toast Masters, RBC Honor Corps, and iLead. Instrumental and vocal music programs excel for example Great Expectations Show Choir has earned numerous Grand Champion awards. The School District offers a variety athletic opportunities for student athletes. Students participated in regional and state competitions in Cross Country, Track and Bowling to name a few. Activities have also been designed to facilitate parental involvement in schools. These include Family Focus Nights and Parent Workshops, Father's Walk, Veteran's/Grandparents Days, and Parent-to-Parent Support Group. In partnership with a local hospital CPR training has been offered to students and all staff.

### ➤ Recognition

U.S. News & World Report ranks Twinsburg High School (THS) number 37 out of 916 Ohio high schools in 2019! THS also ranked number 1151 in the U.S. out of more than 17,000 high schools. That is the top 7 percent. It is based on their performance on state assessments and how well they prepare students for college.

The Twinsburg City School District is proud that Samuel Bissell Elementary School was one of 329 schools nationally to earn a 2016 National Blue Ribbon Award. National Blue Ribbon Award honors schools on the cutting edge of pioneering innovative educational practices, professional learning communities, project-based learning, social and emotional learning, and positive behavior systems, underscoring your school as a shining example for your community, your state and the nation.



➤ All Day Kindergarten and Preschool

The School District has offered All-Day Kindergarten for many years in an effort to ensure all students are reading at grade level or better as they progress to first grade. For the fifth year in a row, 100% of our third grade students met the requirements of the Third Grade Reading Guarantee. Numerous summer reading intervention programs are provided by the School District to assist struggling readers achieve success.

The preschool program provides services to a population of special education and typical peer students. Wilcox Primary School's Five Star Step Up to Quality Program was expanded through the addition of a new project-based Kindergarten Preparatory Program.

➤ Student Supports

Positive Behavioral Interventions and Supports (PBIS) is a School District initiative that encompasses preschool through 12th grade. PBIS promotes positive relationships, clear expectations, while consistently acknowledging and correcting behaviors. The focus is for all students to "Be Respectful, Be Responsible, Be Safe and Be Caring".

The School District is committed to providing both academic and social-emotional services for students in order to support the whole child. The School District is very fortunate to have a School-Based Program to support the social-emotional needs of our students.

➤ Nutrition and Wellness

All of the District's schools are USDA certified as HealthierUS Schools. The School District in the top 4% of schools nationwide that exceed all current USDA guidelines for food served in our schools. We strive for food that is fresh, healthy and appealing.

➤ Planning

The process of developing the Strategic Plan started October 2018 with the assembly of the Action Teams enlisting community members, teachers, staff and administrators. The planning process focused on six areas; 1. 21<sup>st</sup> Century Teaching & Learning, 2. Financial, 3. Communications, 4. Climate & Culture, 4. Safety, and 6. Facilities. The completed Strategic Plan will be presented to the Board of Education for their approval.

Annually the Board of Education's approves the Continuous Improvement Plan that was developed with input from various stakeholders. In addition to the overall plan, each building developed its annual goals within the plan to improve student outcomes.

## **Plant and Educational Support**

➤ Facilities

All school buildings are in excellent physical condition. A Permanent Improvement levy supports the building maintenance program. An architectural firm made a thorough assessment of all School District facilities and from this assessment; the Facilities Strategic Plan was presented to the Board of Education on June 29, 2016 and updated in 2019. The Twinsburg High School was opened January 1999. Attached to it is a Fitness Center operated by the City of Twinsburg Parks and Recreation Department. An artificial-grass surface was initially installed at our Tiger Stadium during the summer of 2006 and replaced in 2015. It has been positively received by the athletes and community alike.

- **Energy Conservation**  
A House Bill 264 Energy Conservation Project at the High School was completed in 2011. It has reduced energy consumption by approximately 46% and earned the High School an Energy Star Rating. An energy conservation project at R.B. Chamberlin replacing a boiler and upgrading lighting and HVAC controls was completed in 2015.
- **Technology**  
All buildings are wired, networked, and have internet access. The School District has approximately 1,800 computers for student and staff use. Other technologies that support education are also available. All staff and Board of Education members have e-mail access. The School District has repurposed underutilized space into four new computer labs with two being at Dodge Intermediate and two at the High School. The School District is in the process of rolling out a one-to-one Chromebooks for students and teachers. The roll-out started at the High School and will filter to lower grades as resources permit.
- **Security**  
The School District has implemented a School District-wide security plan to protect the students and the staff in case of an emergency. All buildings have security equipment and procedures in place. All staff members as well as students in grades 4-12 have been trained in A.L.I.C.E., an intruder response program. The School District staff and area safety forces have participated in safety response drills. Building Welcome Centers and guest access solutions have been installed in all five educational buildings.
- **Buses**  
The School District has a fleet of 44 buses. The School District has developed a replacement schedule to refresh the fleet over a ten year cycle.

### **Financial Information**

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

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

## Other Information

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Twinsburg City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This is the nineteenth consecutive year that the School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized report. The report must satisfy Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

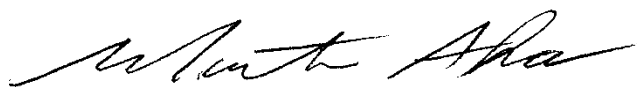
## Additional Information

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

### **Acknowledgements**

I wish to express my deepest appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. Its preparation and publication would not have been possible without the cooperation of the Board of Education, administration and the efforts of the entire staff in the Treasurer's Department and in the buildings. It is with great pride that the Twinsburg City School District presents the 2019 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

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



Martin Aho, M.B.A.  
Treasurer



Kathryn Powers  
Superintendent

***Twinsburg City School District***  
**Public Officials Roster**  
**For the Fiscal Year Ended June 30, 2019**

Board of Education

Mr. Mark Curtis	President
Mr. Tina Davis	Vice President
Mrs. Angela DeFabio	Member
Mr. Rob Felber	Member
Mrs. Adrienne Gordon	Member

Treasurer

Mr. Martin Aho

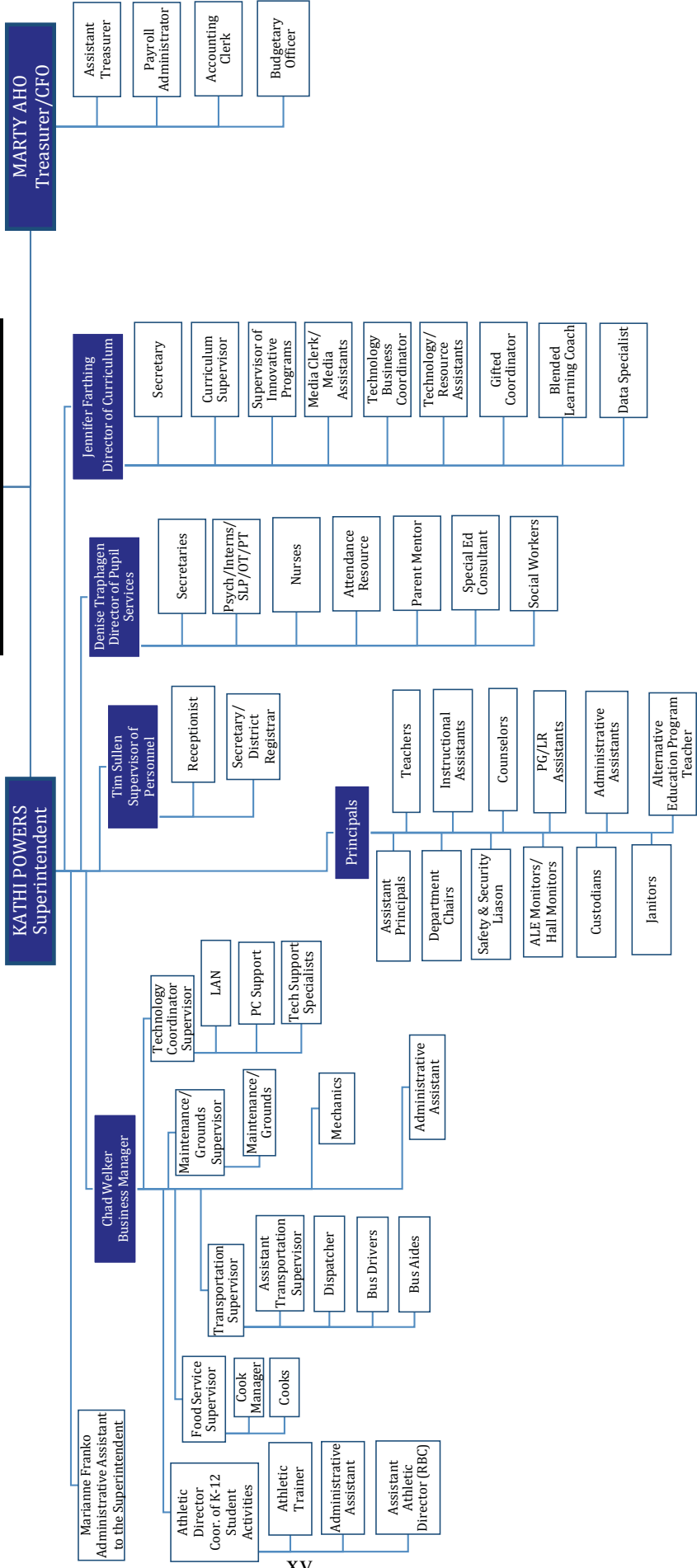
Administration

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



# Twinsburg City School District Organizational Chart 2019 – 2020

## Board of Education





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Twinsburg City School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

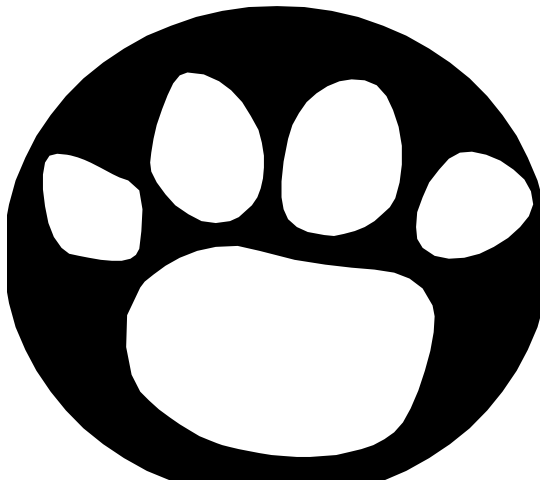
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL SECTION





**INDEPENDENT AUDITOR'S REPORT**

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

To the Board of Education:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio, as of June 30, 2019, and the respective changes in financial position and budgetary comparison of the General Fund thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension liabilities, other postemployment benefit assets/liabilities, and pension and other postemployment benefit contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary and Other Information***

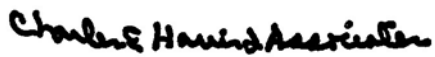
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and the statistical section information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

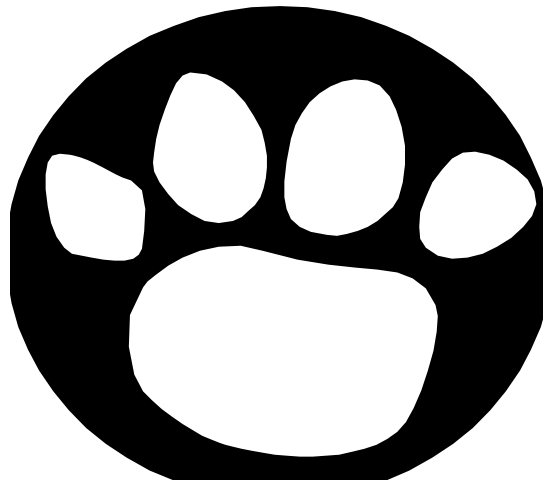
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
February 25, 2020



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

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
Unaudited

This discussion and analysis of Twinsburg City School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2019 are as follows:

- General revenues accounted for \$52,963,630 in revenue or 92.9% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest accounted for \$4,038,568 or 7.1% of total revenues of \$57,002,198.
- The School District had \$47,752,599 in expenses related to governmental activities; program revenues offset \$4,038,568 of these expenses. \$52,963,630 of general revenues was adequate to provide for these programs resulting in an increase in net position of \$9,249,599.
- Of the total governmental expenses of \$47,752,599, the amount related to instruction amounted to \$28,419,802 or 59.5% of this total.
- The School District had three major governmental funds, the general fund, the bond retirement fund and the permanent improvement fund. The general fund's balance increased \$1,772,608 to \$33,060,574 at June 30, 2019. The bond retirement's fund balance decreased \$24,133 to \$1,866,404 at June 30, 2019. The permanent improvement's fund balance increased \$806,379 to \$5,023,894 at June 30, 2019.
- The net pension and net other postemployment benefits (OPEB) liability combined decreased \$12,984,789 from 2018. This decrease is mainly due to better than expected investment returns by the public retirement systems. In addition to the decrease indicated, one retirement system is now reporting an asset related to OPEB.

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

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

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

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

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

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2019?" These statements include all non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general, bond retirement debt service and permanent improvement capital projects funds.

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

**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
Unaudited

**The School District as a Whole**

Table 1 provides a summary of the School District's net position for 2019 compared to 2018.

		Table 1 Net Position	
		<u>Governmental Activities</u>	
		<u>2019</u>	<u>2018</u>
<b>Assets</b>			
Current and other assets	\$	80,925,546	\$ 75,521,043
Net OPEB asset		3,255,055	-
Capital assets, net of depreciation		<u>30,865,297</u>	<u>32,663,110</u>
Total assets		<u>115,045,898</u>	<u>108,184,153</u>
<b>Deferred outflows of resources</b>			
Deferred charge on refunding		18,970	31,281
Pension		15,848,668	19,738,021
OPEB		<u>757,950</u>	<u>716,431</u>
Total deferred outflows of resources		<u>16,625,588</u>	<u>20,485,733</u>
<b>Liabilities</b>			
Current and other liabilities		5,624,923	5,643,896
Long-term liabilities:			
Due within one year		2,851,891	2,781,676
Due in more than one year:			
Net pension liability		55,569,579	60,371,918
Net OPEB liability		5,436,329	13,618,779
Other amounts due in more than one year		<u>8,908,746</u>	<u>11,178,722</u>
Total liabilities		<u>78,391,468</u>	<u>93,594,991</u>
<b>Deferred inflows of resources</b>			
Property taxes		33,971,141	31,152,892
Pension		4,423,685	2,734,565
OPEB		<u>6,072,487</u>	<u>1,624,332</u>
Total deferred inflows of resources		<u>44,467,313</u>	<u>35,511,789</u>
<b>Net Position</b>			
Net investment in capital assets		21,955,190	21,436,921
Restricted		7,285,148	6,565,978
Unrestricted		<u>(20,427,633)</u>	<u>(28,439,793)</u>
Total net position	\$	<u>8,812,705</u>	\$ <u>(436,894)</u>

**Twinsburg City School District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
Unaudited

Recall that the statement of net position provides the perspective of the School District as a whole. Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the School District had an increase in net position of \$9,249,599.

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

A portion of the School District's net position, \$7,285,148, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, \$1,866,773 is restricted for debt service payments, \$5,233,285 is restricted for capital projects, \$61,889 is restricted for extracurricular activities, and \$123,201 is restricted for other purposes. Restricted for other purposes for the School District is net position restricted for special revenue funds which are used for educational services.

The School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense equal to its proportionate share of each plan's change in net pension liability and net OPEB liability or asset, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing the accounting standard for pension and OPEB, the School District is reporting a significant net pension liability, net OPEB liability, related deferred inflows of resources and an increase in pension expense for the fiscal year which have a negative effect on net position. In addition, the School District is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to OPEB, which have a positive impact on net position. The increase and decrease in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability or asset that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of these accounting standards on the School District's net position, additional information is presented below.

	<u>2019</u>	<u>2018</u>
Deferred outflows - pension	\$ 15,848,668	\$ 19,738,021
Deferred outflows - OPEB	757,950	716,431
Deferred inflows - pension	(4,423,685)	(2,734,565)
Deferred inflows - OPEB	(6,072,487)	(1,624,332)
Net pension liability	(55,569,579)	(60,371,918)
Net OPEB liability	(5,436,329)	(13,618,779)
Net OPEB asset	<u>3,255,055</u>	<u>-</u>
Impact of GASB 68 and GABB 75 on net position	<u>\$ (51,640,407)</u>	<u>\$ (57,895,142)</u>

Table 2 shows change in net position for fiscal year 2019 as compared to 2018:



**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
Unaudited

Table 2  
Change in Net Position

	Governmental Activities	
	2019	2018
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,150,724	\$ 1,944,801
Operating grants, contributions and interest	1,887,844	1,735,721
General revenues:		
Property taxes	38,758,978	36,606,056
Grants and entitlements	13,506,731	14,026,160
Payments in lieu of taxes	87,124	96,129
Investment earnings	519,879	195,103
Miscellaneous	90,918	77,535
Total revenues	<u>57,002,198</u>	<u>54,681,505</u>
<b>Program Expenses</b>		
Instruction:		
Regular	22,013,355	8,571,185
Special	5,710,241	3,364,318
Vocational	36,072	16,062
Student intervention services	457,351	137,909
Other	202,783	-
Support services:		
Pupils	2,980,545	1,604,100
Instructional staff	830,517	673,385
Board of education	360,390	441,697
Administration	3,165,988	1,595,418
Fiscal	1,067,552	991,646
Business	277,956	244,348
Operation and maintenance of plant	3,965,886	3,684,799
Pupil transportation	2,950,209	2,769,000
Central	1,117,623	1,074,458
Operation on non-instructional services	1,827	1,878
Operation of food services	1,197,027	1,105,437
Extracurricular activities	1,141,250	806,942
Interest and fiscal charges	276,027	316,813
Total expenses	<u>47,752,599</u>	<u>27,399,395</u>
Increase in net position	9,249,599	27,282,110
Net position beginning of the year	(436,894)	(27,719,004)
Net position end of the year	<u>\$ 8,812,705</u>	<u>\$ (436,894)</u>

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***Governmental Activities***

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$38.7 million in 2019. The increase in property tax is due partially to varying amounts available as an advance each year that are recognized as revenue. General revenues from grants and entitlements, such as the school foundation program, generated over \$13.5 million. With the combination of taxes and intergovernmental funding 91.7% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of Table 2 reflects that the total cost of instructional services was \$28,419,802 or 59.5% of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. As compared to the prior year, these expenses increased \$16,330,328 or 135.1% mainly due to an increase in regular instruction. This increase is due to significant changes in the net pension liability, net OPEB liability and net OPEB asset from one year to the next.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$3,811,062 of the total governmental program expenses, or 8.0%. These expenses increased from the prior year in the amount of \$1,533,577, or 67.3% again due to the change in the net pension and net OPEB liabilities.

Board of Education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. The total cost was \$4,871,886 or 10.2% of governmental program expenses. Expenses of these programs increased \$1,598,777, or 48.9%, as compared to fiscal year 2018, driven mostly by increases in administration expenses.

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was \$3,965,886 or 8.3% of the governmental program expenses.

Pupil transportation expenses are expenses related to the transportation of students to and from school, as well as the service and maintenance of those vehicles. Total transportation cost was \$2,950,209 or 6.2% of the total governmental program expenditures. Expenses for providing this program increased \$181,209, or 6.5% as compared to the prior year.

Overall, expenses for governmental activities increased \$20,353,204 or 74.3% from fiscal year 2018 reported amounts. As seen above, the most significant cause of this increase was due changes in the net pension and net OPEB liabilities.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
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**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues and other financing sources for governmental funds were \$57,191,334 and total expenditures were \$54,588,897. Fund balance of the general fund increased by \$1,772,608 as compared to the 2018 ending balance. For the bond retirement debt service fund, fund balance decreased by \$24,133. The only other major governmental fund, the permanent improvement capital projects fund, fund balance increased by \$806,379 from the prior year. The increase in the general fund is primarily due to an increase in property taxes for the current year. The decrease in the bond retirement fund is primarily due to an increase in debt service expenditures and the increase in the permanent improvement fund is primarily due to a decrease in capital related expenditures during the fiscal year.

Table 3  
 Change in Fund Balance

	Fund Balance June 30, 2019	Fund Balance June 30, 2018	Increase (Decrease)
General	\$ 33,060,574	\$ 31,287,966	\$ 1,772,608
Bond retirement	1,866,404	1,890,537	(24,133)
Permanent improvement	5,023,894	4,217,515	806,379
Other governmental	372,007	324,424	47,583
Total	<u>\$ 40,322,879</u>	<u>\$ 37,720,442</u>	<u>\$ 2,602,437</u>

**General Fund**

The School District's general fund balance increased by \$1,772,608 this was due to several factors. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

Table 4  
 General Fund - Change in Revenue

	2019 <u>Amount</u>	2018 <u>Amount</u>	Percent <u>Change</u>
Taxes	\$ 35,310,829	\$ 33,099,361	6.68%
Intergovernmental	12,818,692	13,412,395	(4.43%)
Interest	520,357	195,793	165.77%
Tuition and fees	750,055	730,400	2.69%
Extracurricular activities	203,884	208,234	(2.09%)
Gifts and donations	589	230	156.09%
Rent	51,402	55,826	(7.92%)
Payment in lieu of taxes	87,124	151,687	(42.56%)
Miscellaneous	94,213	93,241	1.04%
Total	<u>\$ 49,837,145</u>	<u>\$ 47,947,167</u>	

Overall revenues within the general fund increased \$1,889,978 for the fiscal year. This is mainly due to an increase in property taxes as mentioned above.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
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The table that follows assists in illustrating the expenditures of the general fund.

Table 5  
 General Fund - Change in Expenditures by Type

<u>Expenditures</u>	2019 <u>Amount</u>	2018 <u>Amount</u>	Percent <u>Change</u>
Instruction	\$ 30,390,293	\$ 28,750,754	5.70%
Support services	16,151,488	15,934,490	1.36%
Extracurricular activities	1,019,377	1,074,272	(5.11%)
Capital outlay	295,152	6,290	4592.40%
Debt service	392,251	408,668	(4.02%)
Total	<u>\$ 48,248,561</u>	<u>\$ 46,174,474</u>	

General fund expenditures increased \$2,074,087 or 4.5 percent from the previous year. The overall increase in expenditures over the prior year is due to an increase in instructional related expenditures specifically regular and special instruction expenditures.

***Bond Retirement Fund***

The School District's bond retirement fund balance decreased by \$24,133 due to an increase in debt service expenditures and a decrease in property tax revenues. The revenues of the fund are property taxes, calculated by the county fiscal officer, state homestead and rollback money computed as a percentage of the tax due to the fund and miscellaneous. The expenditures of the fund include debt principal and interest payments as well as county fiscal officer fees. The remaining fund balance will be used to make upcoming debt payments as they become due.

***Permanent Improvement Fund***

The School District's permanent improvement fund balance increased by \$806,379 due to close monitoring of expenditures and a decrease in capital related expenditures during the fiscal year. The revenues of the fund are property taxes, calculated by the county fiscal officer, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenditures of the fund include capital related expenditures for the acquisition, construction, or improvement of capital facilities.

***General Fund Budgeting Highlights***

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

During fiscal year 2019, the School District amended its general fund budget as expenditure priorities changed according to student, building and operational needs. Budget revisions are presented to the Board of Education for approval.

**Twinsburg City School District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019  
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For the general fund, the final budget basis revenue estimate was \$48,755,022 which was a \$2,383,165 increase from the original budget estimate of \$46,371,857. This estimate is provided by the County Budget Commission, which changed the estimate based on additional information that became available during the fiscal year. Actual revenue received was \$49,168,215 which was \$413,193 more than final budgeted amounts due to an increase in revenue not known during the budgeting process.

The original expenditure appropriation amount of \$50,572,201 was revised during the fiscal year to a final amount of \$49,030,911. The reduction of \$1,541,290 was necessary with the need to cut operating costs in order to conserve resources to help offset a budget deficit. Actual expenditures were \$166,657 less than final budgeted amounts.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2019, the School District had \$30,865,297 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 6 shows fiscal year 2019 balances compared to fiscal year 2018.

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

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 1,147,310	\$ 1,147,310
Construction in progress	106,206	117,029
Land improvements	1,944,052	1,949,204
Buildings and improvements	24,362,735	25,841,390
Furniture, fixtures and equipment	1,832,701	1,852,619
Vehicles	1,472,293	1,755,558
Total capital assets	<u>\$ 30,865,297</u>	<u>\$ 32,663,110</u>

The most significant capital assets acquired during the year were new copiers and a completed paving project. The total carrying value of capital assets decreased \$1,797,813 for the current fiscal year due to current year depreciation expense exceeding capital asset additions. See Note 7 to the basic financial statements for detail on the School District's capital assets.

**Debt**

At June 30, 2019 the School District had \$8,929,077 in bonds and capital leases outstanding with \$2,452,592 due within one year. Table 7 summarizes debt outstanding as of June 30:

**Twinsburg City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2019  
 Unaudited

Table 7  
 Outstanding Debt at Fiscal Year End

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
General obligation bonds	\$ 8,565,580	\$ 10,958,103
Capital leases	<u>363,497</u>	<u>299,367</u>
Total outstanding	<u>\$ 8,929,077</u>	<u>\$ 11,257,470</u>

See Notes 13 and 14 to the basic financial statements for detail on the School District's long-term obligations.

**Current Issues Affecting Financial Condition**

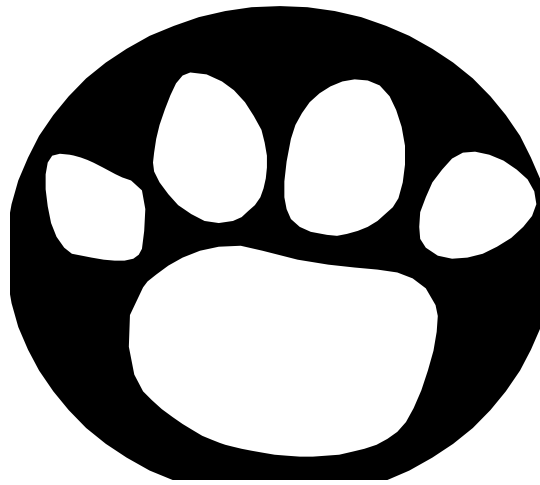
The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are at the local and State level. The local challenges will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

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

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

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

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



**Twinsburg City School District**  
**Statement of Net Position**  
**June 30, 2019**

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 40,666,998
Cash and cash equivalents:	
In segregated accounts	9,865
Receivables:	
Accounts	283,152
Intergovernmental	270,725
Taxes	39,599,281
Accrued interest	48,580
Inventory held for resale	46,945
Net OPEB asset	3,255,055
Capital assets:	
Nondepreciable capital assets	1,253,516
Depreciable capital assets	82,042,539
Accumulated depreciation	(52,430,758)
Total capital assets	<u>30,865,297</u>
Total assets	<u>115,045,898</u>
<u>Deferred outflows of resources:</u>	
Deferred charge on refunding	18,970
Pension	15,848,668
OPEB	<u>757,950</u>
Total deferred outflows of resources	<u>16,625,588</u>
<u>Liabilities:</u>	
Accounts payable	335,784
Accrued wages	4,320,159
Intergovernmental payable	928,207
Undistributed monies	11,279
Accrued interest payable	29,494
Long-term liabilities:	
Due within one year	2,851,891
Due in more than one year:	
Net pension liability	55,569,579
Net OPEB liability	5,436,329
Other amounts due in more than one year	<u>8,908,746</u>
Total liabilities	<u>78,391,468</u>
<u>Deferred inflows of resources:</u>	
Property taxes	33,971,141
Pension	4,423,685
OPEB	<u>6,072,487</u>
Total deferred inflows of resources	<u>44,467,313</u>
<u>Net position:</u>	
Net investment in capital assets	21,955,190
Restricted for:	
Capital projects	5,233,285
Debt service	1,866,773
Extracurricular activities	61,889
Other purposes	123,201
Unrestricted	<u>(20,427,633)</u>
Total net position	<u>\$ 8,812,705</u>

See accompanying notes to the basic financial statements.



**Twinsburg City School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 22,013,355	\$ 561,147	\$ 101,945	\$ (21,350,263)
Special	5,710,241	326,983	368,288	(5,014,970)
Vocational	36,072	-	-	(36,072)
Student intervention services	457,351	-	-	(457,351)
Other	202,783	-	346,435	143,652
Support services:				
Pupils	2,980,545	-	294,688	(2,685,857)
Instructional staff	830,517	-	59,241	(771,276)
Board of education	360,390	-	-	(360,390)
Administration	3,165,988	-	185,054	(2,980,934)
Fiscal	1,067,552	-	-	(1,067,552)
Business	277,956	-	-	(277,956)
Operation and maintenance of plant	3,965,886	97,994	-	(3,867,892)
Pupil transportation	2,950,209	-	-	(2,950,209)
Central	1,117,623	-	9,000	(1,108,623)
Operation of non-instructional services	1,827	-	-	(1,827)
Operation of food services	1,197,027	793,759	459,694	56,426
Extracurricular activities	1,141,250	370,841	589	(769,820)
Interest and fiscal charges	276,027	-	62,910	(213,117)
<b>Total governmental activities</b>	<b>\$ 47,752,599</b>	<b>\$ 2,150,724</b>	<b>\$ 1,887,844</b>	<b>(43,714,031)</b>

**General Revenues:**

Property taxes levied for:

General purposes	35,277,048
Debt service	1,710,728
Capital outlay	1,771,202
Grants and entitlements not restricted to specific programs	13,506,731
Payment in lieu of taxes	87,124
Investment earnings	519,879
Miscellaneous	90,918
<b>Total general revenues</b>	<b>52,963,630</b>

Change in net position	9,249,599
Net position beginning of year	(436,894)
Net position end of year	<b>\$ 8,812,705</b>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 33,297,337	\$ 1,620,591	\$ 4,908,881	\$ 499,871	\$ 40,326,680
Cash and cash equivalents:					
In segregated accounts	-	-	-	9,865	9,865
Receivables:					
Taxes	36,007,423	1,787,119	1,804,739	-	39,599,281
Accounts	270,577	-	12,500	75	283,152
Intergovernmental	154,990	-	-	115,735	270,725
Interfund	20,800	-	-	-	20,800
Accrued interest	48,580	-	-	-	48,580
Inventory held for resale	-	-	-	46,945	46,945
<b>Total assets</b>	<b>\$ 69,799,707</b>	<b>\$ 3,407,710</b>	<b>\$ 6,726,120</b>	<b>\$ 672,491</b>	<b>\$ 80,606,028</b>
<u>Liabilities:</u>					
Accounts payable	\$ 195,638	\$ -	\$ 138,981	\$ 1,165	\$ 335,784
Accrued wages	4,122,789	-	-	197,370	4,320,159
Interfund payable	-	-	-	20,800	20,800
Intergovernmental payable	885,140	-	-	43,067	928,207
Undistributed monies	11,279	-	-	-	11,279
<b>Total liabilities</b>	<b>5,214,846</b>	<b>-</b>	<b>138,981</b>	<b>262,402</b>	<b>5,616,229</b>
<u>Deferred inflows of resources:</u>					
Property taxes	30,903,756	1,522,086	1,545,299	-	33,971,141
Unavailable revenue	261,696	-	-	38,082	299,778
Unavailable revenue - delinquent property taxes	358,835	19,220	17,946	-	396,001
<b>Total deferred inflows of resources</b>	<b>31,524,287</b>	<b>1,541,306</b>	<b>1,563,245</b>	<b>38,082</b>	<b>34,666,920</b>
<u>Fund balances:</u>					
Restricted	-	1,866,404	5,023,894	407,077	7,297,375
Assigned	3,768,368	-	-	-	3,768,368
Unassigned	29,292,206	-	-	(35,070)	29,257,136
<b>Total fund balances</b>	<b>33,060,574</b>	<b>1,866,404</b>	<b>5,023,894</b>	<b>372,007</b>	<b>40,322,879</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 69,799,707</b>	<b>\$ 3,407,710</b>	<b>\$ 6,726,120</b>	<b>\$ 672,491</b>	<b>\$ 80,606,028</b>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**June 30, 2019**

Total governmental funds balances		\$ 40,322,879
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.		30,865,297
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes	\$ 396,001	
Extracurricular activities	60	
Intergovernmental	38,042	
Tuition and fees	239,081	
Rent	4,092	
Miscellaneous	18,503	
Total	695,779	695,779
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		340,318
The net pension liability and the net OPEB liability or asset are not due and payable in the current period; therefore the asset, the liability and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	\$ 15,848,668	
Deferred inflows - pension	(4,423,685)	
Net pension liability	(55,569,579)	
Deferred outflows - OPEB	757,950	
Deferred inflows - OPEB	(6,072,487)	
Net OPEB liability	(5,436,329)	
Net OPEB asset	3,255,055	
Total	(51,640,407)	(51,640,407)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(29,494)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (8,565,580)	
Compensated absences	(2,831,560)	
Capital leases	(363,497)	
Total	(11,760,637)	(11,760,637)
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.		18,970
Net position of governmental activities		\$ 8,812,705

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$ 35,310,829	\$ 1,711,101	\$ 1,773,000	\$ -	\$ 38,794,930
Intergovernmental	12,818,692	611,968	181,239	1,872,185	15,484,084
Interest	520,357	-	-	742	521,099
Tuition and fees	750,055	-	-	-	750,055
Extracurricular activities	203,884	-	-	166,921	370,805
Gifts and donations	589	-	-	4,500	5,089
Charges for services	-	-	42,500	792,203	834,703
Rent	51,402	-	-	-	51,402
Payment in lieu of taxes	87,124	-	-	-	87,124
Miscellaneous	94,213	-	-	13,806	108,019
Total revenues	<u>49,837,145</u>	<u>2,323,069</u>	<u>1,996,739</u>	<u>2,850,357</u>	<u>57,007,310</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	23,864,031	-	44,922	104,159	24,013,112
Special	6,034,539	-	-	378,534	6,413,073
Vocational	45,413	-	-	-	45,413
Student intervention services	446,310	-	-	7,558	453,868
Other	-	-	-	353,065	353,065
Support services:					
Pupils	3,102,657	-	-	298,148	3,400,805
Instructional staff	719,974	-	23,733	68,707	812,414
Board of education	364,151	-	-	-	364,151
Administration	3,406,449	-	-	183,150	3,589,599
Fiscal	1,066,632	25,664	-	-	1,092,296
Business	286,219	-	-	-	286,219
Operation and maintenance of plant	3,420,993	-	587,969	-	4,008,962
Pupil transportation	2,816,230	-	-	274	2,816,504
Central	968,183	-	155,562	18,000	1,141,745
Operation of non-instructional services	-	-	-	1,035	1,035
Operation of food services	-	-	-	1,217,696	1,217,696
Extracurricular activities	1,019,377	-	-	172,448	1,191,825
Capital outlay	295,152	-	307,928	-	603,080
Debt service:					
Principal retirement	278,338	2,060,000	63,687	-	2,402,025
Interest and fiscal charges	113,913	261,538	6,559	-	382,010
Total expenditures	<u>48,248,561</u>	<u>2,347,202</u>	<u>1,190,360</u>	<u>2,802,774</u>	<u>54,588,897</u>
Excess of revenues over (under) expenditures	<u>1,588,584</u>	<u>(24,133)</u>	<u>806,379</u>	<u>47,583</u>	<u>2,418,413</u>
<u>Other financing sources:</u>					
Inception of capital lease	184,024	-	-	-	184,024
Net change in fund balances	1,772,608	(24,133)	806,379	47,583	2,602,437
Fund balances beginning of year	31,287,966	1,890,537	4,217,515	324,424	37,720,442
Fund balances end of year	<u>\$ 33,060,574</u>	<u>\$ 1,866,404</u>	<u>\$ 5,023,894</u>	<u>\$ 372,007</u>	<u>\$ 40,322,879</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

Net change in fund balances - total governmental funds	\$ 2,602,437
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	
In the current period, these amounts are:	
Capital asset additions	\$ 603,080
Depreciation expense	<u>(2,317,900)</u>
Excess of depreciation expense over net capital asset additions	(1,714,820)
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.	
	(82,993)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:	
Property taxes	\$ (35,952)
Extracurricular activities	(10)
Intergovernmental	(95,818)
Tuition and fees	125,825
Rent	4,092
Miscellaneous	<u>(3,249)</u>
Net change in deferred inflows of resources during the year	(5,112)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
Pension	4,294,664
OPEB	137,858
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.	
Pension	(5,070,798)
OPEB	6,893,011
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	2,402,025
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statements of net position, the lease obligation is reported as a liability.	
Inception of a capital lease	(184,024)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Increase in compensated absences	\$ (128,632)
Decrease in accrued interest	7,902
Amortization of:	
Premium	110,392
Deferred cost of refunding	<u>(12,311)</u>
Total additional expenditures	<u>(22,649)</u>
Change in net position of governmental activities	<u>\$ 9,249,599</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 32,129,300	\$ 34,442,299	\$ 34,720,292	\$ 277,993
Intergovernmental	12,733,500	12,696,470	12,798,947	102,477
Interest	125,000	421,030	449,063	28,033
Tuition and fees	876,857	663,544	664,431	887
Rent	65,000	54,585	55,608	1,023
Extracurricular activities	156,000	155,504	155,581	77
Payment in lieu of taxes	75,000	87,124	87,124	-
Miscellaneous	111,200	91,892	94,595	2,703
Total revenues	<u>46,271,857</u>	<u>48,612,448</u>	<u>49,025,641</u>	<u>413,193</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	24,288,928	23,897,617	23,863,315	34,302
Special	5,886,072	5,916,252	5,916,252	-
Vocational	76,931	54,978	54,978	-
Student intervention services	439,049	477,567	477,567	-
Support services:				
Pupils	3,277,559	3,231,754	3,231,581	173
Instructional staff	753,371	723,814	723,096	718
Board of education	595,086	505,949	505,874	75
Administration	3,611,972	3,499,087	3,480,181	18,906
Fiscal	1,351,599	1,093,645	1,093,596	49
Business	317,907	291,536	291,403	133
Operation and maintenance of plant	4,500,615	3,993,404	3,974,459	18,945
Pupil transportation	2,945,183	2,875,210	2,872,433	2,777
Central	1,110,956	1,075,423	1,074,909	514
Extracurricular activities	1,006,473	985,132	985,067	65
Debt service:				
Principal retirement	222,500	222,131	222,131	-
Interest and fiscal charges	93,000	92,412	92,412	-
Total expenditures	<u>50,477,201</u>	<u>48,935,911</u>	<u>48,859,254</u>	<u>76,657</u>
Excess of revenues over (under) expenditures	<u>(4,205,344)</u>	<u>(323,463)</u>	<u>166,387</u>	<u>489,850</u>
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	100,000	100,974	100,974	-
Advances in	-	41,600	41,600	-
Advances out	(20,000)	(20,000)	(5,000)	15,000
Transfers out	(75,000)	(75,000)	-	75,000
Total other financing sources (uses)	<u>5,000</u>	<u>47,574</u>	<u>137,574</u>	<u>90,000</u>
Net change in fund balance	(4,200,344)	(275,889)	303,961	579,850
Fund balances at beginning of year	30,436,265	30,436,265	30,436,265	-
Prior year encumbrances appropriated	1,252,201	1,252,201	1,252,201	-
Fund balances at end of year	<u>\$ 27,488,122</u>	<u>\$ 31,412,577</u>	<u>\$ 31,992,427</u>	<u>\$ 579,850</u>

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Fund Net Position**  
**Internal Service Fund**  
**June 30, 2019**

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

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

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

See accompanying notes to the basic financial statements.



**Twinsburg City School District**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 10,872	\$ 364,603
Accounts receivable	-	455
Total assets	<u>\$ 10,872</u>	<u>\$ 365,058</u>
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 22
Undistributed monies	-	18,187
Due to students	-	346,849
Total liabilities	<u>-</u>	<u>\$ 365,058</u>
<u>Net position:</u>		
Held in trust for scholarships	<u>\$ 10,872</u>	

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Fund**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	\$ 112
Gifts and donations	<u>600</u>
Total additions	<u>712</u>
 <u>Deductions:</u>	
Payments in accordance with trust agreements	<u>686</u>
Change in net position	26
Net position beginning of year	<u>10,846</u>
Net position end of year	<u>\$ 10,872</u>

See accompanying notes to the basic financial statements.

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

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A. Description of the School District

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 217 non-certificated employees and 279 certificated (including administrators) teaching and support personnel that provide services to 4,131 students and other community members.

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

B. Reporting Entity

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

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

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2019.

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

C. Basis of Presentation - Fund Accounting

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

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

Government-wide Financial Statements

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

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

Fund Financial Statements

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

D. Fund Accounting

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

Governmental Fund Types:

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

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

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

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

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

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

### Proprietary Fund Type

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

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

### Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust, which accounts for scholarships. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's two agency funds account for student activities managed by the student body and money temporarily held for Ohio High School Athletic Association (OHSAA) tournaments.

### E. Measurement Focus and Basis of Accounting

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

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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

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

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

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

### Revenue - Exchange and Nonexchange Transactions

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

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

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

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding, for pension and other postemployment benefits (OPEB) reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This amount is related to a debt refunding in the current fiscal year. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance year 2020 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

Expenditures/Expenses

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

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

F. Budgets and Budgetary Accounting

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

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

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2019. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

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

### **G. Cash and Investments**

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

The School District's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the School District. The School District 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 per share that approximates fair value.

For the fiscal year 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

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



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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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

### H. Interfund Balances

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

### I. Inventory

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

### J. Restricted Assets

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

### K. Bond Premiums

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

### L. Deferred Charge on Refunding

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

### M. Capital Assets

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

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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

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

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

**N. Pension and other postemployment benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability or asset, 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 plan. 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 plans report investments at fair value.

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

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

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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

**O. Compensated Absences**

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

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Q. Fund Balance**

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

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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

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

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

Assigned fund balance classifications are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District or by State statute. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

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

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

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

R. Net Position

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

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

S. Interfund Transactions

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

T. Operating Revenues and Expenses

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

U. Estimates

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

**NOTE 2 – FUND BALANCES**

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

**Twinsburg City School District**

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Restricted for</u>					
Instructional programs	\$ -	\$ -	\$ -	\$ 110,250	\$ 110,250
Athletics and music	-	-	-	61,849	61,849
Food service	-	-	-	31,103	31,103
Technology	-	-	-	9,000	9,000
Permanent improvements	-	-	5,023,894	-	5,023,894
Building improvements and repairs	-	-	-	194,875	194,875
Debt service payments	-	1,866,404	-	-	1,866,404
Total restricted	-	1,866,404	5,023,894	407,077	7,297,375
<u>Assigned</u>					
Public school support	289,679	-	-	-	289,679
Various purchases on order*	664,887	-	-	-	664,887
Next year's budget	2,813,802	-	-	-	2,813,802
Total assigned	3,768,368	-	-	-	3,768,368
Unassigned (deficit)	29,292,206	-	-	(35,070)	29,257,136
Total fund balances	\$ 33,060,574	\$ 1,866,404	\$ 5,023,894	\$ 372,007	\$ 40,322,879

\*Purchases on order consist primarily of supplies and purchased services used for instructional and support services.

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

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

Net Change in Fund Balance	
	<u>General</u>
GAAP basis	\$ 1,772,608
Revenue accruals	(672,568)
Advances in	41,600
Expenditure accruals	80,667
Advances out	(5,000)
Budgeted as part of special revenue fund:	
Revenues	(221,986)
Expenditures	164,645
Encumbrances (Budget Basis) outstanding at year end	<u>(856,005)</u>
Budget basis	<u>\$ 303,961</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the School District and the investment is not a commercial paper note, a banker's acceptance or a repurchase agreement:

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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 for a period not to exceed thirty days in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and
8. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

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

Deposits:

Custodial credit risk is the risk that, in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor or in a pool for multiple public depositors and must have a market value of at least 105% of the total value of public monies on deposit at the institution. If the institution participates in the Ohio Pooled Collateral System (OPCS), the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.



**Twinsburg City School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

The carrying value of the School District's deposits totaled \$24,022,775. At June 30, 2019, \$8,335,522 of the School District's bank balance of \$24,155,324 was exposed to custodial credit risk. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

Investments:

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Investment Maturities (in years)</u>		
			<u>&lt; 1 year</u>	<u>&lt; 2 years</u>	<u>3-5 years</u>
Federal Farm Credit Bank	\$ 463,005	2.72%	\$ -	\$ 463,005	\$ -
Federal Home Loan Mortgage Corporation	317,189	1.86%	-	317,189	-
Federal Home Loan Bank	224,789	1.32%	-	-	224,789
Commerical paper	622,241	3.65%	622,241	-	-
First American Government Obligation	83,978	0.49%	83,978	-	-
STAR Ohio	10,762,296	63.20%	10,762,296	-	-
	<u>\$ 12,473,498</u>	<u>73.24%</u>	<u>\$ 11,468,515</u>	<u>\$ 780,194</u>	<u>\$ 224,789</u>

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Maturity</u>		
			<u>&lt; 1 year</u>	<u>&lt; 2 years</u>	<u>3-5 years</u>
Negotiable certificates of deposit	\$ 4,556,065	26.76%	\$ 1,980,146	\$ 246,348	\$ 2,329,571

All of the School District's negotiable CD's were covered in full by FDIC insurance.

The School District 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 above table identifies the School District's recurring fair value measurement as of June 30, 2019. As previously discussed Star Ohio is reported at its net asset value. All other investments of the School District are valued using quoted market prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

All interest is legally required to be placed in the general fund, the food service and public support special revenue funds and the scholarships private purpose trust fund. Interest revenue credited to the general fund during fiscal year 2019 amount to \$520,357, which includes \$92,791 assigned from other School District funds.

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

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

*Custodial credit risk* for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments in Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB) and commercial paper are held by the counterparty's trust department or agent and not in the School District's name. The School District's negotiable certificate of deposit is a registered security and covered in full by FDIC insurance. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

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

*Credit risk* is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAR Ohio and the First American Government Obligation an AAAM rating, the FHLMC, FHLB and FFCB bonds an AA+ rating and commercial paper an A-1 rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

*Concentration of credit risk* is the possibility of loss attributed to the magnitude of the School District's investment in a single issuer. The investments are presented in the table on the previous page. The investment in STAR Ohio is a pooled investment and not of a single issuer. The investments in negotiable CD's are all individually below the 5 percent. The School District places no limit on the amount that may be invested in any one issuer.

### **NOTE 5 - PROPERTY TAX**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used for public utilities) located in the School District. Real property tax revenue received in calendar 2019 represents collections of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed value listed as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2019 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 became a lien December 31, 2017, were levied after April 1, 2018 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

The School District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2020 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at year-end was \$4,744,832 in the general fund, \$245,813 in the bond retirement debt service fund and \$241,494 in the permanent improvement capital projects fund, and is recognized as revenue on the fund financial statements.

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

The assessed values upon which the fiscal year 2019 taxes were collected are:

<u>Property Category</u>	<u>2018 Assessed Value</u>	<u>2017 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 646,146,040	\$ 633,746,150
Commercial, industrial and minerals	241,886,980	241,983,390
<u>Tangible Personal Property</u>		
Public utilities	<u>21,369,320</u>	<u>20,553,900</u>
Total	<u>\$ 909,402,340</u>	<u>\$ 896,283,440</u>

**NOTE 6 - RECEIVABLES**

---

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), interfund, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. The general fund and nonmajor governmental funds reported intergovernmental receivables as follows:

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

<u>Governmental Activities</u>	<u>Amounts</u>
General:	
Workers' compensation refund	\$ 116,329
State Teachers Retirement refund	3,781
Utility reimbursements	16,377
Summer camp reimbursements	<u>18,503</u>
Total general	<u>154,990</u>
Other governmental funds:	
Grants	<u>115,735</u>
Total	<u>\$ 270,725</u>

**NOTE 7 - CAPITAL ASSETS**

---

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Capital assets, not being depreciated:				
Land	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
Construction in progress	<u>117,029</u>	<u>110,076</u>	<u>(120,899)</u>	<u>106,206</u>
Total capital assets, not being depreciated	<u>1,264,339</u>	<u>110,076</u>	<u>(120,899)</u>	<u>1,253,516</u>
Capital assets, being depreciated:				
Land improvements	6,177,327	158,163	-	6,335,490
Buildings and improvements	65,868,849	163,765	-	66,032,614
Furniture, fixtures and equipment	6,213,499	291,975	(295,688)	6,209,786
Vehicles	<u>3,669,623</u>	<u>-</u>	<u>(204,974)</u>	<u>3,464,649</u>
Total capital assets, being depreciated	<u>81,929,298</u>	<u>613,903</u>	<u>(500,662)</u>	<u>82,042,539</u>
Less: Accumulated depreciation				
Land improvements	(4,228,123)	(163,315)	-	(4,391,438)
Buildings and improvements	(40,027,459)	(1,642,420)	-	(41,669,879)
Furniture, fixtures and equipment	(4,360,880)	(249,398)	233,193	(4,377,085)
Vehicles	<u>(1,914,065)</u>	<u>(262,767)</u>	<u>184,476</u>	<u>(1,992,356)</u>
Total accumulated depreciation	<u>(50,530,527)</u>	<u>(2,317,900)</u>	<u>417,669</u>	<u>(52,430,758)</u>
Total capital assets being depreciated, net	<u>31,398,771</u>	<u>(1,703,997)</u>	<u>(82,993)</u>	<u>29,611,781</u>
Governmental activities capital assets, net	<u>\$ 32,663,110</u>	<u>\$ (1,593,921)</u>	<u>\$ (203,892)</u>	<u>\$ 30,865,297</u>

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

Depreciation expense was charged to governmental functions as follows:

Instruction:		<u>Amount</u>
Regular	\$	1,847,135
Vocational		402
Support services:		
Instructional staff		63,947
Administration		10,066
Fiscal		1,258
Operation and maintenance of plant		49,041
Pupil transportation		248,205
Central		5,751
Operation of non-instructional services		792
Operation of food services		8,149
Extracurricular activities		83,154
	\$	<u>2,317,900</u>

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

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Interfund balances at June 30, 2019 consisted of the following:

	Interfund	Interfund
	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 20,800	\$ -
Nonmajor governmental funds	<u>-</u>	<u>20,800</u>
Totals	<u>\$ 20,800</u>	<u>\$ 20,800</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2019, all interfund loans outstanding are anticipated to be repaid in fiscal year 2020.

**NOTE 9 – ACCOUNTABILITY**

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As of June 30, 2019, several funds had deficit fund balances. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had deficit balances:

<u>Fund</u>	<u>Amount</u>
Title VI-B	\$ 14,687
Title I	16,123
EHA preschool grant	3,402
Miscellaneous federal grants	858

**NOTE 10 - RISK MANAGEMENT**

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

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

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

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

## **NOTE 11 – DEFINED BENEFIT PENSION PLANS**

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### **Net Pension Liability**

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

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

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

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

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

#### **A. School Employees Retirement System (SERS)**

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$915,292 for fiscal year 2019. Of this amount \$95,208 is reported as an intergovernmental payable.

**B. State Teachers Retirement System (STRS)**

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



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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

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The School District's contractually required contribution to STRS was \$3,379,372 for fiscal year 2019. Of this amount \$504,651 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability - prior measurement date	0.213844%	0.2003568%	
Proportion of the net pension liability - current measurement date	<u>0.192582%</u>	<u>0.2025676%</u>	
Change in proportionate share	<u>-0.021262%</u>	<u>0.002211%</u>	
Proportionate share of the net pension liability	\$11,029,505	\$44,540,074	\$55,569,579
Pension expense	\$379,268	\$4,691,530	\$5,070,798

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 604,899	\$ 1,028,121	\$ 1,633,020
Changes of assumptions	249,070	7,893,341	8,142,411
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	171,292	1,607,281	1,778,573
School District contributions subsequent to the measurement date	<u>915,292</u>	<u>3,379,372</u>	<u>4,294,664</u>
Total deferred outflows of resources	<u>\$ 1,940,553</u>	<u>\$ 13,908,115</u>	<u>\$ 15,848,668</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 305,594	\$ 2,700,861	\$ 3,006,455
Net difference between expected and actual experience	-	290,874	290,874
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>762,876</u>	<u>363,480</u>	<u>1,126,356</u>
Total deferred inflows of resources	<u>\$ 1,068,470</u>	<u>\$ 3,355,215</u>	<u>\$ 4,423,685</u>

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

\$4,294,664 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

Fiscal Year	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2020	\$ 385,863	\$ 4,349,266	\$ 4,735,129
2021	26,609	3,095,789	3,122,398
2022	(361,959)	223,976	(137,983)
2023	<u>(93,722)</u>	<u>(495,503)</u>	<u>(589,225)</u>
Total	<u>\$ (43,209)</u>	<u>\$ 7,173,528</u>	<u>\$ 7,130,319</u>

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage inflation	3 percent
Future salary increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent
Investment rate of return	7.5 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an experience study that was completed June 30, 2015.

With the authority granted the Board under Senate Bill 8, the Board enacted a three year COLA delay for future recipients commencing benefits on or after April 1, 2018.

**Twinsburg City School District**

Notes to the Basic Financial Statements  
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Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

Asset class	Target allocation	Long-term expected real rate of return
Cash	1.00 %	0.50 %
US stocks	22.50	4.75
Non-US stocks	22.50	7.00
Fixed income	19.00	1.50
Private equity	10.00	8.00
Real assets	15.00	5.00
Multi-asset strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.5 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.5 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5 percent), or one percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
School District's proportionate share of the net pension liability	\$ 15,535,889	\$11,029,505	\$7,251,203

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Projected salary increases	2.5 percent at age 65 to 12.5 percent at age 20
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate of return	7.45 percent
Payroll increases	3 percent
Cost of living adjustments (COLA)	0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset class</u>	<u>Target allocation **</u>	<u>Long-term expected real rate of return*</u>
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	<u>1.00</u>	2.25
Total	<u>100.00</u> %	

\*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30 year period, STRS's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

\*\*Target weights will be phased in over a 24 month Period concluding on July 1, 2019.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current discount rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$ 65,044,914	\$44,540,074	\$27,185,508

**NOTE 12 – DEFINED BENEFIT OPEB PLANS**

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**Net OPEB Liability or Asset**

The net OPEB liability or asset reported on the statement of net position represents a liability or asset 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 or asset represents the School District'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 or 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 these estimates annually.

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

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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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 or asset. Resulting adjustments to the net OPEB liability or asset 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 funded/unfunded benefits is presented as a long-term net OPEB liability or asset 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.

### **A. School Employees Retirement System (SERS)**

**Health Care Plan Description** - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the School District's surcharge obligation was \$103,958.

**Twinsburg City School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$137,858 for fiscal year 2019. Of this amount \$107,483 is reported as an intergovernmental payable.

**B. State Teachers Retirement System (STRS)**

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

**OPEB Liability or Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability or asset was measured as of June 30, 2018, and the total OPEB liability or asset used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or asset was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability or asset - prior measurement date	0.216176%	0.2003568%	
Proportion of the net OPEB liability or asset - current measurement date	<u>0.195955%</u>	<u>0.2025676%</u>	
Change in proportionate share	<u>-0.020221%</u>	<u>0.002211%</u>	
Proportionate share of the net OPEB liability (asset)	\$5,436,329	(\$3,255,055)	\$2,181,274
OPEB expense	\$163,444	(\$7,056,455)	(\$6,893,011)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 88,740	\$ 380,195	\$ 468,935
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	78,694	72,463	151,157
School District contributions subsequent to the measurement date	<u>137,858</u>	<u>-</u>	<u>137,858</u>
Total deferred outflows of resources	<u>\$ 305,292</u>	<u>\$ 452,658</u>	<u>\$ 757,950</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 8,156	\$ 371,864	\$ 380,020
Changes of assumptions	488,413	4,435,269	4,923,682
Net difference between expected and actual experience	-	189,650	189,650
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>500,264</u>	<u>78,871</u>	<u>579,135</u>
Total deferred inflows of resources	<u>\$ 996,833</u>	<u>\$ 5,075,654</u>	<u>\$ 6,072,487</u>

\$137,858 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 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:

Fiscal Year	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2020	\$ (246,532)	\$ (830,242)	\$ (1,076,774)
2021	(213,867)	(830,242)	(1,044,109)
2022	(110,431)	(830,244)	(940,675)
2023	(106,959)	(745,792)	(852,751)
2024	(107,524)	(716,162)	(823,686)
Thereafter	<u>(44,086)</u>	<u>(670,314)</u>	<u>(714,400)</u>
Total	<u>\$ (829,399)</u>	<u>\$ (4,622,996)</u>	<u>\$ (5,452,395)</u>

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 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.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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 OPEB liability in the latest actuarial valuation date of June 30, 2018 are presented below:

Wage inflation	3 percent
Future salary increases, including inflation	3.5 percent to 18.2 percent
Investment rate of return	7.5 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62 percent
Prior measurement date	3.56 percent
Single equivalent interest rate, net of plan investment expense, including price inflation	
Measurement date	3.70 percent
Prior measurement date	3.63 percent
Medical trend assumption	
Measurement date	5.375 to 4.75 percent
Prior measurement date	7.25 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset class	Target allocation	Long term expected real rate of return
Cash	1.00 %	0.50 %
US stocks	22.50	4.75
Non-US stocks	22.50	7.00
Fixed income	19.00	1.50
Private equity	10.00	8.00
Real assets	15.00	5.00
Multi-asset strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease <u>(2.70%)</u>	Current discount rate <u>(3.70%)</u>	1% Increase <u>(4.70%)</u>
School District's proportionate share of the net OPEB liability	\$ 6,596,558	\$5,436,329	\$4,517,645

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

	1% Decrease (6.25% decreasing to <u>3.75%</u> )	Current trend rate (7.25% decreasing to <u>4.75%</u> )	1% Increase (8.2% decreasing to <u>5.75%</u> )
School District's proportionate share of the net OPEB liability	\$ 4,386,121	\$5,436,329	\$6,826,994

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Discount rate of return	7.45 percent
Health care cost trends:	
Medical	
Pre-Medicare	6 percent initial, 4 percent ultimate
Medicare	5 percent initial, 4 percent ultimate
Prescription drug	
Pre-Medicare	8 percent initial, 4 percent ultimate
Medicare	(5.23) percent initial, 4 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset class	Target allocation	Long term expected real rate of return*
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	<u>1.00</u>	2.25
Total	<u>100.00 %</u>	

\*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30 year period, STRS's investment consultant indicated that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB asset was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB asset as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease <u>(6.45%)</u>	Current discount rate <u>(7.45%)</u>	1% Increase <u>(8.45%)</u>
School District's proportionate share of the net OPEB asset	\$ (2,789,887)	(\$3,255,055)	(\$3,646,007)
	<u>1% Decrease</u>	<u>Current trend rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	\$ (3,623,937)	(\$3,255,055)	(\$2,880,427)

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

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

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>	Due within <u>one year</u>
<b><u>Governmental Long-term Obligations</u></b>					
<b><u>General Obligation Bonds</u></b>					
2013 School Facilities Refunding					
Bonds, 4.25-5.0%, maturing					
December 1, 2021	\$ 8,655,000	\$ -	\$ (2,060,000)	\$ 6,595,000	\$ 2,125,000
Unamortized premium	280,503	-	(110,392)	170,111	-
2010 Energy conservation Improvement					
Bonds, 5.375%, maturing					
December 1, 2025	1,400,000	-	(175,000)	1,225,000	175,000
2014 Energy conservation Improvement					
Bonds, 3.60%, maturing					
December 1, 2028	622,600	-	(47,131)	575,469	48,828
Total bonds	<u>10,958,103</u>	<u>-</u>	<u>(2,392,523)</u>	<u>8,565,580</u>	<u>2,348,828</u>
<b><u>Other Long-term Obligations</u></b>					
Capital lease payable	299,367	184,024	(119,894)	363,497	103,764
Long-term compensated absences	<u>2,702,928</u>	<u>450,267</u>	<u>(321,635)</u>	<u>2,831,560</u>	<u>399,299</u>
Total other long-term obligations	<u>3,002,295</u>	<u>634,291</u>	<u>(441,529)</u>	<u>3,195,057</u>	<u>503,063</u>
<b><u>Net pension liability</u></b>					
STRS	47,595,187	-	(3,055,113)	44,540,074	-
SERS	<u>12,776,731</u>	<u>-</u>	<u>(1,747,226)</u>	<u>11,029,505</u>	<u>-</u>
Total net pension liability	<u>60,371,918</u>	<u>-</u>	<u>(4,802,339)</u>	<u>55,569,579</u>	<u>-</u>
<b><u>Net OPEB liability</u></b>					
STRS	7,817,183	-	(7,817,183)	-	-
SERS	<u>5,801,596</u>	<u>-</u>	<u>(365,267)</u>	<u>5,436,329</u>	<u>-</u>
Total net OPEB liability	<u>13,618,779</u>	<u>-</u>	<u>(8,182,450)</u>	<u>5,436,329</u>	<u>-</u>
Total governmental long-term obligations	<u>\$ 87,951,095</u>	<u>\$ 634,291</u>	<u>\$ (15,818,841)</u>	<u>\$ 72,766,545</u>	<u>\$ 2,851,891</u>

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

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2019

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

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

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

On November 19, 2014, the School District issued \$753,519 in energy conservation improvement bonds at an interest rate of 3.60%. These improvement bonds were issued to fund energy conservation related projects within the School District. The bonds and interest are to be repaid by the general fund.

At June 30, 2019, the School District's overall legal debt margin was \$75,147,404 with an unvoted debt limit of \$909,402. The School District bond rating was unchanged during the year.

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

Net pension/OPEB liability: There is not repayment schedule for the net pension liability and net OPEB liability; however the School District pays pension and OPEB obligations related to employee compensation from the fund benefitting from their service. In prior years this fund has primarily been the general fund.

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

Principal and interest requirements to amortize all bonds and notes outstanding at June 30, 2019 are as follows:

Fiscal Year	2013 School Facilities <u>Refunding Bonds Serial</u>		2010 Energy Conservation <u>Improvement Bonds</u>		2014 Energy Conservation <u>Improvement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest**</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,125,000	\$ 189,765	\$ 175,000	\$ 61,141	\$ 48,828	\$ 19,838
2021	2,200,000	115,591	175,000	51,734	50,585	18,049
2022	2,270,000	38,930	175,000	42,328	52,406	16,195
2023	-	-	175,000	32,922	54,293	14,274
2024	-	-	175,000	23,516	56,248	12,284
2025-2029	-	-	350,000	18,812	313,109	28,976
Total	<u>\$ 6,595,000</u>	<u>\$ 344,286</u>	<u>\$ 1,225,000</u>	<u>\$ 230,453</u>	<u>\$ 575,469</u>	<u>\$ 109,616</u>

\*\*included \$219,091 of direct pays from the federal government

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

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

Capital assets acquired by the lease have been capitalized as equipment in the amount of \$486,160, which is equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$119,894.

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

Fiscal Year	Lease Payments
2020	\$ 132,077
2021	132,078
2022	124,903
2023	<u>36,069</u>
Total minimum lease payments	425,127
Less: amount representing interest	<u>(61,630)</u>
Total	<u>\$ 363,497</u>



**Twinsburg City School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

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The Metropolitan Regional Service Council (MRSC) is the computer service organization or Information Technology Center (ITC) used by the School District. MRSC is also known as Northeast Ohio Network for Educational Technology (NEOnet), which is the name used exclusively prior to their reorganization from a consortium to a council of governments. The superintendent from each member entity is appointed to the legislative body of MRSC known as the assembly. The assembly elects a board of directors consisting of nine members. These members comprise the managerial body of the council and meet at least five times yearly. The operations of MRSC are under the control of the board of directors and the executive director. The purpose of the MRSC is to develop and employ a computer system efficiently and effectively for the needs of the member school districts. All members are required to pay fees, charges and assessments as charged. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. During fiscal year 2019, the School District contributed \$144,762 to MRSC. This contribution includes purchases of software and related items as well as payment for services. Financial information can be obtained by contacting the fiscal agent at 700 Graham Road Cuyahoga Falls, Ohio 44221.

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

The Ohio Schools Council (Council) is a jointly governed organization among 249 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in 33 northern Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2019, the School District paid \$7,105 for membership fees and \$118,380 to the Council in the form of natural gas purchases, respectively. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

**NOTE 16 - CONTINGENCIES**

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**Grants**

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2019, if applicable, cannot be determined at this time.

In the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2019.

**Twinsburg City School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019

**School Foundation Adjustments**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The ODE's final FTE adjustments did not have a material impact on the School District's financial statements

**Litigation**

The School District is involved in certain litigation and claims that arise in the ordinary course of business. Management and its legal counsel periodically review the probable outcome of pending claims and proceedings, the costs and expenses reasonably expected to be incurred, the availability and limits of the School District's insurance coverage, and the School District's accruals for uninsured liabilities. While the ultimate legal and financial liability with respect to the claims and proceedings cannot be estimated with certainty, management believes, based on its reviews and experience to date, that any liability in excess of amounts covered by insurance will not have a material effect on the School District's financial statements.

**NOTE 17 - STATUTORY RESERVES**

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The School District is required by the state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

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

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

	Capital Maintenance <u>Reserve</u>
Set-aside cash balance as of June 30, 2018	\$ -
Current year set-aside requirement	736,257
Current year offset	<u>(1,925,285)</u>
Total	\$ <u>(1,189,028)</u>
Balance carried forward to future years	<u>\$ -</u>

**NOTE 18 – COMMITMENTS/ENCUMBRANCES**

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As of June 30, 2019, the School District had a commitment in the permanent improvement fund for new buses in the amount of \$241,585.

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. The School District had outstanding encumbrances at June 30, 2019 in the following funds:

General fund	\$ 864,432
Permanent improvement	760,741
Other governmental funds	<u>16,758</u>
Total encumbrances at year end	<u>\$ 1,641,931</u>

**NOTE 19 – TAX ABATEMENTS**

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Pursuant to Ohio Revised Code (ORC) Section 3735, the City of Twinsburg (the City) established a Community Reinvestment Area (CRA) program. The CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for the renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

Pursuant to Ohio Revised Code Chapter 5709, the City established enterprise zones to encourage new investment. Property tax abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal to 100 percent of the additional property tax resulting from the increase in assessed values as a result of the improvement. The abatement is realized as a reduction in assessed value on the recipient's tax bill. The City also contracts with the School District for payments in lieu of taxes when required by the Ohio Revised Code.

The total value of the School District's share of taxes abated within the CRA and enterprise zone areas for fiscal year 2019 totaled \$446,085.

Pursuant to ORC Section 5709.82, the City and the School District have entered into various Community Reinvestment Area Compensation Agreements. These agreements require compensation to the School District for a specified portion of the property tax revenues forgone as a result of the tax incentives granted. Compensation agreement payments are made to the School District from the City. The School District received \$87,124 for compensation agreement during fiscal year 2019.

**Required Supplementary Information**



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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>School Employees Retirement System (SERS) of Ohio</b>				
School District's proportion of the net pension liability	0.192582%	0.213844%	0.207873%	0.212381%
School District's proportionate share of the net pension liability	\$ 11,029,505	\$ 12,776,731	\$ 15,214,371	\$ 12,118,654
School District's covered payroll	\$ 6,664,719	\$ 6,630,157	\$ 6,411,429	\$ 6,371,191
School District's proportionate share of the net pension liability as a percentage of its covered payroll	165.49%	192.71%	237.30%	190.21%
Plan fiduciary net position as a percentage of total pension liability	71.36%	69.50%	62.98%	69.16%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>State Teachers Retirement System (STRS) of Ohio</b>				
School District's proportion of the net pension liability	0.2025676%	0.2003568%	0.2024215%	0.1911735%
School District's proportionate share of the net pension liability	\$ 44,540,074	\$ 47,595,187	\$ 67,756,564	\$ 52,834,772
School District's covered payroll	\$ 22,812,250	\$ 22,045,771	\$ 21,302,193	\$ 20,229,507
School District's proportionate share of the net pension liability as a percentage of its covered payroll	195.25%	215.89%	318.07%	261.18%
Plan fiduciary net position as a percentage of total pension liability	77.30%	75.30%	66.80%	72.10%

(1) Ten years of information will be presented as information becomes available. Information prior to 2013 is not available.  
The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information.

<u>2014</u>	<u>2013</u>
0.220615%	0.220615%
\$ 11,165,200	\$ 13,119,266
\$ 6,308,932	\$ 6,409,270
176.97%	204.69%
71.70%	65.52%

<u>2014</u>	<u>2013</u>
0.1911363%	0.1911363%
\$ 46,490,953	\$ 55,379,719
\$ 19,805,638	\$ 19,472,554
234.74%	284.40%
74.70%	69.30%

**Twinsburg City School District**  
**Required Supplementary Information**  
**Schedule of School District Contributions - Pension**  
**Last Seven Fiscal Years (1)**

	2019	2018	2017	2016	2015
<b>School Employees Retirement System (SERS) of Ohio</b>					
Contractually required contribution	\$ 915,292	\$ 899,737	\$ 928,222	\$ 897,600	\$ 839,723
Contributions in relation to contractually required contribution	(915,292)	(899,737)	(928,222)	(897,600)	(839,723)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 6,779,941	\$ 6,664,719	\$ 6,630,157	\$ 6,411,429	\$ 6,371,191
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%	13.18%

	2019	2018	2017	2016	2015
<b>State Teachers Retirement System (STRS) of Ohio</b>					
Contractually required contribution	\$ 3,379,372	\$ 3,193,715	\$ 3,086,408	\$ 2,982,307	\$ 2,832,131
Contributions in relation to contractually required contribution	(3,379,372)	(3,193,715)	(3,086,408)	(2,982,307)	(2,832,131)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 24,138,371	\$ 22,812,250	\$ 22,045,771	\$ 21,302,193	\$ 20,229,507
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Ten years of information will be presented as information becomes available. Information prior to 2013 is not available.

See accompanying notes to required supplementary information.



<u>2014</u>	<u>2013</u>
\$ 874,418	\$ 887,043
<u>(874,418)</u>	<u>(887,043)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 6,308,932	\$ 6,409,270
13.86%	13.84%

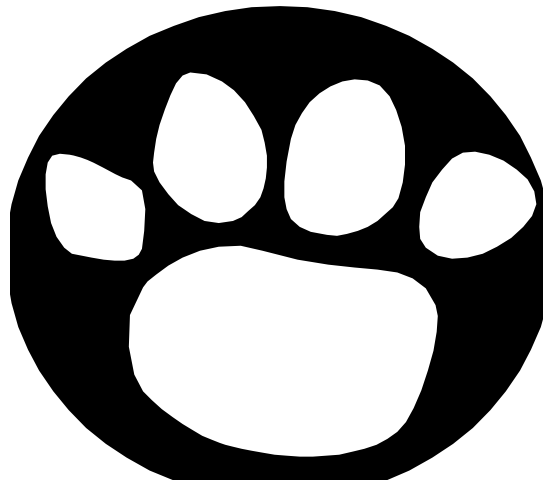
<u>2014</u>	<u>2013</u>
\$ 2,574,733	\$ 2,531,432
<u>(2,574,733)</u>	<u>(2,531,432)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 19,805,638	\$ 19,472,554
13.00%	13.00%

**Twinsburg City School District**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)**  
**Last Three Fiscal Years (1)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>School Employees Retirement System (SERS) of Ohio</b>			
School District's proportion of the net OPEB liability	0.195955%	0.216176%	0.210278%
School District's proportionate share of the net OPEB liability	\$ 5,436,329	\$ 5,801,596	\$ 5,993,698
School District's covered payroll	\$ 6,664,719	\$ 6,630,157	\$ 6,411,429
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	81.57%	87.50%	93.48%
Plan fiduciary net position as a percentage of total OPEB liability	13.57%	12.46%	11.49%
	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>State Teachers Retirement System (STRS) of Ohio</b>			
School District's proportion of the net OPEB liability or asset	0.2025676%	0.2003568%	0.2024215%
School District's proportionate share of the net OPEB liability (asset)	\$ (3,255,055)	\$ 7,817,183	\$ 10,825,552
School District's covered payroll	\$ 22,812,250	\$ 22,045,771	\$ 21,302,193
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(14.27%)	35.46%	50.82%
Plan fiduciary net position as a percentage of total OPEB liability or asset	176.00%	47.10%	37.30%

(1) Ten years of information will be presented as information becomes available. Information prior to 2013 is not available. The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to required supplementary information.



**Twinsburg City School District**  
**Required Supplementary Information**  
**Schedule of School District Contributions - OPEB**  
**Last Seven Fiscal Years (1)**

	2019	2018	2017	2016	2015
<b>School Employees Retirement System (SERS) of Ohio</b>					
Contractually required contribution (2)	\$ 137,858	\$ 141,769	\$ 113,997	\$ 104,778	\$ 159,025
Contributions in relation to contractually required contribution	(137,858)	(141,769)	(113,997)	(104,778)	(159,025)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 6,779,941	\$ 6,664,719	\$ 6,630,157	\$ 6,411,429	\$ 6,371,191
Contributions as a percentage of covered payroll	2.03%	2.13%	1.72%	1.63%	2.50%

	2019	2018	2017	2016	2015
<b>State Teachers Retirement System (STRS) of Ohio</b>					
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 24,138,371	\$ 22,812,250	\$ 22,045,771	\$ 21,302,193	\$ 20,229,507
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Ten years of information will be presented as information becomes available. Information prior to 2013 is not available.

(2) Includes surcharge

See accompanying notes to required supplementary information.

<u>2014</u>	<u>2013</u>
\$ 106,974	\$ 115,552
<u>(106,974)</u>	<u>(115,552)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 6,308,932	\$ 6,409,270
1.70%	1.80%

<u>2014</u>	<u>2013</u>
\$ 198,056	\$ 194,726
<u>(198,056)</u>	<u>(194,726)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 19,805,638	\$ 19,472,554
1.00%	1.00%

***Twinsburg City School District***  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

**Pension**

**School Employees Retirement System (SERS) of Ohio**

Changes in benefit terms: There were no changes in benefit terms for fiscal year 2019. See the notes to the basic financial statements for benefit term

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**State Teachers Retirement System (STRS) of Ohio**

Changes in benefit terms: There were no changes in benefit terms for fiscal year 2019. See the notes to the basic financial statements for benefit term

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**OPEB**

**School Employees Retirement System (SERS) of Ohio**

Changes in benefit terms: There were no changes in benefit terms for fiscal year 2019. See the notes to the basic financial statements for benefit term

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**State Teachers Retirement System (STRS) of Ohio**

Changes in benefit terms: There was a change in benefit terms for fiscal year 2019. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**Combining Statements for Nonmajor Governmental Funds**

# Combining Statements and Individual Fund Schedules

## Nonmajor Special Revenue Funds

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

### Food Service

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

### Miscellaneous Local Grants

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

### District Managed Student Activity

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

### Data Communications

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

### Miscellaneous State Grants

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

### Title VI-B

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

### Title III

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



### Title I

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

### EHA Preschool Grant

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

### Improving Teacher Quality

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

### Miscellaneous Federal Grants

To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant.

## Nonmajor Capital Projects Funds

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

### Building

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

### Replacement

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

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 304,996	\$ 194,875	\$ 499,871
Cash and cash equivalents:			
In segregated accounts	9,865	-	9,865
Receivables:			
Accounts	75	-	75
Intergovernmental	115,735	-	115,735
Inventory held for resale	46,945	-	46,945
Total assets	<u>\$ 477,616</u>	<u>\$ 194,875</u>	<u>\$ 672,491</u>
<u>Liabilities:</u>			
Accounts payable	\$ 1,165	\$ -	\$ 1,165
Accrued wages	197,370	-	197,370
Interfund payable	20,800	-	20,800
Intergovernmental payable	43,067	-	43,067
Total liabilities	<u>262,402</u>	<u>-</u>	<u>262,402</u>
<u>Deferred inflows of resources:</u>			
Unavailable revenue	<u>38,082</u>	<u>-</u>	<u>38,082</u>
<u>Fund balances:</u>			
Restricted	407,077	194,875	601,952
Unassigned	<u>(35,070)</u>	<u>-</u>	<u>(35,070)</u>
Total fund balances	<u>372,007</u>	<u>194,875</u>	<u>566,882</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 672,491</u>	<u>\$ 194,875</u>	<u>\$ 867,366</u>

***Twinsburg City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<u>Revenues:</u>			
Intergovernmental	\$ 1,872,185	\$ -	\$ 1,872,185
Interest	742	-	742
Extracurricular activities	166,921	-	166,921
Gifts and donations	4,500	-	4,500
Charges for services	792,203	-	792,203
Miscellaneous	13,806	-	13,806
Total revenues	<u>2,850,357</u>	<u>-</u>	<u>2,850,357</u>
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
Regular	104,159	-	104,159
Special	378,534	-	378,534
Student intervention services	7,558	-	7,558
Other	353,065	-	353,065
<u>Support services:</u>			
Pupils	298,148	-	298,148
Instructional staff	68,707	-	68,707
Administration	183,150	-	183,150
Pupil transportation	274	-	274
Central	18,000	-	18,000
Operation of non-instructional services	1,035	-	1,035
Operation of food services	1,217,696	-	1,217,696
Extracurricular activities	172,448	-	172,448
Total expenditures	<u>2,802,774</u>	<u>-</u>	<u>2,802,774</u>
Net change in fund balance	47,583	-	47,583
Fund balances at beginning of year	129,549	194,875	324,424
Fund balances at end of year	<u>\$ 177,132</u>	<u>\$ 194,875</u>	<u>\$ 372,007</u>

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2019**

	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Data Comm- unications
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 90,505	\$ 75,544	\$ 57,601	\$ 9,000
Cash and cash equivalents:				
In segregated accounts	5,652	-	4,213	-
Receivables:				
Accounts	-	-	75	-
Intergovernmental	-	-	-	-
Inventory held for resale	46,945	-	-	-
Total assets	<u>\$ 143,102</u>	<u>\$ 75,544</u>	<u>\$ 61,889</u>	<u>\$ 9,000</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages	73,263	-	-	-
Interfund payable	15,800	-	-	-
Intergovernmental payable	22,936	-	-	-
Total liabilities	<u>111,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred inflows of resources:</u>				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>40</u>	<u>-</u>
<u>Fund balances:</u>				
Restricted	31,103	75,544	61,849	9,000
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>31,103</u>	<u>75,544</u>	<u>61,849</u>	<u>9,000</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 143,102</u>	<u>\$ 75,544</u>	<u>\$ 61,889</u>	<u>\$ 9,000</u>

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 32,352	\$ 23,972	\$ -	\$ 12,050	\$ 55	\$ 3,275	\$ 642	\$ 304,996
-	-	-	-	-	-	-	9,865
-	-	-	-	-	-	-	75
861	63,516	-	42,898	768	6,695	997	115,735
-	-	-	-	-	-	-	46,945
<u>\$ 33,213</u>	<u>\$ 87,488</u>	<u>\$ -</u>	<u>\$ 54,948</u>	<u>\$ 823</u>	<u>\$ 9,970</u>	<u>\$ 1,639</u>	<u>\$ 477,616</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,165	\$ -	\$ 1,165
-	72,662	-	48,200	3,245	-	-	197,370
-	-	-	-	-	3,500	1,500	20,800
-	11,704	-	7,447	980	-	-	43,067
-	84,366	-	55,647	4,225	4,665	1,500	262,402
-	17,809	-	15,424	-	3,812	997	38,082
33,213	-	-	-	-	1,493	-	212,202
-	(14,687)	-	(16,123)	(3,402)	-	(858)	(35,070)
<u>33,213</u>	<u>(14,687)</u>	<u>-</u>	<u>(16,123)</u>	<u>(3,402)</u>	<u>1,493</u>	<u>(858)</u>	<u>177,132</u>
<u>\$ 33,213</u>	<u>\$ 87,488</u>	<u>\$ -</u>	<u>\$ 54,948</u>	<u>\$ 823</u>	<u>\$ 9,970</u>	<u>\$ 1,639</u>	<u>\$ 477,616</u>

**Twinsburg City School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2019**

	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Data Comm- unications
<u>Revenues:</u>				
Intergovernmental	\$ 458,952	\$ -	\$ -	\$ 9,000
Interest	742	-	-	-
Extracurricular activities	-	-	166,921	-
Gifts and donations	-	4,500	-	-
Charges for services	792,203	-	-	-
Miscellaneous	1,556	12,250	-	-
Total revenues	<u>1,253,453</u>	<u>16,750</u>	<u>166,921</u>	<u>9,000</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	49,560	-	-
Special	-	9,772	-	-
Student intervention services	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	18,000
Operation of non-instructional services	1,035	-	-	-
Operation of food services	1,217,696	-	-	-
Extracurricular activities	-	-	172,448	-
Total expenditures	<u>1,218,731</u>	<u>59,332</u>	<u>172,448</u>	<u>18,000</u>
Net change in fund balance	34,722	(42,582)	(5,527)	(9,000)
Fund balances (deficit) at beginning of year	<u>(3,619)</u>	<u>118,126</u>	<u>67,376</u>	<u>18,000</u>
Fund balances (deficit) at end of year	<u>\$ 31,103</u>	<u>\$ 75,544</u>	<u>\$ 61,849</u>	<u>\$ 9,000</u>

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 65,692	\$ 827,913	\$ 18,274	\$ 352,662	\$ 19,390	\$ 82,874	\$ 37,428	\$ 1,872,185
-	-	-	-	-	-	-	742
-	-	-	-	-	-	-	166,921
-	-	-	-	-	-	-	4,500
-	-	-	-	-	-	-	792,203
-	-	-	-	-	-	-	13,806
<u>65,692</u>	<u>827,913</u>	<u>18,274</u>	<u>352,662</u>	<u>19,390</u>	<u>82,874</u>	<u>37,428</u>	<u>2,850,357</u>
-	-	-	-	-	34,710	19,889	104,159
47,600	280,096	18,274	-	22,792	-	-	378,534
-	-	-	7,558	-	-	-	7,558
-	-	-	353,065	-	-	-	353,065
-	298,148	-	-	-	-	-	298,148
-	-	-	8,162	-	45,423	15,122	68,707
-	183,150	-	-	-	-	-	183,150
274	-	-	-	-	-	-	274
-	-	-	-	-	-	-	18,000
-	-	-	-	-	-	-	1,035
-	-	-	-	-	-	-	1,217,696
-	-	-	-	-	-	-	172,448
<u>47,874</u>	<u>761,394</u>	<u>18,274</u>	<u>368,785</u>	<u>22,792</u>	<u>80,133</u>	<u>35,011</u>	<u>2,802,774</u>
17,818	66,519	-	(16,123)	(3,402)	2,741	2,417	47,583
15,395	(81,206)	-	-	-	(1,248)	(3,275)	129,549
<u>\$ 33,213</u>	<u>\$ (14,687)</u>	<u>\$ -</u>	<u>\$ (16,123)</u>	<u>\$ (3,402)</u>	<u>\$ 1,493</u>	<u>\$ (858)</u>	<u>\$ 177,132</u>

***Twinsburg City School District***  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2019**

	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	<u>\$ 93,297</u>	<u>\$ 101,578</u>	<u>\$ 194,875</u>
 <u>Fund balances:</u>			
Restricted	<u>93,297</u>	<u>101,578</u>	<u>194,875</u>
Total fund balances	<u>\$ 93,297</u>	<u>\$ 101,578</u>	<u>\$ 194,875</u>



***Twinsburg City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances at beginning of year	<u>93,297</u>	<u>101,578</u>	<u>194,875</u>
Fund balances at end of the year	<u>\$ 93,297</u>	<u>\$ 101,578</u>	<u>\$ 194,875</u>

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

## Major General Fund

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

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

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

#### Uniform School Supplies

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

#### Adult Education

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

#### Public School Support

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

**Twinsburg City School District**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2019**

**General Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 34,442,299	\$ 34,720,292	\$ 277,993
Intergovernmental	12,696,470	12,798,947	102,477
Interest	421,030	449,063	28,033
Tuition and fees	663,544	664,431	887
Rent	54,585	55,608	1,023
Extracurricular activities	155,504	155,581	77
Payments in lieu of taxes	87,124	87,124	-
Miscellaneous	91,892	94,595	2,703
Total revenues	<u>48,612,448</u>	<u>49,025,641</u>	<u>413,193</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	16,408,559	16,408,559	-
Fringe benefits	6,127,073	6,093,172	33,901
Purchased services	794,727	794,656	71
Materials and supplies	397,221	396,890	331
Capital outlay	133,190	133,190	-
Other	36,847	36,848	(1)
Total regular	<u>23,897,617</u>	<u>23,863,315</u>	<u>34,302</u>
Special:			
Salaries and wages	3,451,787	3,451,787	-
Fringe benefits	1,456,791	1,456,791	-
Purchased services	1,005,540	1,005,540	-
Materials and supplies	2,134	2,134	-
Total special	<u>5,916,252</u>	<u>5,916,252</u>	<u>-</u>
Vocational:			
Salaries and wages	39,405	39,405	-
Fringe benefits	15,573	15,573	-
Total vocational	<u>54,978</u>	<u>54,978</u>	<u>-</u>
Student intervention services:			
Salaries and wages	350,590	350,590	-
Fringe benefits	126,977	126,977	-
Total student intervention services	<u>477,567</u>	<u>477,567</u>	<u>-</u>
Total instruction	<u>30,346,414</u>	<u>30,312,112</u>	<u>34,302</u>

(Continued)

**Twinsburg City School District**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2019**

**General Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support services:			
Pupils:			
Salaries and wages	1,650,676	1,650,676	-
Fringe benefits	575,562	575,562	-
Purchased services	994,785	994,694	91
Materials and supplies	10,731	10,649	82
Total pupils	<u>3,231,754</u>	<u>3,231,581</u>	<u>173</u>
Instructional staff:			
Salaries and wages	316,683	316,683	-
Fringe benefits	151,132	151,132	-
Purchased services	233,516	233,225	291
Materials and supplies	16,600	16,173	427
Other	5,883	5,883	-
Total instructional staff	<u>723,814</u>	<u>723,096</u>	<u>718</u>
Board of education:			
Salaries and wages	52,992	52,992	-
Fringe benefits	14,767	14,766	1
Purchased services	353,436	353,362	74
Materials and supplies	8,205	8,205	-
Other	76,549	76,549	-
Total board of education	<u>505,949</u>	<u>505,874</u>	<u>75</u>
Administration:			
Salaries and wages	2,202,648	2,202,648	-
Fringe benefits	1,034,326	1,034,326	-
Purchased services	204,058	201,912	2,146
Materials and supplies	55,225	38,465	16,760
Other	2,830	2,830	-
Total administration	<u>3,499,087</u>	<u>3,480,181</u>	<u>18,906</u>
Fiscal:			
Salaries and wages	354,635	354,635	-
Fringe benefits	133,225	133,225	-
Purchased services	31,805	31,754	51
Materials and supplies	4,120	4,121	(1)
Capital outlay	942	942	-
Other	568,918	568,919	(1)
Total fiscal	<u>1,093,645</u>	<u>1,093,596</u>	<u>49</u>
Business:			
Salaries and wages	181,716	181,716	-
Fringe benefits	57,377	57,377	-
Purchased services	2,752	2,618	134
Materials and supplies	49,691	49,692	(1)
Total business	<u>291,536</u>	<u>291,403</u>	<u>133</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and maintenance of plant:			
Salaries and wages	1,416,818	1,416,818	-
Fringe benefits	561,637	561,637	-
Purchased services	1,620,848	1,602,104	18,744
Materials and supplies	257,091	256,890	201
Capital outlay	137,010	137,010	-
Total operation and maintenance of plant	<u>3,993,404</u>	<u>3,974,459</u>	<u>18,945</u>
Pupil transportation:			
Salaries and wages	1,668,547	1,668,547	-
Fringe benefits	652,251	652,251	-
Purchased services	213,224	210,108	3,116
Materials and supplies	341,188	341,527	(339)
Total pupil transportation	<u>2,875,210</u>	<u>2,872,433</u>	<u>2,777</u>
Central:			
Salaries and wages	268,982	268,982	-
Fringe benefits	104,185	104,185	-
Purchased services	579,047	578,533	514
Materials and supplies	123,209	123,209	-
Total central	<u>1,075,423</u>	<u>1,074,909</u>	<u>514</u>
Total support services	<u>17,289,822</u>	<u>17,247,532</u>	<u>42,290</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	155,310	155,310	-
Fringe benefits	21,493	21,493	-
Total academic and subject oriented activities	<u>176,803</u>	<u>176,803</u>	<u>-</u>
Sports oriented activities:			
Salaries and wages	624,950	624,950	-
Fringe benefits	144,919	144,919	-
Purchased services	26,442	26,378	64
Materials and supplies	12,018	12,017	1
Total sports oriented activities	<u>808,329</u>	<u>808,264</u>	<u>65</u>
Total extracurricular activities	<u>985,132</u>	<u>985,067</u>	<u>65</u>
Debt service:			
Principal retirement	222,131	222,131	-
Interest and fiscal charges	92,412	92,412	-
Total expenditures	<u>48,935,911</u>	<u>48,859,254</u>	<u>76,657</u>
Excess of revenues under expenditures	<u>(323,463)</u>	<u>166,387</u>	<u>489,850</u>

***Twinsburg City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2019**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	100,974	100,974	-
Advances in	41,600	41,600	-
Advances out	(20,000)	(5,000)	15,000
Transfers out	(75,000)	-	75,000
Total other financing sources (uses)	<u>47,574</u>	<u>137,574</u>	<u>90,000</u>
Net change in fund balance	(275,889)	303,961	579,850
Fund balance at beginning of year	30,436,265	30,436,265	-
Prior year encumbrances appropriated	1,252,201	1,252,201	-
Fund balance at end of year	<u>\$ 31,412,577</u>	<u>\$ 31,992,427</u>	<u>\$ 579,850</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Uniform School Supplies Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 4,918	\$ 4,918	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,863	6,863	-
Net change in fund balance	(1,945)	(1,945)	-
Fund balance at beginning of year	11,195	11,195	-
Fund balance at end of year	\$ 9,250	\$ 9,250	\$ -

**Adult Education Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Rent	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	89,816	89,816	-
Fund balance at end of year	\$ 89,816	\$ 89,816	\$ -



**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Public School Support Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 448	\$ 478	\$ 30
Tuition and fees	166,518	167,878	1,360
Extracurricular activities	48,682	48,772	90
Gifts and donations	589	589	-
Miscellaneous	46	46	-
Total revenues	<u>216,283</u>	<u>217,763</u>	<u>1,480</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	119,003	119,001	2
Support services:			
Administration	2,000	2,000	-
Extracurricular activities	45,842	45,842	-
Total expenditures	<u>166,845</u>	<u>166,843</u>	<u>2</u>
Net change in fund balance	49,438	50,920	1,482
Fund balance at beginning of year	249,818	249,818	-
Prior year encumbrances appropriated	3,113	3,113	-
Fund balance at end of year	<u>\$ 302,369</u>	<u>\$ 303,851</u>	<u>\$ 1,482</u>

***Twinsburg City School District***  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Bond Retirement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,665,338	\$ 1,665,802	\$ 464
Intergovernmental	611,798	611,968	170
Total revenues	<u>2,277,136</u>	<u>2,277,770</u>	<u>634</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	2,085,664	2,085,664	-
Interest and fiscal charges	261,538	261,538	-
Total expenditures	<u>2,347,202</u>	<u>2,347,202</u>	<u>-</u>
Net change in fund balance	(70,066)	(69,432)	634
Fund balance at beginning of year	1,690,023	1,690,023	-
Fund balance at end of year	<u>\$ 1,619,957</u>	<u>\$ 1,620,591</u>	<u>\$ 634</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Permanent Improvement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,744,046	\$ 1,744,046	\$ -
Intergovernmental	181,239	181,239	-
Customer services	30,000	30,000	-
Total revenues	<u>1,955,285</u>	<u>1,955,285</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Regular	127,932	126,761	1,171
Support services:			
Instructional staff	23,733	23,733	-
Operation and maintenance of plant	56,081	56,080	1
Pupil transportation	226,237	226,237	-
Central	194,425	194,425	-
Capital outlay	1,341,307	1,341,306	1
Total expenditures	<u>1,969,715</u>	<u>1,968,542</u>	<u>1,173</u>
Net change in fund balance	(14,430)	(13,257)	1,173
Fund balance at beginning of year	3,767,047	3,767,047	-
Prior year encumbrances appropriated	394,350	394,350	-
Fund balance at end of year	<u>\$ 4,146,967</u>	<u>\$ 4,148,140</u>	<u>\$ 1,173</u>

***Twinsburg City School District***  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Food Service Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 377,615	\$ 377,615	\$ -
Interest	677	742	65
Charges for services	788,470	792,203	3,733
Miscellaneous	1,511	1,556	45
Total revenues	<u>1,168,273</u>	<u>1,172,116</u>	<u>3,843</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	1,035	1,035	-
Operation of food services	1,137,487	1,132,919	4,568
Total expenditures	<u>1,138,522</u>	<u>1,133,954</u>	<u>4,568</u>
Net change in fund balance	29,751	38,162	8,411
Fund balance at beginning of year	50,196	50,196	-
Prior year encumbrances appropriated	5,431	5,431	-
Fund balance at end of year	<u>\$ 85,378</u>	<u>\$ 93,789</u>	<u>\$ 8,411</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Miscellaneous Local Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 4,500	\$ 4,500	\$ -
Miscellaneous	12,350	12,350	-
Total revenues	<u>16,850</u>	<u>16,850</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	52,705	52,683	22
Special	9,772	9,772	-
Total expenditures	<u>62,477</u>	<u>62,455</u>	<u>22</u>
Net change in fund balance	(45,627)	(45,605)	22
Fund balance at beginning of year	117,277	117,277	-
Prior year encumbrances appropriated	1,900	1,900	-
Fund balance at end of year	<u>\$ 73,550</u>	<u>\$ 73,572</u>	<u>\$ 22</u>

**District Managed Student Activity Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 166,911	\$ 166,911	\$ -
<u>Expenditures:</u>			
Current:			
Extracurricular activities	173,049	172,152	897
Net change in fund balance	(6,138)	(5,241)	897
Fund balance at beginning of year	59,634	59,634	-
Prior year encumbrances appropriated	3,183	3,183	-
Fund balance at end of year	<u>\$ 56,679</u>	<u>\$ 57,576</u>	<u>\$ 897</u>

***Twinsburg City School District***  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Data Communications Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,000	\$ 9,000	\$ 4,000
<u>Expenditures:</u>			
Current:			
Support services:			
Central	18,000	18,000	-
Total expenditures	18,000	18,000	-
Net change in fund balance	(13,000)	(9,000)	4,000
Fund balance at beginning of year	18,000	18,000	-
Fund balance at end of year	\$ 5,000	\$ 9,000	\$ 4,000

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Miscellaneous State Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 64,831	\$ 64,831	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	47,825	47,825	-
Support services:			
Pupil transportation	274	274	-
Central	8,625	8,625	-
Total expenditures	56,724	56,724	-
Net change in fund balance	8,107	8,107	-
Fund balance at beginning of year	13,512	13,512	-
Prior year encumbrances appropriated	1,883	1,883	-
Fund balance at end of year	\$ 23,502	\$ 23,502	\$ -

**Title VI-B Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 811,015	\$ 811,015	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	274,004	274,004	-
Support services:			
Pupils	297,742	297,742	-
Administration	186,488	186,488	-
Total expenditures	758,234	758,234	-
Excess of revenues under expenditures	52,781	52,781	-
<u>Other financing sources (uses):</u>			
Advances out	(29,000)	(29,000)	-
Net change in fund balance	23,781	23,781	-
Fund balance at beginning of year	191	191	-
Fund balance at end of year	\$ 23,972	\$ 23,972	\$ -

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Title III Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 18,274	\$ 18,274	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	18,274	18,274	-
Net change in fund balance	-	-	-
Fund balance (deficit) at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Title I Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 338,449	\$ 338,449	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Student intervention services	9,467	8,958	509
Other	297,418	297,418	-
Support services:			
Instructional staff	8,162	8,162	-
Total expenditures	<u>315,047</u>	<u>314,538</u>	<u>509</u>
Net change in fund balance	23,402	23,911	509
Fund balance (deficit) at beginning of year	(13,261)	(13,261)	-
Fund balance (deficit) at end of year	<u>\$ 10,141</u>	<u>\$ 10,650</u>	<u>\$ 509</u>



**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**EHA Preschool Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 18,622	\$ 18,622	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	18,567	18,567	-
Net change in fund balance	55	55	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ -</u>

**Improving Teacher Quality Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 83,294	\$ 83,294	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	34,710	34,710	-
Support services:			
Instructional staff	48,639	46,826	1,813
Total expenditures	83,349	81,536	1,813
Excess of revenues under expenditures	(55)	1,758	1,813
<u>Other financing sources (uses):</u>			
Advances in	3,500	3,500	-
Advances out	(5,600)	(5,600)	-
Total other financing sources (uses)	(2,100)	(2,100)	-
Net change in fund balance	(2,155)	(342)	1,813
Fund balance at beginning of year	104	104	-
Prior year encumbrances appropriated	2,193	2,193	-
Fund balance at end of year	<u>\$ 142</u>	<u>\$ 1,955</u>	<u>\$ 1,813</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Miscellaneous Federal Grants**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 37,428	\$ 37,428	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	23,629	23,487	142
Support services:			
Instructional staff	15,122	15,122	-
Total expenditures	38,751	38,609	142
Excess of revenues under expenditures	(1,323)	(1,181)	142
<u>Other financing sources:</u>			
Advances in	1,500	1,500	-
Advances out	(7,000)	(7,000)	-
Total other financing sources (uses)	(5,500)	(5,500)	-
Net change in fund balance	(6,823)	(6,681)	142
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	7,000	7,000	-
Fund balance at end of year	\$ 177	\$ 319	\$ 142

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Building Fund**

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

**Replacement Fund**

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

## **Internal Service Fund**

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

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## **Fiduciary Funds**

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

**Statement of Changes in Assets and Liabilities - Agency Funds**

***Twinsburg City School District***  
**Schedule of Revenues, Expenses**  
**and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Employee Benefits Self Insurance Fund**

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

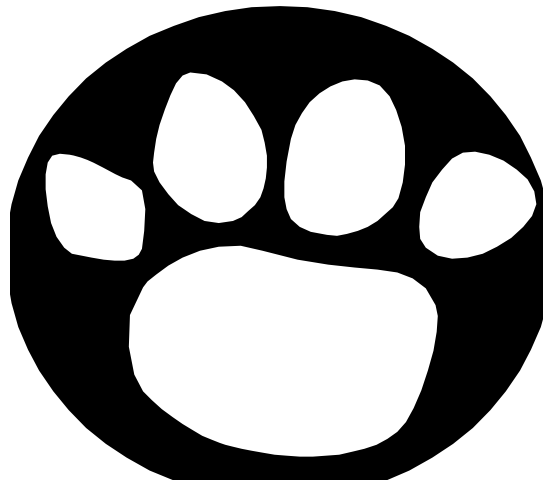
**Twinsburg City School District**  
**Schedule of Revenues, Expenses**  
**and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2019**

**Scholarships Private Purpose Trust Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 105	\$ 112	\$ 7
Gifts and donations	600	600	-
Total revenues	<u>705</u>	<u>712</u>	<u>7</u>
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	<u>686</u>	<u>686</u>	<u>-</u>
Net change in fund balance	19	26	7
Fund balance at beginning of year	10,846	10,846	-
Fund balance at end of year	<u>\$ 10,865</u>	<u>\$ 10,872</u>	<u>\$ 7</u>

**Twinsburg City School District**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2019**

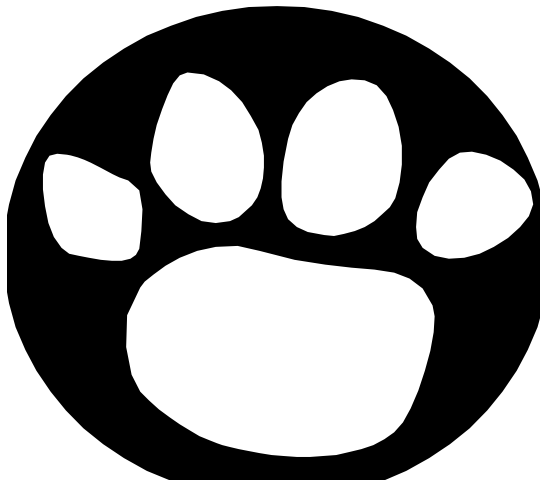
	Beginning Balance July 1, 2018	Additions	Deductions	Ending Balance June 30, 2019
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 334,313	\$ 422,307	\$ 410,204	\$ 346,416
Accounts receivable	424	455	424	455
Total assets	<u>\$ 334,737</u>	<u>\$ 422,762</u>	<u>\$ 410,628</u>	<u>\$ 346,871</u>
<u>Liabilities:</u>				
Accounts payable	\$ 2,046	\$ 22	\$ 2,046	\$ 22
Due to students	332,691	422,740	408,582	346,849
Total liabilities	<u>\$ 334,737</u>	<u>\$ 422,762</u>	<u>\$ 410,628</u>	<u>\$ 346,871</u>
 <u>District Agency</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 14,063	\$ 38,087	\$ 33,963	\$ 18,187
Total assets	<u>\$ 14,063</u>	<u>\$ 38,087</u>	<u>\$ 33,963</u>	<u>\$ 18,187</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 14,063	\$ 38,087	\$ 33,963	\$ 18,187
Total liabilities	<u>\$ 14,063</u>	<u>\$ 38,087</u>	<u>\$ 33,963</u>	<u>\$ 18,187</u>
 <u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 348,376	\$ 460,394	\$ 444,167	\$ 364,603
Accounts receivable	424	455	424	455
Total assets	<u>\$ 348,800</u>	<u>\$ 460,849</u>	<u>\$ 444,591</u>	<u>\$ 365,058</u>
<u>Liabilities:</u>				
Accounts payable	\$ 2,046	\$ 22	\$ 2,046	\$ 22
Undistributed monies	14,063	38,087	33,963	18,187
Due to students	332,691	422,740	408,582	346,849
Total liabilities	<u>\$ 348,800</u>	<u>\$ 460,849</u>	<u>\$ 444,591</u>	<u>\$ 365,058</u>





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## STATISTICAL SECTION



# Statistical Section

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

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

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

**Twinsburg City School District**

**Net Position by Component (1)**

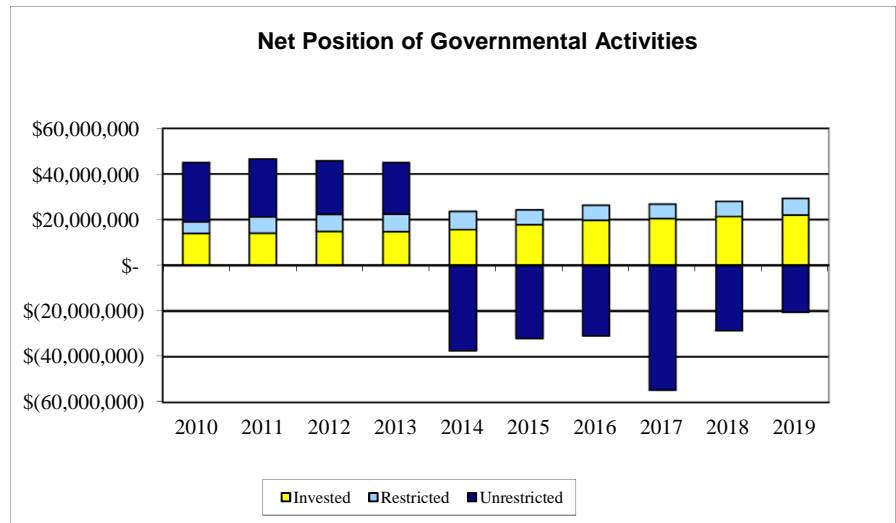
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>Restated</u> <u>2012</u>	<u>2013</u>	<u>Restated</u> <u>2014</u>
Net investment in capital assets	\$ 14,090,880	\$ 14,128,078	\$ 14,909,061	\$ 14,716,989	\$ 15,687,483
Restricted for:					
Capital projects	3,313,853	4,602,751	5,573,709	6,025,272	6,073,241
Debt service	1,518,941	2,290,640	1,546,770	1,365,517	1,769,351
Food services	24,711	-	22,654	-	-
School supplies	14,748	-	-	-	-
Extracurricular activities	93,677	128,059	148,588	131,756	113,147
Adult education	118,313	-	-	-	-
Community services	824,594	-	-	-	-
Other purposes	204,056	73,443	67,175	56,314	80,385
Unrestricted (deficit)	26,036,007	25,506,956	23,639,080	22,755,563	(37,362,785)
<b>Total net position</b>	<u>\$ 46,239,780</u>	<u>\$ 46,729,927</u>	<u>\$ 45,907,037</u>	<u>\$ 45,051,411</u>	<u>\$ (13,639,178)</u>

(1) Accrual basis of accounting.

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

(2) The School District implemented GASB 75 during fiscal year 2018.



<u>2015 (2)</u>	<u>2016</u>	Restated <u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 17,773,614	\$ 19,838,437	\$ 20,433,304	\$ 21,436,921	\$ 21,955,190
4,612,245	4,365,324	4,380,370	4,427,616	5,233,285
1,841,316	1,919,088	1,852,374	1,885,391	1,866,773
-	-	-	-	-
-	-	-	-	-
104,054	99,378	62,454	67,376	61,889
-	-	-	-	-
-	-	-	-	-
81,246	181,236	102,445	185,595	123,201
<u>(31,996,615)</u>	<u>(30,864,263)</u>	<u>(54,549,951)</u>	<u>(28,439,793)</u>	<u>(20,427,633)</u>
<u>\$ (7,584,140)</u>	<u>\$ (4,460,800)</u>	<u>\$ (27,719,004)</u>	<u>\$ (436,894)</u>	<u>\$ 8,812,705</u>

**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Expenses</b>					
Regular instruction	\$ 21,964,455	\$ 22,565,253	\$ 22,319,458	\$ 22,000,065	\$ 21,970,863
Special instruction	2,962,910	2,879,214	3,230,989	3,071,338	5,141,797
Vocational instruction	302,980	227,431	198,687	114,721	115,859
Student intervention services	61,741	70,895	67,693	133,387	200,530
Other	-	319,268	390,852	295,566	362,409
Pupil support	2,697,561	2,776,729	2,703,374	2,377,141	2,429,833
Instructional staff support	2,620,750	2,649,453	2,074,706	1,620,694	480,140
Board of education	339,020	291,636	384,137	374,348	325,433
Administration	3,274,612	3,405,245	3,176,089	2,945,174	3,082,993
Fiscal	1,125,999	1,137,742	1,106,318	1,204,727	1,498,996
Business	97,471	95,686	131,066	104,712	148,681
Operation and maintenance of plant	5,011,765	4,282,262	3,955,087	3,887,992	4,156,449
Pupil transportation	2,885,379	3,057,280	2,904,778	2,809,153	3,004,242
Central	994,783	992,250	910,173	1,241,916	1,140,320
Operation of non-instructional services	2,056	2,547	1,918	2,676	3,006
Operation of food services	1,467,504	1,365,418	1,292,913	1,216,009	1,095,152
Extracurricular activities	1,292,277	1,341,620	1,308,438	1,247,144	1,165,457
Interest and fiscal charges	1,149,754	1,100,034	856,912	751,999	450,305
<b>Total expenses</b>	<b>\$ 48,251,017</b>	<b>\$ 48,559,963</b>	<b>\$ 47,013,588</b>	<b>\$ 45,398,762</b>	<b>\$ 46,772,465</b>
<b>Program Revenues</b>					
Charges for services:					
Regular instruction	\$ 399,344	\$ 654,706	\$ 618,977	\$ 545,321	\$ 346,579
Special instruction	10,566	9,095	98,282	244,875	345,512
Adult/continuing	5,744	5,075	-	-	-
Student intervention services instruction	9,351	5,669	7,253	417	-
Other instruction	-	-	-	-	-
Pupil support	224,640	236,514	377,523	202,309	125,598
Administration	23,254	24,522	24,603	33,523	8,760
Business	-	-	-	-	-
Operation and maintenance of plant	91,666	65,666	61,845	87,575	55,165
Pupil transportation	8,333	6,200	4,761	6,800	-
Central	867	-	-	-	-
Operation of non-instructional services	-	-	-	2,510	-
Operation of food service	912,706	856,883	848,940	684,692	626,537
Extracurricular activities	389,844	438,230	375,706	436,589	396,259
Operating grants and contributions:					
Regular instruction	120,473	129,870	123,358	116,711	200,238
Special instruction	835,603	398,902	180,160	317,261	327,522
Adult/continuing	-	-	-	-	-
Student intervention services instruction	28,127	54,342	54,558	56,658	27,522
Other instruction	-	294,137	405,787	301,741	337,562
Pupil support	359,237	522,726	442,338	190,185	255,653
Instructional staff support	448,062	487,864	110,297	73,806	10,795
Board of education	116,517	101,518	-	-	-
Administration	123,261	126,984	123,467	93,093	158,298
Operation and maintenance of plant	-	-	-	-	-
Central	11,228	13,267	9,000	9,000	9,000
Operation of non-instructional services	2,063	-	-	-	-
Operation of food services	391,801	422,610	424,383	453,780	481,179
Extracurricular activities	-	-	-	-	93
Interest and fiscal charges	-	-	-	-	-

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	21,421,681	\$ 22,631,660	\$ 25,623,470	\$ 8,571,185	\$ 22,013,355
	4,664,830	5,128,091	5,955,024	3,364,318	5,710,241
	112,739	117,285	82,481	16,062	36,072
	300,763	308,870	448,514	137,909	457,351
	313,030	309,545	369,714	-	202,783
	2,325,386	2,471,817	3,116,383	1,604,100	2,980,545
	601,582	732,106	771,001	673,385	830,517
	474,628	451,277	392,974	441,697	360,390
	3,188,848	3,292,794	3,758,837	1,595,418	3,165,988
	1,000,576	1,036,002	994,755	991,646	1,067,552
	464,993	168,342	323,752	244,348	277,956
	4,210,957	3,765,911	3,868,798	3,684,799	3,965,886
	2,958,993	2,633,294	3,524,834	2,769,000	2,950,209
	834,858	1,127,150	868,625	1,074,458	1,117,623
	5,132	2,923	2,783	1,878	1,827
	1,131,311	1,140,255	1,173,056	1,105,437	1,197,027
	1,589,245	1,258,294	1,333,139	806,942	1,141,250
	498,489	430,667	372,022	316,813	276,027
\$	<u>46,098,041</u>	<u>47,006,283</u>	<u>52,980,162</u>	<u>27,399,395</u>	<u>47,752,599</u>

\$	623,241	\$ 521,296	\$ 456,648	\$ 510,281	\$ 561,147
	187,722	267,792	248,417	225,629	326,983
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	600	-
	53,465	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	59,738	53,374	76,492	97,826	97,994
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	649,772	611,663	636,001	729,986	793,759
	433,862	427,538	389,010	380,479	370,841
	105,955	84,111	100,736	102,065	101,945
	341,446	356,553	350,791	335,598	368,288
	-	-	-	-	-
	28,674	29,059	29,440	-	-
	326,251	420,201	320,200	287,780	346,435
	290,048	298,698	179,546	265,178	294,688
	17,398	35,004	10,758	7,790	59,241
	-	-	-	-	-
	164,325	168,187	187,512	189,234	185,054
	-	-	-	-	-
	9,000	9,000	9,000	9,000	9,000
	-	-	-	-	-
	481,204	495,746	460,692	467,851	459,694
	-	770	-	230	589
	94,739	87,155	78,973	70,995	62,910

**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital grants and contributions:					
Pupil transportation	3,638	-	-	-	-
<i>Total program revenues</i>	<u>\$ 4,516,325</u>	<u>\$ 4,854,780</u>	<u>\$ 4,291,238</u>	<u>\$ 3,856,846</u>	<u>\$ 3,712,272</u>
Net expense	<u>\$ (43,734,692)</u>	<u>\$ (43,705,183)</u>	<u>\$ (42,722,350)</u>	<u>\$ (41,541,916)</u>	<u>\$ (43,060,193)</u>
<b>General revenues</b>					
Property taxes levied for:					
General purposes	\$ 23,959,198	\$ 24,565,437	\$ 23,483,020	\$ 23,114,175	\$ 30,483,600
Debt service	2,241,073	2,069,686	1,894,214	1,648,599	2,057,158
Capital outlay	1,606,944	1,659,029	1,609,440	1,451,552	1,840,074
Grants and entitlements not restricted to specific programs	15,735,651	15,764,529	14,813,873	14,335,878	14,834,282
Payment in lieu taxes	187,451	-	96,607	63,290	-
Gain on the sale of capital asset	-	-	-	-	91,563
Investment earnings	68,720	59,960	34,627	35,871	27,605
Miscellaneous	35,023	76,689	97,604	36,925	85,156
<i>Total general revenues</i>	<u>\$ 43,834,060</u>	<u>\$ 44,195,330</u>	<u>\$ 42,029,385</u>	<u>\$ 40,686,290</u>	<u>\$ 49,419,438</u>
Restatement	-	-	(129,925)	-	(65,049,834)
<i>Change in net position</i>	<u>\$ 99,368</u>	<u>\$ 490,147</u>	<u>\$ (822,890)</u>	<u>\$ (855,626)</u>	<u>\$ (58,690,589)</u>

(1) Accrual basis of accounting.



<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
-	-	-	-	-
<u>\$ 3,866,840</u>	<u>\$ 3,866,147</u>	<u>\$ 3,534,216</u>	<u>\$ 3,680,522</u>	<u>\$ 4,038,568</u>
<u>\$ (42,231,201)</u>	<u>\$ (43,140,136)</u>	<u>\$ (49,445,946)</u>	<u>\$ (23,718,873)</u>	<u>\$ (43,714,031)</u>
\$ 29,334,955	\$ 27,462,404	\$ 24,510,194	\$ 33,074,608	\$ 35,277,048
1,772,225	1,808,403	1,642,774	1,754,338	1,710,728
1,769,984	1,663,753	1,489,328	1,777,110	1,771,202
15,186,749	14,936,152	14,798,671	14,026,160	13,506,731
87,564	281,893	55,558	96,129	87,124
2,540	-	-	-	-
20,206	26,226	75,076	195,103	519,879
112,016	84,645	321,394	77,535	90,918
<u>\$ 48,286,239</u>	<u>\$ 46,263,476</u>	<u>\$ 42,892,995</u>	<u>\$ 51,000,983</u>	<u>\$ 52,963,630</u>
-	-	(16,705,253)	-	-
<u>\$ 6,055,038</u>	<u>\$ 3,123,340</u>	<u>\$ (23,258,204)</u>	<u>\$ 27,282,110</u>	<u>\$ 9,249,599</u>

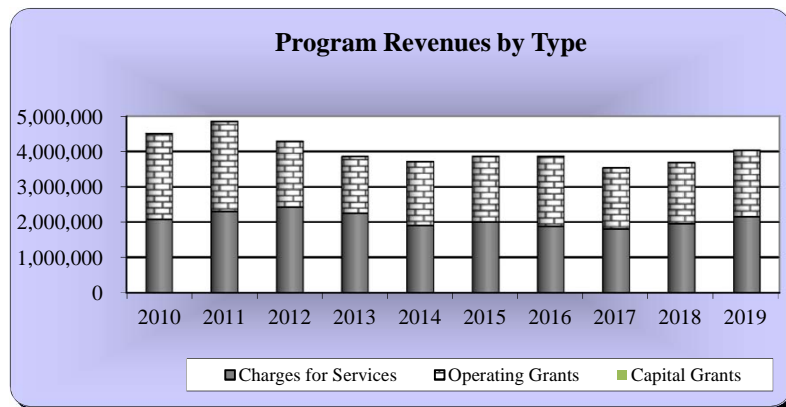
**Twinsburg City School District**

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

Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities:</b>					
<i>Function</i>					
Regular instruction	\$ 519,817	\$ 784,576	\$ 742,335	\$ 662,032	\$ 546,817
Special instruction	846,169	407,997	278,442	562,136	673,034
Adult/continuing	5,744	5,075	-	-	-
Student intervention	37,478	60,011	61,811	57,075	27,522
Other	-	294,137	405,787	301,741	337,562
Pupil support	583,877	759,240	819,861	392,494	381,251
Instructional staff support	448,062	487,864	110,297	73,806	10,795
Board of education	116,517	101,518	-	-	-
Administration	146,515	151,506	148,070	126,616	167,058
Operation and maintenance of plant	91,666	65,666	61,845	87,575	55,165
Pupil transportation	11,971	6,200	4,761	6,800	-
Central	12,095	13,267	9,000	9,000	9,000
Operation of non-instructional services	2,063	-	-	2,510	-
Operation of food service	1,304,507	1,279,493	1,273,323	1,138,472	1,107,716
Extracurricular activities	389,844	438,230	375,706	436,589	396,352
Interest and fiscal charges	-	-	-	-	-
<b>Total program revenues</b>	<b>\$ 4,516,325</b>	<b>\$ 4,854,780</b>	<b>\$ 4,291,238</b>	<b>\$ 3,856,846</b>	<b>\$ 3,712,272</b>

(1) Accrual basis of accounting.



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	729,196	\$ 605,407	\$ 557,384	\$ 612,346	\$ 663,092
	529,168	624,345	599,208	561,227	695,271
	-	-	-	-	-
	28,674	29,059	29,440	-	-
	326,251	420,201	320,200	288,380	346,435
	343,513	298,698	179,546	265,178	294,688
	17,398	35,004	10,758	7,790	59,241
	-	-	-	-	-
	164,325	168,187	187,512	189,234	185,054
	59,738	53,374	76,492	97,826	97,994
	-	-	-	-	-
	9,000	9,000	9,000	9,000	9,000
	-	-	-	-	-
	1,130,976	1,107,409	1,096,693	1,197,837	1,253,453
	433,862	428,308	389,010	380,709	371,430
	94,739	87,155	78,973	70,995	62,910
	<u>\$ 3,866,840</u>	<u>\$ 3,866,147</u>	<u>\$ 3,534,216</u>	<u>\$ 3,680,522</u>	<u>\$ 4,038,568</u>

**Twinsburg City School District**

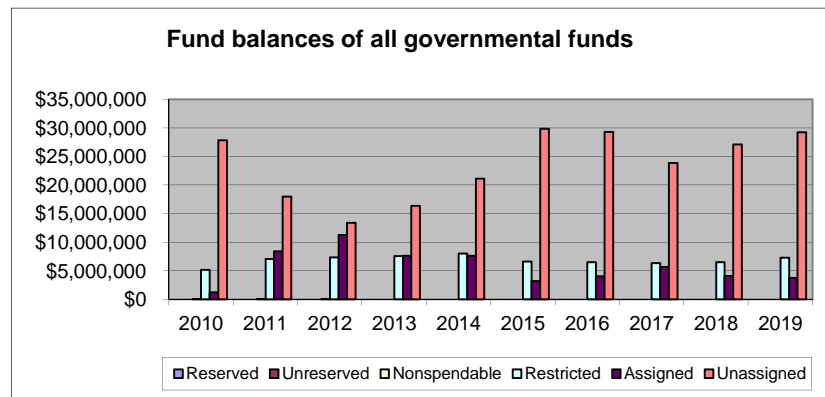
**Fund Balances, Governmental Funds (1)**

**Last Ten Fiscal Years**

	Restated <u>2010</u>	<u>2011 (2)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	1,242,903	8,398,103	11,251,798	7,625,557	7,628,790
Unassigned	<u>28,158,134</u>	<u>18,018,387</u>	<u>13,457,929</u>	<u>16,474,481</u>	<u>21,533,588</u>
<i>Total general fund</i>	<u>29,401,037</u>	<u>26,416,490</u>	<u>24,709,727</u>	<u>24,100,038</u>	<u>29,162,378</u>
All other governmental funds					
Nonspendable	35,867	66,194	50,145	-	-
Restricted	5,139,012	7,084,312	7,323,157	7,588,629	8,023,687
Unassigned (deficit)	<u>(312,145)</u>	<u>(52,073)</u>	<u>(80,613)</u>	<u>(124,738)</u>	<u>(383,825)</u>
Total all other governmental funds	<u>4,862,734</u>	<u>7,098,433</u>	<u>7,292,689</u>	<u>7,463,891</u>	<u>7,639,862</u>
<i>Total governmental funds</i>	<u>\$ 34,263,771</u>	<u>\$ 33,514,923</u>	<u>\$ 32,002,416</u>	<u>\$ 31,563,929</u>	<u>\$ 36,802,240</u>

(1) Modified accrual basis of accounting.

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



<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -
3,184,483	4,046,827	5,659,675	4,087,183	3,768,368
<u>29,949,027</u>	<u>29,354,179</u>	<u>23,963,362</u>	<u>27,200,783</u>	<u>29,292,206</u>
<u>33,133,510</u>	<u>33,401,006</u>	<u>29,623,037</u>	<u>31,287,966</u>	<u>33,060,574</u>
-	-	-	-	-
6,643,414	6,502,187	6,370,708	6,521,824	7,297,375
<u>(91,852)</u>	<u>(27,106)</u>	<u>(69,901)</u>	<u>(89,348)</u>	<u>(35,070)</u>
<u>6,551,562</u>	<u>6,475,081</u>	<u>6,300,807</u>	<u>6,432,476</u>	<u>7,262,305</u>
<u>\$ 39,685,072</u>	<u>\$ 39,876,087</u>	<u>\$ 35,923,844</u>	<u>\$ 37,720,442</u>	<u>\$ 40,322,879</u>

**Twinsburg City School District**

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

**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>
<b>Revenues</b>										
Property and other local taxes	\$ 27,763,472	\$ 28,007,105	\$ 27,128,145	\$ 26,404,695	\$ 34,380,396	\$ 32,844,348	\$ 31,257,023	\$ 27,542,523	\$ 36,645,598	\$ 38,794,930
Intergovernmental	18,005,049	18,455,628	16,632,397	15,897,634	16,319,453	17,409,943	16,834,276	16,477,708	15,726,663	15,484,084
Interest	69,253	63,300	39,057	36,060	27,662	20,270	26,432	75,354	196,353	521,099
Tuition and fees	728,296	782,171	1,008,564	1,082,238	864,203	798,153	784,487	867,343	730,400	750,055
Extracurricular activities	341,481	377,144	375,584	436,589	396,259	433,522	427,517	389,010	380,381	370,805
Contributions and donations	7,800	14,500	25,424	18,275	6,643	23,500	27,191	12,967	10,730	5,089
Charges for services	912,706	853,213	846,636	684,692	621,969	629,116	611,163	634,161	770,427	834,703
Rentals	84,769	51,260	51,318	71,665	56,028	59,738	53,374	75,992	55,826	51,402
Payment in lieu of taxes	187,451	-	96,607	63,290	-	87,564	63,247	218,646	151,687	87,124
Miscellaneous	44,085	84,311	115,791	45,554	110,905	130,148	94,406	288,254	114,178	108,019
<i>Total revenues</i>	<u>48,144,362</u>	<u>48,688,632</u>	<u>46,319,523</u>	<u>44,740,692</u>	<u>52,783,518</u>	<u>52,436,302</u>	<u>50,179,116</u>	<u>46,581,958</u>	<u>54,782,243</u>	<u>57,007,310</u>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	20,624,972	21,350,250	21,178,848	20,021,764	20,141,611	20,601,212	21,560,926	21,739,522	22,738,524	24,013,112
Special	2,904,399	2,810,573	3,172,690	3,082,834	5,083,367	4,769,509	5,223,075	5,587,238	6,128,927	6,413,073
Vocational	313,703	224,929	223,833	112,695	114,094	114,678	118,783	82,217	73,872	45,413
Student intervention services	61,741	70,895	67,693	133,387	200,530	286,639	312,885	455,748	418,372	453,868
Other	-	319,268	390,852	294,877	350,122	340,005	323,928	306,613	262,967	353,065
Support services:										
Pupil	2,712,163	2,802,849	2,701,530	2,383,821	2,448,095	2,378,487	2,513,443	2,931,955	3,125,917	3,400,805
Instructional staff	2,364,537	2,450,373	1,886,245	1,621,060	501,277	623,435	737,838	738,142	757,308	812,414
Board of education	339,020	291,636	384,137	374,348	325,433	475,273	451,999	389,113	452,820	364,151
Administration	3,150,408	3,225,043	3,011,085	2,947,827	3,130,508	3,204,099	3,309,269	3,411,825	3,522,299	3,589,599
Fiscal	1,126,088	1,132,134	1,102,440	1,199,051	1,500,554	1,016,964	1,049,865	966,525	1,057,422	1,092,296
Business	96,131	94,966	99,556	127,481	111,955	345,028	331,653	296,296	283,689	286,219
Operation and maintenance										
of plant	4,734,987	3,995,489	3,698,426	3,705,695	4,070,502	4,160,174	3,706,149	3,527,347	3,947,123	4,008,962
Pupil transportation	2,711,926	2,844,935	2,691,596	2,606,306	2,824,835	2,731,991	2,570,517	2,827,257	2,826,305	2,816,504
Central	819,332	812,400	729,061	1,155,137	1,088,156	837,769	1,143,925	850,880	1,175,818	1,141,745
Operation of non-instructional services	2,056	2,547	1,918	2,676	3,006	5,132	2,923	2,783	1,481	1,035
Operation of food services	1,407,658	1,304,931	1,245,608	1,196,116	1,083,443	1,127,073	1,154,428	1,145,943	1,166,666	1,217,696
Extracurricular activities	1,159,361	1,206,277	1,191,840	1,162,813	1,114,913	1,182,583	1,270,291	1,226,240	1,242,871	1,191,825
Capital outlay	611,143	2,787,577	406,929	219,633	1,161,940	3,444,702	1,461,967	1,339,120	1,303,701	603,080

(continued)

**Twinsburg City School District**

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

**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>
Debt service:										
Principal retirement	2,380,804	3,101,765	2,542,394	1,827,191	2,025,273	2,028,492	2,143,764	2,222,301	2,360,314	2,402,025
Interest and fiscal charges	1,161,519	1,200,823	1,105,349	1,004,467	687,319	666,872	600,473	520,916	439,595	382,010
Issuance costs	-	-	-	-	148,702	-	-	-	-	-
<i>Total expenditures</i>	<u>48,681,948</u>	<u>52,029,660</u>	<u>47,832,030</u>	<u>45,179,179</u>	<u>48,115,635</u>	<u>50,340,117</u>	<u>49,988,101</u>	<u>50,567,981</u>	<u>53,285,991</u>	<u>54,588,897</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(537,586)</u>	<u>(3,341,028)</u>	<u>(1,512,507)</u>	<u>(438,487)</u>	<u>4,667,883</u>	<u>2,096,185</u>	<u>191,015</u>	<u>(3,986,023)</u>	<u>1,496,252</u>	<u>2,418,413</u>
<b>Other financing sources (uses)</b>										
Inception of capital lease	-	-	-	-	372,091	-	-	33,780	300,346	184,024
General obligation bonds issued	-	2,592,180	-	-	-	753,519	-	-	-	-
Sale of capital assets	-	-	-	-	49,635	33,128	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	14,525,000	-	-	-	-	-
Premium on debt issuance	-	-	-	-	1,131,062	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(15,507,360)	-	-	-	-	-
Transfers in	-	2,008,130	-	-	3,961	64,022	92,909	6,235	107,764	-
Transfers out	-	(2,008,130)	-	-	(3,961)	(64,022)	(92,909)	(6,235)	(107,764)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,592,180</u>	<u>-</u>	<u>-</u>	<u>570,428</u>	<u>786,647</u>	<u>-</u>	<u>33,780</u>	<u>300,346</u>	<u>184,024</u>
<i>Net change in fund balances</i>	<u>\$ (537,586)</u>	<u>\$ (748,848)</u>	<u>\$ (1,512,507)</u>	<u>\$ (438,487)</u>	<u>\$ 5,238,311</u>	<u>\$ 2,882,832</u>	<u>\$ 191,015</u>	<u>\$ (3,952,243)</u>	<u>\$ 1,796,598</u>	<u>\$ 2,602,437</u>
Debt service as a percentage of noncapital expenditures	7.4%	8.7%	7.7%	6.3%	5.8%	5.7%	5.66%	5.57%	5.39%	5.16%

(1) Modified accrual basis of accounting.

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

## Twinsburg City School District

### Assessed and Estimated Actual Value of Taxable Property

#### Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total			Total Direct Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	Ratio	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
2010	\$ 587,973,030	\$ 248,945,910	\$ 2,391,196,971	\$ 12,965,370	\$ 14,733,375	\$ 800,870	\$ 1,281,392	\$ 850,685,180	\$ 2,407,211,738	35.34%	60.90
2011	590,734,210	251,321,590	2,405,873,714	13,697,530	15,565,375	-	-	855,753,330	2,421,439,089	35.34%	60.45
2012	552,207,870	213,749,370	2,188,449,257	14,371,670	16,331,443	-	-	780,328,910	2,204,780,700	35.39%	61.53
2013	555,860,160	207,391,480	2,180,718,971	15,708,750	17,850,852	-	-	778,960,390	2,198,569,824	35.43%	66.31
2014	561,417,970	207,431,330	2,196,712,286	17,091,010	19,421,602	-	-	785,940,310	2,216,133,888	35.46%	66.23
2015	554,729,190	218,170,140	2,208,283,800	17,870,400	20,307,273	-	-	790,769,730	2,228,591,073	35.48%	65.80
2016	564,864,660	218,257,290	2,237,491,286	18,265,210	21,488,482	-	-	801,387,160	2,258,979,768	35.48%	66.10
2017	575,834,960	223,404,770	2,283,542,086	19,781,960	23,272,894	-	-	819,021,690	2,306,814,980	35.50%	65.83
2018	633,746,150	241,983,390	2,502,084,400	20,553,900	24,181,059	-	-	896,283,440	2,526,265,459	35.48%	71.62
2019	646,146,040	241,886,980	2,537,237,200	21,369,320	25,140,376	-	-	909,402,340	2,562,377,576	35.49%	71.62

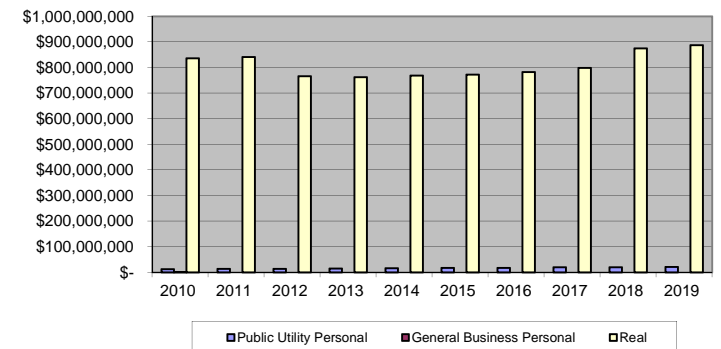
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Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property including public utility real property is 35% of estimated true value. The assessed value of public utility personal property ranges from 0% of true value for railroad property to 85% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax was phased out beginning in 2006. The listing percentages during the phase out were 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010).

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

Assessed Value of Taxable Property



Source: Summit County Fiscal Officer.



## Twinsburg City School District

### Property Tax Rates - Direct and Overlapping Governments

#### Last Ten Collection Years

Collection Year		Direct Rates				Overlapping Rates					
		Operating Millage	Permanent Improvement Millage	Debt Service Millage	Total School District	City, Township, or Village	Valley JVSD	Twinsburg Library	County of Summit	Metro Parks	Total
2019	Macedonia City	67.10	2.75	2.16	72.01	7.90	2.00	2.00	12.70	1.46	98.07
	Twinsburg Twp	67.10	2.75	2.16	72.01	20.17	2.00	2.00	12.70	1.46	110.34
	Twinsburg City	67.10	2.75	2.16	72.01	1.91	2.00	2.00	12.70	-	90.62
	Reminderville Village	67.10	2.75	2.16	72.01	5.20	2.00	2.00	12.70	1.46	95.37
2018	Macedonia City	66.87	2.75	2.00	71.62	8.90	2.00	2.00	12.70	1.46	98.68
	Twinsburg Twp	66.87	2.75	2.00	71.62	17.37	2.00	2.00	12.70	1.46	107.15
	Twinsburg City	66.87	2.75	2.00	71.62	1.93	2.00	2.00	12.70	-	90.25
	Reminderville Village	66.87	2.75	2.00	71.62	5.20	2.00	2.00	12.70	1.46	94.98
2017	Macedonia City	60.52	2.75	2.56	65.83	8.90	2.00	2.00	12.70	1.46	92.89
	Twinsburg Twp	60.52	2.75	2.56	65.83	17.37	2.00	2.00	12.70	1.46	101.36
	Twinsburg City	60.52	2.75	2.56	65.83	2.05	2.00	2.00	12.70	-	84.58
	Reminderville Village	60.52	2.75	2.56	65.83	5.20	2.00	2.00	12.70	1.46	89.19
2016	Macedonia City	60.72	2.75	2.63	66.10	8.90	2.00	2.00	12.70	1.46	93.16
	Twinsburg Twp	60.72	2.75	2.63	66.10	14.61	2.00	2.00	12.70	1.46	98.87
	Twinsburg City	60.72	2.75	2.63	66.10	2.05	2.00	2.00	12.70	-	84.85
	Reminderville Village	60.72	2.75	2.63	66.10	5.20	2.00	2.00	12.70	1.46	89.46
2015	Macedonia City	60.85	2.75	2.20	65.80	8.90	2.00	2.00	12.70	1.46	92.86
	Twinsburg Twp	60.85	2.75	2.20	65.80	14.61	2.00	2.00	12.70	1.46	98.57
	Twinsburg City	60.85	2.75	2.20	65.80	2.13	2.00	2.00	12.70	-	84.63
	Reminderville Village	60.85	2.75	2.20	65.80	5.20	2.00	2.00	12.70	1.46	89.16
2014	Macedonia City	60.86	2.75	2.62	66.23	8.90	2.00	2.00	12.70	1.46	93.29
	Twinsburg Twp	60.86	2.75	2.62	66.23	14.61	2.00	2.00	12.70	1.46	99.00
	Twinsburg City	60.86	2.75	2.62	66.23	2.06	2.00	2.00	12.70	-	84.99
	Reminderville Village	60.86	2.75	2.62	66.23	5.20	2.00	2.00	12.70	1.46	89.59
2013	Macedonia City	61.00	2.75	2.56	66.31	8.90	2.00	2.00	12.70	1.46	93.37
	Twinsburg Twp	61.00	2.75	2.56	66.31	14.61	2.00	2.00	12.70	1.46	99.08
	Twinsburg City	61.00	2.75	2.56	66.31	2.14	2.00	2.00	12.70	-	85.15
	Reminderville Village	61.00	2.75	2.56	66.31	5.20	2.00	2.00	12.70	1.46	89.67
2012	Macedonia City	44.83	2.75	13.95	61.53	8.90	2.00	2.00	12.70	1.46	88.59
	Twinsburg Twp	44.83	2.75	13.95	61.53	14.61	2.00	2.00	12.70	1.46	94.30
	Twinsburg City	44.83	2.75	13.95	61.53	2.10	2.00	2.00	12.70	-	80.33
	Reminderville Village	44.83	2.75	13.95	61.53	5.20	2.00	2.00	12.70	1.46	84.89
2011	Macedonia City	44.33	2.75	13.37	60.45	8.90	2.00	2.00	12.70	1.46	87.51
	Twinsburg Twp	44.33	2.75	13.37	60.45	12.86	2.00	2.00	12.70	1.46	91.47
	Twinsburg City	44.33	2.75	13.37	60.45	1.70	2.00	2.00	12.70	-	78.85
	Reminderville Village	44.33	2.75	13.37	60.45	5.20	2.00	2.00	12.70	1.46	83.81
2010	Macedonia City	55.35	2.75	2.80	60.90	8.90	2.00	2.00	12.70	1.46	87.96
	Twinsburg Twp	55.35	2.75	2.80	60.90	12.86	2.00	2.00	12.70	1.46	91.92
	Twinsburg City	55.35	2.75	2.80	60.90	1.70	2.00	2.00	12.70	-	79.30
	Reminderville Village	55.35	2.75	2.80	60.90	5.20	2.00	2.00	12.70	1.46	84.26

Source: Summit County Fiscal Officer.

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

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

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections (4)</u>	<u>Percent of Total Tax Collections to Current Tax Levy (3)</u>
2009	\$ 30,637,701	\$ 29,295,694	95.62%	\$ 8,656,793	\$ 37,952,487	123.88%
2010	30,405,915	29,332,444	96.47	1,137,379	30,469,823	100.21
2011	30,262,067	28,710,672	94.87	1,140,964	29,851,636	98.64
2012	30,011,730	28,939,904	96.43	1,631,939	30,571,843	101.87
2013	33,957,463	32,951,558	97.04	1,005,904	33,957,462	100.00
2014	34,005,915	33,263,008	97.82	742,907	34,005,915	100.00
2015	33,868,053	33,087,996	97.70	780,057	33,868,053	100.00
2016	34,505,987	33,799,546	97.95	706,440	34,505,986	100.00
2017	34,998,002	34,184,827	97.68	813,174	34,998,001	100.00
2018	41,751,979	40,865,438	97.88	886,541	41,751,979	100.00

**Source:** Summit County Fiscal Officer.

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

(2) The 2019 information cannot be presented because all collections have not been made by June 30, 2019.

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

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

**Twinsburg City School District**

**Principal Taxpayers**

**Real Estate Tax**

**2019 and 2010 (1)**

Name of Taxpayer	Assessed Value	2019	
		Rank	Percent of Real Property Assessed Value
Deer Run Apartments Limited	\$ 7,349,920	1	0.83%
HGG Twinsburg Residential LTD	5,044,110	2	0.57%
Twinsburg Industrial Properties LLC	4,924,240	3	0.55%
Aveni-Twinsburg I LTD	4,613,750	4	0.52%
Pepsi Cola General Bottlers of Ohio, Inc.	3,914,820	5	0.44%
Great Lakes Industrial Portfolio	3,642,810	6	0.41%
Apple Nine Hospitality Ownership, Inc.	3,558,390	7	0.40%
Twinsburg Equities Group LLC	3,239,610	8	0.37%
Twinsville Associates	3,159,630	9	0.36%
Ohio Industrial Cleveland LP	3,025,220	10	0.34%
Totals	<u>\$ 42,472,500</u>		<u>4.79%</u>
Total assessed valuation	<u>\$ 888,033,020</u>		

Name of Taxpayer	Assessed Value	2010	
		Rank	Percent of Real Property Assessed Value
Chrysler Corporation	\$ 11,685,220	1	1.40%
Deer Run Apts. Ltd.	8,014,420	2	0.96%
Twinsburg Residential Associates	6,881,900	3	0.82%
GV Rental Properties LLC	3,852,640	4	0.46%
Twinsburg Equities Group LLC	3,674,140	5	0.44%
Twinsville Associates	3,662,610	6	0.44%
Pepsi Cola General Bottlers of Ohio Inc.	3,573,570	7	0.43%
Aventi-Twinsburg I LTD	3,426,160	8	0.41%
Coca Cola Bottling Company	3,247,820	9	0.39%
USF Propco I LLC	3,208,640	10	0.38%
Totals	<u>\$ 51,227,120</u>		<u>6.12%</u>
Total assessed valuation	<u>\$ 836,918,940</u>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2019 and 2010 collections were based.

**Twinsburg City School District**

**Principal Taxpayers**

**Public Utilities Tax**

**2019 and 2010 (1)**

<u>Name of Taxpayer</u>	<u>2019</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 13,314,350	1	62.31%
American Transmission	5,014,490	2	23.47%
East Ohio Gas	2,494,120	3	11.67%
Cleveland Electric Illuminating	538,610	4	2.52%
Buckeye Pipeline Company LP	7,750	5	0.04%
Totals	<u>\$ 21,369,320</u>		<u>100.00%</u>
Total assessed valuation	<u>\$ 21,369,320</u>		

<u>Name of Taxpayer</u>	<u>2010</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 9,938,780	1	76.65%
East Ohio Gas	1,351,860	2	10.43%
American Transmission	1,281,640	4	9.89%
Cleveland Electric Illuminating	393,090	5	3.03%
Totals	<u>\$ 12,965,370</u>		<u>100.00%</u>
Total assessed valuation	<u>\$ 12,965,370</u>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2019 and 2010 collections were based.

**Twinsburg City School District**

**Ratio of Outstanding Debt By Type**

**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
2010	\$ 25,715,097	\$ 763,000	\$ 403,545	\$ 26,881,642	3.38%	\$ 874.77
2011	25,908,974	-	324,780	26,233,754	3.20%	1,086.87
2012	23,185,070	-	239,566	23,424,636	2.68%	970.49
2013	21,204,884	-	147,375	21,352,259	2.39%	884.63
2014	19,250,794	-	339,193	19,589,987	2.08%	811.62
2015	17,859,384	-	270,701	18,130,085	1.90%	751.13
2016	15,603,733	-	198,451	15,802,184	1.60%	654.69
2017	13,304,436	-	148,842	13,453,278	1.30%	557.37
2018	10,958,103	-	299,367	11,257,470	n/a	466.40
2019	8,565,580	-	363,497	8,929,077	n/a	369.93

**Source:** School District Financial Records.

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

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

General Bonded Debt

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
2010	30,730 a	\$ 2,407,211,738	\$ 25,715,097	\$ 1,518,941	\$ 24,196,156	1.01%	\$ 787
2011	24,137 b	2,421,439,089	25,908,974	2,290,640	23,618,334	0.98%	978.51
2012	24,137 b	2,204,780,700	23,185,070	1,546,770	21,638,300	0.98%	896.48
2013	24,137 b	2,198,569,824	21,204,884	1,365,517	19,839,367	0.90%	821.95
2014	24,137 b	2,216,133,888	19,250,794	1,769,351	17,481,443	0.79%	724.26
2015	24,137 b	2,228,591,073	17,859,384	1,841,316	16,018,068	0.72%	663.63
2016	24,137 b	2,258,979,768	15,603,733	1,919,088	13,684,645	0.61%	566.96
2017	24,137 b	2,306,814,980	13,304,436	1,852,374	11,452,062	0.50%	474.46
2018	24,137 b	2,526,265,459	10,958,103	1,885,391	9,072,712	0.36%	375.88
2019	24,137 b	2,562,377,576	8,565,580	1,886,773	6,678,807	0.26%	276.70

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

**Twinsburg City School District**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2019**

Jurisdiction	Net General Tax Supported Debt (1)	Percent Overlapping (3)	Amount Applicable Twinsburg City School District
Direct:			
Twinsburg City School District	\$ 8,929,077	100.00%	\$ 8,929,077
Overlapping:			
City of Twinsburg	8,878,000	100.00%	8,878,000
Twinsburg Township	-	100.00%	-
City of Macedonia	11,825,000	1.78%	210,485
Reminderville Village	2,844,924	79.25%	2,254,602
Twinsburg Library	-	100.00%	-
Metro Transit	-	7.26%	-
Cuyahoga Valley Career Center (2)	-	14.07%	-
Muskingum Watershed Conservancy District	-	1.99%	-
Summit Metro Park District	-	2.26%	-
Summit County	37,290,000	7.26%	2,707,254
Total overlapping:	60,837,924		14,050,341
Total direct and overlapping debt:	\$ 69,767,001		\$ 22,979,418

**Sources:** Ohio Municipal Advisory Council.

(1) All debt reported as of December 31, 2018, except for Twinsburg City School District which is reported as of June 30, 2019.

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

(3) Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the School District's boundaries and dividing it by each unit's total taxable assessed value.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Tax Valuation	<u>\$ 836,918,940</u>	<u>\$ 842,055,800</u>	<u>\$ 780,328,910</u>	<u>\$ 778,960,390</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>75,322,705</u>	<u>75,785,022</u>	<u>70,229,602</u>	<u>70,106,435</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	25,715,097	25,908,974	23,185,070	21,204,884
Various Purpose Notes	763,000	-	-	-
Less Amount Available in Debt Service	<u>(1,555,580)</u>	<u>(2,308,469)</u>	<u>(1,559,093)</u>	<u>(1,393,267)</u>
Amount of Debt Subject to Limit	<u>24,922,517</u>	<u>23,600,505</u>	<u>21,625,977</u>	<u>19,811,617</u>
Legal Debt Margin	<u>\$ 50,400,188</u>	<u>\$ 52,184,517</u>	<u>\$ 48,603,625</u>	<u>\$ 50,294,818</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.91%	68.86%	69.21%	71.74%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 836,919	\$ 842,056	\$ 780,329	\$ 778,960
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$ 836,919</u>	<u>\$ 842,056</u>	<u>\$ 780,329</u>	<u>\$ 778,960</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records.

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

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



<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>\$ 785,940,310</u>	<u>\$ 790,769,730</u>	<u>\$ 801,387,160</u>	<u>\$ 819,021,690</u>	<u>\$ 896,283,440</u>	<u>\$ 909,402,340</u>
<u>70,734,628</u>	<u>71,169,276</u>	<u>72,124,844</u>	<u>73,711,952</u>	<u>80,665,510</u>	<u>81,846,211</u>
19,250,794	17,859,384	15,603,733	13,304,436	10,958,103	8,565,580
-	-	-	-	-	-
<u>(1,774,388)</u>	<u>(1,845,665)</u>	<u>(1,919,088)</u>	<u>(1,852,374)</u>	<u>(1,885,391)</u>	<u>(1,866,773)</u>
<u>17,476,406</u>	<u>16,013,719</u>	<u>13,684,645</u>	<u>11,452,062</u>	<u>9,072,712</u>	<u>6,698,807</u>
<u>\$ 53,258,222</u>	<u>\$ 55,155,557</u>	<u>\$ 58,440,199</u>	<u>\$ 62,259,890</u>	<u>\$ 71,592,798</u>	<u>\$ 75,147,404</u>
75.29%	77.50%	81.03%	84.46%	88.75%	91.82%
\$ 785,940	\$ 790,770	\$ 801,387	\$ 819,022	\$ 896,283	\$ 909,402
-	-	-	-	-	-
<u>\$ 785,940</u>	<u>\$ 790,770</u>	<u>\$ 801,387</u>	<u>\$ 819,022</u>	<u>\$ 896,283</u>	<u>\$ 909,402</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Twinsburg City School District**

**Demographic and Economic Statistics**

**Last Ten Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2009	30,730	\$ 738,285,667	\$ 24,025	10.5%
2010	30,730	795,867,419	25,899	10.4%
2011	24,137	820,680,954	34,001	8.9%
2012	24,137	872,746,012	36,158	7.1%
2013	24,137	894,077,909	37,042	7.1%
2014	24,137	939,984,438	38,944	5.5%
2015	24,137	954,585,538	39,549	5.0%
2016	24,137	985,116,764	40,814	4.9%
2017	24,137	1,036,452,756	42,940	5.3%
2018	24,137	n/a	n/a	5.2%
2019	24,137	n/a	n/a	4.3%

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

(2) Ohio Department of Taxation.

(3) U.S. Department of Labor.

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

**Twinsburg City School District**

**Principal Employers**

**Current Year and Nine Years Ago**

Employer	Nature of Business	2019			2010		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
RGH Enterprises	Medical Supplies	900	1	21.38%	-		0.00%
RX Options	Medical	550	2	13.06%	-		0.00%
The School District	Education	496	3	11.78%	512	4	10.72%
Rockwell Automation	Programmable controls	425	4	10.09%	472	5	9.88%
Cleveland Clinic Hospital	Hospital Care Facility	425	5	10.09%	-		0.00%
Pepsi-Cola Bottlers	Soft drink bottling	400	6	9.50%	530	3	11.10%
Windstream	Communications provider	400	7	9.50%	274	8	5.74%
Hitachi Medical Systems America	Medical Supplies	230	8	5.46%	219	10	4.59%
CellCo Partnership (Verizon)	Communications provider	200	9	4.75%	364	6	7.62%
The City	Government	185	10	4.39%	226	9	4.73%
GE Energy	Power Industry			0.00%	328	7	6.87%
Daimler Chrysler Corp	Automotive stamping	-		0.00%	1,100	1	23.04%
Edgepark Surgical	Medical supplies	-		0.00%	750	2	15.71%
<b>Total</b>		<b>4,211</b>		<b>100.00%</b>	<b>4,775</b>		<b>100.00%</b>

**Source:** The City of Twinsburg

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

<u>Function/Program</u>	<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>
Regular instruction										
Elementary classroom teachers	110	106	102	104	104	104	99	99	98	108
Intermediate classroom teachers	36	36	34	32	32	34	34	36	33	35
High school classroom teachers	67	62	67	62	62	68	64	63	63.5	65.5
Special instruction										
Multi handicapped teachers	20	18	16	16	16	12	13	13	13	14
Severe behavior handicapped teachers	5	5	5	5	5	4	4	4	4	5
Developmentally handicapped teachers	4	4	4	4	4	4	4	4	4	5
Specific learning disabled teachers	10	9	9	9	9	5	6	6	7	6
Other	5	5	5	5	5	5	5	5	6	4
Vocational instruction										
High school classroom teachers	2	2	2	1	1	1	1	1	1	0
Pupil support services										
Guidance counselors	9	8	8	7	7	8	8	8	10	10
Librarians	7	6	6	6	6	5	5	5	5	5
Psychologists	5	5	4	3	3	3.5	4	4	4	4
Speech and language pathologists	5	4	4	4	4	4	4	4	4	4
Aides	40	40	40	33	33	37	41	44	43	45
Computer	0	0	0	0	0	0	0	0	3	3
Other	24	43	45	64	65	64	62	63	69	66
Administrators										
Elementary	2	2	2	2	2	4	4	4	4	4
Intermediate	3	3	3	3	3	3	3	3	3	3
Middle School	2	2	2	2	2	2	2	2	2	2
High school	5	5	4	4	4	4	4	4	4	4
Operation of plant										
Custodians & Maintenance	38	34	30	29	29	28	27	28	29	28
Security	2	1	1	1	1	1	2	2	2	2
Pupil transportation										
Bus drivers	46	48	48	47	47	44	45	44	43	42
Bus aides	5	5	5	5	5	5	4	5	5	5
Maintenance	3	3	3	3	3	3	3	3	3	3
Food service program										
Director	1	1	1	1	1	1	1	1	1	1
Cooks	33	33	33	31	31	30	26	26	24	23
Totals:	<u>489</u>	<u>490</u>	<u>483</u>	<u>483</u>	<u>484</u>	<u>483.5</u>	<u>475</u>	<u>481</u>	<u>487.5</u>	<u>496.5</u>

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

**Source:** School District records.

***Twinsburg City School District***

**Operating Statistics**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of students receiving free or reduced lunches</u>
2010	\$ 48,251,017	4,221	\$11,431	4.15%	242.5	17.4	16.23%
2011	\$ 48,559,963	4,233	\$11,472	0.35%	239.2	17.7	18.69%
2012	\$ 47,013,588	4,266	\$11,021	-3.93%	234.0	18.2	18.66%
2013	\$ 45,398,762	4,319	\$10,511	-4.62%	238.0	18.1	18.94%
2014	\$ 46,772,465	4,234	\$11,047	5.09%	242.0	17.5	18.79%
2015	\$ 46,098,041	4,158	\$11,087	0.36%	243.0	17.1	18.27%
2016	\$ 47,006,283	4,100	\$11,465	3.41%	244.0	16.8	18.81%
2017	\$ 52,980,162	4,112	\$12,884	12.38%	243.0	16.9	17.78%
2018	\$ 53,285,992	4,141	\$12,868	-0.13%	248.5	16.7	16.80%
2019	\$ 53,871,267	4,131	\$13,041	1.34%	260.5	15.9	16.10%

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

## Twinsburg City School .

### Building Statistics

#### 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>
<b>Wilcox Primary</b>										
Constructed in 1960										
Total building square footage	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350
Enrollment grades Pre K-1	631	626	634	657	657	640	637	636	635	635
Student capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Regular instruction classroom:	43	43	43	43	43	43	43	43	43	43
Regular instruction teachers	31	30	30	30	30	31	27	28	28	33
Special instruction classrooms	5	4	3	3	3	3	4	4	4	4
Special instruction teachers	5	4	3	3	3	3	3	4	4	4
<b>Bissell Elementary</b>										
Constructed in 1963										
Total building square footage	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684
Enrollment grades 2-3	656	607	611	633	633	617	612	594	588	582
Student capacity	975	975	975	975	975	975	975	975	975	975
Regular instruction classroom:	34	34	34	34	34	34	34	34	34	34
Regular instruction teachers	32	30	27	27	27	28	26	26	26	30
Special instruction classrooms	7	6	4	4	4	4	5	4	4	4
Special instruction teachers	7	6	4	4	4	5	5	5	5	5
<b>Dodge Intermediate School</b>										
Constructed in 1969										
Total building square footage	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410
Enrollment grades 4-6	954	987	991	970	970	950	948	976	963	953
Student capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Regular instruction classroom:	41	42	42	42	42	42	42	42	42	42
Regular instruction teachers	47	46	45	45	45	45	46	45	44	49
Special instruction classrooms	9	9	8	8	8	8	7	7	7	7
Special instruction teachers	9	9	8	8	8	8	8	8	9	8
<b>RB Chamberlin Middle School</b>										
Constructed in 1958										
Total building square footage	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994
Enrollment grades 7-8	695	654	659	677	677	645	630	633	671	671
Student capacity	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Regular instruction classroom:	55	55	55	55	55	55	55	55	55	55
Regular instruction teachers	36	36	34	34	34	34	34	36	33	33
Special instruction classrooms	9	8	6	6	6	6	6	6	6	6
Special instruction teachers	8	8	6	6	6	6	6	7	7	8
<b>Twinsburg High School</b>										
Constructed in 1999										
Total building square footage	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719
Enrollment grades 9-12	1,358	1,359	1,371	1,382	1,382	1,306	1,273	1,273	1,284	1,290
Student capacity	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717
Regular instruction classroom:	64	64	69	69	69	69	69	69	69	69
Regular instruction teachers	62	64	69	69	69	68	64	63	64	64
Special instruction classrooms	8	8	8	8	8	8	8	8	8	8
Special instruction teachers	8	8	8	8	8	8	8	8	9	9

Source: School District Records.

***Twinsburg City School District***

**Teachers' Salaries**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Twinsburg City School District Average Salary</u>	<u>Statewide Average Salary</u>
2010	\$ 64,170	\$ 55,958
2011	65,612	56,715
2012	67,069	57,904
2013	71,162	57,904
2014	70,585	55,916
2015	70,964	57,916
2016	73,019	59,074
2017	74,375	58,849
2018	76,476	60,433
2019	77,327	63,916

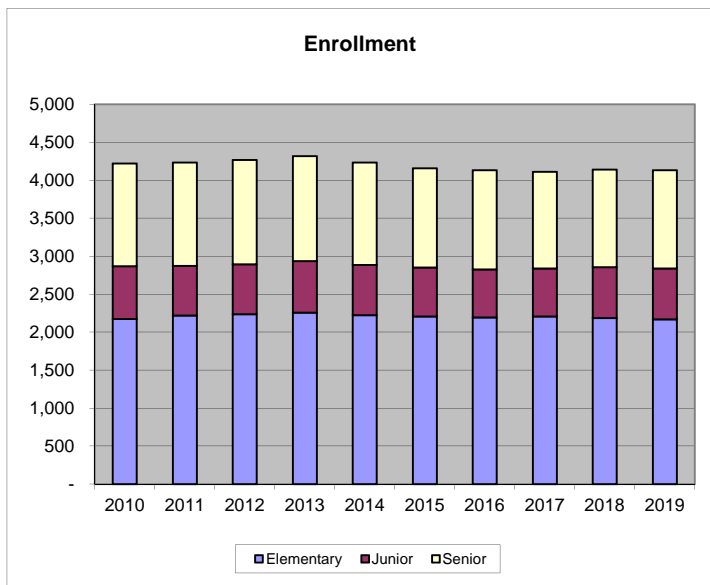
**Source:** Ohio Department of Education.

**Twinsburg City School District**

**Enrollment Statistics**

**Last Ten Fiscal Years**

Fiscal Year	Elementary Schools	Junior High School	Senior High School	Total
2009	2,214	685	1,338	4,237
2010	2,173	695	1,353	4,221
2011	2,220	654	1,359	4,233
2012	2,236	659	1,371	4,266
2013	2,260	677	1,382	4,319
2014	2,223	664	1,347	4,234
2015	2,207	645	1,306	4,158
2016	2,197	630	1,273	4,100
2017	2,206	633	1,273	4,112
2018	2,186	671	1,284	4,141
2019	2,170	671	1,290	4,131



Source: Ohio Department of Education.



**Twinsburg City School District**

**Attendance and Graduation Rates**

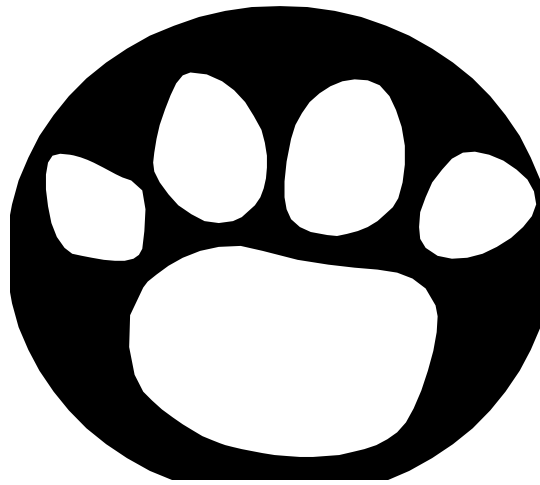
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Twinsburg City School District Attendance Rate</u>	<u>State Average</u>	<u>Twinsburg City School District Graduation Rate</u>	<u>State Average</u>
2010	96.3%	94.3%	98.6%	84.3%
2011	96.4%	94.5%	98.8%	84.3%
2012	96.2%	95.2%	96.2%	80% *
2013	96.1%	94.2%	94.8%	81.3%
2014	95.0%	94.3%	96.8%	82.2%
2015	96.0%	94.5%	97.1%	82.4%
2016	95.5%	94.4%	98.3%	84.9%
2017	96.3%	93.9%	98.5%	83.5%
2018	95.7%	93.6%	99.0%	84.1%
2019	95.7%	93.5%	98.5%	85.3%

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

\* Graduation rates have new calculation rate in 2012

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



# OHIO AUDITOR OF STATE KEITH FABER



**TWINSBURG CITY SCHOOL DISTRICT**

**SUMMIT COUNTY**

### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 31, 2020**