



**CITY OF TWINSBURG
SUMMIT COUNTY
REGULAR AUDIT
For the Year Ended December 31, 2021**

313 Second St.
Marietta, OH 45750
740 373 0056

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

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

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

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

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER



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

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

We have reviewed the *Independent Auditor's Report* of the City of Twinsburg, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2021 through December 31, 2021. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 29, 2022

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CITY OF TWINSBURG
SUMMIT COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|--|------|
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 1 |

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313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

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

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

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

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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Twinsburg**, Summit County, (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." The signature is written in a cursive style and is contained within a thin black rectangular border.

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

June 30, 2022

***CITY OF
TWINSBURG, OHIO***



Annual Comprehensive Financial Report

For the Year Ended December 31, 2021



INTRODUCTORY SECTION



CITY OF TWINSBURG, OHIO

Annual Comprehensive Financial Report

For the Year Ended December 31, 2021

Prepared By:

City Finance Director

Sarah Buccigross

CITY OF TWINSBURG
SUMMIT COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| INTRODUCTORY SECTION | |
| Title Page..... | <i>i</i> |
| Table of Contents | <i>ii</i> |
| Letter of Transmittal..... | <i>v</i> |
| Certificate of Achievement for Excellence in Financial Reporting..... | <i>xii</i> |
| Organizational Chart..... | <i>xiii</i> |
| List of Principal Officials..... | <i>xiv</i> |
| FINANCIAL SECTION | |
| Independent Auditor's Report..... | 1 |
| Management's Discussion and Analysis | 4 |
| <i>Basic Financial Statements:</i> | |
| Government-Wide Financial Statements: | |
| Statement of Net Position | 16 |
| Statement of Activities | 18 |
| <i>Fund Financial Statements:</i> | |
| Balance Sheet - Governmental Funds | 20 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities..... | 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 22 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 23 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual - General Fund | 24 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual – Street Construction, Maintenance, and Repair Fund | 25 |
| Statement of Fund Net Position – Proprietary Funds..... | 26 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds | 28 |
| Statement of Cash Flows – Proprietary Funds..... | 29 |
| Notes to the Basic Financial Statements..... | 31 |

Required Supplementary Information:

| | |
|--|----|
| Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) Ohio Public Employee Retirement System (OPERS) – Traditional Plan | 84 |
| Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) Ohio Public Employee Retirement System (OPERS) – Combined Plan..... | 85 |
| Schedule of the City's Proportionate Share of the Net Pension Liability Ohio Police and Fire Pension (OP&F)..... | 86 |
| Schedule of the City's Proportionate Share of the Net OPEB Liability Ohio Public Employee Retirement System (OPERS) | 87 |
| Schedule of the City's Proportionate Share of the Net OPEB Liability Ohio Police and Fire Pension (OP&F)..... | 88 |
| Schedule of City Pension Contributions Ohio Public Employees Retirement System (OPERS) – Traditional Plan | 89 |
| Schedule of City Pension Contributions Ohio Public Employees Retirement System (OPERS) – Combined Plan..... | 90 |
| Schedule of City Pension Contributions Ohio Police and Fire Pension (OP&F)..... | 91 |
| Schedule of City OPEB Contributions Ohio Pension Employee Retirement System (OPERS) | 92 |
| Schedule of City OPEB Contributions Ohio Police and Fire Pension (OP&F)..... | 93 |
| Notes to the Required Supplementary Information | 94 |

Combining and Individual Statements and Schedules:

| | |
|---|-----|
| Description of Nonmajor Funds | 97 |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 98 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds..... | 100 |
| Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non- GAAP Basis) and Actual – Governmental Major Funds: | |
| General Fund..... | 102 |
| Street, Construction, Maintenance, and Repair Fund | 106 |
| Park Debt Service Fund | 107 |
| Capital Improvement Fund | 108 |
| General Bond Retirement Fund..... | 109 |
| Individual Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non- GAAP Basis) and Actual: | |
| Park and Recreation Revolving Fund..... | 110 |
| Liberty Park Fund | 111 |
| Municipal Motor Vehicle Fund | 112 |
| Enhanced 911 Fund | 113 |
| Permissive Tax Fund | 114 |
| State Highway Fund | 115 |
| Drug Fund..... | 116 |
| Law Enforcement Fund | 117 |
| Ohio Peace Officer Training Academy Grant Fund..... | 118 |
| Federal Grant Fund | 119 |
| State Grant Fund | 120 |
| Local Coronavirus Relief Fund | 121 |
| Fire Pension Fund | 122 |
| Police Pension Fund..... | 123 |

| | |
|---|-----|
| Employee Payout Reserve Fund..... | 124 |
| Individual Fund Schedules of Revenues, Expenses, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Enterprise Major Funds: | |
| Sewer Fund | 125 |
| Fitness Center Fund | 126 |
| Golf Course Fund | 127 |
| Theater Fund | 128 |

STATISTICAL SECTION

| | |
|--|-----|
| Guide to Statistical Tables | 130 |
| Table 1 – Net Position by Activity Type | 131 |
| Table 2 – Changes in Net Position | 132 |
| Table 3 – Fund Balances of Governmental Funds | 135 |
| Table 4 – Changes in Fund Balances of Governmental Funds..... | 136 |
| Table 5 – Income Tax Revenue Base, Rate, and Collections..... | 138 |
| Table 6 – Income Tax Filers by Income Level..... | 139 |
| Table 7 – Principal Revenue Remitters of Municipal Income Tax..... | 140 |
| Table 8 – Ratios of Outstanding Debt by Type..... | 141 |
| Table 9 – Ratios of General Bonded Debt Outstanding | 143 |
| Table 10 – Direct and Overlapping Governmental Activities Debt | 144 |
| Table 11 – Legal Debt Margin Information | 145 |
| Table 12 – Pledged Revenue Coverage | 146 |
| Table 13 – Demographic and Economic Statistics | 147 |
| Table 14 – Principal Employers..... | 148 |
| Table 15 – Regular Full-Time Employees by Function/Program..... | 149 |
| Table 16 – Operating Indicators by Function/Program..... | 150 |
| Table 17 – Capital Asset Statistics by Function/Program | 151 |



Letter of Transmittal

June 30, 2022

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

The Annual Comprehensive Financial Report of The City of Twinsburg (the City) for the year ended December 31, 2021, is hereby transmitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Twinsburg management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government and its component units. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Report

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

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

Governmental Accounting Standards Board (GASB) Reporting Requirements

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

The City implemented the following statements during fiscal year 2021:

The Governmental Accounting Standards Board has issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2020. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The adoption of GASB Statement No. 89 had no effect on its financial statements.

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

The Governmental Accounting Standards Board has issued Statement No. 87, *Leases*, effective for fiscal years beginning after June 15, 2021. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The City has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 91, *Conduit Debt Obligations* effective for fiscal years beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 92, *Omnibus 2020*, effective for fiscal years beginning after June 15, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The City has not yet determined the effect that the adoption of GASB Statement No. 92 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for fiscal years periods beginning after June 15, 2021. The objective of this Statement is to address issues with Statements No. 53, No. 87, and other accounting and financial reporting implications that result from the replacement of an IBOR. The City has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years periods beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 96, *Subscription-based Information Technology Arrangements*, effective for fiscal years periods beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

The Governmental Accounting Standards Board has also issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for fiscal years beginning after June 15, 2021. The City has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

City Profile

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

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

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

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

The Council is required to adopt a permanent appropriate measure within ninety days of the beginning of the year. The annual budget serves as the foundation for the City of Twinsburg's financial planning and control. The City begins its budgeting process in July. Departments submit their budgets to Council, the Capital Improvement Board, and the Finance Committee for review in September. Presentations by the department heads are heard by Council and the Finance Committee through October and November until Council ultimately creates the upcoming year's appropriations for submission to Summit County in December, well before the required deadline. Recently the City has passed Temporary Appropriations in December in order to allow additional time in preparing the Permanent Appropriations to review work-from-home/COVID related impacts to revenues.

Services Offered to Citizens

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

The Twinsburg Police Department provides 24 hour a day protection and law enforcement services for the City. The department consists of 34 full-time sworn police officers, 1 part-time sworn police officer and a civilian staff consisting of 9 full-time public safety dispatchers, 2 full-time records clerks, and 1 full-time administrative assistant. The Twinsburg Police Department handled 29,296 calls for service in 2021. The department is headed by the Chief of Police assisted by one police lieutenant and is organized into several bureaus and divisions. All Twinsburg police officers are certified by the Ohio Peace Officer Training Commission and receive numerous hours of continued professional training each year. Public safety dispatchers are certified as Emergency Medical Dispatchers enabling them to provide a higher level of care to persons during a medical emergency.

Twinsburg's Fire Department is a full-time paid department consisting of 34 full-time and 10 part-time staff. Part Time Staff consists of firefighters, fire cadets, and an intern as the Department works to create a sustainable staffing plan. The Department currently operates out of two fire stations with 10 firefighters on each shift. Station One is located at 10069 Ravenna Road, immediately south of the City Administration Building. Station Two, which opened in June of 2007, is located at 2605 Glenwood Drive at the north side of the City, west of Ethan's Green subdivision. Equipment and vehicles include two pumper trucks, three fire prevention vehicles, two ladder trucks (109' and 104'), command vehicles, a brush-fire truck, and three advanced life support vehicles spread between both fire stations. A fourth advanced life support vehicle will be added to the fleet soon. The Fire Department provides several community programs in addition to their normal fire protection duties. They meet with business owners to assist them with emergency response training, provide cardio-pulmonary resuscitation classes, youth fire safety education, and provide fire safety and emergency programs geared to area seniors.

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

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

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

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

University Hospitals Twinsburg Health Center and the Cleveland Clinic's Twinsburg Family Health and Surgery Center are both state-of-the art medical facilities providing services to residents of Twinsburg and other local communities. In addition to advanced specialty and primary care, many services are available at the Cleveland Clinic facility located at 8701 Darrow Road.

Local Economy

The economy of Twinsburg and the region has undergone diversification over the past several decades, but manufacturing continues to play a very prominent role in the economic success of the local economy. The City of Twinsburg is a great location for business and is home to approximately 450 industrial and retail establishments. In 2010, manufacturing accounted for 21.1% of all jobs for Twinsburg's workforce, compared to 16% for Ohio and 11% for the nation.

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

The past year has been characterized by a gradual emergence from COVID pandemic related impacts. While many sectors of the local economy were impacted by closures, supply chain interruptions and labor issues, others, like healthcare, internet technologies, e-commerce businesses, etc. were overburdened by dramatically increased demands. Reduction in business hours of operation, elimination of in facility food services and an emphasis on carry-out service enabled many local businesses to survive, although with reduced revenues. As the City's service commercial base was very limited prior to the pandemic, the overall economic impact on City revenues was not as immediate or as deep as initially feared. The most significant long-term impact seems to be related to changing workforce practices and workforce availability. That being said, achievements have been made regardless of the events of the last two years. The City's tax base continues to diversify through new and expanding operations and the City continues to make progress in planning for its transition to a more sustainable and vibrant entity.

New and Expanding Businesses

Build-out of Cornerstone Business Park - The last remaining industrial lot in Cornerstone Business Park (former 165-acre Chrysler Stamping Plant property) has been completed and is nearly totally leased. This 279,000 multi-tenant industrial building is now occupied by Frito-Lay (a Pepsi Co. company), and Avantor, a fortune 500 provider of products and services to the healthcare and biopharma industries. Less than 100,000 sq. ft. remain to be leased in the entire business park. It now is home to over a dozen businesses that provide jobs for more than 2,100 full and part-time employees.

New and Expanding Businesses - Scannell Properties plans to invest heavily into industrial sites on the south side of the City in the vicinity of Old Mill Road. A site plan has recently been approved by the City's Planning Commission that will enable the construction of a two building complex. One building would be 150,000 sq. ft. in area. The second would be 299,000 sq. ft. This project, combined with others anticipated on Old Mill Road, will result in roadway improvements and the extension of water to the area in addition to providing additional economic development opportunities. Site improvements are already under construction. Scannell Properties has also received site plan approval for the construction of a 96,000 sq. ft. industrial building on Old Mill Road close to its intersection with Darrow Road. This is a speculative building expected to get under construction within the year.

Pet Suites is in the process of constructing a 10,500 sq. ft. building designed for pet boarding at 8275 Darrow Road. This state-of-the-art kennel will cater primarily to dog and cat owners.

Mold-Rite (Weatherchem). This long-time Twinsburg company is in the process of adding a 33,000 sq. ft. addition to its 2222 Highland Road industrial building. The company is increasing production capacity and will be adding employees as a result.

Sheetz Inc. has completed a total reconstruction of its 2495 E. Aurora Road retail facility. The reconstructed facility provides expanded retail area, EV charging stations and an enhanced drive-up service window.

AirGas USA, LLC, a bottled industrial gas distributor, selected a Dutton Road building in the City of Twinsburg for its new expanded operations. The decision was aided by the City's offer of a Twinsburg Occupancy Program grant incentive which will provide a small grant annually to the company for a period of seven years. The company will invest approximately \$1 million in building improvements and bring \$2.8 million in payroll to the vacant building and property.

Horvath Electric, and electrical services contractor, opened operations at 1962 Case Parkway after moving from a Dutton Road building. The company purchased the Case Parkway property to enable expansion of operations.

Safran Power U.S.A., an international company focused on power systems for the aeronautics industry, consolidated a portion of its New Jersey facility in the Twinsburg plant on Darrow Road. Twenty-five new jobs came to Twinsburg in the process. The company now employs well over 100 highly skilled technicians and engineers and will soon be adding additional testing and maintenance facilities.

Commercial Activity

As the list above illustrates, the industrial sector of the City is strong and expanding. Twinsburg's commercial retail sector has always been limited, as most national brands have located in surrounding communities that were more receptive to impacts associated with intense commercial development. Commercial retail centers typically generate traffic congestion and require heightened community police and fire support, resulting in increased community costs. The downside is that Twinsburg residents do their shopping in surrounding communities.

While this condition exists, the City has been increasingly focused on improving the historic core of the community and in attempting to fill vacant properties resulting from recent commercial operational re-organizations and market retrenchment. For example, a former Bob Evans Restaurant located at E. Aurora Road and Hadden Road was closed as part of a company restructuring aimed at reducing the restaurant chain in favor of increasing sales of food in grocery stores. This former Bob Evans Restaurant has been remodeled and recently re-opened by a new owner as a Sushi restaurant.

The former BP Service Station on E. Aurora Road near the I-480 Interchange has undergone redevelopment. The Sheets station on the opposite side of E. Aurora Road has also been completely remodeled and expanded by the Sheets Company.

The City created a Community Improvement Corporation to encourage and support central area reinvestment. In addition, the City is in the process of implementing new tools to incentivize central area investment and encourage rehabilitation of historic properties.

The City formed the Twinsburg Community Improvement Corporation in 2015. Its purpose is to facilitate investment and redevelopment within the central area of Twinsburg. The City's Comprehensive Plan made several recommendations specific to the redevelopment of this area. It emphasized development of under-developed land and populating the area through mixed use development; the type of development that provides live, work and recreational opportunities co-mingled in an attractive and walkable central area. The Corporation TCIC is contributing to this effort by assembling key properties. It has purchased a number of properties and has formed a partnership with a major area land-owner for the cooperative promotion and redevelopment of a ten-acre area. It is hoped that a developer/partner will be secured and plans for redevelopment developed over the coming months.

Downtown Redevelopment Districts - A tool recently created by the State of Ohio has been reviewed by City Council. This "Downtown Redevelopment District" tool enables the City to divert increases in property tax receipts to support historic preservation and infrastructure development.

Residential Development

With the dwindling supply of vacant developable residential land within the City's corporate boundary new housing starts have declined. Never-the-less, permits were issued for 11 new houses in 2021.

Continuing Planning Efforts

In its efforts to keep abreast of community issues and challenges City's administration has conducted periodic updates of the Comprehensive Plan. The prior plan, completed in 2014 focused on redevelopment in the city's core. The most recent update is focused on policy and practices that would contribute to a more sustainable city and reduced greenhouse gas emissions from city operations. This continues the City's long-standing sustainability efforts by providing actions and measures to be pursued to meet overall sustainability objectives. The document was developed with the input and cooperation of residents, City Council, local business owners and staff.

Twinsburg's efforts to be an efficient and sustainable City were recognized by NOPEC, a multi-state regional energy aggregator. The City was the recipient of NOPEC's 2021 Green Ribbon Award, as well as, a check for \$2,500 to be utilized to continue our sustainability efforts.

Thank you to Mayor Yates and Members of Council for their support for excellence in financial reporting and disclosure. The City would like to express its appreciation to Perry & Associates CPAs, A.C. for their assistance with the preparation of this ACFR.

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

Sincerely,

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

Sarah Buccigross, Finance Director



Government Finance Officers Association

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**City of Twinsburg
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

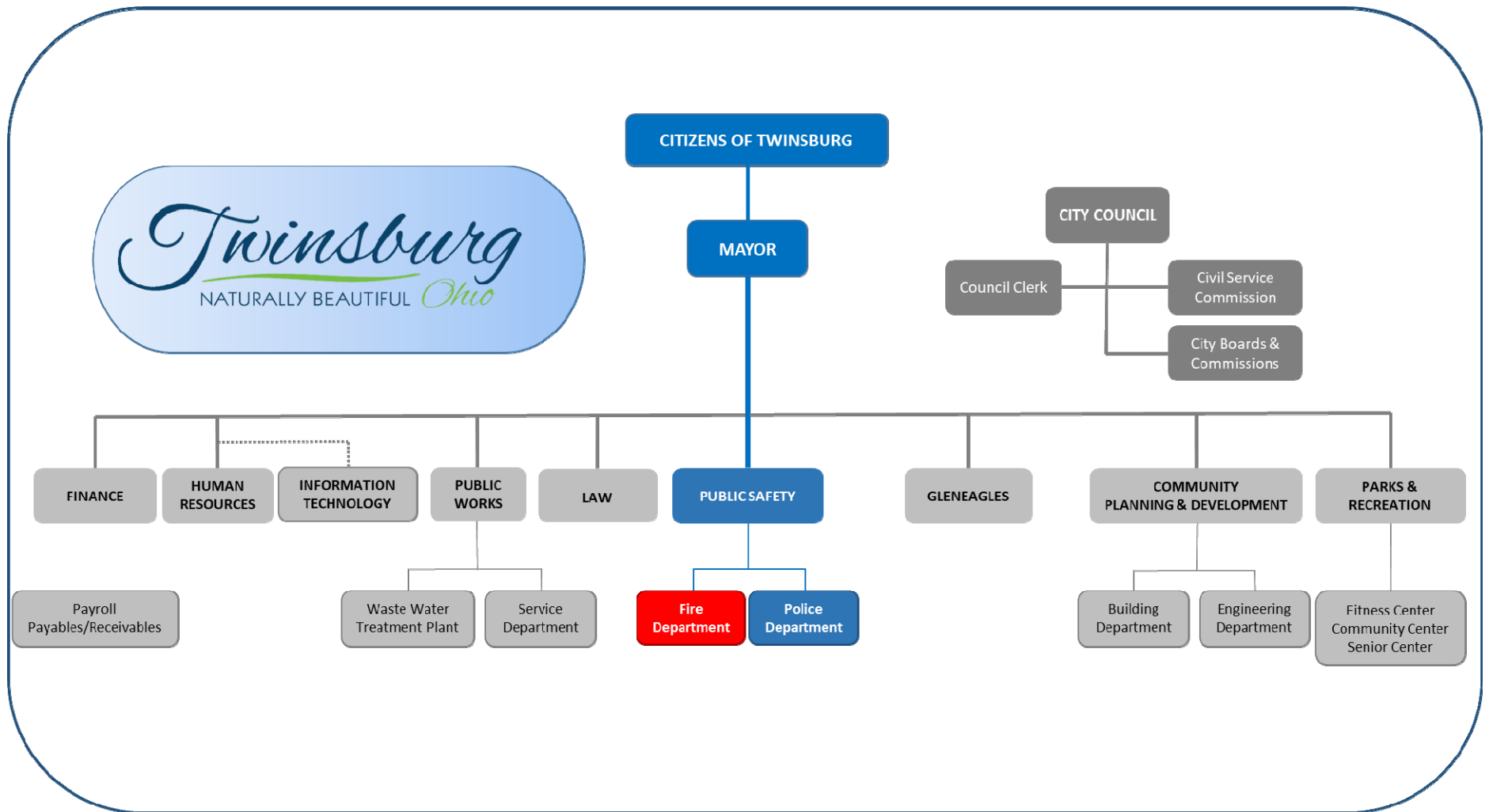
December 31, 2020

Christopher P. Morill

Executive Director/CEO

City of Twinsburg, Ohio

Organizational Chart



City of Twinsburg, Ohio

*List of Principal Officials
As of December 31, 2021*

Elected City Officials

Mayor

Ted Yates

City Council

Sam Scaffide, Ward 1

Daisy Walker, Ward 2

Karen Labbe, Ward 3

David Post, Ward 4

Greg Bellan, President, Ward 5

Bill Furey, At-Large

Scott Barr, At-Large

Appointed City Officials

Sarah Buccigross, Finance Director

Keith Foulkes, Building Commissioner

Larry Finch, AICP, Director of Planning and Community Development

Tim Morgan, Fire Chief

Michael Brown, Director of Human Resources

David Maistros, Law Director

Jennifer Betenson, Parks & Recreation Director

Thomas Mason, MCJ, Chief of Police

Christopher Campbell, Public Works Director

FINANCIAL SECTION



Aerial View of Gleneagles Golf Club



313 Second St.
Marietta, OH 45750
740.373.0066

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

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

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

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

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Twinsburg, Summit County, Ohio (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Twinsburg, Summit County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Street, Construction, Maintenance and Repair Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The financial section's combining statements and individual fund statements are presented for purposes of additional analysis and are 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 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 financial section's combining statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 City'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 City's internal control over financial reporting and compliance.



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

June 30, 2022

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

The discussion and analysis of the City of Twinsburg's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2021 are as follows:

- ◆ The assets and deferred outflows of resources of the City of Twinsburg exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$169,154,601. Of this amount, \$6,192,148 is restricted in use.
- ◆ Total assets and deferred outflows decreased by \$385,315 which represents a decrease of 0.17% over 2020.
- ◆ Total liabilities and deferred inflows of resources decreased by \$9,804,148 which represents a decrease of over 2020. The main factor contributing to this decrease was a \$8,557,869 decrease in net OPEB liability.
- ◆ In total, net position increased by \$9,418,833 during 2021. This represents a 5.90% increase from 2020.

Using this Annual Financial Report

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

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

Statement of Net Position and the Statement of Activities

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

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

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

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

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

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

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

Fund Financial Statements

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, street construction, maintenance and repair fund, park debt service fund, and the capital improvement fund, all of which are considered to be major funds. The remaining funds are combined and presented within the column titled other governmental funds.

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

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 29 of this report.

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

**Table 1
Net Position**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets | | | | | | |
| Current and Other Assets | \$ 29,397,263 | \$ 28,141,541 | \$ 9,830,547 | \$ 6,016,597 | \$ 39,227,810 | \$ 34,158,138 |
| Capital Assets, Net | 131,243,472 | 134,295,410 | 51,127,245 | 52,650,661 | 182,370,717 | 186,946,071 |
| Net Pension Asset | 116,237 | 95,239 | 55,108 | 45,153 | 171,345 | 140,392 |
| Net OPEB Asset | 647,647 | - | 307,048 | - | 954,695 | - |
| Total Assets | 161,404,619 | 162,532,190 | 61,319,948 | 58,712,411 | 222,724,567 | 221,244,601 |
| Deferred Outflows of Resources | | | | | | |
| Deferred Charge on Refunding Pension | 21,317 | 21,317 | - | - | 21,317 | 21,317 |
| OPEB | 3,155,858 | 3,824,744 | 393,961 | 604,970 | 3,549,819 | 4,429,714 |
| | 1,769,165 | 2,462,327 | 151,843 | 444,067 | 1,921,008 | 2,906,394 |
| Total Deferred Outflows | 4,946,340 | 6,308,388 | 545,804 | 1,049,037 | 5,492,144 | 7,357,425 |
| Liabilities | | | | | | |
| Current and Other Liabilities | 2,375,275 | 1,225,609 | 325,109 | 270,717 | 2,700,384 | 1,496,326 |
| Long-Term Liabilities: | | | | | | |
| Due Within One Year | 1,441,139 | 2,057,866 | 177,845 | 190,797 | 1,618,984 | 2,248,663 |
| Other Amounts Due in More Than One Year | 14,278,944 | 15,217,961 | 877,161 | 931,418 | 15,156,105 | 16,149,379 |
| Net Pension Liability | 22,023,091 | 25,487,972 | 2,635,938 | 4,094,108 | 24,659,029 | 29,582,080 |
| Net OPEB Liability | 2,566,062 | 8,342,139 | - | 2,781,792 | 2,566,062 | 11,123,931 |
| Total Liabilities | 42,684,511 | 52,331,547 | 4,016,053 | 8,268,832 | 46,700,564 | 60,600,379 |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 518,052 | 1,119,838 | - | - | 518,052 | 1,119,838 |
| Pension | 5,321,674 | 3,791,991 | 1,552,379 | 879,716 | 6,874,053 | 4,671,707 |
| OPEB | 3,786,314 | 2,078,267 | 1,183,127 | 396,067 | 4,969,441 | 2,474,334 |
| Total Deferred Inflows | 9,626,040 | 6,990,096 | 2,735,506 | 1,275,783 | 12,361,546 | 8,265,879 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 124,374,423 | 118,904,417 | 50,405,359 | 51,905,182 | 174,779,782 | 170,809,599 |
| Restricted | 6,227,249 | 5,266,688 | - | - | 6,227,249 | 5,266,688 |
| Unrestricted (Deficit) | (16,561,264) | (14,652,170) | 4,708,834 | (1,688,349) | (11,852,430) | (16,340,519) |
| Total Net Position | \$ 114,040,408 | \$ 109,518,935 | \$ 55,114,193 | \$ 50,216,833 | \$ 169,154,601 | \$ 159,735,768 |

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

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

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

The largest portion (103%) of the City's net position reflects its net investment in capital assets. Capital assets include construction in progress, land, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The City uses those capital assets to provide services to its citizens; consequently, they are not available for future spending. Net investment in capital assets as of December 31, 2021, was \$174,779,782. Although the City's investment is reported net of related debt, it should be noted that resources to repay the debt must be provided from other sources since capital assets cannot be used to liquidate these liabilities. The City removed the inclusion of general obligation bonds from the calculation of governmental activities net investment in capital assets in 2021 after it was determined that it should not have been included because the assets for which the bonds were issued are reported under business-type activities.

An additional portion of the City's net position (4%) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net position of \$(11,817,329) may be used to meet the City's ongoing obligations to citizens and creditors.

Total net position of the City increased \$9,418,833. The following factors were primarily responsible for this increase:

- An increase in cash and cash equivalents of \$6,391,879
- A decrease in capital assets, net of \$4,575,354
- A decrease in deferred outflows of resources – pension of \$879,895
- A decrease in deferred outflows of resources – OPEB of \$985,386
- A decrease in net pension liability of \$4,923,051
- A decrease in net OPEB liability of \$8,557,869
- An increase in deferred inflows of resources-pension of \$2,202,346
- An increase in deferred inflows of resources-OPEB of \$2,495,107
- A decrease in other long-term liabilities of \$993,274

The net position of business-type activities increased by 9.75% in 2021. The City generally can only use the net position to finance the continuing operations of the sewer system, fitness center, golf course, and community theater operations.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

To further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year in comparison to 2020.

Table 2 - Change in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 2,139,023 | \$ 1,846,970 | \$ 6,598,401 | \$ 5,857,606 | \$ 8,737,424 | \$ 7,704,576 |
| Capital Grants and and Contributions | - | 581,251 | 2,432,682 | 58,230 | 2,432,682 | 639,481 |
| Total Program Revenues | 2,139,023 | 2,428,221 | 9,031,083 | 5,915,836 | 11,170,106 | 8,344,057 |
| General Revenues: | | | | | | |
| Property and Other Local Taxes | 617,886 | 1,212,957 | - | - | 617,886 | 1,212,957 |
| Municipal Income Taxes | 22,548,429 | 22,922,726 | - | - | 22,548,429 | 22,922,726 |
| Grants and Entitlements not Restricted to Specific Programs | 2,275,956 | 4,030,768 | - | - | 2,275,956 | 4,030,768 |
| Investment Income | 201,900 | 768,616 | - | - | 201,900 | 768,616 |
| Gain/(Loss) on Sale of Assets | (57,333) | - | - | - | (57,333) | - |
| Miscellaneous | 645,103 | 2,666,574 | 274,806 | 702,102 | 919,909 | 3,368,676 |
| Total General Revenues | 26,231,941 | 31,601,641 | 274,806 | 702,102 | 26,506,747 | 32,303,743 |
| Total Revenues | 28,370,964 | 34,029,862 | 9,305,889 | 6,617,938 | 37,676,853 | 40,647,800 |
| Program Expenses | | | | | | |
| General Government | 6,204,206 | 10,695,246 | - | - | 6,204,206 | 10,695,246 |
| Security of Persons and Property | 10,822,615 | 8,962,123 | - | - | 10,822,615 | 8,962,123 |
| Public Health and Welfare | 208,837 | 210,527 | - | - | 208,837 | 210,527 |
| Transportation | 5,498,744 | 6,978,239 | - | - | 5,498,744 | 6,978,239 |
| Leisure Time Activities | 368,643 | 629,834 | - | - | 368,643 | 629,834 |
| Community Development | 367,098 | 1,083,534 | - | - | 367,098 | 1,083,534 |
| Interest and Fiscal Charges | 229,848 | 205,000 | - | - | 229,848 | 205,000 |
| Sewer | - | - | 2,848,549 | 4,453,524 | 2,848,549 | 4,453,524 |
| Fitness Center | - | - | 862,252 | 1,402,746 | 862,252 | 1,402,746 |
| Golf Course | - | - | 847,228 | 2,265,101 | 847,228 | 2,265,101 |
| Other Business-Type Activities | - | - | - | 4,728 | - | 4,728 |
| Total Program Expenses | 23,699,991 | 28,764,503 | 4,558,029 | 8,126,099 | 28,258,020 | 36,890,602 |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | 4,670,973 | 5,265,359 | 4,747,860 | (1,508,161) | 9,418,833 | 3,757,198 |
| Transfers | (149,500) | (7,188,850) | 149,500 | 7,188,850 | - | - |
| Change in Net Position | 4,521,473 | (1,923,491) | 4,897,360 | 5,680,689 | 9,418,833 | 3,757,198 |
| Net Position, Beginning of Year | 109,518,935 | 111,442,426 | 50,216,833 | 44,536,144 | 159,735,768 | 155,978,570 |
| Net Position, End of Year | \$114,040,408 | \$109,518,935 | \$55,114,193 | \$50,216,833 | \$169,154,601 | \$159,735,768 |

City of Twinsburg, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2021 Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with the City municipal income tax being the largest contributor. The City's municipal income tax rate is 2.0 percent. Residents of the City who work in another municipality and pay the withholding tax for that municipality will receive a 100 percent tax credit on up to 2.0 percent for municipal income taxes paid to their workplace municipality. During 2021, the revenues generated from municipal income tax collections amounted to \$22,548,429. The City continues to enforce a delinquent letter program and the subpoena program to ensure compliance with the local tax laws. The decline in income tax revenue and increase in grant revenue are both attributable to the impact of COVID-19. While a decline in the tax base reduced income tax revenue related to the 2021 tax year recorded as revenue in 2021 lowered tax revenue, grants received from federal and state funding were received to offset the loss of revenue. This trend is expected to continue in the following year.

Security of persons and property, transportation, community development and general government are the major activities of the City generating 96.6% of the governmental expenses. Security of persons and property includes the cost of providing police, dispatch, fire, and paramedic services. Techniques such as defensive and emergency vehicle operations training, EMS continuing education classes, technical skills evaluation, practical drills, and on-line education help keep the men and women updated to perform their jobs most efficiently. The total cost of operating the fire and EMS department during 2021 was \$3,950,335 within the general fund. During 2021, the total cost of operating the police department was \$4,072,292 within the general fund. Both the police and fire departments place strong emphasis on the training of their employees to keep up with the rapidly changing laws, practices, and technology. Dispatch costs for police and fire services were \$3,760,292 and \$3,483,084, respectively, for the year ended December 31, 2021.

General government expense accounted for \$6,204,206 or 26.2%, of the governmental expenses. Expenses for this program decreased 4,444,208 compared to 2020. The decrease in expense is primarily due to accounting for pension and OPEB expenses associated with the net pension and net OPEB liabilities. Aside from the decrease in expenses related to pension and OPEB reporting, governmental activities expenses declined from 2020 to 2021, primarily due to a reduction in operating expenses, like salaries, benefits, office expenses, travel, and training, due to a significant portion of the City's services being reduced or stopped during the COVID-19 pandemic.

Business-Type Activities

The business-type activities of the City, which include the City's sewer system, fitness center, golf course and community theater operations, increased the City's net position by \$4,897,360 before accounting for transfers. The figures listed below are inclusive of required pension and other post-employment benefits expenses related to the calculation of the net pension liability and net OPEB liability. These liabilities are required by GASB 68 and GASB 75 and have a primarily noncash impact on the City's operations.

Program revenue exceeded program expenses in the amount of \$3,804,028 for the sewer system for 2021.

Program revenue exceeded program expenses in the amount of \$172,222 for the fitness center operations for 2021.

Program revenue exceeded program expenses in the amount of \$496,804 for the golf course operations for 2021.

There were no program revenues or expenses for the theater operations for 2021.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$32,678,525 and expenditures and other financing uses of \$31,371,461.

The net change in fund balance for the year was most significant in the general fund showing an increase in fund balance of \$690,436 in 2021 which increases the beginning fund balance to \$16,737,000. This was a direct result of the City's efforts to improve ending fund balance through strict budgeting processes and the added impact of cost reductions from services not being offered during the COVID-19 pandemic. The street, construction, repair, and maintenance fund reflected an increase of \$165,529 which was also a result of lower-than-expected operating costs. The park debt service, general bond retirement fund, and capital improvement fund each had minimal changes in ending fund balance due to accurate budgeting that was not impacted as significantly by the pandemic because the funds do not provide services to the public. Overall revenues and other financing sources exceeded expenditures and other financing sources used by \$1,307,064.

General Fund Budgeting Highlights

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

For the general fund, final budget basis revenue, excluding other financing sources was \$832,993 more than the original budget estimates of \$25,765,819 due to the increase in tax revenue. The City continues the conservative practice of estimating low in the tax, intergovernmental revenue, and interest revenue areas. The final appropriations of \$24,044,654 excluding other financing uses, was sufficient to meet the expenditures for the year, which ended up at \$22,202,067. The final budget of expenditures, excluding other financing uses, increased \$327,000 from the original budget, primarily due to the increase in the cost of providing transportation services.

The City's ending unobligated budgetary fund balance was \$3,693,684 higher than the final budgeted amount.

Business-Type Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the sewer, fitness center, and golf course. The basic proprietary fund financial statements can be found on pages 24 through 28 of this report.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the City of Twinsburg had \$182,370,717 invested in land and land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure, net of accumulated depreciation.

Table 3 shows fiscal 2021 balances of capital assets as compared to the 2020 balances:

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 23,661,745 | \$ 23,636,245 | \$ 2,596,350 | \$ 2,596,350 | \$ 26,258,095 | \$ 26,232,595 |
| Construction in Progress | 41,287 | - | - | - | 41,287 | - |
| Land Improvements | 1,650,247 | 1,764,553 | 3,247,276 | 3,334,520 | 4,897,523 | 5,099,073 |
| Buildings and Improvements | 5,180,389 | 5,404,302 | 17,542,112 | 18,266,083 | 22,722,501 | 23,670,385 |
| Machinery and Equipment | 1,824,500 | 2,018,006 | 1,530,805 | 1,733,235 | 3,355,305 | 3,751,241 |
| Vehicles | 2,773,407 | 2,678,350 | 171,371 | 204,939 | 2,944,778 | 2,883,289 |
| Infrastructure: | | | | | | |
| Roads | 37,916,833 | 39,558,137 | - | - | 37,916,833 | 39,558,137 |
| Water Mains | 27,961,387 | 28,331,948 | - | - | 27,961,387 | 28,331,948 |
| Storm Sewers and Culverts | 29,435,553 | 30,007,922 | - | - | 29,435,553 | 30,007,922 |
| Traffic Signs and Signals | 399,860 | 459,708 | - | - | 399,860 | 459,708 |
| Street Lights | 398,264 | 436,239 | - | - | 398,264 | 436,239 |
| Sewer Lines | - | - | 26,039,331 | 26,515,534 | 26,039,331 | 26,515,534 |
| Total Capital Assets | \$131,243,472 | \$134,295,410 | \$51,127,245 | \$52,650,661 | \$182,370,717 | \$186,946,071 |

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

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

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

Debt

At December 31, 2021, the City of Twinsburg had \$44,000,180 in outstanding debt, compensated absences, claims payable, net pension liability, and net OPEB liability, of which \$7,130,000 was in general obligation bonds. Table 4 summarizes the outstanding obligations of the City.

Table 4
Outstanding Long-term Obligations at Year End

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|----------------------------|---------------------|-----------------------------|--------------------|---------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General Obligation Bonds | \$ 7,130,000 | \$ 8,096,926 | \$ - | \$ - | \$ 7,130,000 | \$ 8,096,926 |
| Special Assessment Bonds | 44,000 | 62,000 | - | - | 44,000 | 62,000 |
| OPWC Loans | 5,821,812 | 6,001,080 | 721,886 | 745,479 | 6,543,698 | 6,746,559 |
| Capital Leases | 814,554 | 1,209,670 | - | - | 814,554 | 1,209,670 |
| Claims | 4,953 | 11,089 | - | - | 4,953 | 11,089 |
| Net Pension Liability | 22,023,091 | 25,487,972 | 2,635,938 | 4,094,108 | 24,659,029 | 29,582,080 |
| Net OPEB Liability | 2,566,062 | 8,342,139 | - | 2,781,792 | 2,566,062 | 11,123,931 |
| Compensated Absences | 1,904,764 | 1,895,062 | 333,120 | 376,736 | 2,237,884 | 2,271,798 |
| Total | \$ 40,309,236 | \$51,105,938 | \$3,690,944 | \$7,998,115 | \$44,000,180 | \$59,104,053 |

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

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

2021 Economic and Community Development Accomplishments

The past year has been characterized by a gradual emergence from COVID pandemic related impacts. While many sectors of the local economy were impacted by closures, supply chain interruptions and labor issues, others, like healthcare, internet technologies, e-commerce businesses, etc. were overburdened by dramatically increased demands. Reduction in business hours of operation, elimination of in facility food services and an emphasis on carry-out service enabled many local businesses to survive, although with reduced revenues. As the City's service commercial base was very limited prior to the pandemic, the overall economic impact on City revenues was not as immediate or as deep as initially feared. The most significant long-term impact seems to be related to changing workforce practices and workforce availability. That being said, achievements have been made regardless of the events of the last two years. The City's tax base continues to diversify through new and expanding operations and the City continues to make progress in planning for its transition to a more sustainable and vibrant entity.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

New and Expanding Businesses

Businesses new to Twinsburg or expanding in 2021 include:

- Build-out of Cornerstone Business Park - The last remaining industrial lot in Cornerstone Business Park (former 165-acre Chrysler Stamping Plant property)
- Scannell Properties plans to invest heavily into industrial sites on the south side of the City in the vicinity of Old Mill Road.
- Pet Suites is in the process of constructing a 10,500 sq. ft. building designed for pet boarding at 8275 Darrow Road.
- Mold-Rite (Weatherchem). This long-time Twinsburg company is in the process of adding a 33,000 sq. ft. addition to its 2222 Highland Road industrial building.
- Sheetz Inc. has completed a total reconstruction of its 2495 E. Aurora Road retail facility.
- AirGas USA, LLC, a bottled industrial gas distributor, selected a Dutton Road building in the City of Twinsburg for its new expanded operations.
- Horvath Electric, and electrical services contractor, opened operations at 1962 Case Parkway after moving from a Dutton Road building.
- Safran Power U.S.A., an international company focused on power systems for the aeronautics industry, consolidated a portion of its New Jersey facility in the Twinsburg plant on Darrow Road.

Central Twinsburg Redevelopment and the Twinsburg Community Improvement Corporation

The City created a Community Improvement Corporation to encourage and support central area reinvestment. In addition, the City is in the process of implementing new tools to incentivize central area investment and encourage rehabilitation of historic properties.

The City formed the Twinsburg Community Improvement Corporation in 2015. Its purpose is to facilitate investment and redevelopment within the central area of Twinsburg. The City's Comprehensive Plan made several recommendations specific to the redevelopment of this area. It emphasized development of under-developed land and populating the area through mixed use development; the type of development that provides live, work and recreational opportunities co-mingled in an attractive and walkable central area. The TCIC is contributing to this effort by assembling key properties. It has purchased a number of properties and has formed a partnership with a major area land-owner for the cooperative promotion and redevelopment of a ten-acre area. It is hoped that a developer/partner will be secured and plans for redevelopment developed over the coming months.

Residential Development

With the dwindling supply of vacant developable residential land within the City's corporate boundary new housing starts have declined. Never-the-less, permits were issued for 11 new houses in 2021.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited*

Continuing Planning Efforts

In its efforts to keep abreast of community issues and challenges City's administration has conducted periodic updates of the Comprehensive Plan. The prior plan, completed in 2014 focused on redevelopment in the city's core. The most recent update is focused on policy and practices that would contribute to a more sustainable city and reduced greenhouse gas emissions from city operations. This continues the City's long-standing sustainability efforts by providing actions and measures to be pursued to meet overall sustainability objectives. The document was developed with the input and cooperation of residents, City Council, local business owners and staff.

Twinsburg's efforts to be an efficient and sustainable City were recognized by NOPEC, a multi-state regional energy aggregator. The City was the recipient of NOPEC's 2021 Green Ribbon Award, as well as, a check for \$2,500 to be utilized to continue our sustainability efforts.

Current Related Financial Activities

The City of Twinsburg, in the past, faced some challenging financial years; however, with the continued development of the Cornerstone Project and the addition of several new businesses in the City, we have continued to see growth in employment. Income tax revenues are being closely monitored as the local economy changes based on work-from-home policies of local employers. On a cash basis, the municipal income tax revenue represents 88% of the City's total general fund revenue. The net income tax collections (gross collections less refunds) for 2021 were \$22,966,799 compared to 2020 collections of \$21,849,951. This reflects an increase over last year of 5 percent.

The City continues to strive to operate lean and under budget. Just as in 2020, the City was awarded several grants to help support the cost of major capital projects and as a result; once again the City was able to end the year strong. The City will continue to make every effort to build up the reserves while operating lean and efficient while holding at the income tax rate of 2 percent at this time.

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

Contacting the City of Twinsburg's Finance Department

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

City of Twinsburg, Ohio

Statement of Net Position December 31, 2021

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|---------------------|--|
| | Governmental Activities | Business-Type Activities | Total | Twinsburg Community Improvement Corporation |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 21,327,704 | \$ 8,776,959 | \$ 30,104,663 | \$ 54,906 |
| Cash and Cash Equivalents: | | | | |
| Restricted Cash | 20,799 | - | 20,799 | - |
| Receivables: | | | | |
| Accounts | 421,020 | 906,234 | 1,327,254 | - |
| Accrued Interest | 33,791 | - | 33,791 | - |
| Intergovernmental | 751,133 | - | 751,133 | - |
| Municipal Income Taxes | 6,095,076 | - | 6,095,076 | - |
| Property Taxes | 581,205 | - | 581,205 | - |
| Contributions | - | - | - | 70,436 |
| Special Assessments | 1,424 | 22,302 | 23,726 | - |
| Prepaid Items | - | - | - | 1,070 |
| Materials and Supplies Inventory | 165,111 | 125,052 | 290,163 | - |
| Land Held for Investment/Sale | - | - | - | 1,045,078 |
| Nondepreciable Capital Assets | 23,703,032 | 2,596,350 | 26,299,382 | - |
| Depreciable Capital Assets (Net) | 107,540,440 | 48,530,895 | 156,071,335 | - |
| Net Pension Asset | 116,237 | 55,108 | 171,345 | - |
| Net OPEB Asset | 647,647 | 307,048 | 954,695 | - |
| Total Assets | 161,404,619 | 61,319,948 | 222,724,567 | 1,171,490 |
| Deferred Outflows of Resources | | | | |
| Deferred Charges on Refunding | 21,317 | - | 21,317 | - |
| Pensions | 3,155,858 | 393,961 | 3,549,819 | - |
| OPEB | 1,769,165 | 151,843 | 1,921,008 | - |
| Total Deferred Outflows of Resources | \$ 4,946,340 | \$ 545,804 | \$ 5,492,144 | \$ - |

See the related notes to the financial statements

City of Twinsburg, Ohio

Statement of Net Position December 31, 2021

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|-----------------------|---|
| | Governmental Activities | Business-Type Activities | Total | Twinsburg Community Improvement Corporation |
| Liabilities | | | | |
| Accounts Payable | \$ 408,514 | \$ 30,846 | \$ 439,360 | \$ - |
| Accrued Wages and Benefits | 457,434 | 99,744 | 557,178 | - |
| Intergovernmental Payable | 423,112 | 62,259 | 485,371 | - |
| Claims Payable | 80,947 | 17,220 | 98,167 | - |
| Accrued Interest Payable | 17,675 | - | 17,675 | - |
| Unearned Revenue | 987,593 | 115,040 | 1,102,633 | - |
| Long Term Liabilities: | | | | |
| Due Within One Year | 1,441,139 | 177,845 | 1,618,984 | 50,417 |
| Due in More Than One Year: | | | | |
| Net Pension Liability | 22,023,091 | 2,635,938 | 24,659,029 | - |
| Net OPEB Liability | 2,566,062 | - | 2,566,062 | - |
| Other Amounts Due in More than One Year | 14,278,944 | 877,161 | 15,156,105 | - |
| Total Liabilities | 42,684,511 | 4,016,053 | 46,700,564 | 50,417 |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 518,052 | - | 518,052 | - |
| Pensions | 5,321,674 | 1,552,379 | 6,874,053 | - |
| OPEB | 3,786,314 | 1,183,127 | 4,969,441 | - |
| Total Deferred Inflows of Resources | 9,626,040 | 2,735,506 | 12,361,546 | - |
| Net Position | | | | |
| Net Investment in Capital Assets | 124,374,423 | 50,405,359 | 174,779,782 | - |
| Restricted for: | | | | |
| Capital Projects | 2,075,780 | - | 2,075,780 | - |
| Debt Service | 562,099 | - | 562,099 | - |
| Roads & Bridges | 3,504,771 | - | 3,504,771 | - |
| Judicial/Public Safety Grants/Programs | 49,498 | - | 49,498 | - |
| Unrestricted (Deficit) | (16,526,163) | 4,708,834 | (11,817,329) | 1,121,073 |
| Total Net Position | \$ 114,040,408 | \$ 55,114,193 | \$ 169,154,601 | \$ 1,121,073 |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Activities
For the Year Ended December 31, 2021*

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit Twinsburg Community Improvement Corporation |
|--|----------------------|-------------------------|--|--|---|-----------------------------|------------------------|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-Type Activities | | |
| Primary Government | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General Government | \$ 6,204,206 | \$ 1,070,577 | \$ - | \$ - | \$ (5,133,629) | \$ - | \$ (5,133,629) | \$ - |
| Security of Persons and Property | 10,822,615 | 529,089 | - | - | (10,293,526) | - | (10,293,526) | - |
| Public Health and Welfare | 208,837 | - | - | - | (208,837) | - | (208,837) | - |
| Transportation | 5,498,744 | - | - | - | (5,498,744) | - | (5,498,744) | - |
| Leisure Time Activities | 368,643 | 177,151 | - | - | (191,492) | - | (191,492) | - |
| Community Development | 367,098 | 362,206 | - | - | (4,892) | - | (4,892) | - |
| Interest and Fiscal Charges | 229,848 | - | - | - | (229,848) | - | (229,848) | - |
| Total Governmental Activities | 23,699,991 | 2,139,023 | - | - | (21,560,968) | - | (21,560,968) | - |
| Business-Type Activities | | | | | | | | |
| Sewer | 2,848,549 | 4,219,895 | - | 2,432,682 | - | 3,804,028 | 3,804,028 | - |
| Fitness Center | 862,252 | 1,034,474 | - | - | - | 172,222 | 172,222 | - |
| Golf Course | 847,228 | 1,344,032 | - | - | - | 496,804 | 496,804 | - |
| Total Business-Type Activities | 4,558,029 | 6,598,401 | - | 2,432,682 | - | 4,473,054 | 4,473,054 | - |
| Total - Primary Government | \$ 28,258,020 | \$ 8,737,424 | \$ - | \$ 2,432,682 | \$ (21,560,968) | \$ 4,473,054 | \$ (17,087,914) | \$ - |
| Component Unit | | | | | | | | |
| Twinsburg Community Improvement Corporation | \$ 20,813 | \$ 13,097 | \$ 70,436 | \$ - | \$ - | \$ - | \$ - | \$ 62,720 |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Activities
For the Year Ended December 31, 2021*

| | | | | |
|--|-----------------------|----------------------|-----------------------|---------------------|
| General Revenues | | | | |
| Property and Other Local Taxes Levied for: | | | | |
| General Purposes | 540,255 | - | 540,255 | - |
| Debt Service | 77,631 | - | 77,631 | - |
| Municipal Income Taxes Levied for | | | | |
| General Purposes | 22,548,429 | - | 22,548,429 | - |
| Grants and Entitlements not Restricted | | | | |
| to Specific Programs | 2,275,956 | - | 2,275,956 | - |
| Investment Income | 201,900 | - | 201,900 | - |
| Gain/(Loss) on Disposal of Assets | (57,333) | - | (57,333) | - |
| Miscellaneous Income | 645,103 | 274,806 | 919,909 | 3,154 |
| | <u>26,231,941</u> | <u>274,806</u> | <u>26,506,747</u> | <u>3,154</u> |
| <i>Total General Revenues</i> | | | | |
| | <u>(149,500)</u> | <u>149,500</u> | <u>-</u> | <u>-</u> |
| Net Transfers | | | | |
| <i>Change in Net Position</i> | 4,521,473 | 4,897,360 | 9,418,833 | 65,874 |
| <i>Net Position Beginning of Year</i> | <u>109,518,935</u> | <u>50,216,833</u> | <u>159,735,768</u> | <u>1,055,199</u> |
| <i>Net Position End of Year</i> | <u>\$ 114,040,408</u> | <u>\$ 55,114,193</u> | <u>\$ 169,154,601</u> | <u>\$ 1,121,073</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Balance Sheet
Governmental Funds
December 31, 2021*

| | General | Street Construction Maintenance and Repair | Park Debt Service | General Bond Retirement | Capital Improvement | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---|----------------------|----------------------------|------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 13,418,463 | \$ 2,123,349 | \$ 14,038 | \$ 525,445 | \$ 2,521,975 | \$ 2,724,434 | \$ 21,327,704 |
| Cash and Cash Equivalents: | | | | | | | |
| Restricted Cash | - | - | - | - | - | 20,799 | 20,799 |
| Receivables: | | | | | | | |
| Accounts | 421,020 | - | - | - | - | - | 421,020 |
| Accrued Interest | 33,791 | - | - | - | - | - | 33,791 |
| Intergovernmental | 175,192 | 483,828 | 6,828 | - | - | 85,285 | 751,133 |
| Municipal Income Taxes | 6,095,076 | - | - | - | - | - | 6,095,076 |
| Property Taxes | - | - | 145,301 | - | - | 435,904 | 581,205 |
| Special Assessments | 1,424 | - | - | - | - | - | 1,424 |
| Materials and Supplies Inventory | 165,111 | - | - | - | - | - | 165,111 |
| Total Assets | \$ 20,310,077 | \$ 2,607,177 | \$ 166,167 | \$ 525,445 | \$ 2,521,975 | \$ 3,266,422 | \$ 29,397,263 |
| Liabilities | | | | | | | |
| Accounts Payable | \$ 148,278 | \$ 126,907 | \$ - | \$ - | \$ 133,249 | \$ 80 | \$ 408,514 |
| Accrued Wages & Benefits | 457,434 | - | - | - | - | - | 457,434 |
| Intergovernmental Payable | 258,206 | - | - | - | - | 164,906 | 423,112 |
| Claims Payable | 80,947 | - | - | - | - | - | 80,947 |
| Unearned Revenue | - | - | - | - | - | 987,593 | 987,593 |
| Total Liabilities | 944,865 | 126,907 | - | - | 133,249 | 1,152,579 | 2,357,600 |
| Deferred Inflows of Resources | | | | | | | |
| Deferred Inflows - Property Taxes | - | - | 129,513 | - | - | 388,540 | 518,053 |
| Unavailable Revenue | 2,628,212 | 321,107 | 22,616 | - | - | 93,883 | 3,065,818 |
| Total Deferred Inflows of Resources | 2,628,212 | 321,107 | 152,129 | - | - | 482,423 | 3,583,871 |
| Fund Balances | | | | | | | |
| Nonspendable | 171,164 | - | - | - | - | - | 171,164 |
| Restricted | - | 2,159,163 | 14,038 | - | - | 1,602,248 | 3,775,449 |
| Committed | - | - | - | 525,445 | - | 89,391 | 614,836 |
| Assigned | 903,222 | - | - | - | 2,388,726 | - | 3,291,948 |
| Unassigned (Deficit) | 15,662,614 | - | - | - | - | (60,219) | 15,602,395 |
| Total Fund Balances | 16,737,000 | 2,159,163 | 14,038 | 525,445 | 2,388,726 | 1,631,420 | 23,455,792 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 20,310,077 | \$ 2,607,177 | \$ 166,167 | \$ 525,445 | \$ 2,521,975 | \$ 3,266,422 | \$ 29,397,263 |

See the related notes to the financial statements

City of Twinsburg, Ohio

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2021

| | | |
|--|--------------|--------------------|
| Total Governmental Fund Balances | \$ | 23,455,792 |
| 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 | | 131,243,472 |
| Net pension and net OPEB assets are long-term assets that are not financial resources and therefore are not reported in the funds | | 763,884 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds: | | |
| Property & Other Local Taxes | 63,152 | |
| Municipal Income Taxes | 2,076,368 | |
| Special Assessments | 1,424 | |
| Charges for Services | 404,161 | |
| Intergovernmental | 486,922 | |
| Investment Income | 33,791 | |
| Total | | 3,065,818 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | (17,675) |
| Deferred charges on refunding related to the issuance of long-term refunding debt that will be amortized over the life of the debt on the statement of net position. | | 21,317 |
| Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds. | | |
| Deferred outflows of resources related to pensions: | | |
| Pension | 3,155,858 | |
| OPEB | 1,769,165 | |
| Total | | 4,925,023 |
| Deferred inflows of resources related to pensions and OPEB: | | |
| Pension | (5,321,674) | |
| OPEB | (3,786,314) | |
| Total | | (9,107,988) |
| Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds: | | |
| General Obligation Bonds | (7,130,000) | |
| Special Assessment Bonds | (44,000) | |
| OPWC Loans Payable | (5,821,811) | |
| Capital Leases | (814,554) | |
| Compensated Absences | (1,904,764) | |
| Net Pension Liability | (22,023,091) | |
| Net OPEB Liability | (2,566,062) | |
| Total | | (40,309,235) |
| Net Position of Governmental Activities | \$ | <u>114,040,408</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021*

| | General | Street Construction Maintenance and Repair | Park Debt Service | General Bond Retirement | Capital Improvement | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|---|----------------------|----------------------------|------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | | |
| Property and Other Local Taxes | \$ 140,873 | \$ - | \$ 127,421 | \$ - | \$ - | \$ 382,054 | \$ 650,348 |
| Municipal Income Taxes | 23,286,448 | - | - | - | - | - | 23,286,448 |
| Intergovernmental | 387,570 | 1,188,846 | 15,075 | - | 2,500 | 664,828 | 2,258,819 |
| Charges for Services | 1,257,634 | - | - | - | - | - | 1,257,634 |
| Licenses & Permits | 663,248 | - | - | - | - | - | 663,248 |
| Fines & Forfeitures | 55,693 | - | - | - | - | 1,423 | 57,116 |
| Investment Income | 196,033 | - | - | - | - | - | 196,033 |
| Miscellaneous | 577,241 | 8,422 | - | - | 55,827 | 3,613 | 645,103 |
| Total Revenues | 26,564,740 | 1,197,268 | 142,496 | - | 58,327 | 1,051,918 | 29,014,749 |
| Expenditures | | | | | | | |
| Current Operations and Maintenance: | | | | | | | |
| General Government | 4,247,354 | - | 2,049 | - | - | 147,529 | 4,396,932 |
| Security of Persons and Property | 8,767,683 | - | - | - | - | 1,778,937 | 10,546,620 |
| Public Health and Welfare | 208,837 | - | - | - | - | - | 208,837 |
| Transportation | 6,946,292 | 1,177,015 | - | - | - | 136,554 | 8,259,861 |
| Leisure Time Activities | 738,815 | - | - | - | - | 26,405 | 765,220 |
| Community Development | 1,197,323 | - | - | - | - | - | 1,197,323 |
| Capital Outlay | - | - | - | - | 411,567 | - | 411,567 |
| Debt Service: | | | | | | | |
| Principal Retirement | - | - | 160,000 | 1,002,980 | 395,116 | - | 1,558,096 |
| Interest and Fiscal Charges | - | - | 7,800 | 222,031 | 29,174 | - | 259,005 |
| Total Expenditures | 22,106,304 | 1,177,015 | 169,849 | 1,225,011 | 835,857 | 2,089,425 | 27,603,461 |
| Excess of Revenues Over (Under) Expenditures | 4,458,436 | 20,253 | (27,353) | (1,225,011) | (777,530) | (1,037,507) | 1,411,288 |
| Other Financing Sources (Uses) | | | | | | | |
| Issuance of Debt | - | 45,276 | - | - | - | - | 45,276 |
| Transfers In | - | 100,000 | - | 1,225,000 | 1,400,000 | 893,500 | 3,618,500 |
| Transfers Out | (3,768,000) | - | - | - | - | - | (3,768,000) |
| Total Financing Sources (Uses) | (3,768,000) | 145,276 | - | 1,225,000 | 1,400,000 | 893,500 | (104,224) |
| Net Change in Fund Balance | 690,436 | 165,529 | (27,353) | (11) | 622,470 | (144,007) | 1,307,064 |
| Fund Balance Beginning of Year | 16,046,564 | 1,993,634 | 41,391 | 525,456 | 1,766,256 | 1,775,427 | 22,148,728 |
| Fund Balance End of Year | \$ 16,737,000 | \$ 2,159,163 | \$ 14,038 | \$ 525,445 | \$ 2,388,726 | \$ 1,631,420 | \$ 23,455,792 |

See accountants compilation report.

See the related notes to the financial statements

City of Twinsburg, Ohio

*Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021*

| | | |
|---|-------------|-------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ | 1,307,064 |
| 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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | | |
| Capital Asset Additions | 1,484,970 | |
| Loss on Disposal of Assets | (57,333) | |
| Current Year Depreciation | (4,479,575) | |
| Total | | (3,051,938) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property & Other Local Taxes | (32,462) | |
| Municipal Income Taxes | (738,019) | |
| Special Assessments | (55) | |
| Charges for Services | 161,079 | |
| Intergovernmental | 5,867 | |
| Investment Income | 17,137 | |
| Total | | (586,453) |
| Receipt of funds from long-term obligations is a revenue in the governmental funds, but the receipt increases long-term liabilities in the statement of net position. | | |
| | | (45,277) |
| Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| | | 1,562,661 |
| Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability impact pension/OPEB expense in the statement of activities. | | |
| Pension | 1,298,351 | |
| OPEB | 4,022,515 | |
| Total | | 5,320,866 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Compensated Absences | (9,702) | |
| Total | | (9,702) |
| Governmental funds report premiums and deferred outflows as expenditures, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Amortization of Bond Premiums | 41,927 | |
| Total | | 41,927 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | |
| | | (17,675) |
| Change in Net Position of Governmental Activities | \$ | 4,521,473 |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|----------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Municipal Income Taxes | \$ 22,000,000 | \$ 22,000,000 | \$ 22,966,799 | \$ 966,799 |
| Other Local Taxes | 100,000 | 100,000 | 140,873 | 40,873 |
| Intergovernmental | 365,500 | 396,869 | 380,374 | (16,495) |
| Charges for Services | 1,192,050 | 1,192,050 | 1,353,401 | 161,351 |
| Licenses & Permits | 750,100 | 827,600 | 663,248 | (164,352) |
| Fines & Forfeitures | 69,100 | 69,100 | 55,693 | (13,407) |
| Investment Income | 135,000 | 135,000 | 139,818 | 4,818 |
| Other | 1,015,200 | 1,045,200 | 898,606 | (146,594) |
| <i>Total Revenues</i> | <u>25,626,950</u> | <u>25,765,819</u> | <u>26,598,812</u> | <u>832,993</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 6,722,905 | 6,530,300 | 5,847,988 | 682,312 |
| Security of Persons and Property | 9,150,864 | 9,231,614 | 8,763,960 | 467,654 |
| Public Health and Welfare | 215,000 | 215,000 | 208,837 | 6,163 |
| Transportation | 5,659,750 | 6,028,150 | 5,733,642 | 294,508 |
| Leisure Time Activities | 914,420 | 954,045 | 693,514 | 260,531 |
| Community Development | 1,054,715 | 1,085,545 | 954,126 | 131,419 |
| <i>Total Expenditures</i> | <u>23,717,654</u> | <u>24,044,654</u> | <u>22,202,067</u> | <u>1,842,587</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,909,296</u> | <u>1,721,165</u> | <u>4,396,745</u> | <u>2,675,580</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (4,743,610) | (4,786,104) | (3,768,000) | 1,018,104 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(4,743,610)</u> | <u>(4,786,104)</u> | <u>(3,768,000)</u> | <u>1,018,104</u> |
| <i>Net Change in Fund Balance</i> | <u>(2,834,314)</u> | <u>(3,064,939)</u> | <u>628,745</u> | <u>3,693,684</u> |
| <i>Fund Balance Beginning of Year</i> | <u>12,556,231</u> | <u>12,556,231</u> | <u>12,556,231</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>89,712</u> | <u>89,712</u> | <u>89,712</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 9,811,629</u> | <u>\$ 9,581,004</u> | <u>\$ 13,274,688</u> | <u>\$ 3,693,684</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Street, Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 1,183,500 | \$ 1,183,500 | \$ 1,178,283 | \$ (5,217) |
| Other | 20,000 | 20,000 | 8,422 | (11,578) |
| <i>Total Revenues</i> | <u>1,203,500</u> | <u>1,203,500</u> | <u>1,186,705</u> | <u>(16,795)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 1,770,000 | 1,770,000 | 1,327,049 | 442,951 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(566,500)</u> | <u>(566,500)</u> | <u>(140,344)</u> | <u>426,156</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds of OPWC Loan | - | - | 45,276 | 45,276 |
| Transfers In | 566,500 | 566,500 | 100,000 | (466,500) |
| <i>Total Other Financing Sources (Uses)</i> | <u>566,500</u> | <u>566,500</u> | <u>145,276</u> | <u>(421,224)</u> |
| <i>Net Change in Fund Balance</i> | - | - | 4,932 | 4,932 |
| <i>Fund Balance Beginning of Year</i> | 1,724,889 | 1,724,889 | 1,724,889 | - |
| Prior Year Encumbrances Appropriated | 283,416 | 283,416 | 283,416 | - |
| <i>Fund Balance End of Year</i> | <u>\$ 2,008,305</u> | <u>\$ 2,008,305</u> | <u>\$ 2,013,237</u> | <u>\$ 4,932</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Fund Net Position
Proprietary Funds
December 31, 2021*

| | Business-Type Activities - Enterprise | | | | |
|---|---------------------------------------|-------------------|-------------------|----------------|-------------------|
| | Sewer | Fitness Center | Golf Course | Theater Fund | Total |
| Assets | | | | | |
| <i>Current Assets:</i> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 8,364,961 | \$ 50,570 | \$ 250,487 | \$ 110,941 | \$ 8,776,959 |
| Accounts Receivable | 902,828 | 3,406 | - | - | 906,234 |
| Special Assessments Receivable | 22,302 | - | - | - | 22,302 |
| Materials and Supplies Inventory | 89,422 | - | 35,630 | - | 125,052 |
| <i>Total Current Assets</i> | <u>9,379,513</u> | <u>53,976</u> | <u>286,117</u> | <u>110,941</u> | <u>9,830,547</u> |
| <i>Noncurrent Assets:</i> | | | | | |
| Nondepreciable Capital Assets | 31,150 | - | 2,565,200 | - | 2,596,350 |
| Depreciable Capital Assets, Net | 31,140,003 | 6,877,759 | 10,513,133 | - | 48,530,895 |
| Net Pension Asset | 24,197 | 14,767 | 16,144 | - | 55,108 |
| Net OPEB Asset | 134,822 | 82,275 | 89,951 | - | 307,048 |
| <i>Total Noncurrent Assets</i> | <u>31,330,172</u> | <u>6,974,801</u> | <u>13,184,428</u> | <u>-</u> | <u>51,489,401</u> |
| <i>Total Assets</i> | <u>40,709,685</u> | <u>7,028,777</u> | <u>13,470,545</u> | <u>110,941</u> | <u>61,319,948</u> |
| Deferred Outflows of Resources | | | | | |
| Pension | 175,091 | 87,949 | 130,921 | - | 393,961 |
| OPEB | 66,672 | 40,690 | 44,481 | - | 151,843 |
| <i>Total Deferred Outflows of Resources</i> | <u>\$ 241,763</u> | <u>\$ 128,639</u> | <u>\$ 175,402</u> | <u>-</u> | <u>\$ 545,804</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Fund Net Position
Proprietary Funds
December 31, 2021*

| | Business-Type Activities - Enterprise | | | | Total |
|---|---------------------------------------|---------------------|----------------------|-------------------|----------------------|
| | Sewer | Fitness Center | Golf Course | Theater Fund | |
| Liabilities: | | | | | |
| <i>Current Liabilities:</i> | | | | | |
| Accounts Payable | \$ 26,490 | \$ 1,978 | \$ 2,378 | \$ - | \$ 30,846 |
| Accrued Wages and Benefits | 72,800 | 15,979 | 10,965 | - | 99,744 |
| Intergovernmental Payable | 29,017 | 27,516 | 5,726 | - | 62,259 |
| Claims Payable | 16,084 | 611 | 525 | - | 17,220 |
| Unearned Revenue | - | 115,040 | - | - | 115,040 |
| Due Within One Year | 132,760 | 15,640 | 29,445 | - | 177,845 |
| Total Current Liabilities | 277,151 | 176,764 | 49,039 | - | 502,954 |
| <i>Long-Term Liabilities (net of current portion)</i> | | | | | |
| Compensated Absences Payable | 116,641 | 20,749 | 53,306 | - | 190,696 |
| OPWC Loans Payable | 686,465 | - | - | - | 686,465 |
| Net Pension Liability | 1,162,182 | 666,437 | 807,319 | - | 2,635,938 |
| Total Long-Term Liabilities | 1,965,288 | 687,186 | 860,625 | - | 3,513,099 |
| Total Liabilities | 2,242,439 | 863,950 | 909,664 | - | 4,016,053 |
| Deferred Inflows of Resources | | | | | |
| Pension | 679,315 | 435,350 | 437,714 | - | 1,552,379 |
| OPEB | 519,499 | 317,024 | 346,604 | - | 1,183,127 |
| Total Deferred Inflows of Resources | 1,198,814 | 752,374 | 784,318 | - | 2,735,506 |
| Net Position | | | | | |
| Net Investment in Capital Assets | 30,449,267 | 6,877,759 | 13,078,333 | - | 50,405,359 |
| Unrestricted (Deficit) | 7,060,928 | (1,336,667) | (1,126,368) | 110,941 | 4,708,834 |
| Total Net Position | \$ 37,510,195 | \$ 5,541,092 | \$ 11,951,965 | \$ 110,941 | \$ 55,114,193 |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2021*

| | Business-Type Activities - Enterprise | | | | |
|---|---------------------------------------|---------------------|----------------------|-------------------|----------------------|
| | Sewer | Fitness Center | Golf Course | Theater Fund | Total |
| Operating Revenues | | | | | |
| Charges for Services | \$ 4,219,895 | \$ 1,034,474 | \$ 1,344,032 | \$ - | \$ 6,598,401 |
| Other Operating Revenues | 237,688 | - | 37,118 | - | 274,806 |
| <i>Total Operating Revenues</i> | <u>4,457,583</u> | <u>1,034,474</u> | <u>1,381,150</u> | <u>-</u> | <u>6,873,207</u> |
| Operating Expenses | | | | | |
| Personal Services | 1,151,817 | 92,254 | (82,019) | - | 1,162,052 |
| Materials & Supplies | 291,400 | 120,049 | 326,450 | - | 737,899 |
| Contractual Services | 577,364 | 280,051 | 209,387 | - | 1,066,802 |
| Other Operating Expenses | - | 14,574 | 33,397 | - | 47,971 |
| Depreciation Expense | 824,823 | 355,324 | 360,013 | - | 1,540,160 |
| <i>Total Operating Expenses</i> | <u>2,845,404</u> | <u>862,252</u> | <u>847,228</u> | <u>-</u> | <u>4,554,884</u> |
| <i>Operating Income (Loss)</i> | 1,612,179 | 172,222 | 533,922 | - | 2,318,323 |
| Non-Operating Revenues (Expenses) | | | | | |
| Interest and Fiscal Charges | (3,145) | - | - | - | (3,145) |
| <i>Total Non-Operating Revenues (Expenses)</i> | <u>(3,145)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,145)</u> |
| <i>Income (Loss) Before Contributions & Transfers</i> | <u>1,609,034</u> | <u>172,222</u> | <u>533,922</u> | <u>-</u> | <u>2,315,178</u> |
| Grants & Contributed Capital | 2,432,682 | - | - | - | 2,432,682 |
| Transfers In | - | 94,000 | 55,500 | - | 149,500 |
| <i>Change in Net Position</i> | <u>4,041,716</u> | <u>266,222</u> | <u>589,422</u> | <u>-</u> | <u>4,897,360</u> |
| <i>Net Position Beginning of Year</i> | <u>33,468,479</u> | <u>5,274,870</u> | <u>11,362,543</u> | <u>110,941</u> | <u>50,216,833</u> |
| <i>Net Position End of Year</i> | <u>\$ 37,510,195</u> | <u>\$ 5,541,092</u> | <u>\$ 11,951,965</u> | <u>\$ 110,941</u> | <u>\$ 55,114,193</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021*

| | Business-Type Activities - Enterprise | | | | Total |
|---|---------------------------------------|------------------|-------------------|-------------------|---------------------|
| | Sewer | Fitness Center | Golf Course | Theater Fund | |
| Cash Flows From Operating Activities: | | | | | |
| Cash Received from Customers | \$ 4,531,625 | \$ 1,123,527 | \$ 1,344,032 | \$ - | \$ 6,999,184 |
| Other Operating Revenues | 237,688 | - | 37,118 | - | 274,806 |
| Cash Paid for Personal Services | (2,307,473) | (789,340) | (703,648) | - | (3,800,461) |
| Cash Paid for Contractual Services | (564,655) | (297,636) | (226,833) | - | (1,089,124) |
| Cash Paid for Materials & Supplies | (272,170) | (120,049) | (324,431) | - | (716,650) |
| Cash Paid for Other Operating Expenses | - | (14,574) | (33,397) | - | (47,971) |
| <i>Net Cash Provided By (Used For) Operating Activities</i> | <u>1,625,015</u> | <u>(98,072)</u> | <u>92,841</u> | <u>-</u> | <u>1,619,784</u> |
| Cash Flows From Non-Capital Financing Activities | | | | | |
| Transfers In | - | 94,000 | 55,500 | - | 149,500 |
| <i>Net Cash Provided By (Used for) Non-Capital Financing Activities</i> | <u>-</u> | <u>94,000</u> | <u>55,500</u> | <u>-</u> | <u>149,500</u> |
| Cash Flows From Capital and Related Financing Activities | | | | | |
| Cash Received from Capital Grants | 2,432,682 | - | - | - | 2,432,682 |
| Payment for Capital Acquisitions | - | - | (16,744) | - | (16,744) |
| Principal Paid on Debt | (23,594) | - | - | - | (23,594) |
| <i>Net Cash Provided by (Used For) Capital and Related Financing Activities</i> | <u>2,409,088</u> | <u>-</u> | <u>(16,744)</u> | <u>-</u> | <u>2,392,344</u> |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i> | 4,034,103 | (4,072) | 131,597 | - | 4,161,628 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>4,330,858</u> | <u>54,642</u> | <u>118,890</u> | <u>110,941</u> | <u>4,615,331</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u>\$ 8,364,961</u> | <u>\$ 50,570</u> | <u>\$ 250,487</u> | <u>\$ 110,941</u> | <u>\$ 8,776,959</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2021*

| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | Sewer | Fitness Center | Golf Course | Theater Fund | Total |
|--|---------------------|--------------------|------------------|--------------|---------------------|
| Operating Income (Loss) | \$ 1,612,179 | \$ 172,222 | \$ 533,922 | \$ - | \$ 2,318,323 |
| Adjustments: | | | | | |
| Depreciation | 824,823 | 355,324 | 360,013 | - | 1,540,160 |
| (Increase) Decrease in Assets & Deferred Outflows: | | | | | |
| Accounts Receivable | 310,869 | 14,699 | - | - | 325,568 |
| Materials & Supplies Inventory | 19,230 | - | 2,019 | - | 21,249 |
| Special Assessments Receivable | 861 | - | - | - | 861 |
| Net Pension Asset | (4,371) | (2,668) | (2,916) | - | (9,955) |
| Net OPEB Asset | (134,822) | (82,275) | (89,951) | - | (307,048) |
| Deferred Outflows - Pension | 92,314 | 59,369 | 59,326 | - | 211,009 |
| Deferred Outflows - OPEB | 128,313 | 78,302 | 85,609 | - | 292,224 |
| Increase (Decrease) in Liabilities & Deferred Inflows: | | | | | |
| Accounts Payable | 11,533 | (2,575) | 983 | - | 9,941 |
| Accrued Interest Payable | - | - | (17,979) | - | (17,979) |
| Accrued Wages & Benefits | 16,271 | 4,132 | (816) | - | 19,587 |
| Intergovernmental Payable | 1,176 | (15,010) | (450) | - | (14,284) |
| Claims Payable | (27,945) | (3,354) | (3,148) | - | (34,447) |
| Unearned Revenue | - | 74,354 | - | - | 74,354 |
| Compensated Absences Payable | (5,894) | 4,861 | (12,680) | - | (13,713) |
| Net Pension Liability | (637,949) | (410,111) | (425,937) | - | (1,473,997) |
| Net OPEB Liability | (1,221,456) | (745,398) | (814,938) | - | (2,781,792) |
| Deferred Inflows - Pension | 294,292 | 189,160 | 189,211 | - | 672,663 |
| Deferred Inflows - OPEB | 345,591 | 210,896 | 230,573 | - | 787,060 |
| <i>Total Adjustments</i> | <u>12,836</u> | <u>(270,294)</u> | <u>(441,081)</u> | <u>-</u> | <u>(698,539)</u> |
| <i>Net Cash Provided By (Used For) Operating Activities</i> | <u>\$ 1,625,015</u> | <u>\$ (98,072)</u> | <u>\$ 92,841</u> | <u>\$ -</u> | <u>\$ 1,619,784</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

Note 1: The Reporting Entity

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

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

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

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

The Twinsburg Community Improvement Corporation (TCIC) is a not-for-profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Twinsburg, Ohio, under the applicable sections of the Ohio Revised Code. The City has agreed to provide 50 percent of the Transient Guest Tax funds the City collects and receives annually to the TCIC. Since this funding represents a significant portion of TCIC revenue, and the City’s Mayor and City Council members have the ability to significantly influence the membership of the TCIC’s Board and services offered by the TCIC, the organization is fiscally dependent on the City and therefore is considered a component unit of the City and is discretely presented in the City’s financial statements. See Note 19 for specific disclosures relating to the TCIC.

Jointly Governed Organizations

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Twinsburg did not contribute to NOPEC during 2021. Financial information can be obtained by contacting NOPEC, 31360 Solon Rd, Suite 33, Solon, Ohio 44139.

Note 2: Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

i. Government-Wide Financial Statements

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

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

ii. Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

B. Fund Accounting

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

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

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

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

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

General Bond Retirement Fund – The general bond retirement fund accounts for resources used for paying off debt associated with general obligation debt incurred for capital improvements.

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

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

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

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

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

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

C. Measurement Focus

i. Government-Wide Financial Statements

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

ii. Fund Financial Statements

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

i. Revenues – Exchange and Non-Exchange Transactions

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

ii. Unearned Revenue

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

iii. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report financial position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, the City had deferred outflows of resources for deferred losses on refunding, pensions and OPEB reported in the government-wide statement of net position and the proprietary funds statement of fund net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the financial statements that report financial position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and amounts for pension and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, charges for services, investment income and intergovernmental grants.

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

iv. Expenses/Expenditures

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

E. Budgetary Process

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

i. Tax Budget

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

ii. Estimated Resources

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

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission find the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2021. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

iii. Annual Estimate

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

iv. Appropriations

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

v. Lapsing of Appropriations

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

vi. Budgeted Level of Expenditure

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

vii. Encumbrances

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

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

F. Cash and Cash Equivalents

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

For the year ended 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, City funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds and 2) those which receive distributions of state gasoline tax and motor vehicle licenses fees (street maintenance and state highway special revenue funds). All remaining interest is allocated to the general fund. Legally, proprietary funds generally do not receive interest. Interest revenue credited to the general fund during 2021 amounted to \$196,033.

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City did not report any prepaid assets for 2021.

I. Capital Assets

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

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

J. Interfund Balances

On fund financial statements, interfund loans are classified as “interfund receivable/payable” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds” on the balance sheet and are equally offset as part of nonspendable fund balance which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. The City reported no interfund balances for 2021.

K. Compensated Absences

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

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

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

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

L. Payables, Accrued Liabilities and Long-Term Obligations

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

M. Net Position

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

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

N. Operating Revenues and Expenses

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

O. Interfund Activity

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

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

P. Deferred Charge on Refunding

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

Q. Bond Premiums

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

R. Estimates

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

S. Capital Contributions

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2021, the City received \$0 in governmental activities contributed capital donated from outside entities.

T. Fund Balance

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

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

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

Note 3: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

| | Net Change in Fund Balance | |
|---|----------------------------|--|
| | <u>General</u> | <u>Street Construction, Maintenance and Repair</u> |
| GAAP Basis | \$ 690,436 | \$ 165,529 |
| Net Adjustment for Revenue Accruals | (195,429) | (10,563) |
| Beginning Fair Value Adjustment | 285,716 | - |
| Fair Value Adjustment | (56,215) | - |
| Net Adjustment for Expenditure Accruals | (61,543) | 124,540 |
| Adjustment for Encumbrances | (34,220) | (274,574) |
| Budget Basis | <u>\$ 628,745</u> | <u>\$ 4,932</u> |

Note 4: Deposits and Investments

State statutes classify monies held by the City into three categories.

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

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

Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim monies may be deposited or invested in the following securities:

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

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

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

Deposits

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

At year-end, the carrying amount of the City's deposits was \$14,517,843 and the bank balance was \$15,249,611. Of the bank balance, \$250,000 was covered by FDIC. The remaining uncovered balance of \$14,999,611 was collateralized with securities held by the pledging institution's trust department, not in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2021, the City had the following investments:

| | Fair Value | Maturity |
|------------------------------------|----------------------|--------------------|
| STAROhio | \$ 2,000,000 | Less than One Year |
| Negotiable Certificates of Deposit | 2,930,774 | Less than One Year |
| Commercial Paper | 1,299,719 | Less than One Year |
| Money Market | 44,039 | Less than One Year |
| Negotiable Certificates of Deposit | 3,989,293 | One to Five Years |
| Agency Bond (FHLMC MTN) | 508,502 | One to Five Years |
| Agency Bond (FHLB) | 1,026,117 | One to Five Years |
| Agency Bond (AGM) | 127,492 | One to Five Years |
| Agency Bond (FNMA) | 883,231 | One to Five Years |
| Agency Bond (FFCB) | 1,229,671 | One to Five Years |
| US Treasury Note | 1,318,741 | One to Five Years |
| Municipal Bonds | 250,040 | One to Five Years |
| | <u>15,607,619</u> | |
| Total Portfolio | <u>\$ 15,607,619</u> | |

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

The City has the following recurring fair value measurements as of December 31, 2021:

- Negotiable certificates of deposit, Treasury Notes, agency bonds, commercial paper, and municipal bonds are measured based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio and money market are valued at amortized cost, which approximates fair value.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. During 2021, no investments have been purchased with a life greater than five years.

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

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2021:

| | <u>Fair Value</u> |
|------------------------------------|-----------------------|
| STAROhio | 12.81% |
| Negotiable Certificates of Deposit | 18.78% |
| Commercial Paper | 8.33% |
| Money Market | 0.28% |
| Negotiable Certificates of Deposit | 25.56% |
| Agency Bond (FHLMC MTN) | 3.26% |
| Agency Bond (FHLB) | 6.57% |
| Agency Bond (AGM) | 0.82% |
| Agency Bond (FNMA) | 5.66% |
| Agency Bond (FFCB) | 7.88% |
| US Treasury Note | 8.45% |
| Municipal Bonds | <u>1.60%</u> |
| Total Portfolio | <u><u>100.00%</u></u> |

Note 5: Receivables

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Real property taxes collected in 2021 are levied after October 1, 2020, on assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last reappraisal was completed for tax year 2020 affecting collections beginning in 2021.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88 percent of cost). Public utility property taxes paid in 2021 that became a lien on December 31, 2020, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$0.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2021 property tax receipts were based are as follows:

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

| | 2021 | |
|---------------------------------------|-----------------------|----------------|
| | Half Collections | |
| | Amount | Percent |
| Real Property Valuation: | | |
| Residential/Agricultural | \$ 492,580,810 | 69.18% |
| Commercial/Industrial/Mineral | 205,379,780 | 28.85% |
| Tangible Personal Property Valuation: | | |
| Public Utilities | 14,027,340 | 1.97% |
| Total Valuation | <u>\$ 711,987,930</u> | <u>100.00%</u> |

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

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

B. Municipal Income Taxes

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

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

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

| | |
|--|-------------------|
| Governmental Activities: | |
| Gasoline, Excise Tax & State Highway Distributions | \$ 523,056 |
| Local Government | 175,193 |
| Homestead and Rollback | 27,311 |
| Permissive | <u>25,572</u> |
| Total Governmental Activities | <u>\$ 751,132</u> |

Note 6: Risk Management

A. Property and Liability

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

B. Health Insurance Benefits

The City continues to carry health insurance through Medical Mutual of Ohio (Medical Mutual). The City offers a self-insurance plan in which a monthly admin fee, stop loss insurance, and charges/claims as they arise are paid from the general fund, sewer fund, Gleneagles golf fund, and fitness center fund for each employee that varies according to which fund the employee's salary is paid.

The claims liability of \$98,167 reported in the funds at December 31, 2021, was estimated by reviewing current claims and is based on the requirements of GASB No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount were:

| <u>Year</u> | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claim Payments</u> | <u>Ending Balance</u> |
|-------------|------------------------------|--------------------------------|---------------------------|---------------------------|
| 2021 | \$ 123,569 | \$ 1,441,542 | \$ 1,466,944 | \$ 98,167 |
| 2020 | \$ 195,092 | \$ 408,953 | \$ 480,476 | \$ 123,569 |

C. Workers' Compensation Program

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

The claims liability of \$4,953 is reported in governmental activities and is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the claims liability amount in 2021 and 2020 were as follows:

| <u>Year</u> | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claim Payments</u> | <u>Ending Balance</u> |
|-------------|------------------------------|--------------------------------|---------------------------|---------------------------|
| 2021 | \$ 11,089 | \$ - | \$ 6,136 | \$ 4,953 |
| 2020 | \$ 18,350 | \$ - | \$ 7,261 | \$ 11,089 |

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

Note 7: Capital Assets

Capital asset activity for government the year ended December 31, 2021, was as follows:

| | Balance 12/31/20 | Additions | Reductions | Balance 12/31/21 |
|--|-----------------------|-----------------------|--------------------|-----------------------|
| <i>Governmental Activities:</i> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 23,636,245 | \$ 25,500 | \$ - | \$ 23,661,745 |
| Construction in progress | - | 41,287 | - | 41,287 |
| Total capital assets not being depreciated | 23,636,245 | 66,787 | - | 23,703,032 |
| Capital assets being depreciated: | | | | |
| Land improvements | 3,836,012 | - | - | 3,836,012 |
| Buildings and improvements | 10,788,522 | - | - | 10,788,522 |
| Machinery and equipment | 6,930,560 | 63,025 | (30,247) | 6,963,338 |
| Vehicles | 7,892,868 | 573,530 | (543,020) | 7,923,378 |
| Infrastructure: | | | | |
| Roads | 70,075,753 | 604,217 | (544,572) | 70,135,398 |
| Water mains | 36,935,518 | - | - | 36,935,518 |
| Storm sewers and culverts | 44,642,839 | 174,632 | (4,540) | 44,812,931 |
| Traffic signs and signals | 1,684,539 | - | - | 1,684,539 |
| Streetlights | 1,888,784 | 2,779 | (1,290) | 1,890,273 |
| Total capital assets being depreciated | 184,675,395 | 1,418,183 | (1,123,669) | 184,969,909 |
| Less Accumulated depreciation | | | | |
| Land improvements | (2,071,459) | (114,306) | - | (2,185,765) |
| Buildings and improvements | (5,384,220) | (223,913) | - | (5,608,133) |
| Machinery and equipment | (4,912,554) | (252,165) | 25,881 | (5,138,838) |
| Vehicles | (5,214,518) | (451,373) | 515,920 | (5,149,971) |
| Infrastructure: | | | | |
| Roads | (30,517,616) | (2,222,075) | 521,126 | (32,218,565) |
| Water mains | (8,603,570) | (370,561) | - | (8,974,131) |
| Storm sewers and culverts | (14,634,917) | (744,580) | 2,119 | (15,377,378) |
| Traffic signs and signals | (1,224,831) | (59,848) | - | (1,284,679) |
| Streetlights | (1,452,545) | (40,754) | 1,290 | (1,492,009) |
| Total accumulated depreciation | (74,016,230) | (4,479,575) | 1,066,336 | (77,429,469) |
| Capital assets being depreciated, net | 110,659,165 | (3,061,392) | (57,333) | 107,540,440 |
| Governmental activities capital assets, net | \$ 134,295,410 | \$ (2,994,605) | \$ (57,333) | \$ 131,243,472 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------------------|---------------------|
| General Government | \$ 109,244 |
| Security of Persons and Property | 554,023 |
| Transportation | 2,494,372 |
| Leisure Time Activities | 222,075 |
| Community Development | 1,099,861 |
| | <u>4,479,575</u> |
| Total Depreciation Expense | \$ 4,479,575 |

| | <u>Balance 12/31/2020</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 12/31/2021</u> |
|--|-------------------------------|-----------------------|-------------------|-------------------------------|
| <i>Business-Type Activities</i> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,596,350 | \$ - | \$ - | \$ 2,596,350 |
| Total capital assets not being depreciated | <u>2,596,350</u> | <u>-</u> | <u>-</u> | <u>2,596,350</u> |
| Capital assets being depreciated: | | | | |
| Land Improvements | 3,813,459 | - | - | 3,813,459 |
| Buildings & Improvements | 32,102,815 | - | - | 32,102,815 |
| Machinery & Equipment | 5,000,967 | 16,744 | - | 5,017,711 |
| Vehicles | 787,616 | - | (15,348) | 772,268 |
| Infrastructure: | | | | |
| Sewer Lines | 36,906,727 | - | - | 36,906,727 |
| Total capital assets being depreciated | <u>78,611,584</u> | <u>16,744</u> | <u>(15,348)</u> | <u>78,612,980</u> |
| Less Accumulated depreciation | | | | |
| Land Improvements | (478,939) | (87,244) | - | (566,183) |
| Buildings & Improvements | (13,836,732) | (723,971) | - | (14,560,703) |
| Machinery & Equipment | (3,267,732) | (219,174) | - | (3,486,906) |
| Vehicles | (582,677) | (33,568) | 15,348 | (600,897) |
| Infrastructure: | | | | |
| Sewer Lines | (10,391,193) | (476,203) | - | (10,867,396) |
| Total accumulated depreciation | <u>(28,557,273)</u> | <u>(1,540,160)</u> | <u>15,348</u> | <u>(30,082,085)</u> |
| Capital assets being depreciated, net | <u>50,054,311</u> | <u>(1,523,416)</u> | <u>-</u> | <u>48,530,895</u> |
| Business-Type activities capital assets, net | <u>\$ 52,650,661</u> | <u>\$ (1,523,416)</u> | <u>\$ -</u> | <u>\$ 51,127,245</u> |

Note 8: Accountability

The City had deficit balances in the following funds at December 31, 2021:

| | |
|------------------------------|----------------|
| Nonmajor Governmental Funds: | <u>Deficit</u> |
| Fire Pension | \$ 34,845 |
| Police Pension | 25,374 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

Note 9: Contingencies/Pending Litigation

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

For the period January 1, 2021, to December 31, 2021, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

Note 10: Long-Term Obligations

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

| | <u>Original Issue Date</u> | <u>Original Interest Rate</u> | <u>Original Issue Amount</u> |
|---|--------------------------------|-----------------------------------|----------------------------------|
| <i>Governmental Activities:</i> | | | |
| General Obligation Bonds: | | | |
| Park land and conservation refunding, | 2011A | 2.00% - 4.88% | \$6,455,000 |
| senior citizens center, and golf course refunding | 2011B | 2.00% - 4.25% | 3,115,000 |
| Darrow road improvement refunding | 2013 | 2.20% | 1,888,500 |
| Recreational Facilities Improvement Bonds | 2020 | 3.25% | 7,125,000 |
| Special Assessment Bonds: | | | |
| Liberty/Cannon/Chamberlin/Ravenna | 2003 | 2.75% - 5.10% | 310,000 |
| Chamberlin waterline | 2005 | 4.20% - 5.00% | 62,000 |
| Snow plow vehicles loan | 2014 | 2.37% | 506,045 |
| OPWC Loans: | | | |
| Edgewood road improvements | 2008 | 0.00% | 344,925 |
| Haverhill and Croyden road improvements | 2009 | 0.00% | 347,170 |
| Post road improvements | 2010 | 0.00% | 895,653 |
| Sunview drive improvements | 2012 | 0.00% | 631,912 |
| Cobblestone Lane & Old Pond Lane improvements | 2013 | 0.00% | 499,000 |
| Warren Parkway improvements | 2014 | 0.00% | 288,000 |
| Darrow road sanitary sewer replacement | 2014 | 0.00% | 203,109 |
| Westwood Drive improvements | 2014 | 0.00% | 778,999 |
| Hillsdale waterline and sewer improvements | 2015 | 0.00% | 412,098 |
| Chamberlin sanitary | 2015 | 0.00% | 291,652 |
| Rolling Acres improvements | 2016 | 0.00% | 1,085,000 |
| Crestwood Waterline replacement | 2017 | 0.00% | 558,655 |
| Joann & Lila Place reconstruction | 2018 | 0.00% | 340,009 |
| Oakwood Drive Improvements | 2020 | 0.00% | 384,976 |
| <i>Business-Type Activities:</i> | | | |
| OPWC Loans: | | | |
| Darrow road improvements | 2012 | 0.00% | 84,834 |
| Belmeadow drive and Serene Court | 2013 | 0.00% | 220,000 |
| Darrow road SR91 sanitary replacement | 2019 | 0.00% | 403,026 |
| Oakwood Drive Improvements | 2020 | 0.00% | 100,000 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2021 was as follows:

| | Balance 12/31/20 | Additions | Deductions | Balance 12/31/21 | Due in One Year |
|---|----------------------|-------------------|------------------------|----------------------|---------------------|
| Governmental Activities: | | | | | |
| <i>General Obligation Bonds:</i> | | | | | |
| Park land and conservation refunding | \$ 160,000 | \$ - | \$ (160,000) | \$ - | \$ - |
| Senior citizens center and golf course refunding | 355,000 | - | (355,000) | - | - |
| Darrow road improvement refunding | 415,000 | - | (205,000) | 210,000 | 210,000 |
| Recreational Facilities Improvement Bonds | 7,125,000 | - | (205,000) | 6,920,000 | 205,000 |
| Premium on general obligation bonds | 41,926 | - | (41,926) | - | - |
| Total General Obligation Bonds | 8,096,926 | - | (966,926) | 7,130,000 | 415,000 |
| <i>Special Assessment Bonds:</i> | | | | | |
| Liberty/Cannon/Chamberlin/Ravenna | 45,000 | - | (15,000) | 30,000 | 15,000 |
| Chamberlin Waterline | 17,000 | - | (3,000) | 14,000 | 3,000 |
| Total Special Assessment Bonds: | 62,000 | - | (18,000) | 44,000 | 18,000 |
| <i>Other Long-Term Obligations:</i> | | | | | |
| <i>OPWC Loans:</i> | | | | | |
| CH10L Edgewood road improvements | 247,197 | - | (11,498) | 235,699 | 11,498 |
| CH19M Haverhill and Croyden road improvements | 248,806 | - | (11,572) | 237,234 | 11,572 |
| CH04N Post road improvements | 686,667 | - | (29,855) | 656,812 | 29,855 |
| CH02O Sunview drive improvements | 494,997 | - | (21,063) | 473,934 | 21,063 |
| CH06P Cobblestone Lane and Old Pond Lane improvements | 407,517 | - | (16,634) | 390,883 | 16,634 |
| CH09Q Warren Parkway improvements | 244,800 | - | (9,600) | 235,200 | 9,600 |
| CH08Q Darrow road sanitary sewer | 176,028 | - | (6,770) | 169,258 | 6,770 |
| CH11Q Westwood Drive improvements | 649,166 | - | (25,967) | 623,199 | 25,967 |
| CH05R Hillsdale waterline and sewer improvements | 364,020 | - | (13,737) | 350,283 | 13,737 |
| CH06S Chamberlin sanitary | 257,626 | - | (9,721) | 247,905 | 9,721 |
| CH03S Rolling Acres improvements | 1,012,667 | - | (36,167) | 976,500 | 36,167 |
| CH04T Crestwood Waterline Replacement | 542,451 | - | (18,705) | 523,746 | 18,705 |
| CH07U Joann & Lila Place reconstruction | 384,439 | - | (13,256) | 371,183 | 13,257 |
| CH05W Oakwood Drive Improvements | 284,699 | 45,277 | - | 329,976 | 5,500 |
| Capital lease payable | 1,209,670 | - | (395,116) | 814,554 | 272,615 |
| Claims Payable | 11,089 | - | (6,136) | 4,953 | - |
| Accrued Compensated Absences | 1,895,062 | 9,702 | - | 1,904,764 | 505,478 |
| Total Other Long-Term Obligations | 9,116,901 | 54,979 | (625,797) | 8,546,083 | 1,008,139 |
| Total Before Net Pension & OPEB Liability | 17,275,827 | 54,979 | (1,610,723) | 15,720,083 | 1,441,139 |
| <i>Net Pension Liability:</i> | | | | | |
| OPERS | 8,611,270 | - | (3,098,611) | 5,512,659 | - |
| OP&F | 16,876,702 | - | (366,270) | 16,510,432 | - |
| Total Net Pension Liability | 25,487,972 | - | (3,464,881) | 22,023,091 | - |
| <i>Net OPEB Liability:</i> | | | | | |
| OPERS | 5,867,519 | - | (5,867,519) | - | - |
| OP&F | 2,474,620 | 91,442 | - | 2,566,062 | - |
| Total Net OPEB Liability | 8,342,139 | 91,442 | (5,867,519) | 2,566,062 | - |
| Total Governmental Long-Term Obligations | \$ 51,105,938 | \$ 146,421 | \$ (10,943,123) | \$ 40,309,236 | \$ 1,441,139 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

| | Balance 12/31/20 | Additions | Deductions | Balance 12/31/21 | Due in One Year |
|--|---------------------|-------------|-----------------------|---------------------|--------------------|
| Business-Type Activities: | | | | | |
| <i>Other Long-Term Obligations:</i> | | | | | |
| CH04P Darrow road improvements | \$ 66,453 | \$ - | \$ (2,827) | \$ 63,626 | \$ 5,654 |
| CH05P Belmeadow Drive/Serene Court | 176,000 | - | (7,333) | 168,667 | 14,666 |
| CH05U Darrow Road SR91 Sanitary Replacement | 403,026 | - | (13,433) | 389,593 | 13,434 |
| CH05W Oakwood Drive Improvements | 100,000 | - | - | 100,000 | 1,667 |
| Accrued Compensated Absences | 376,736 | - | (43,616) | 333,120 | 142,424 |
| Total Other Long-Term Obligations | 1,122,215 | - | (67,209) | 1,055,006 | 177,845 |
| Total Before Net Pension & OPEB Liabilities | 1,122,215 | - | (67,209) | 1,055,006 | 177,845 |
| <i>Net Pension Liability:</i> | | | | | |
| OPERS | 4,094,108 | - | (1,458,170) | 2,635,938 | - |
| <i>Net OPEB Liability:</i> | | | | | |
| OPERS | 2,781,792 | - | (2,781,792) | - | - |
| Total Net Pension & OPEB Liabilities | 6,875,900 | - | (4,239,962) | 2,635,938 | - |
| Total Business-Type Long-Term Obligations | \$ 7,998,115 | \$ - | \$ (4,307,171) | \$ 3,690,944 | \$ 177,845 |

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2021 were as follows:

| Year Ending 12/31 | Governmental Activities | | | | | | Business Type Activities |
|-------------------------|--------------------------|---------------------|--------------------------|-----------------|---------------------|-------------------|--------------------------------|
| | General Obligation Bonds | | Special Assessment Bonds | | OPWC | OPWC | |
| | Principal | Interest | Principal | Interest | Principal | Principal | |
| 2022 | \$ 415,000 | \$ 196,464 | \$ 18,000 | \$ 2,230 | \$ 230,046 | \$ 26,928 | |
| 2023 | 210,000 | 189,354 | 18,000 | 1,315 | 235,545 | 26,928 | |
| 2024 | 215,000 | 185,770 | 4,000 | 400 | 235,545 | 26,928 | |
| 2025 | 225,000 | 180,746 | 4,000 | 200 | 235,545 | 26,928 | |
| 2026 | 230,000 | 175,346 | - | - | 235,545 | 26,928 | |
| 2027-2031 | 1,230,000 | 778,434 | - | - | 1,177,727 | 134,641 | |
| 2032-2036 | 1,430,000 | 576,173 | - | - | 1,177,727 | 134,641 | |
| 2037-2041 | 1,665,000 | 356,213 | - | - | 1,177,727 | 134,641 | |
| 2042-2046 | 1,510,000 | 110,275 | - | - | 872,582 | 112,904 | |
| 2047-2051 | - | - | - | - | 243,823 | 70,418 | |
| Total | \$ 7,130,000 | \$ 2,748,775 | \$ 44,000 | \$ 4,145 | \$ 5,821,812 | \$ 721,885 | |

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

As of December 31, 2021, the City's future governmental activities and business-type debt service requirements consisted of bonds payable at various interest rates, 17 non-interest bearing Ohio Public Works Commission (OPWC) loans numbered CH10L, CH19M, CH04N, CH02O, CH06P, CH09Q, CH04P, CH11Q, CH05R, CH06S, CH03S, CH04T, CH07U, CH04P, CH05P, CH05U, and CH05W, capital leases, claims and compensated absences.

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

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

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

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

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

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

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

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

During 2018, the City obtained proceeds for the OPWC loan related to the Rolling Acres improvement project in the amount of \$1,085,000. The loan will be repaid in semi-annual principal payments of \$18,083 at zero percent interest for 30 years.. The amounts are included in the amortization table.

During 2019, the City obtained proceeds for the OPWC loan related to the Crestwood Waterline Replacement project. These loans will be repaid in semi-annual principal payments of \$6,628 at zero percent interest for 30 years. The amounts are included in the amortization table.

During 2019, the City obtained proceeds for the OPWC loan related to the Joann & Lila Place Reconstruction project. These loans will be repaid in semi-annual principal payments of \$4,745 at zero percent interest for 30 years. The amounts are included in the amortization table.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

During 2020, the City obtain proceeds for the OPWC loan related to Oakwood Drive Improvements in the amount of \$384,699. The full proceeds available have not yet been drawn.

Also during the 2020, the City issued general obligation bonds for the Recreational Facilities Improvement project that had previously been financed through bond anticipation notes annually. The bonds were issued in a taxable bond of \$3,385,000 and a tax-exempt bond of \$3,740,000 for a total issuance of \$7,125,000. The bonds were issued with a variable interest rate and payments to be made over 30 years.

Note 11: Lease Obligations

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

Governmental capital assets acquired by a capital lease have been capitalized as vehicles in the amount of \$1,021,121. Accumulated depreciation as of December 31, 2021 for the vehicles and equipment was \$432,258, leaving a current book value of \$588,863.

Business-type capital assets acquired by these leases have been capitalized as equipment in the amount of \$113,600, accumulated depreciation as of December 31, 2021, for the equipment was \$99,665 leaving a current book value of \$13,935 for equipment.

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

| Year Ending December 31, | Capital Lease | Operating Lease |
|---|-----------------------------|------------------------------|
| | Governmental Lease Payments | Business-Type Lease Payments |
| 2022 | \$ 292,745 | \$ 32,077 |
| 2023 | 111,967 | - |
| 2024 | 81,254 | - |
| 2025 | 81,254 | - |
| 2026 | 81,254 | - |
| 2027-2029 | 243,762 | - |
| Total Minimum Lease Payments | 892,236 | 32,077 |
| Less: Amount Representing Interest | (77,682) | - |
| Present Value of Minimum Lease Payments | \$ 814,554 | \$ 32,077 |

Note 12: Compensated Absences

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

Note 13: Defined Benefit Pension Plans

Net Pension Liability/Asset

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

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

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

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

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

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

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions for the traditional plan for 2021 were \$1,133,270. 92% has been contributed for 2021. Of the amount for 2021, \$92,428 is reported as intergovernmental payable.

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

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

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

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

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

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

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,304,369 for 2021. Of this amount, \$112,546 is reported as intergovernmental payable.

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

The net pension asset and liability were measured as of December 31, 2021, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of that date. The City's proportions of the net pension asset and liability were based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

OP&F's total pension liability was measured as of December 31, 2021 and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

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

| | OPERS - Traditional | OPERS - Combined | OP&F | Total |
|--|------------------------|---------------------|---------------|---------------|
| Proportion of the net pension liability/asset prior measurement date | 0.06428000% | 0.06732600% | 0.25052500% | |
| Proportion of the net pension liability/asset current measurement date | 0.05502900% | 0.05935800% | 0.24219200% | |
| Change in proportionate share | -0.00925100% | -0.00796800% | -0.00833300% | |
| Proportionate share of the net pension liability | \$ 8,148,597 | \$ - | \$ 16,510,432 | \$ 24,659,029 |
| Proportionate share of the net pension asset | - | 171,345 | - | 171,345 |
| Pension expense | (663,114) | 3,758 | 1,448,386 | 789,030 |

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | OPERS - Traditional | OPERS - Combined | OP&F | Total |
|--|------------------------|---------------------|---------------------|---------------------|
| Deferred outflows of resources | | | | |
| Differences between expected and actual experience | \$ - | \$ - | \$ 641,691 | \$ 641,691 |
| Net difference between projected and actual earnings on pension plan investments | - | - | - | - |
| Changes of assumptions | - | 10,703 | 276,887 | 287,590 |
| Changes in employer's proportionate percentage/ difference between employer contributions | 14,162 | 12,320 | 122,799 | 149,281 |
| City contributions subsequent to the measurement date | 1,133,270 | 33,618 | 1,304,369 | 2,471,257 |
| Total deferred outflows of resources | \$ 1,147,432 | \$ 56,641 | \$ 2,345,746 | \$ 3,549,819 |

| | OPERS - Traditional | OPERS - Combined | OP&F | Total |
|---|------------------------|---------------------|---------------------|---------------------|
| Deferred inflows of resources | | | | |
| Differences between expected and actual experience | \$ 340,863 | \$ 32,328 | \$ 523,963 | \$ 897,154 |
| Net difference between projected and actual earnings on pension plan investments | 3,176,085 | 25,481 | 395,770 | 3,597,336 |
| Changes in employer's proportionate share/ difference between employer contributions | 1,273,804 | 1,134 | 1,104,625 | 2,379,563 |
| Total deferred inflows of resources | \$ 4,790,752 | \$ 58,943 | \$ 2,024,358 | \$ 6,874,053 |

\$2,471,257 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2022.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

| Year Ending December 31: | OPERS - Traditional | OPERS - Combined | OP&F | Total |
|--------------------------|------------------------|---------------------|---------------------|-----------------------|
| 2022 | \$ (2,171,526) | \$ (10,889) | \$ (143,322) | \$ (2,325,737) |
| 2023 | (877,213) | (6,411) | 177,010 | (706,614) |
| 2024 | (1,294,680) | (12,293) | (785,082) | (2,092,055) |
| 2025 | (433,171) | (4,909) | (204,407) | (642,487) |
| 2026 | - | (1,140) | (27,180) | (28,320) |
| Thereafter | - | (278) | - | (278) |
| Total | \$ (4,776,590) | \$ (35,920) | \$ (982,981) | \$ (5,795,491) |

Actuarial Assumptions - OPERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2020, are presented below:

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

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

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

During 2020 OPERS manage investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan. Within the defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first on the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|-------------------|--|
| Fixed Income | 25.00 % | 1.32 % |
| Domestic Equities | 21.00 | 5.64 |
| Real Estate | 10.00 | 5.39 |
| Private Equity | 12.00 | 10.42 |
| International Equities | 23.00 | 7.36 |
| Other Investments | 9.00 | 4.75 |
| Total | 100.00 % | 5.43 % |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

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

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|---|------------------------|-------------------------------------|------------------------|
| City’s proportionate share of the net pension liability (asset): | | | |
| Traditional Pension Plan | \$ 15,543,491 | \$ 8,148,597 | \$ 1,999,754 |
| Combined Plan | (119,310) | (171,345) | (210,127) |
| Total | \$ 20,870,449 | \$ 12,564,986 | \$ 5,108,524 |

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future.

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

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

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

| | |
|----------------------------|--|
| Valuation date | 1/1/20 with actuarial liabilities rolled forward to 12/31/20 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 8.00% |
| Projected salary increases | 3.75% - 10.50% |
| Payroll increases | 3.25% |
| Inflation assumptions | 2.75% |
| Cost of living adjustments | 2.20% simple |

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020 are summarized below:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 21.00 | 4.10 |
| International Equity | 14.00 | 4.80 |
| Private Markets | 8.00 | 6.40 |
| Core Fixed Income * | 23.00 | 0.90 |
| High Yield Fixed Income | 7.00 | 3.00 |
| Private Credit | 5.00 | 4.50 |
| US Inflation Linked Bonds* | 17.00 | 0.70 |
| Midstream Energy Infrastructure | 5.00 | 5.60 |
| Real Assets | 8.00 | 5.80 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 5.30 |
| Total | 125.00 % | |

Note: assumptions are geometric.

*Levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

pension plan investments was applied to all periods of projected benefits to determine the total pension liability/asset.

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

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability | \$ 22,984,637 | \$ 16,510,432 | \$ 11,092,177 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

Net OPEB Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2021.

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

Beginning January 1, 2020, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The City's contractually required contribution to OP&F was \$30,171 for 2021. Of this amount, \$6,141 is reported as intergovernmental payable.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

The net OPEB liability and total OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020 and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------|
| Proportion of the net OPEB liability prior measurement date | 0.06261900% | 0.25052500% | |
| Proportion of the net OPEB liability current measurement date | <u>0.05358700%</u> | <u>0.24219200%</u> | |
| Change in proportionate share | <u>-0.00903200%</u> | <u>-0.00833300%</u> | |
| | | | |
| Proportionate share of the net OPEB liability | | \$ 2,566,062 | \$ 2,566,062 |
| Proportionate share of the net OPEB asset | \$ 954,695 | | \$ 954,695 |
| OPEB expense | \$ (6,248,223) | \$ 65,504 | \$ (6,182,719) |

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|--|-------------------|---------------------|---------------------|
| Deferred outflows of resources | | | |
| Changes of assumptions | \$ 469,339 | \$ 1,330,689 | \$ 1,800,028 |
| Changes in employer's proportionate share/ difference between employer contributions | 2,776 | 88,033 | 90,809 |
| City contributions subsequent to the measurement date | - | 30,171 | 30,171 |
| Total deferred outflows of resources | <u>\$ 472,115</u> | <u>\$ 1,448,893</u> | <u>\$ 1,921,008</u> |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

| | OPERS | OP&F | Total |
|--|---------------------|---------------------|---------------------|
| Deferred inflows of resources | | | |
| Differences between expected and actual experience | \$ 861,607 | \$ 373,302 | \$ 1,234,909 |
| Net difference between projected and actual earnings on pension plan investments | 508,484 | 66,566 | 575,050 |
| Changes of assumptions | 1,546,892 | 409,079 | 1,955,971 |
| Changes in employer's proportionate percentage/difference between employer contributions | 761,670 | 441,841 | 1,203,511 |
| Total deferred inflows of resources | \$ 3,678,653 | \$ 1,290,788 | \$ 4,969,441 |

\$30,171 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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

| | OPERS | OP&F | Total |
|--------------------------|-----------------------|-------------------|-----------------------|
| Year Ending December 31: | | | |
| 2022 | \$ (1,741,131) | \$ 24,942 | \$ (1,716,189) |
| 2023 | (1,530,430) | 47,524 | (1,482,906) |
| 2024 | 124,940 | 11,924 | 136,864 |
| 2025 | (59,917) | 12,893 | (47,024) |
| 2026 | - | 14,777 | 14,777 |
| Thereafter | - | 15,874 | 15,874 |
| Total | \$ (3,206,538) | \$ 127,934 | \$ (3,078,604) |

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

| | |
|--|---|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 6.00 percent |
| Prior Measurement date | 3.16 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | 2.00 percent |
| Health Care Cost Trend Rate | 8.50 percent, initial 3.50 percent, ultimate in 2035 |
| Actuarial Cost Method | Individual Entry Age |

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

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

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

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

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 10.50% for 2020.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|-------------------|--|
| Fixed Income | 36.00 % | 1.53 % |
| Domestic Equities | 21.00 | 5.75 |
| Real Estate Investment Trust | 6.00 | 5.69 |
| International Equities | 23.00 | 7.66 |
| Other investments | 14.00 | 4.90 |
| Total | 100.00 % | 4.55 % |

Discount Rate A single discount rate of 6.00% as used to measure the OPEB liability/(asset) on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%.

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the OPEB liability/(asset) calculated using the single discount rate of 6.00%, and the expected net OPEB liability/(asset) if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB asset | \$ 237,390 | \$ 954,695 | \$ 1,544,377 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

| | 1% Decrease | Current Health Care Trend Rate Assumption | 1% Increase |
|---|-------------|---|-------------|
| City's proportionate share of the net OPEB asset | \$ 977,963 | \$ 954,695 | \$ 928,663 |

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

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

| | |
|----------------------------|---|
| Valuation Date | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 2.2 percent simple |

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

| Age | Police | Fire |
|------------|--------|------|
| 67 or less | 77 % | 68 % |
| 68-77 | 105 | 87 |
| 78 and up | 115 | 120 |

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

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

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

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------|------------------------------|---|
| Cash and Cash Equivalents | - % | 0.00 % |
| Domestic Equity | 21.00 | 4.10 |
| Non-US Equity | 14.00 | 4.80 |
| Private Markets | 8.00 | 6.40 |
| Core Fixed Income* | 23.00 | 0.90 |
| High Yield | 7.00 | 3.00 |
| Private Credit | 5.00 | 4.50 |
| U.S. Inflation Linked Bonds* | 17.00 | 0.00 |
| Master Limited Partnerships | 5.00 | 5.60 |
| Real Assets | 8.00 | 5.80 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 5.30 |
| Total | <u>125.00 %</u> | |

Note: Assumptions are geometric.

*levered 2.5x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - Total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019 was blended with the long-term rate of 8.00 percent, which resulted in a blended discount rate of 2.96 percent.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 1.96 percent, or one percentage point higher, 3.96 percent, than the current rate:

| | 1% Decrease (1.96%) | Current Discount Rate (2.96%) | 1% Increase (3.96%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$ 3,199,732 | \$ 2,566,062 | \$ 2,043,358 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 15: Fund Balances

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

| Fund Balances | General | Street Construction Maintenance and Repair | Park Debt Service | General Bond Retirement | Capital Improvement | Nonmajor Governmental | Total |
|------------------------------------|----------------------|---|----------------------|----------------------------|------------------------|--------------------------|----------------------|
| <i>Nonspendable:</i> | | | | | | | |
| Inventory | \$ 165,111 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 165,111 |
| Unclaimed Monies | 6,053 | - | - | - | - | - | 6,053 |
| <i>Total Nonspendable</i> | 171,164 | - | - | - | - | - | 171,164 |
| <i>Restricted for:</i> | | | | | | | |
| Debt Service Payments | - | - | 14,038 | - | - | - | 14,038 |
| Capital Improvements | - | - | - | - | - | 501,608 | 501,608 |
| Streets and Highways | - | 2,159,163 | - | - | - | 1,043,742 | 3,202,905 |
| Law Enforcement Education | - | - | - | - | - | 49,498 | 49,498 |
| <i>Total Restricted</i> | - | 2,159,163 | 14,038 | - | - | 1,594,848 | 3,768,049 |
| <i>Committed to:</i> | | | | | | | |
| Parks and Recreation | - | - | - | - | - | 76,513 | 76,513 |
| Employee Payout Reserve | - | - | - | - | - | 12,878 | 12,878 |
| Debt Service Payments | - | - | - | 525,445 | - | - | 525,445 |
| <i>Total Committed</i> | - | - | - | 525,445 | - | 89,391 | 614,836 |
| <i>Assigned to:</i> | | | | | | | |
| Capital Improvements | - | - | - | - | 2,388,726 | - | 2,388,726 |
| Information Technology | 6,900 | - | - | - | - | - | 6,900 |
| General Government | 1,097 | - | - | - | - | - | 1,097 |
| Fire | 6,503 | - | - | - | - | - | 6,503 |
| Public Works | 12,325 | - | - | - | - | - | 12,325 |
| Engineering | 7,395 | - | - | - | - | - | 7,395 |
| General Assigned Reserve | 869,002 | - | - | - | - | - | 869,002 |
| <i>Total Assigned</i> | 903,222 | - | - | - | 2,388,726 | - | 3,291,948 |
| <i>Unassigned (Deficit)</i> | 15,662,614 | - | - | - | - | (60,219) | 15,602,395 |
| <i>Total Fund Balances</i> | \$ 16,737,000 | \$ 2,159,163 | \$ 14,038 | \$ 525,445 | \$ 2,388,726 | \$ 1,624,020 | \$ 23,448,392 |

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 16: Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

| | <u>Transfers From General</u> |
|---|---------------------------------------|
| | <u>Fund</u> |
| Transfers To: | |
| General Fund | \$ - |
| Street Construction, Maintenance and Repair | 100,000 |
| Capital Improvement Fund | 1,400,000 |
| General Bond Retirement Fund | 1,225,000 |
| Fitness Center Fund | 94,000 |
| Golf Course Fund | 55,500 |
| Other Governmental Funds | <u>893,500</u> |
| Total Transfers | <u><u>\$ 3,768,000</u></u> |

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

Note 17: Other Significant Commitments

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

| | <u>Encumbrances</u> |
|--|--------------------------------|
| Governmental Funds: | |
| General Fund | \$ 34,220 |
| Street Construction, Maintenance and Repair Fund | 274,573 |
| Capital Improvement Fund | <u>785,992</u> |
| Total Governmental | <u><u>\$ 1,094,785</u></u> |

Note 18: Tax Abatement Disclosures

As of December 31, 2021, the City of Twinsburg provides tax incentives under the Community Reinvestment Area (CRA) Program.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

Real Estate tax abatements

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

The abatement is provided for an agreed upon time frame. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate. During 2021, the City of Twinsburg contracted with the Twinsburg City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

City Council's incentive criteria for decision making

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

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

For the year ended December 31, 2021, the City abated property taxes totaling \$530,172 under this program.

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

The required amount of income tax dollars paid by the City to the Twinsburg City School District in 2021 was \$135,792.

Note 19: Discretely Presented Component Unit

Note A. Nature of Operations

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

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

Note B. Summary of Significant Accounting Policies

Basis of Accounting

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

Measurement Focus and Basis of Accounting

The TCIC's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the statement of financial position. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in financial position. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The TCIC uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

Basis of Presentation

TCIC's basic financial statements consist of a statement of net position, a statement of activities, and a statement of cash flows. The financial statements of the TCIC have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). TCIC uses enterprise fund accounting to maintain its financial records during the fiscal year.

Net Position is comprised of unrestricted and restricted components. Operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net position. Net position is the difference between the TCIC's assets, its liabilities, and deferred outflows/inflows of resources. GASB establishes standards for external financial reporting which require that resources be classified for accounting and reporting purposes into the following net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Organization or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

TCIC first applies restricted resources when an expense is incurred for which both restricted and unrestricted net position are available. Unrestricted: Net position whose use by TCIC is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Accounting Pronouncements

The following are pronouncements that either became effective during fiscal year 2021 or will become effective in future fiscal years and could impact TCIC's financial reports:

GASB 87 – "Leases." Effective for reporting periods beginning after December 15, 2019. Per GASB 95 the effective date has been postponed until June 15, 2021.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

GASB 91 – “Conduit Debt Obligations” Effective for reporting periods beginning after December 15, 2020. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2021.

GASB 92 – “Omnibus 2020” Various effective dates depending on applicable section. Per GASB 95 the effective date has been postponed one year from the original effective dates.

GASB 93 – “Replacement of Interbank Offered Rate” Various effective dates depending on applicable section. Per GASB 95 the effective date has been postponed one year from the original effective dates.

GASB 94 – “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” Effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.

TCIC determined those standards adopted had no material impact on its financial statements as of December 31, 2021.

TCIC has not fully determined the effect statements with effective dates subsequent to current reporting period will have on its financial reporting in subsequent fiscal years.

Income Tax Status

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

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the TCIC and recognize a tax liability (or asset) if the TCIC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the TCIC, and has concluded that as of December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The TCIC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The TCIC's Federal Return of Organization from Income Tax (federal Form 990) for 2020, 2019, and 2018 are subject to examination exempt the IRS, generally for three years after filing.

Estimates

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

Cash and Cash Equivalents

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

Receivables

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

Capital Assets

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note C. Cash and Cash Equivalents

The TCIC maintains its cash balance in banking accounts. At December 31, 2021, the TCIC's carrying value of cash was \$54,906. At December 31, 2021, the TCIC's bank balance was \$54,906. Of the bank balances, as of December 31, 2021, \$54,906 was covered by FDIC insurance.

Custodial Credit Risk is the risk that in the event of bank failure, the TCIC's deposits may not be returned. The TCIC has no policy regarding custodial credit risk. TCIC's practice is to maintain all deposits within FDIC.

Note D. Land for Investment/Sale

The Corporation owns the land at the following addresses:

- 8949 Darrow Road, Twinsburg, Ohio 44087
- 2573 East Aurora Road, Twinsburg, Ohio 44087
- 2593 East Aurora Road, Twinsburg, Ohio 44087
- Corner of Aurora and Hadden Road, Twinsburg, Ohio 44087

The land is valued at its purchase price in the financial statements. The Corporation promotes the sale of this land in Summit County to prospective industrial clients.

Note E. Concentration of Risk

The TCIC maintains its cash at a local financial institution. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021, the TCIC's entire cash balance is insured.

For the year ended December 31, 2021, the TCIC received 81% of its revenue from the City of Twinsburg.

Note F. Debt

Long-term debt consists of the following as of December 31, 2021:

| | Amount |
|---------------------------|-----------|
| Aurora Road Property Note | \$ 50,417 |
| Total Long-Term Debt | 50,417 |
| Less: Current Portion | (50,417) |
| Total Long-Term Debt | \$ - |

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

The aggregate maturities on long-term debt for the remaining one year as of December 31, 2021, is as follows:

| Year Ended June 30 | Amount |
|--------------------|-----------|
| 2022 | \$ 50,417 |
| Total | \$ 50,417 |

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

Note H. Risk Management

The Corporation maintains property insurance through a private insurance carrier. The insurance was purchased in 2021 when the property was purchased. There have been no claims that exceeded coverage.

Note I. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the TCIC. The impact on the TCIC's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 20. Subsequent Events

On March 11, 2021, the American Rescue Plan Act (ARPA) was enacted to, amongst other provisions, provide payments to state, local, tribal, and territorial governments for economic relief. The City will receive the second half of its ARPA funds in 2022 in the amount of \$987,593.

As a result of the changing business landscape, employers within City limits have elected to continue work-from-home practices. As a result of these decisions and the end of the State of Ohio's policy of allowing municipalities to continue collecting municipal income tax on work-from-home employees, the City estimates its tax base will decline by approximately 1,800 employees. Specifically, two major employers have elected to make work-from-home policies permanent. The City estimates that this will result in between a 3 percent and 9.1 percent loss in municipal income tax revenue or more than \$2 million.

City of Twinsburg, Ohio

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|
| City's Proportion of the Net Pension Liability (Asset) | 0.0550290% | 0.0642800% | 0.0639790% | 0.0638150% | 0.0617640% | 0.0633760% | 0.6310700% | 0.6310700% |
| City's Proportionate Share of the Net Pension Liability (Asset) | \$ 8,148,597 | \$ 12,705,378 | \$ 17,522,552 | \$ 10,011,336 | \$ 14,025,554 | \$ 10,977,523 | \$ 7,611,409 | \$ 7,439,493 |
| City's Covered Payroll | \$ 8,094,786 | \$ 9,028,477 | \$ 8,639,343 | \$ 8,354,500 | \$ 8,246,675 | \$ 7,963,767 | \$ 7,740,890 | \$ 7,250,462 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 100.66% | 140.73% | 202.82% | 119.83% | 170.08% | 137.84% | 98.33% | 102.61% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 86.88% | 82.17% | 74.70% | 84.66% | 77.25% | 81.08% | 86.45% | n/a |

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City's Proportion of the Net Pension Liability (Asset) | 0.05935800% | 0.06732600% | 0.06590100% | 0.06627100% | 0.06630400% | 0.06273000% | 0.05865500% | 0.05865500% |
| City's Proportionate Share of the Net Pension Liability (Asset) | \$ (171,345) | \$ (140,392) | \$ (73,693) | \$ (90,216) | \$ (36,903) | \$ (30,526) | \$ (22,585) | \$ (6,155) |
| City's Covered Payroll | \$ 261,593 | \$ 296,864 | \$ 281,850 | \$ 268,838 | \$ 266,331 | \$ 231,342 | \$ 206,941 | \$ 210,623 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 65.50% | 47.29% | 26.15% | 33.56% | 13.86% | 13.20% | 10.91% | 2.92% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 157.67% | 145.28% | 126.64% | 137.28% | 116.55% | 116.90% | 114.83% | n/a |

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability (Asset) | 0.24219200% | 0.25052500% | 0.25910700% | 0.27061200% | 0.26635800% | 0.26254700% | 0.25847900% | 0.25847900% |
| City's Proportionate Share of the Net Pension Liability (Asset) | \$ 16,510,432 | \$ 16,876,702 | \$ 21,149,978 | \$ 16,608,680 | \$ 16,870,848 | \$ 16,889,831 | \$ 13,390,305 | \$ 12,588,752 |
| City's Covered Payroll | \$ 6,114,210 | \$ 5,821,652 | \$ 5,907,431 | \$ 5,868,555 | \$ 5,762,591 | \$ 5,424,500 | \$ 5,108,843 | \$ 5,160,956 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 270.03% | 289.90% | 358.02% | 283.01% | 292.76% | 311.36% | 262.10% | 243.92% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.65% | 69.89% | 63.07% | 70.91% | 68.36% | 66.77% | 71.71% | n/a |

(1) Information prior to 2014 is not available.

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

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|
| City's Proportion of the Net OPEB Liability | 0.05358700% | 0.06261900% | 0.06252900% | 0.06253000% | 0.06097500% |
| City's Proportionate Share of the Net OPEB Liability/(Asset) | \$ (954,695) | \$ 8,649,311 | \$ 8,152,306 | \$ 6,790,297 | \$ 6,158,682 |
| City's Covered Payroll | \$ 8,011,775 | \$ 9,325,341 | \$ 8,921,193 | \$ 8,623,338 | \$ 8,513,006 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | -11.92% | 92.75% | 91.38% | 78.74% | 72.34% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 115.57% | 47.80% | 46.33% | 54.14% | 54.05% |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|---------------|---------------|
| City's Proportion of the Net OPEB Liability | 0.24219200% | 0.25052500% | 0.25910700% | 0.27061200% | 0.26635800% |
| City's Proportionate Share of the Net OPEB Liability | \$ 2,566,062 | \$ 2,474,620 | \$ 2,359,567 | \$ 15,332,469 | \$ 12,643,415 |
| City's Covered Payroll | \$ 5,821,652 | \$ 5,821,652 | \$ 5,907,431 | \$ 5,868,555 | \$ 5,762,591 |
| City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 44.08% | 42.51% | 39.94% | 261.26% | 219.41% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 47.08% | 47.08% | 46.57% | 14.13% | 15.96% |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Pension Contribution | \$ 1,133,270 | \$ 1,085,028 | \$ 1,263,987 | \$ 1,209,508 | \$ 1,086,085 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (1,133,270) | (1,085,028) | (1,263,987) | (1,209,508) | (1,086,085) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 8,094,786 | \$ 7,750,182 | \$ 9,028,477 | \$ 8,639,343 | \$ 8,354,500 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Contractually Required Pension Contribution | \$ 989,601 | \$ 955,652 | \$ 928,907 | \$ 942,560 | \$ 690,548 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (989,601) | (955,652) | (928,907) | (942,560) | (690,548) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 8,246,675 | \$ 7,963,767 | \$ 7,740,890 | \$ 7,250,462 | \$ 6,905,479 |
| Pension Contributions as a Percentage of Covered Payroll | 12.00% | 12.00% | 12.00% | 13.00% | 10.00% |

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Contractually Required Pension Contribution | \$ 33,618 | \$ 36,623 | \$ 41,561 | \$ 39,459 | \$ 34,949 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (33,618) | (36,623) | (41,561) | (39,459) | (34,949) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 240,129 | \$ 261,593 | \$ 296,864 | \$ 281,850 | \$ 268,838 |
| Pension Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 14.00% | 14.00% | 13.00% |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Contractually Required Pension Contribution | \$ 31,960 | \$ 27,761 | \$ 24,833 | \$ 27,381 | \$ 20,060 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (31,960) | (27,761) | (24,833) | (27,381) | (20,060) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 266,331 | \$ 231,342 | \$ 206,941 | \$ 210,623 | \$ 200,601 |
| Pension Contributions as a Percentage of Covered Payroll | 12.00% | 12.00% | 12.00% | 13.00% | 10.00% |

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually Required Pension Contribution | \$ 1,304,369 | \$ 1,285,062 | \$ 1,228,765 | \$ 1,246,394 | \$ 1,247,068 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (1,304,369) | (1,285,062) | (1,228,765) | (1,246,394) | (1,247,068) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 6,034,160 | \$ 6,114,210 | \$ 5,821,652 | \$ 5,907,431 | \$ 5,868,555 |
| Pension Contributions as a Percentage of Covered Payroll | 21.62% | 21.02% | 21.11% | 21.10% | 21.25% |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Contractually Required Pension Contribution | \$ 1,222,346 | \$ 1,143,718 | \$ 1,084,244 | \$ 930,836 | \$ 725,403 |
| Pension Contributions in Relation to the Contractually Required Pension Contribution | (1,222,346) | (1,143,718) | (1,084,244) | (930,836) | (725,403) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 5,762,591 | \$ 5,424,500 | \$ 5,108,843 | \$ 5,160,956 | \$ 4,877,787 |
| Pension Contributions as a Percentage of Covered Payroll | 21.21% | 21.08% | 21.22% | 18.04% | 14.87% |

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Contractually Required OPEB Contribution | \$ - | \$ - | \$ - | \$ - | \$ 95,986 |
| OPEB Contributions in Relation to the Contractually Required OPEB Contributions | - | - | - | - | (95,986) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 8,334,915 | \$ 8,011,775 | \$ 9,325,341 | \$ 8,921,193 | \$ 8,623,338 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 1.00% |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Contractually Required OPEB Contribution | \$ 169,693 | \$ 165,582 | \$ 161,534 | \$ 76,280 | \$ 297,023 |
| OPEB Contributions in Relation to the Contractually Required OPEB Contributions | (169,693) | (165,582) | (161,534) | (76,280) | (297,023) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 8,513,006 | \$ 8,195,109 | \$ 7,947,831 | \$ 7,461,085 | \$ 7,106,080 |
| OPEB Contributions as a Percentage of Covered Payroll | 1.99% | 2.02% | 2.03% | 1.02% | 4.18% |

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|--------------|--------------|--------------|--------------|--------------|
| Contractually Required OPEB Contribution | \$ 30,171 | \$ 29,853 | \$ 29,108 | \$ 29,537 | \$ 28,942 |
| OPEB Contributions in Relation to the Contractually Required OPEB Contributions | (30,171) | (29,853) | (29,108) | (29,537) | (28,942) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 6,034,160 | \$ 5,970,615 | \$ 5,821,652 | \$ 5,907,431 | \$ 5,868,555 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 0.50% | 0.49% |
| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
| Contractually Required OPEB Contribution | \$ 28,762 | \$ 27,017 | \$ 25,780 | \$ 181,174 | \$ 329,251 |
| OPEB Contributions in Relation to the Contractually Required OPEB Contributions | (28,762) | (27,017) | (25,780) | (181,174) | (329,251) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| City Covered Payroll | \$ 5,762,591 | \$ 5,424,500 | \$ 5,108,843 | \$ 5,160,956 | \$ 4,877,787 |
| OPEB Contributions as a Percentage of Covered Payroll | 0.50% | 0.50% | 0.50% | 3.51% | 6.75% |

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021*

Pension

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 7.50% down to 7.20% and (b) changing the future salary increases from a range of 3.25%-8.25% to 3.25%-10.75%. There were no significant changes in assumptions in 2020.

Ohio Police and Fire (OP&F) Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019 and 2020.

Other Postemployment Benefits (OPEB)

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the actuarially assumed rate of return from 3.85% up to 3.96%, (b) decrease in the investment rate of return from 6.5% down to 6.0%, (c) increase in the municipal bond rate from 3.31% up to 3.71%, and (d) increase in the initial health care cost trend rate from 7.25% up to 10%. There were no significant changes in assumptions in 2020.

City of Twinsburg, Ohio

*Required Supplementary Information
Notes to the Required Supplementary Information
For the Year Ended December 31, 2021*

Ohio Police and Fire (OP&F) Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) rates of death are based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables instead of the previously used RP2000 Combined Table. There were no significant changes in assumptions in 2020.

Combining Statements and Individual Fund Schedule

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

Local Coronavirus Relief Fund accounts for funds received to aid the City in its response to the COVID-19 pandemic.

ARPA Local Fiscal Recovery Fund accounts for funds received from American Rescue Plan Act (ARPA) enacted to provide economic relief to state, local, tribal, and territorial governments, among other provisions.

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

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

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

City of Twinsburg, Ohio

*Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021*

| | Park & Rec Revolving Fund | Liberty Park Fund | Municipal Motor Vehicle Fund | Enhanced 911 Fund | Permissive Tax Fund | State Highway Fund | Drug Fund | Law Enforcement Fund | Ohio Peace Officer Training Academy Fund | Federal Grant Fund |
|---|---------------------------------|----------------------|------------------------------------|----------------------|------------------------|-----------------------|------------------|-------------------------|--|-----------------------|
| Assets | | | | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 69,961 | \$ 6,667 | \$ 359,334 | \$ 4,895 | \$ 106,028 | \$ 539,614 | \$ - | \$ 15,930 | \$ 15,274 | \$ 177,466 |
| Cash and Cash Equivalents: | | | | | | | | | | |
| Restricted Cash | - | - | - | - | - | - | 20,799 | - | - | - |
| Receivables: | | | | | | | | | | |
| Intergovernmental | - | - | 25,572 | - | - | 39,229 | - | - | - | - |
| Property Taxes | - | - | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 69,961</u> | <u>\$ 6,667</u> | <u>\$ 384,906</u> | <u>\$ 4,895</u> | <u>\$ 106,028</u> | <u>\$ 578,843</u> | <u>\$ 20,799</u> | <u>\$ 15,930</u> | <u>\$ 15,274</u> | <u>\$ 177,466</u> |
| Liabilities | | | | | | | | | | |
| Accounts Payable | \$ - | \$ 80 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental Payable | - | 35 | - | - | - | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>115</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | | | | | | |
| Deferred Inflows - Property Taxes | - | - | - | - | - | - | - | - | - | - |
| Unavailable Revenue | - | - | - | - | - | 26,035 | - | - | - | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>26,035</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | | | | | | |
| Restricted | - | - | 384,906 | 4,895 | 106,028 | 552,808 | 20,799 | 15,930 | 15,274 | 177,466 |
| Committed | 69,961 | 6,552 | - | - | - | - | - | - | - | - |
| Unassigned (Deficit) | - | - | - | - | - | - | - | - | - | - |
| Total Fund Balances | <u>69,961</u> | <u>6,552</u> | <u>384,906</u> | <u>4,895</u> | <u>106,028</u> | <u>552,808</u> | <u>20,799</u> | <u>15,930</u> | <u>15,274</u> | <u>177,466</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 69,961</u> | <u>\$ 6,667</u> | <u>\$ 384,906</u> | <u>\$ 4,895</u> | <u>\$ 106,028</u> | <u>\$ 578,843</u> | <u>\$ 20,799</u> | <u>\$ 15,930</u> | <u>\$ 15,274</u> | <u>\$ 177,466</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2021*

| | State Grant Fund | Local Coronavirus Relief Fund | ARPA Local Fiscal Recovery Fund | Fire Pension Fund | Police Pension Fund | Employee Payout Reserve Fund | Total Special Revenue Funds | Total Nonmajor Funds |
|---|---------------------|-------------------------------------|---------------------------------------|----------------------|------------------------|---------------------------------|-----------------------------------|----------------------------|
| Assets | | | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 324,142 | \$ - | \$ 987,593 | \$ 47,101 | \$ 57,551 | \$ 12,878 | \$ 2,724,434 | \$ 2,724,434 |
| Cash and Cash Equivalents: | | | | | | | | |
| Restricted Cash | - | - | - | - | - | - | 20,799 | 20,799 |
| Receivables: | | | | | | | | |
| Intergovernmental | - | - | - | 10,242 | 10,242 | - | 85,285 | 85,285 |
| Property Taxes | - | - | - | 217,952 | 217,952 | - | 435,904 | 435,904 |
| Total Assets | \$ 324,142 | \$ - | \$ 987,593 | \$ 275,295 | \$ 285,745 | \$ 12,878 | \$ 3,266,422 | \$ 3,266,422 |
| Liabilities | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80 | \$ 80 |
| Intergovernmental Payable | - | - | - | 81,946 | 82,925 | - | 164,906 | 164,906 |
| Deferred Revenue | - | - | 987,593 | - | - | - | 987,593 | 987,593 |
| Total Liabilities | - | - | 987,593 | 81,946 | 82,925 | - | 1,152,579 | 1,152,579 |
| Deferred Inflows of Resources | | | | | | | | |
| Deferred Inflows - Property Taxes | - | - | - | 194,270 | 194,270 | - | 388,540 | 388,540 |
| Unavailable Revenue | - | - | - | 33,924 | 33,924 | - | 93,883 | 93,883 |
| Total Deferred Inflows of Resources | - | - | - | 228,194 | 228,194 | - | 482,423 | 482,423 |
| Fund Balances | | | | | | | | |
| Restricted | 324,142 | - | - | - | - | - | 1,602,248 | 1,602,248 |
| Committed | - | - | - | - | - | 12,878 | 89,391 | 89,391 |
| Unassigned (Deficit) | - | - | - | (34,845) | (25,374) | - | (60,219) | (60,219) |
| Total Fund Balances | 324,142 | - | - | (34,845) | (25,374) | 12,878 | 1,631,420 | 1,631,420 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 324,142 | \$ - | \$ 987,593 | \$ 275,295 | \$ 285,745 | \$ 12,878 | \$ 3,266,422 | \$ 3,266,422 |

City of Twinsburg, Ohio

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021*

| | Park & Rec Revolving Fund | Liberty Park Fund | Municipal Motor Vehicle Fund | Enhanced 911 Fund | Permissive Tax Fund | State Highway Fund | Drug Fund | Law Enforcement Fund | Ohio Peace Officer Training Academy Fund | Federal Grant Fund |
|---------------------------------------|---------------------------------|----------------------|------------------------------------|----------------------|------------------------|-----------------------|------------------|-------------------------|--|-----------------------|
| Revenues | | | | | | | | | | |
| Property and Other Local Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 28,995 | - | 154,320 | - | - | 96,395 | - | 485 | - | 31,714 |
| Fines & Forfeitures | - | - | - | - | - | - | 500 | 923 | - | - |
| Miscellaneous | 504 | - | - | - | - | - | - | 3,109 | - | - |
| <i>Total Revenues</i> | <u>29,499</u> | <u>-</u> | <u>154,320</u> | <u>-</u> | <u>-</u> | <u>96,395</u> | <u>500</u> | <u>4,517</u> | <u>-</u> | <u>31,714</u> |
| Expenditures | | | | | | | | | | |
| Current Operations and Maintenance: | | | | | | | | | | |
| General Government | - | - | - | - | - | - | - | - | - | - |
| Security of Persons and Property | - | - | - | - | - | - | 27,978 | 14,776 | - | - |
| Transportation | - | - | - | - | 26,666 | 76,560 | - | - | - | 33,329 |
| Leisure Time Activities | 24,889 | 1,517 | - | - | - | - | - | - | - | - |
| <i>Total Expenditures</i> | <u>24,889</u> | <u>1,517</u> | <u>-</u> | <u>-</u> | <u>26,666</u> | <u>76,560</u> | <u>27,978</u> | <u>14,776</u> | <u>-</u> | <u>33,329</u> |
| <i>Excess of Revenues</i> | | | | | | | | | | |
| <i>Over (Under) Expenditures</i> | <u>4,610</u> | <u>(1,517)</u> | <u>154,320</u> | <u>-</u> | <u>(26,666)</u> | <u>19,835</u> | <u>(27,478)</u> | <u>(10,259)</u> | <u>-</u> | <u>(1,615)</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - | - | - |
| <i>Total Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Balance</i> | <u>4,610</u> | <u>(1,517)</u> | <u>154,320</u> | <u>-</u> | <u>(26,666)</u> | <u>19,835</u> | <u>(27,478)</u> | <u>(10,259)</u> | <u>-</u> | <u>(1,615)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>65,351</u> | <u>8,069</u> | <u>230,586</u> | <u>4,895</u> | <u>132,694</u> | <u>532,973</u> | <u>48,277</u> | <u>26,189</u> | <u>15,274</u> | <u>179,081</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 69,961</u> | <u>\$ 6,552</u> | <u>\$ 384,906</u> | <u>\$ 4,895</u> | <u>\$ 106,028</u> | <u>\$ 552,808</u> | <u>\$ 20,799</u> | <u>\$ 15,930</u> | <u>\$ 15,274</u> | <u>\$ 177,466</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
December 31, 2021*

| | State Grant Fund | Local Coronavirus Relief Fund | ARPA Local Fiscal Recovery Fund | Fire Pension Fund | Police Pension Fund | Employee Payout Reserve Fund | Total Special Revenue Funds | Total Nonmajor Funds |
|---------------------------------------|---------------------|-------------------------------------|---------------------------------------|----------------------|------------------------|---------------------------------|-----------------------------------|----------------------------|
| Revenues | | | | | | | | |
| Property and Other Local Taxes | \$ - | \$ - | \$ - | \$ 191,027 | \$ 191,027 | \$ - | \$ 382,054 | \$ 382,054 |
| Intergovernmental | 307,695 | - | - | 22,613 | 22,613 | - | 664,828 | 664,828 |
| Fines & Forfeitures | - | - | - | - | - | - | 1,423 | 1,423 |
| Miscellaneous | - | - | - | - | - | - | 3,613 | 3,613 |
| <i>Total Revenues</i> | <u>307,695</u> | <u>-</u> | <u>-</u> | <u>213,640</u> | <u>213,640</u> | <u>-</u> | <u>1,051,918</u> | <u>1,051,918</u> |
| Expenditures | | | | | | | | |
| Current Operations and Maintenance: | | | | | | | | |
| General Government | 19,125 | 128,404 | - | - | - | - | 147,529 | 147,529 |
| Security of Persons and Property | 325,817 | - | - | 684,571 | 631,439 | 94,356 | 1,778,937 | 1,778,937 |
| Transportation | - | - | - | - | - | - | 136,554 | 136,554 |
| Leisure Time Activities | - | - | - | - | - | - | 26,405 | 26,405 |
| <i>Total Expenditures</i> | <u>344,942</u> | <u>128,404</u> | <u>-</u> | <u>684,571</u> | <u>631,439</u> | <u>94,356</u> | <u>2,089,425</u> | <u>2,089,425</u> |
| <i>Excess of Revenues</i> | | | | | | | | |
| <i>Over (Under) Expenditures</i> | <u>(37,247)</u> | <u>(128,404)</u> | <u>-</u> | <u>(470,931)</u> | <u>(417,799)</u> | <u>(94,356)</u> | <u>(1,037,507)</u> | <u>(1,037,507)</u> |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers In | - | - | - | 467,500 | 426,000 | - | 893,500 | 893,500 |
| <i>Total Financing Sources (Uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>467,500</u> | <u>426,000</u> | <u>-</u> | <u>893,500</u> | <u>893,500</u> |
| <i>Net Change in Fund Balance</i> | <u>(37,247)</u> | <u>(128,404)</u> | <u>-</u> | <u>(3,431)</u> | <u>8,201</u> | <u>(94,356)</u> | <u>(144,007)</u> | <u>(144,007)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>361,389</u> | <u>128,404</u> | <u>-</u> | <u>(31,414)</u> | <u>(33,575)</u> | <u>107,234</u> | <u>1,775,427</u> | <u>1,775,427</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 324,142</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (34,845)</u> | <u>\$ (25,374)</u> | <u>\$ 12,878</u> | <u>\$ 1,631,420</u> | <u>\$ 1,631,420</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Municipal Income Taxes | \$ 22,000,000 | \$ 22,000,000 | \$ 22,966,799 | \$ 966,799 |
| Other Local Taxes | 100,000 | 100,000 | 140,873 | 40,873 |
| Intergovernmental | 365,500 | 396,869 | 380,374 | (16,495) |
| Charges for Services | 1,192,050 | 1,192,050 | 1,353,401 | 161,351 |
| Licenses & Permits | 750,100 | 827,600 | 663,248 | (164,352) |
| Fines & Forfeitures | 69,100 | 69,100 | 55,693 | (13,407) |
| Investment Income | 135,000 | 135,000 | 139,818 | 4,818 |
| Other | 1,015,200 | 1,045,200 | 898,606 | (146,594) |
| <i>Total Revenues</i> | <u>25,626,950</u> | <u>25,765,819</u> | <u>26,598,812</u> | <u>832,993</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | | | | |
| Council | | | | |
| Personal Services | 196,985 | 195,485 | 187,426 | 8,059 |
| Contractual Services | 22,350 | 22,350 | 19,344 | 3,006 |
| Materials and Supplies | 2,250 | 3,750 | 2,783 | 967 |
| <i>Total Council</i> | <u>221,585</u> | <u>221,585</u> | <u>209,553</u> | <u>12,032</u> |
| Mayor | | | | |
| Personal Services | 218,100 | 236,100 | 227,613 | 8,487 |
| Contractual Services | 14,295 | 16,820 | 14,279 | 2,541 |
| Materials and Supplies | 2,690 | 2,165 | 2,080 | 85 |
| <i>Total Mayor</i> | <u>235,085</u> | <u>255,085</u> | <u>243,972</u> | <u>11,113</u> |
| Civil Service | | | | |
| Personal Services | 1,885 | 1,885 | 705 | 1,180 |
| Contractual Services | 14,550 | 29,550 | 27,961 | 1,589 |
| <i>Total Civil Service</i> | <u>16,435</u> | <u>31,435</u> | <u>28,666</u> | <u>2,769</u> |
| Human Resources | | | | |
| Personal Services | 117,250 | 116,850 | 111,610 | 5,240 |
| Contractual Services | 50,900 | 73,150 | 44,231 | 28,919 |
| Materials and Supplies | 700 | 8,850 | 7,778 | 1,072 |
| <i>Total Human Resources</i> | <u>168,850</u> | <u>198,850</u> | <u>163,619</u> | <u>35,231</u> |
| Information Technology | | | | |
| Personal Services | 278,500 | 290,000 | 289,025 | 975 |
| Contractual Services | 202,500 | 228,395 | 220,282 | 8,113 |
| Materials and Supplies | 52,600 | 52,600 | 28,740 | 23,860 |
| <i>Total Human Resources</i> | <u>533,600</u> | <u>570,995</u> | <u>538,047</u> | <u>32,948</u> |
| Law | | | | |
| Personal Services | 259,950 | 259,950 | 252,206 | 7,744 |
| Contractual Services | 23,900 | 23,900 | 6,391 | 17,509 |
| Materials and Supplies | 1,500 | 1,500 | 1,082 | 418 |
| <i>Total Law</i> | <u>285,350</u> | <u>285,350</u> | <u>259,679</u> | <u>25,671</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual (Continued)
General Fund
For the Year Ended December 31, 2021*

| | | | | |
|---|------------------|------------------|------------------|----------------|
| Finance | | | | |
| Personal Services | 378,500 | 392,250 | 377,949 | 14,301 |
| Contractual Services | 18,150 | 17,000 | 10,810 | 6,190 |
| Materials and Supplies | 4,750 | 7,150 | 6,643 | 507 |
| <i>Total Finance</i> | <u>401,400</u> | <u>416,400</u> | <u>395,402</u> | <u>20,998</u> |
| General Government | | | | |
| Personal Services | 3,174,350 | 2,674,350 | 2,287,397 | 386,953 |
| Contractual Services | 1,261,250 | 1,292,750 | 1,180,147 | 112,603 |
| Other | 425,000 | 583,500 | 541,506 | 41,994 |
| <i>Total General Government</i> | <u>4,860,600</u> | <u>4,550,600</u> | <u>4,009,050</u> | <u>541,550</u> |
| <i>Total General Government</i> | <u>6,722,905</u> | <u>6,530,300</u> | <u>5,847,988</u> | <u>682,312</u> |
| Security of Persons and Property | | | | |
| Communication | | | | |
| Personal Services | 969,000 | 967,948 | 918,396 | 49,552 |
| Contractual Services | 16,750 | 17,550 | 13,781 | 3,769 |
| Materials and Supplies | 92,269 | 92,521 | 88,874 | 3,647 |
| <i>Total Communication</i> | <u>1,078,019</u> | <u>1,078,019</u> | <u>1,021,051</u> | <u>56,968</u> |
| Police | | | | |
| Personal Services | 3,749,500 | 3,775,096 | 3,641,096 | 134,000 |
| Contractual Services | 241,230 | 240,133 | 218,205 | 21,928 |
| Materials and Supplies | 85,000 | 103,651 | 86,066 | 17,585 |
| <i>Total Police</i> | <u>4,075,730</u> | <u>4,118,880</u> | <u>3,945,367</u> | <u>173,513</u> |
| Fire | | | | |
| Personal Services | 3,589,375 | 3,607,375 | 3,405,046 | 202,329 |
| Contractual Services | 239,840 | 256,440 | 236,105 | 20,335 |
| Materials and Supplies | 167,900 | 170,900 | 160,857 | 10,043 |
| <i>Total Fire</i> | <u>3,997,115</u> | <u>4,034,715</u> | <u>3,802,008</u> | <u>232,707</u> |
| <i>Total Security of Persons and Property</i> | <u>9,150,864</u> | <u>9,231,614</u> | <u>8,768,426</u> | <u>463,188</u> |
| Transportation | | | | |
| Public Works | | | | |
| Personal Services | 2,950,300 | 3,077,000 | 2,887,974 | 189,026 |
| Contractual Services | 1,935,450 | 2,041,950 | 1,973,104 | 68,846 |
| Materials and Supplies | 774,000 | 909,200 | 865,169 | 44,031 |
| <i>Total Public Works</i> | <u>5,659,750</u> | <u>6,028,150</u> | <u>5,726,247</u> | <u>301,903</u> |
| <i>Total Transportation</i> | <u>5,659,750</u> | <u>6,028,150</u> | <u>5,726,247</u> | <u>301,903</u> |
| Public Health and Welfare | | | | |
| Contractual Services | 215,000 | 215,000 | 208,837 | 6,163 |
| <i>Total Public Health and Welfare</i> | <u>215,000</u> | <u>215,000</u> | <u>208,837</u> | <u>6,163</u> |
| Leisure Time Activities | | | | |
| Parks and Recreation | | | | |
| Personal Services | 413,000 | 413,000 | 303,470 | 109,530 |
| Contractual Services | 325,650 | 326,475 | 236,881 | 89,594 |
| Materials and Supplies | 42,500 | 42,500 | 17,821 | 24,679 |
| <i>Total Parks and Recreation</i> | <u>781,150</u> | <u>781,975</u> | <u>558,172</u> | <u>223,803</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual (Continued)
General Fund
For the Year Ended December 31, 2021*

| | | | | |
|---|-------------------|-------------------|-------------------|------------------|
| Senior Activities | | | | |
| Personal Services | 99,470 | 141,252 | 115,790 | 25,462 |
| Contractual Services | 21,000 | 20,880 | 14,548 | 6,332 |
| Materials and Supplies | 12,500 | 9,518 | 4,984 | 4,534 |
| Other | 300 | 420 | 20 | 400 |
| <i>Total Senior Activities</i> | <u>133,270</u> | <u>172,070</u> | <u>135,342</u> | <u>36,728</u> |
| <i>Total Leisure Time Activities</i> | <u>914,420</u> | <u>954,045</u> | <u>693,514</u> | <u>260,531</u> |
| Community Development | | | | |
| Engineering | | | | |
| Personal Services | 348,125 | 383,625 | 372,558 | 11,067 |
| Contractual Services | 130,700 | 95,530 | 38,295 | 57,235 |
| Materials and Supplies | 11,200 | 11,200 | 6,715 | 4,485 |
| <i>Total Engineering</i> | <u>490,025</u> | <u>490,355</u> | <u>417,568</u> | <u>72,787</u> |
| Building | | | | |
| Personal Services | 292,100 | 321,300 | 296,339 | 24,961 |
| Contractual Services | 58,000 | 57,800 | 43,881 | 13,919 |
| Materials and Supplies | 9,300 | 10,800 | 7,046 | 3,754 |
| <i>Total Building</i> | <u>359,400</u> | <u>389,900</u> | <u>347,266</u> | <u>42,634</u> |
| Planning | | | | |
| Personal Services | 1,940 | 1,940 | 1,180 | 760 |
| Contractual Services | 500 | 500 | - | 500 |
| <i>Total Planning</i> | <u>2,440</u> | <u>2,440</u> | <u>1,180</u> | <u>1,260</u> |
| Economic Development | | | | |
| Personal Services | 194,750 | 194,750 | 190,210 | 4,540 |
| Contractual Services | 7,800 | 7,800 | 5,197 | 2,603 |
| Materials and Supplies | 300 | 300 | 100 | 200 |
| <i>Total Economic Development</i> | <u>202,850</u> | <u>202,850</u> | <u>195,507</u> | <u>7,343</u> |
| <i>Total Community Development</i> | <u>1,054,715</u> | <u>1,085,545</u> | <u>961,521</u> | <u>124,024</u> |
| <i>Total Expenditures</i> | <u>23,717,654</u> | <u>24,044,654</u> | <u>22,206,533</u> | <u>1,838,121</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,909,296</u> | <u>1,721,165</u> | <u>4,392,279</u> | <u>2,671,114</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | (4,743,610) | (4,786,104) | (3,768,000) | 1,018,104 |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual (Continued)
General Fund
For the Year Ended December 31, 2021*

| | | | | |
|---|---------------------|---------------------|----------------------|---------------------|
| <i>Total Other Financing Sources (Uses)</i> | <u>(4,743,610)</u> | <u>(4,786,104)</u> | <u>(3,768,000)</u> | <u>1,018,104</u> |
| <i>Net Change in Fund Balance</i> | (2,834,314) | (3,064,939) | 624,279 | 3,689,218 |
| <i>Fund Balance Beginning of Year</i> | 12,556,231 | 12,556,231 | 12,556,231 | - |
| <i>Prior Year Encumbrances Appropriated</i> | <u>89,712</u> | <u>89,712</u> | <u>89,712</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 9,811,629</u> | <u>\$ 9,581,004</u> | <u>\$ 13,270,222</u> | <u>\$ 3,689,218</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Street, Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 1,183,500 | \$ 1,183,500 | \$ 1,178,283 | \$ (5,217) |
| Other | 20,000 | 20,000 | 8,422 | (11,578) |
| <i>Total Revenues</i> | <u>1,203,500</u> | <u>1,203,500</u> | <u>1,186,705</u> | <u>(16,795)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Materials and Supplies | 645,000 | 645,000 | 288,810 | 356,190 |
| Capital Outlay | 1,125,000 | 1,125,000 | 1,038,239 | 86,761 |
| <i>Total Transportation</i> | <u>1,770,000</u> | <u>1,770,000</u> | <u>1,327,049</u> | <u>442,951</u> |
| <i>Total Expenditures</i> | <u>1,770,000</u> | <u>1,770,000</u> | <u>1,327,049</u> | <u>442,951</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(566,500)</u> | <u>(566,500)</u> | <u>(140,344)</u> | <u>426,156</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds of OPWC Loan | - | - | 45,276 | 45,276 |
| Transfers In | 566,500 | 566,500 | 100,000 | (466,500) |
| <i>Total Other Financing Sources (Uses)</i> | <u>566,500</u> | <u>566,500</u> | <u>145,276</u> | <u>(421,224)</u> |
| <i>Net Change in Fund Balance</i> | - | - | 4,932 | 4,932 |
| <i>Fund Balance Beginning of Year</i> | 1,724,889 | 1,724,889 | 1,724,889 | - |
| Prior Year Encumbrances Appropriated | 283,416 | 283,416 | 283,416 | - |
| <i>Fund Balance End of Year</i> | <u>\$ 2,008,305</u> | <u>\$ 2,008,305</u> | <u>\$ 2,013,237</u> | <u>\$ 4,932</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Park Debt Service Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other Local Taxes | \$ 152,800 | \$ 121,412 | \$ 127,421 | \$ 6,009 |
| Intergovernmental | 20,000 | 21,757 | 15,075 | (6,682) |
| <i>Total Revenues</i> | <u>172,800</u> | <u>143,169</u> | <u>142,496</u> | <u>(673)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | | | | |
| Contractual Services | 5,000 | 5,000 | 2,049 | 2,951 |
| <i>Total General Government</i> | <u>5,000</u> | <u>5,000</u> | <u>2,049</u> | <u>2,951</u> |
| Debt Service: | | | | |
| Principal Retirement | 160,000 | 160,000 | 160,000 | - |
| Interest and Fiscal Charges | 7,800 | 7,800 | 7,800 | - |
| <i>Total Expenditures</i> | <u>172,800</u> | <u>172,800</u> | <u>169,849</u> | <u>2,951</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>-</u> | <u>(29,631)</u> | <u>(27,353)</u> | <u>2,278</u> |
| <i>Fund Balance Beginning of Year</i> | <u>41,391</u> | <u>41,391</u> | <u>41,391</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 41,391</u> | <u>\$ 11,760</u> | <u>\$ 14,038</u> | <u>\$ 2,278</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 5,000 | \$ 7,500 | \$ 2,500 | \$ (5,000) |
| Other | - | 48,000 | 55,827 | 7,827 |
| <i>Total Revenues</i> | <u>5,000</u> | <u>55,500</u> | <u>58,327</u> | <u>2,827</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital Outlay | 1,278,815 | 1,662,815 | 449,289 | 1,213,526 |
| Debt Service: | | | | |
| Principal Retirement | 395,116 | 395,116 | 395,116 | - |
| Interest and Fiscal Charges | 29,174 | 29,174 | 29,174 | - |
| <i>Total Expenditures</i> | <u>1,703,105</u> | <u>2,087,105</u> | <u>873,579</u> | <u>1,213,526</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,698,105)</u> | <u>(2,031,605)</u> | <u>(815,252)</u> | <u>1,216,353</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | <u>1,273,815</u> | <u>1,569,815</u> | <u>1,400,000</u> | <u>(169,815)</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>1,273,815</u> | <u>1,569,815</u> | <u>1,400,000</u> | <u>(169,815)</u> |
| <i>Net Change in Fund Balance</i> | <u>(424,290)</u> | <u>(461,790)</u> | <u>584,748</u> | <u>1,046,538</u> |
| <i>Fund Balance Beginning of Year</i> | <u>1,448,698</u> | <u>1,448,698</u> | <u>1,448,698</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>38,121</u> | <u>38,121</u> | <u>38,121</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 1,062,529</u> | <u>\$ 1,025,029</u> | <u>\$ 2,071,567</u> | <u>\$ 1,046,538</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service: | | | | |
| Principal Retirement | \$ 1,040,500 | \$ 1,002,980 | \$ 1,002,980 | \$ - |
| Interest and Fiscal Charges | 184,500 | 222,045 | 222,031 | 14 |
| <i>Total Expenditures</i> | <u>1,225,000</u> | <u>1,225,025</u> | <u>1,225,011</u> | <u>14</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(1,225,000)</u> | <u>(1,225,025)</u> | <u>(1,225,011)</u> | <u>14</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,225,000 | 1,225,000 | 1,225,000 | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>1,225,000</u> | <u>1,225,000</u> | <u>1,225,000</u> | <u>-</u> |
| <i>Net Change in Fund Balance</i> | - | (25) | (11) | 14 |
| <i>Fund Balance Beginning of Year</i> | <u>538,455</u> | <u>538,455</u> | <u>538,455</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 538,455</u> | <u>\$ 538,430</u> | <u>\$ 538,444</u> | <u>\$ 14</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Park and Recreation Revolving Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 15,000 | \$ 28,000 | \$ 28,995 | \$ 995 |
| <i>Total Revenues</i> | <u>15,000</u> | <u>28,000</u> | <u>29,499</u> | <u>1,499</u> |
| Expenditures | | | | |
| Current: | | | | |
| Leisure Time Activities | | | | |
| Contractual Services | 25,000 | 24,200 | 24,199 | 1 |
| Other | - | 800 | 781 | 19 |
| <i>Total Leisure Time Activities</i> | <u>25,000</u> | <u>25,000</u> | <u>24,980</u> | <u>20</u> |
| <i>Total Expenditures</i> | <u>25,000</u> | <u>25,000</u> | <u>24,980</u> | <u>20</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(10,000)</u> | <u>3,000</u> | <u>4,519</u> | <u>1,519</u> |
| <i>Fund Balance Beginning of Year</i> | <u>65,441</u> | <u>65,441</u> | <u>65,441</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 55,441</u> | <u>\$ 68,441</u> | <u>\$ 69,960</u> | <u>\$ 1,519</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Liberty Park Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 1,500 | \$ 1,500 | \$ - | \$ (1,500) |
| <i>Total Revenues</i> | <u>1,500</u> | <u>1,500</u> | <u>-</u> | <u>(1,500)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Leisure Time Activities | | | | |
| Contractual Services | 1,500 | 1,500 | 1,500 | - |
| <i>Total Leisure Time Activities</i> | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| <i>Total Expenditures</i> | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> | <u>-</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>-</u> | <u>-</u> | <u>(1,500)</u> | <u>(1,500)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>8,168</u> | <u>8,168</u> | <u>8,168</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 8,168</u> | <u>\$ 8,168</u> | <u>\$ 6,668</u> | <u>\$ (1,500)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Municipal Motor Vehicle Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 145,000 | \$ 145,000 | \$ 151,955 | \$ 6,955 |
| <i>Total Revenues</i> | 145,000 | 145,000 | 151,955 | 6,955 |
| Expenditures | | | | |
| <i>Total Expenditures</i> | - | - | - | - |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 145,000 | 145,000 | 151,955 | 6,955 |
| <i>Fund Balance Beginning of Year</i> | 207,378 | 207,378 | 207,378 | - |
| Prior Year Encumbrances Appropriated | 29,362 | 29,362 | 29,362 | - |
| <i>Fund Balance End of Year</i> | \$ 381,740 | \$ 381,740 | \$ 388,695 | \$ 6,955 |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Enhanced 911 Fund
For the Year Ended December 31, 2021*

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

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Capital Outlay | 62,694 | 62,694 | 26,666 | 36,028 |
| <i>Total Expenditures</i> | <u>62,694</u> | <u>62,694</u> | <u>26,666</u> | <u>36,028</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(62,694)</u> | <u>(62,694)</u> | <u>(26,666)</u> | <u>36,028</u> |
| <i>Fund Balance Beginning of Year</i> | <u>132,694</u> | <u>132,694</u> | <u>132,694</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 70,000</u> | <u>\$ 70,000</u> | <u>\$ 106,028</u> | <u>\$ 36,028</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 90,250 | \$ 90,250 | \$ 95,536 | \$ 5,286 |
| <i>Total Revenues</i> | <u>90,250</u> | <u>90,250</u> | <u>95,536</u> | <u>5,286</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | | | | |
| Materials and Supplies | 25,000 | 25,000 | - | 25,000 |
| Capital Outlay | 125,000 | 155,000 | 76,558 | 78,442 |
| <i>Total Transportation</i> | <u>150,000</u> | <u>180,000</u> | <u>76,558</u> | <u>103,442</u> |
| <i>Total Expenditures</i> | <u>150,000</u> | <u>180,000</u> | <u>76,558</u> | <u>103,442</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(59,750)</u> | <u>(89,750)</u> | <u>18,978</u> | <u>108,728</u> |
| <i>Fund Balance Beginning of Year</i> | <u>520,634</u> | <u>520,634</u> | <u>520,634</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 460,884</u> | <u>\$ 430,884</u> | <u>\$ 539,612</u> | <u>\$ 108,728</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Drug Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Fines & Forfeitures | \$ 2,500 | \$ 2,500 | \$ 500 | \$ (2,000) |
| Other | 2,500 | 2,500 | - | (2,500) |
| <i>Total Revenues</i> | <u>5,000</u> | <u>5,000</u> | <u>500</u> | <u>(4,500)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 8,000 | 11,500 | 11,296 | 204 |
| Contractual Services | 1,000 | - | - | - |
| Materials and Supplies | 20,000 | 20,000 | 18,107 | 1,893 |
| <i>Total Security of Persons and Property</i> | <u>29,000</u> | <u>31,500</u> | <u>29,403</u> | <u>2,097</u> |
| <i>Total Expenditures</i> | <u>29,000</u> | <u>31,500</u> | <u>29,403</u> | <u>2,097</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(24,000)</u> | <u>(26,500)</u> | <u>(28,903)</u> | <u>(2,403)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>49,701</u> | <u>49,701</u> | <u>49,701</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 25,701</u> | <u>\$ 23,201</u> | <u>\$ 20,798</u> | <u>\$ (2,403)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 5,000 | \$ 5,000 | \$ 485 | \$ (4,515) |
| Fines & Forfeitures | 1,000 | 1,000 | 923 | (77) |
| Other | 1,500 | 1,500 | 3,109 | 1,609 |
| <i>Total Revenues</i> | <u>7,500</u> | <u>7,500</u> | <u>4,517</u> | <u>(2,983)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 6,500 | 12,000 | 10,790 | 1,210 |
| Materials and Supplies | 11,000 | 8,000 | 3,986 | 4,014 |
| <i>Total Security of Persons and Property</i> | <u>17,500</u> | <u>20,000</u> | <u>14,776</u> | <u>5,224</u> |
| <i>Total Expenditures</i> | <u>17,500</u> | <u>20,000</u> | <u>14,776</u> | <u>5,224</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(10,000)</u> | <u>(12,500)</u> | <u>(10,259)</u> | <u>2,241</u> |
| <i>Fund Balance Beginning of Year</i> | <u>26,189</u> | <u>26,189</u> | <u>26,189</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 16,189</u> | <u>\$ 13,689</u> | <u>\$ 15,930</u> | <u>\$ 2,241</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Ohio Peace Officer Training Academy Grant Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|------------------|---|
| | Original | Final | | |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | \$ 5,000 | \$ 5,000 | \$ - | \$ 5,000 |
| <i>Total Security of Persons and Property</i> | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>5,000</u> |
| <i>Total Expenditures</i> | <u>5,000</u> | <u>5,000</u> | <u>-</u> | <u>5,000</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(4,500)</u> | <u>(5,500)</u> | <u>-</u> | <u>5,500</u> |
| <i>Fund Balance Beginning of Year</i> | <u>15,274</u> | <u>15,274</u> | <u>15,274</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 10,774</u> | <u>\$ 9,774</u> | <u>\$ 15,274</u> | <u>\$ 5,500</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Federal Grant Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 34,850 | \$ 34,850 | \$ 31,714 | \$ (3,136) |
| <i>Total Revenues</i> | <u>34,850</u> | <u>34,850</u> | <u>31,714</u> | <u>(3,136)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Capital Outlay | - | 3,500 | 3,479 | 21 |
| <i>Total Security of Persons and Property</i> | <u>-</u> | <u>3,500</u> | <u>3,479</u> | <u>21</u> |
| Leisure Time Activities | | | | |
| Capital Outlay | 29,850 | 29,850 | 29,850 | - |
| <i>Total Leisure Time Activities</i> | <u>29,850</u> | <u>29,850</u> | <u>29,850</u> | <u>-</u> |
| <i>Total Expenditures</i> | <u>29,850</u> | <u>33,350</u> | <u>33,329</u> | <u>21</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>5,000</u> | <u>1,500</u> | <u>(1,615)</u> | <u>(3,115)</u> |
| <i>Net Change in Fund Balance</i> | <u>5,000</u> | <u>1,500</u> | <u>(1,615)</u> | <u>(3,115)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>179,081</u> | <u>179,081</u> | <u>179,081</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 184,081</u> | <u>\$ 180,581</u> | <u>\$ 177,466</u> | <u>\$ (3,115)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
State Grant Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 45,795 | \$ 45,795 | \$ 307,695 | \$ 261,900 |
| <i>Total Revenues</i> | <u>45,795</u> | <u>45,795</u> | <u>307,695</u> | <u>261,900</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 26,670 | 28,720 | 325,818 | (297,098) |
| <i>Total Security of Persons and Property</i> | <u>26,670</u> | <u>28,720</u> | <u>325,818</u> | <u>(297,098)</u> |
| <i>Total Expenditures</i> | <u>26,670</u> | <u>28,720</u> | <u>325,818</u> | <u>(297,098)</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>19,125</u> | <u>17,075</u> | <u>(18,123)</u> | <u>(35,198)</u> |
| <i>Fund Balance Beginning of Year</i> | (269,397) | (269,397) | (269,397) | - |
| <i>Fund Balance End of Year</i> | <u>\$ (250,272)</u> | <u>\$ (252,322)</u> | <u>\$ (287,520)</u> | <u>\$ (35,198)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Local Coronavirus Relief Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| <i>Total Revenues</i> | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| General Government | - | 22,375 | 170,308 | (147,933) |
| <i>Total Expenditures</i> | - | 22,375 | 170,308 | (147,933) |
| <i>Excess of Revenues Over (Under) Expenditures</i> | - | (22,375) | (170,308) | (147,933) |
| <i>Fund Balance Beginning of Year</i> | 170,308 | 170,308 | 170,308 | - |
| Prior Year Encumbrances Appropriated | 170,307 | 170,307 | 170,307 | - |
| <i>Fund Balance End of Year</i> | \$ 340,615 | \$ 318,240 | \$ 170,307 | \$ (147,933) |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other Local Taxes | \$ 170,010 | \$ 185,158 | \$ 191,027 | \$ 5,869 |
| Intergovernmental | 22,820 | 27,500 | 22,613 | (4,887) |
| <i>Total Revenues</i> | <u>192,830</u> | <u>212,658</u> | <u>213,640</u> | <u>982</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 725,000 | 725,000 | 678,216 | 46,784 |
| Contractual Services | 3,000 | 3,000 | 1,145 | 1,855 |
| <i>Total Security of Persons and Property</i> | <u>728,000</u> | <u>728,000</u> | <u>679,361</u> | <u>48,639</u> |
| <i>Total Expenditures</i> | <u>728,000</u> | <u>728,000</u> | <u>679,361</u> | <u>48,639</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(535,170)</u> | <u>(515,342)</u> | <u>(465,721)</u> | <u>49,621</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 535,170 | 517,437 | 467,500 | (49,937) |
| <i>Total Other Financing Sources (Uses)</i> | <u>535,170</u> | <u>517,437</u> | <u>467,500</u> | <u>(49,937)</u> |
| <i>Net Change in Fund Balance</i> | - | 2,095 | 1,779 | (316) |
| <i>Fund Balance Beginning of Year</i> | <u>45,321</u> | <u>45,321</u> | <u>45,321</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 45,321</u> | <u>\$ 47,416</u> | <u>\$ 47,100</u> | <u>\$ (316)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Other Local Taxes | \$ 170,010 | \$ 185,158 | \$ 191,027 | \$ 5,869 |
| Intergovernmental | 22,820 | 27,500 | 22,613 | (4,887) |
| <i>Total Revenues</i> | <u>192,830</u> | <u>212,658</u> | <u>213,640</u> | <u>982</u> |
| Expenditures | | | | |
| Current: | | | | |
| Security of Persons and Property | | | | |
| Personal Services | 675,000 | 674,670 | 632,176 | 42,494 |
| Contractual Services | 2,750 | 3,080 | 3,072 | 8 |
| <i>Total Security of Persons and Property</i> | <u>677,750</u> | <u>677,750</u> | <u>635,248</u> | <u>42,502</u> |
| <i>Total Expenditures</i> | <u>677,750</u> | <u>677,750</u> | <u>635,248</u> | <u>42,502</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(484,920)</u> | <u>(465,092)</u> | <u>(421,608)</u> | <u>43,484</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 485,170 | 467,187 | 426,000 | (41,187) |
| <i>Total Other Financing Sources (Uses)</i> | <u>485,170</u> | <u>467,187</u> | <u>426,000</u> | <u>(41,187)</u> |
| <i>Net Change in Fund Balance</i> | 250 | 2,095 | 4,392 | 2,297 |
| <i>Fund Balance Beginning of Year</i> | <u>53,159</u> | <u>53,159</u> | <u>53,159</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 53,409</u> | <u>\$ 55,254</u> | <u>\$ 57,551</u> | <u>\$ 2,297</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Employee Payout Reserve Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| | Original | Final | | |
| Expenditures | | | | |
| Current: | | | | |
| General Government | | | | |
| Personal Services | \$ 107,234 | \$ 107,234 | \$ 94,356 | \$ 12,878 |
| <i>Total Expenditures</i> | <u>107,234</u> | <u>107,234</u> | <u>94,356</u> | <u>12,878</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(107,234)</u> | <u>(107,234)</u> | <u>(94,356)</u> | <u>12,878</u> |
| <i>Net Change in Fund Balance</i> | (107,234) | (107,234) | (94,356) | 12,878 |
| <i>Fund Balance Beginning of Year</i> | <u>107,234</u> | <u>107,234</u> | <u>107,234</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12,878</u> | <u>\$ 12,878</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenses, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | Actual | |
| Operating Revenues | | | | |
| Charges for Services | \$ 3,770,000 | \$ 4,485,000 | \$ 4,530,764 | \$ 45,764 |
| Other Operating Revenues | 142,500 | 142,500 | 238,549 | 96,049 |
| <i>Total Operating Revenues</i> | <u>3,912,500</u> | <u>4,627,500</u> | <u>4,769,313</u> | <u>141,813</u> |
| Operating Expenses | | | | |
| Current: | | | | |
| Personal Services | 2,380,900 | 2,434,100 | 2,308,978 | 125,122 |
| Materials & Supplies | 286,000 | 272,150 | 257,191 | 14,959 |
| Contractual Services | 469,150 | 515,000 | 560,316 | (45,316) |
| Other Operating Expenses | 5,000 | 2,500 | - | 2,500 |
| Capital Outlay | 100,500 | 350,500 | 431,507 | (81,007) |
| <i>Total Operating Expenses</i> | <u>3,241,550</u> | <u>3,574,250</u> | <u>3,557,992</u> | <u>16,258</u> |
| <i>Operating Income (Loss)</i> | <u>670,950</u> | <u>1,053,250</u> | <u>1,211,321</u> | <u>158,071</u> |
| Nonoperating Revenues (Expenses) | | | | |
| Interest and Fiscal Charges | (3,145) | (3,145) | (3,145) | - |
| Other Non-Operating Revenue (Expense) | (29,000) | (29,000) | (28,161) | 839 |
| <i>Total Nonoperating Revenues (Expenses)</i> | <u>(32,145)</u> | <u>(32,145)</u> | <u>(31,306)</u> | <u>839</u> |
| <i>Income (Loss) before Contributions & Transfers</i> | <u>638,805</u> | <u>1,021,105</u> | <u>1,180,015</u> | <u>158,910</u> |
| Grants & Contributed Capital | 50,000 | 1,950,000 | 2,432,682 | |
| Transfers In | - | - | - | - |
| <i>Net Change in Fund Balance</i> | <u>688,805</u> | <u>2,971,105</u> | <u>3,612,697</u> | <u>641,592</u> |
| <i>Fund Balance Beginning of Year</i> | <u>3,759,188</u> | <u>3,759,188</u> | <u>3,759,188</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | 73,339 | 73,339 | 73,339 | - |
| <i>Fund Balance End of Year</i> | <u>\$ 4,521,332</u> | <u>\$ 6,803,632</u> | <u>\$ 7,445,224</u> | <u>\$ 641,592</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenses, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Fitness Center Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 824,550 | \$ 1,098,550 | \$ 1,123,527 | \$ 24,977 |
| <i>Total Operating Revenues</i> | <u>824,550</u> | <u>1,098,550</u> | <u>1,123,527</u> | <u>24,977</u> |
| Operating Expenses | | | | |
| Current: | | | | |
| Personal Services | 862,455 | 832,010 | 795,744 | 36,266 |
| Materials & Supplies | 97,150 | 116,301 | 113,721 | 2,580 |
| Contractual Services | 229,200 | 230,703 | 216,702 | 14,001 |
| Other Operating Expenses | 5,000 | 14,599 | 14,574 | 25 |
| Capital Outlay | 59,150 | 68,242 | 80,858 | (12,616) |
| <i>Total Operating Expenses</i> | <u>1,252,955</u> | <u>1,261,855</u> | <u>1,221,599</u> | <u>40,256</u> |
| <i>Operating Income (Loss)</i> | <u>(428,405)</u> | <u>(163,305)</u> | <u>(98,072)</u> | <u>65,233</u> |
| <i>Income (Loss) before Transfers</i> | <u>(428,405)</u> | <u>(163,305)</u> | <u>(98,072)</u> | <u>65,233</u> |
| Transfers In | <u>415,865</u> | <u>372,305</u> | <u>94,000</u> | <u>(278,305)</u> |
| <i>Net Change in Fund Balance</i> | <u>(12,540)</u> | <u>209,000</u> | <u>(4,072)</u> | <u>(213,072)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>86,119</u> | <u>86,119</u> | <u>86,119</u> | <u>-</u> |
| Prior Year Encumbrances Appropriated | <u>25,181</u> | <u>25,181</u> | <u>25,181</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 98,760</u> | <u>\$ 320,300</u> | <u>\$ 107,228</u> | <u>\$ (213,072)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenses, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,092,000 | \$ 1,529,350 | \$ 1,344,032 | \$ (185,318) |
| Other Operating Revenues | 40,000 | 42,000 | 37,118 | (4,882) |
| <i>Total Operating Revenues</i> | <u>1,132,000</u> | <u>1,571,350</u> | <u>1,381,150</u> | <u>(190,200)</u> |
| Operating Expenses | | | | |
| Current: | | | | |
| Personal Services | 756,300 | 753,900 | 687,982 | 65,918 |
| Materials & Supplies | 348,500 | 366,300 | 358,467 | 7,833 |
| Contractual Services | 201,550 | 237,150 | 208,461 | 28,689 |
| Other Operating Expenses | 30,000 | 39,000 | 33,397 | 5,603 |
| <i>Total Operating Expenses</i> | <u>1,336,350</u> | <u>1,413,350</u> | <u>1,305,052</u> | <u>108,298</u> |
| <i>Operating Income (Loss)</i> | <u>(204,350)</u> | <u>158,000</u> | <u>76,098</u> | <u>(81,902)</u> |
| Transfers In | 204,350 | - | 55,500 | 55,500 |
| <i>Net Change in Fund Balance</i> | <u>-</u> | <u>158,000</u> | <u>131,598</u> | <u>(26,402)</u> |
| <i>Fund Balance Beginning of Year</i> | <u>371,535</u> | <u>371,535</u> | <u>371,535</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 371,535</u> | <u>\$ 529,535</u> | <u>\$ 503,133</u> | <u>\$ (26,402)</u> |

City of Twinsburg, Ohio

*Schedule of Revenues, Expenses, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Theater Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 32,500 | \$ 32,500 | \$ - | \$ (32,500) |
| Other Operating Revenues | 500 | 500 | - | (500) |
| <i>Total Operating Revenues</i> | <u>33,000</u> | <u>33,000</u> | <u>-</u> | <u>(33,000)</u> |
| Operating Expenses | | | | |
| Current: | | | | |
| Materials & Supplies | 30,000 | 30,000 | - | 30,000 |
| Contractual Services | 15,000 | 15,000 | - | 15,000 |
| Other Operating Expenses | 200 | 200 | - | 200 |
| <i>Total Operating Expenses</i> | <u>45,200</u> | <u>45,200</u> | <u>-</u> | <u>45,200</u> |
| <i>Operating Income (Loss)</i> | <u>(12,200)</u> | <u>(12,200)</u> | <u>-</u> | <u>12,200</u> |
| <i>Net Change in Fund Balance</i> | <u>(12,200)</u> | <u>(12,200)</u> | <u>-</u> | <u>12,200</u> |
| <i>Fund Balance Beginning of Year</i> | <u>110,941</u> | <u>110,941</u> | <u>110,941</u> | <u>-</u> |
| <i>Fund Balance End of Year</i> | <u>\$ 98,741</u> | <u>\$ 98,741</u> | <u>\$ 110,941</u> | <u>\$ 12,200</u> |

STATISTICAL SECTION



City of Twinsburg, Ohio

Statistical Section Guide to Statistical Tables

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

| Contents | Page |
|--|-------------|
| Financial Trends – Tables 1-4 <i>These schedules contain trend information to help the reader understand and assess how the government’s financial position has changed over time.</i> | 132 |
| Revenue Capacity – Tables 5-7 <i>These schedules contain information to help the reader assess the government’s most significant revenue source, sales tax.</i> | 139 |
| Debt Capacity – Tables 8-12 <i>These schedules contain information to help the reader assess the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i> | 142 |
| Demographic and Economic Information – Tables 13-14 <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i> | 148 |
| Operating Information – Tables 15-17 <i>These schedules contain information to help the reader understand the government’s operations and resources.</i> | 150 |

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

City of Twinsburg, Ohio

Net Position by Activity Type Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Primary government-governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 107,775,665 | \$ 106,911,674 | \$ 109,280,345 | \$ 114,740,582 | \$ 118,237,342 | \$ 121,726,674 | \$ 122,829,183 | \$ 124,332,004 | \$ 118,967,660 | \$ 124,374,423 |
| Restricted | 7,080,398 | 5,219,831 | 4,809,367 | 5,895,549 | 3,763,577 | 6,381,156 | 5,812,693 | 5,580,095 | 5,266,688 | 6,227,249 |
| Unrestricted | 23,915,298 | 32,644,964 | 28,746,035 | 7,277,224 | 2,863,824 | (4,878,353) | (27,748,638) | (18,469,673) | (14,662,395) | (16,534,843) |
| Total governmental activities net position | <u>138,771,361</u> | <u>144,776,469</u> | <u>142,835,747</u> | <u>127,913,355</u> | <u>124,864,743</u> | <u>123,229,477</u> | <u>100,893,238</u> | <u>111,442,426</u> | <u>109,571,953</u> | <u>114,066,829</u> |
| Primary government-business-type activities | | | | | | | | | | |
| Net investment in capital assets | 45,362,111 | 44,128,179 | 46,400,391 | 47,210,407 | 48,193,049 | 47,385,065 | 50,539,347 | 47,134,586 | 51,905,182 | 50,405,359 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 2,957,056 | 2,489,069 | 1,962,444 | (192,509) | (371,756) | (497,478) | (5,420,658) | (2,598,442) | (1,647,662) | 4,708,834 |
| Total business-type activities net position | <u>48,319,167</u> | <u>46,617,248</u> | <u>48,362,835</u> | <u>47,017,898</u> | <u>47,821,293</u> | <u>46,887,587</u> | <u>45,118,689</u> | <u>44,536,144</u> | <u>50,257,520</u> | <u>55,114,193</u> |
| Total primary government | | | | | | | | | | |
| Net investment in capital assets | 153,137,776 | 151,039,853 | 155,680,736 | 161,950,989 | 166,430,391 | 169,111,739 | 173,368,530 | 171,466,590 | 170,872,842 | 174,779,782 |
| Restricted | 7,080,398 | 5,219,831 | 4,809,367 | 5,895,549 | 3,763,577 | 6,381,156 | 5,812,693 | 5,580,095 | 5,266,688 | 6,227,249 |
| Unrestricted | 26,872,354 | 35,134,033 | 30,708,479 | 7,084,715 | 2,492,068 | (5,375,831) | (33,169,296) | (21,068,115) | (16,310,057) | (11,826,009) |
| Total primary government net position | <u>\$ 187,090,528</u> | <u>\$ 191,393,717</u> | <u>\$ 191,198,582</u> | <u>\$ 174,931,253</u> | <u>\$ 172,686,036</u> | <u>\$ 170,117,064</u> | <u>\$ 146,011,927</u> | <u>\$ 155,978,570</u> | <u>\$ 159,829,473</u> | <u>\$ 169,181,022</u> |

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

City of Twinsburg, Ohio

*Changes in Net Position
Last Ten Fiscal Years*

| Expenses | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ 4,446,875 | \$ 6,688,110 | \$ 3,782,280 | \$ 5,508,770 | \$ 6,307,981 | \$ 7,433,264 | \$ 6,510,387 | \$ 3,641,103 | \$ 10,642,228 | \$ 6,204,206 |
| Security of persons and property | 8,261,111 | 8,451,014 | 8,719,995 | 9,916,169 | 11,498,555 | 11,896,459 | 11,930,391 | 10,442,932 | 8,962,123 | 10,830,015 |
| Public health and welfare | - | - | - | - | 208,164 | 208,142 | 208,609 | 210,262 | 210,527 | 208,837 |
| Transportation | 8,271,282 | 7,148,445 | 8,496,165 | 8,891,060 | 8,099,317 | 8,997,784 | 9,706,605 | 8,222,401 | 6,978,239 | 5,498,744 |
| Leisure time activities | 1,571,366 | 1,677,223 | 2,283,000 | 2,553,121 | 1,637,768 | 1,404,835 | 1,389,613 | 1,755,317 | 629,834 | 368,643 |
| Community development | 2,269,353 | 4,845,641 | 7,528,149 | 1,636,063 | 2,252,246 | 3,275,867 | 2,732,406 | 1,249,005 | 1,083,534 | 367,098 |
| Basic utility service | 62,463 | 12,225 | 13,758 | 13,226 | 22,114 | 97,117 | 90,476 | - | - | - |
| Interest and fiscal charges | 475,342 | 593,334 | 336,900 | 315,976 | 287,995 | 220,986 | 180,473 | 156,888 | 205,000 | 229,848 |
| Total governmental activities expenses | <u>25,357,792</u> | <u>29,415,992</u> | <u>31,160,247</u> | <u>28,834,385</u> | <u>30,314,140</u> | <u>33,534,454</u> | <u>32,748,960</u> | <u>25,677,908</u> | <u>28,711,485</u> | <u>23,707,391</u> |
| Business-type activities: | | | | | | | | | | |
| Sewer | 3,049,169 | 4,769,812 | 3,806,876 | 4,451,137 | 3,648,338 | 4,567,087 | 3,635,806 | 3,634,378 | 4,453,523 | 2,848,549 |
| Golf | 961,762 | 1,046,463 | 1,159,882 | 1,554,474 | 1,381,674 | 1,487,776 | 2,187,772 | 4,365,419 | 2,265,101 | 862,252 |
| Fitness center | 1,480,899 | 1,622,192 | 1,821,770 | 1,858,224 | 2,241,685 | 2,397,227 | 2,393,208 | 1,944,708 | 1,402,746 | 847,228 |
| Community theater | - | 33,275 | 25,266 | 38,257 | 36,788 | 40,779 | 61,353 | 36,977 | 4,728 | - |
| Total business-type activities expenses | <u>5,491,830</u> | <u>7,471,742</u> | <u>6,813,794</u> | <u>7,902,092</u> | <u>7,308,485</u> | <u>8,492,869</u> | <u>8,278,139</u> | <u>9,981,482</u> | <u>8,126,098</u> | <u>4,558,029</u> |
| Total primary government expenses | <u>\$ 30,849,622</u> | <u>\$ 36,887,734</u> | <u>\$ 37,974,041</u> | <u>\$ 36,736,477</u> | <u>\$ 37,622,625</u> | <u>\$ 42,027,323</u> | <u>\$ 41,027,099</u> | <u>\$ 35,659,390</u> | <u>\$ 36,837,583</u> | <u>\$ 28,265,420</u> |

See the related notes to the financial statements

City of Twinsburg, Ohio

Changes in Net Position (Continued) Last Ten Fiscal Years

| Program Revenues | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 1,306,430 | \$ 1,599,390 | \$ 1,309,881 | \$ 1,324,425 | \$ 1,210,493 | \$ 933,850 | \$ 780,749 | \$ 1,018,242 | \$ 923,466 | \$ 1,070,577 |
| Security of persons and property | 536,280 | 541,230 | 556,740 | 570,074 | 521,358 | 489,682 | 406,697 | 634,166 | 494,154 | 529,089 |
| Transportation | 142,558 | - | - | - | - | - | - | - | - | - |
| Leisure time activities | 546,745 | 414,539 | 356,988 | 402,141 | 394,501 | 303,406 | 253,342 | 243,807 | 13,027 | 177,151 |
| Community development | 418,322 | 516,399 | 442,774 | 395,946 | 663,893 | 498,565 | 419,722 | 364,707 | 416,323 | 362,206 |
| Operating grants and contributions | 72,337 | 25,554 | 36,795 | 30,364 | 53,915 | 245,367 | 518,401 | 15,456 | - | - |
| Capital grants and contributions | 2,981,575 | 1,409,545 | 6,417,353 | 4,554,217 | 2,691,738 | 4,802,950 | 690,066 | 2,367,174 | 581,251 | - |
| Total governmental activities program revenue | <u>6,004,247</u> | <u>4,506,657</u> | <u>9,120,531</u> | <u>7,277,167</u> | <u>5,535,898</u> | <u>7,273,820</u> | <u>3,068,977</u> | <u>4,643,552</u> | <u>2,139,023</u> | <u>2,139,023</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Sewer | 2,915,587 | 2,800,084 | 3,323,257 | 3,281,141 | 3,471,054 | 3,363,306 | 3,422,301 | 3,984,336 | 4,050,710 | 4,219,895 |
| Golf | 993,049 | 906,123 | 812,664 | 853,200 | 901,491 | 890,669 | 1,242,372 | 2,084,207 | 1,282,551 | 1,344,032 |
| Fitness center | 1,100,465 | 1,246,005 | 1,272,762 | 1,379,578 | 1,395,234 | 1,455,709 | 1,575,577 | 1,489,491 | 512,605 | 1,034,474 |
| Community theater | - | 41,845 | 29,004 | 47,279 | 40,323 | 33,776 | 43,047 | 31,251 | 11,740 | - |
| Operating grants and contributions | - | - | - | - | - | - | - | 1,115 | - | - |
| Capital grants and contributions | 274,960 | 463,815 | 486,372 | 453,667 | - | - | 473,517 | 792,636 | 58,230 | 2,432,682 |
| Total business-type activities program revenue | <u>5,284,061</u> | <u>5,457,872</u> | <u>5,924,059</u> | <u>6,014,865</u> | <u>5,808,102</u> | <u>5,743,460</u> | <u>6,756,814</u> | <u>8,383,036</u> | <u>5,915,836</u> | <u>9,031,083</u> |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | (19,353,545) | (24,909,335) | (22,039,716) | (21,557,218) | (24,778,242) | (26,260,634) | (29,679,983) | (21,034,356) | (26,283,264) | (21,568,368) |
| Business-type activities | (207,769) | (2,013,870) | (889,735) | (1,887,227) | (1,500,383) | (2,749,409) | (1,521,325) | (1,598,446) | (2,210,262) | 4,473,054 |
| Total primary government net expense | <u>\$ (19,561,314)</u> | <u>\$ (26,923,205)</u> | <u>\$ (22,929,451)</u> | <u>\$ (23,444,445)</u> | <u>\$ (26,278,625)</u> | <u>\$ (29,010,043)</u> | <u>\$ (31,201,308)</u> | <u>\$ (22,632,802)</u> | <u>\$ (28,493,526)</u> | <u>\$ (17,095,314)</u> |

City of Twinsburg, Ohio

Changes in Net Position (Continued) Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-----------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property and other local taxes | \$ 1,253,802 | \$ 1,239,860 | \$ 1,226,511 | \$ 1,303,837 | \$ 1,220,369 | \$ 1,246,135 | \$ 1,265,690 | \$ 1,325,561 | \$ 1,212,957 | \$ 617,886 |
| Municipal income taxes | 22,852,493 | 27,931,865 | 19,498,390 | 21,404,750 | 20,969,489 | 22,749,862 | 21,584,620 | 26,689,266 | 22,922,726 | 22,548,429 |
| Grants and entitlements not restricted to specific programs | 1,621,453 | 1,939,843 | 1,900,831 | 2,038,693 | 1,496,357 | 1,449,985 | 1,761,907 | 2,440,034 | 4,030,768 | 2,275,956 |
| Investment income | 16,304 | 45,992 | 21,396 | 56,943 | 180,075 | 137,362 | 178,584 | 598,281 | 768,616 | 201,900 |
| Miscellaneous | 39,132 | 68,834 | 87,188 | 103,447 | 146,622 | 836,174 | 1,041,574 | 1,431,158 | 2,666,574 | 645,103 |
| Gain/(Loss) on sale of assets | - | - | - | - | 20,496 | - | - | (21,156) | - | (57,333) |
| Transfers | (1,082,805) | (311,951) | (2,635,322) | (2,751,552) | (2,303,778) | (1,794,150) | (1,855,263) | (879,600) | (7,188,850) | (149,500) |
| Total governmental activities | 24,700,379 | 30,914,443 | 20,098,994 | 22,156,118 | 21,729,630 | 24,625,368 | 23,977,112 | 31,583,544 | 24,412,791 | 26,082,441 |
| Business-type activities: | | | | | | | | | | |
| Investment income | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | 21,553 | 25,766 | 139,353 | 702,102 | 274,806 |
| Gain/(Loss) on sale of assets | - | - | - | - | - | - | - | (3,052) | - | - |
| Transfers | 1,082,805 | 311,951 | 2,635,322 | 2,751,552 | 2,303,778 | 1,794,150 | 1,855,263 | 879,600 | 7,188,850 | 149,500 |
| Total business-type activities | 1,082,805 | 311,951 | 2,635,322 | 2,751,552 | 2,303,778 | 1,815,703 | 1,881,029 | 1,015,901 | 7,890,952 | 424,306 |
| Total primary government | 25,783,184 | 31,226,394 | 22,734,316 | 24,907,670 | 24,033,408 | 26,441,071 | 25,858,141 | 32,599,445 | 32,303,743 | 26,506,747 |
| Changes in Net Position | | | | | | | | | | |
| Governmental activities | (208,956) | 8,874,727 | (1,458,224) | (2,622,124) | (4,531,004) | (5,054,615) | 2,942,756 | 5,011,082 | (1,870,473) | 4,514,073 |
| Business-type activities | (931,065) | (577,784) | 748,095 | 1,251,169 | (445,631) | 294,378 | 282,583 | (511,796) | 5,680,690 | 4,897,360 |
| Total primary government | \$ (1,140,021) | \$ 8,296,943 | \$ (710,129) | \$ (1,370,955) | \$ (4,976,635) | \$ (4,760,237) | \$ 3,225,339 | \$ 4,499,286 | \$ 3,810,217 | \$ 9,411,433 |

City of Twinsburg, Ohio

*Fund Balances of Governmental Funds
Last Ten Fiscal Years*

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | - | - | - | - | - | - | - | - | - | - |
| Nonspendable | 212,629 | 396,947 | 216,414 | 225,280 | 180,000 | 110,327 | 460,020 | 152,172 | 136,266 | 171,164 |
| Assigned | 147,710 | 6,508,841 | 5,944,848 | 7,291,319 | 9,656,106 | 5,905,572 | 3,678,050 | 3,431,199 | 4,523,244 | 903,222 |
| Unassigned | 24,759,442 | 21,710,920 | 20,046,754 | 14,401,927 | 7,187,465 | 8,222,971 | 8,162,650 | 9,517,493 | 11,387,054 | 15,662,614 |
| Total general fund | \$ 25,119,781 | \$ 28,616,708 | \$ 26,208,016 | \$ 21,918,526 | \$ 17,023,571 | \$ 14,238,870 | \$ 12,300,720 | \$ 13,100,864 | \$ 16,046,564 | \$ 16,737,000 |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | - | - |
| Debt service funds | - | - | - | - | - | - | - | - | - | - |
| Capital projects funds | - | - | - | - | - | - | - | - | - | - |
| Restricted | 2,618,341 | 2,005,409 | 1,992,020 | 2,923,555 | 3,460,811 | 3,439,091 | 3,031,051 | 2,912,903 | 3,694,786 | 3,768,049 |
| Committed | 3,701,529 | 383,665 | 377,545 | 421,041 | 594,426 | 720,981 | 688,701 | 729,637 | 706,111 | 614,836 |
| Assigned | - | 2,815,206 | 3,952,494 | 2,782,139 | 2,475,128 | 1,914,010 | 1,787,718 | 1,728,863 | 1,766,256 | 2,388,726 |
| Unassigned | (569,430) | (371,013) | (56,832) | (193,748) | (70,102) | (192,260) | (41,618) | (94,010) | (64,990) | (60,219) |
| Total all other governmental funds | \$ 5,750,440 | \$ 4,833,267 | \$ 6,265,227 | \$ 5,932,987 | \$ 6,460,263 | \$ 5,881,822 | \$ 5,465,852 | \$ 5,277,393 | \$ 6,102,163 | \$ 6,711,392 |

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

City of Twinsburg, Ohio

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Property and other taxes | \$ 1,059,823 | \$ 1,086,258 | \$ 1,062,583 | \$ 1,100,179 | \$ 1,058,858 | \$ 1,047,002 | \$ 1,075,191 | \$ 1,257,294 | \$ 1,185,610 | \$ 650,348 |
| Municipal income tax | 22,889,874 | 23,405,030 | 22,867,654 | 21,113,765 | 21,433,481 | 22,539,519 | 22,720,517 | 24,431,591 | 21,849,951 | 23,286,448 |
| Other local taxes | 130,992 | 156,428 | 160,441 | 188,490 | 186,991 | 188,590 | 199,215 | - | - | - |
| Intergovernmental | 2,742,941 | 3,090,081 | 6,524,483 | 3,641,852 | 2,212,949 | 2,184,689 | 2,326,727 | 2,095,174 | 4,258,991 | 2,258,819 |
| Charges for services | 1,623,791 | 1,459,665 | 1,348,403 | 1,388,683 | 1,350,008 | 1,241,369 | 1,212,161 | 1,208,094 | 1,196,950 | 1,257,634 |
| License and permits | 357,121 | 239,508 | 327,088 | 369,090 | 468,043 | 696,105 | 657,524 | 740,981 | 556,006 | 663,248 |
| Fines and forfeitures | 118,133 | 113,742 | 113,649 | 101,268 | 107,523 | 204,128 | 115,643 | 112,220 | 49,081 | 57,116 |
| Investment income | 16,304 | 45,992 | 21,396 | 56,943 | 146,047 | 130,500 | 175,284 | 545,431 | 740,692 | 196,033 |
| Reimbursements received | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous income | 922,454 | 1,014,086 | 930,812 | 821,338 | 906,908 | 1,031,478 | 1,223,522 | 1,565,384 | 2,666,574 | 645,103 |
| Total revenues | \$ 29,861,433 | \$ 30,610,790 | \$ 33,356,509 | \$ 28,781,608 | \$ 27,870,808 | \$ 29,263,380 | \$ 29,705,784 | \$ 31,956,169 | \$ 32,503,855 | \$ 29,014,749 |
| Expenditures | | | | | | | | | | |
| Current operations and maintenance: | | | | | | | | | | |
| General government | 5,848,541 | 7,477,236 | 6,209,228 | 6,214,407 | 6,161,288 | 7,066,769 | 6,340,992 | 6,532,695 | 8,545,418 | 4,396,932 |
| Security of persons and property | 7,974,230 | 8,209,562 | 8,391,289 | 9,011,133 | 9,628,084 | 10,115,612 | 9,992,467 | 10,321,112 | 8,790,558 | 10,546,620 |
| Public health and welfare | - | - | - | - | 208,164 | 208,142 | 208,609 | 210,262 | 210,527 | 208,837 |
| Transportation | 5,293,494 | 5,116,565 | 6,526,324 | 7,386,799 | 8,487,162 | 5,653,095 | 8,569,355 | 7,656,465 | 6,756,205 | 8,259,861 |
| Leisure time activities | 1,487,478 | 1,578,272 | 954,571 | 1,032,623 | 1,145,875 | 1,102,296 | 1,115,959 | 1,478,912 | 608,601 | 765,220 |
| Community development | 1,265,405 | 1,258,411 | 1,719,775 | 1,564,887 | 1,560,405 | 1,985,601 | 1,467,848 | 1,433,280 | 1,050,936 | 1,197,323 |
| Basic utility service | 160,094 | 111,567 | 107,637 | 118,911 | 128,907 | 97,117 | 90,476 | - | - | - |
| Capital outlay | 1,663,332 | 2,698,756 | 9,187,145 | 5,557,127 | 3,225,525 | 3,412,112 | 1,371,808 | 893,601 | 1,858,530 | 411,567 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 1,511,650 | 3,469,746 | 1,785,047 | 1,680,444 | 1,525,497 | 1,701,418 | 1,660,585 | 1,841,856 | 1,986,555 | 1,558,096 |
| Interest and fiscal charges | 491,305 | 514,455 | 362,860 | 346,708 | 303,871 | 251,048 | 204,722 | 156,888 | 205,000 | 259,005 |
| Issuance costs | - | - | - | - | - | - | - | - | - | - |
| Total expenditures | \$ 25,695,529 | \$ 30,434,570 | \$ 35,243,876 | \$ 32,913,039 | \$ 32,374,778 | \$ 31,593,210 | \$ 31,022,821 | \$ 30,525,071 | \$ 30,012,330 | \$ 27,603,461 |
| Excess of revenues over (under) expenditures | \$ 4,165,904 | \$ 176,220 | \$ (1,887,367) | \$ (4,131,431) | \$ (4,503,970) | \$ (2,329,830) | \$ (1,317,037) | \$ 1,431,098 | \$ 2,491,525 | \$ 1,411,288 |

City of Twinsburg, Ohio

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|-------------------|---------------------|-------------------|---------------------|-------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| Other financing sources (uses) | | | | | | | | | | |
| Inception of capital leases | \$ - | \$ 333,704 | \$ - | \$ - | \$ 587,442 | \$ - | \$ 463,293 | \$ - | \$ 1,342,795 | \$ - |
| Issuance of debt | 666,840 | 2,381,781 | 1,760,818 | 711,394 | 941,011 | 737,646 | 354,887 | 60,187 | 7,125,000 | 45,276 |
| Proceeds from sale of capital assets | - | - | - | - | - | 23,192 | - | - | - | - |
| Premium on issuance of debt | - | - | - | - | - | - | - | - | - | - |
| Payment on refunded bond escrow agent | - | - | - | - | - | - | - | - | - | - |
| Transfers - in | 1,802,935 | 4,082,384 | 6,797,844 | 5,984,646 | 6,495,521 | 3,546,160 | 3,867,434 | 3,229,250 | 3,603,490 | 3,618,500 |
| Transfers - out | (1,876,658) | (4,394,335) | (7,648,027) | (7,439,891) | (7,887,683) | (5,340,310) | (5,722,697) | (4,108,850) | (10,792,340) | (3,768,000) |
| Total other financing sources (uses) | <u>\$ 593,117</u> | <u>\$ 2,403,534</u> | <u>\$ 910,635</u> | <u>\$ (743,851)</u> | <u>\$ 136,291</u> | <u>\$ (1,033,312)</u> | <u>\$ (1,037,083)</u> | <u>\$ (819,413)</u> | <u>\$ 1,278,945</u> | <u>\$ (104,224)</u> |
| Net changes in fund balances | \$ 769,337 | \$ 516,167 | \$ (3,220,796) | \$ (5,247,821) | \$ (2,193,539) | \$ (2,350,349) | \$ 394,015 | \$ 1,672,112 | \$ 3,770,470 | \$ 1,307,064 |
| Debt services as a percentage of non-capital expenditures | 6.76% | 13.08% | 6.14% | 5.54% | 5.07% | 5.58% | 5.28% | 6.20% | 8.91% | 6.96% |

See the related notes to the financial statements

City of Twinsburg, Ohio

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

| Tax Year | Tax Rate (1) | Total Tax Collected (2) | Taxes from Withholding | Percentage of Taxes from Withholding | Taxes from Net Profits | Percentage of Taxes from Net Profits | Taxes From Individuals | Percentage of Taxes from Individuals |
|-----------------|---------------------|--------------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|---|
| 2021 | 2.00% | \$ 22,640,762 | \$ 18,055,681 | 79.75% | \$ 2,864,314 | 12.65% | \$ 1,720,767 | 7.60% |
| 2020 | 2.00% | 22,495,667 | 17,700,918 | 78.69% | 3,069,009 | 13.64% | 1,725,740 | 7.67% |
| 2019 | 2.00% | 23,390,483 | 17,463,041 | 74.66% | 3,933,367 | 16.82% | 1,994,076 | 8.53% |
| 2018 | 2.00% | 22,701,741 | 17,238,419 | 75.93% | 3,798,921 | 16.73% | 1,664,402 | 7.33% |
| 2017 | 2.00% | 22,300,468 | 16,661,202 | 74.71% | 3,944,927 | 17.69% | 1,694,339 | 7.60% |
| 2016 | 2.00% | 20,739,171 | 16,371,449 | 78.94% | 2,547,944 | 12.29% | 1,819,778 | 8.78% |
| 2015 | 2.00% | 19,651,388 | 15,271,531 | 77.71% | 2,721,213 | 13.85% | 1,658,644 | 8.44% |
| 2014 | 2.00% | 22,878,022 | 15,018,535 | 65.65% | 5,577,363 | 24.38% | 2,282,124 | 9.98% |
| 2013 | 2.25% | 25,058,791 | 17,791,296 | 71.00% | 4,729,766 | 18.88% | 2,537,729 | 10.13% |
| 2012 | 2.25% | 23,148,257 | 14,827,123 | 64.05% | 5,985,651 | 25.86% | 2,335,483 | 10.09% |

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

(2) Accrual basis.

City of Twinsburg, Ohio

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

Tax Year 2021

| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|---------------------|-------------------------|--------------------------|-----------------------|----------------------------------|
| \$100,000 and Over | 1,217 | 31% | \$ 230,570,414 | 67% |
| 75,000-99,999 | 440 | 11% | 37,928,468 | 11% |
| 50,000-74,999 | 608 | 16% | 37,517,740 | 10% |
| 25,000-49,999 | 654 | 17% | 24,666,156 | 7% |
| Under 25,000 | 1,001 | 26% | 12,451,019 | 4% |
| Total | 3,920 | 100% | 343,133,797 | 100% |

Tax Year 2012

| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
|---------------------|-------------------------|--------------------------|-----------------------|----------------------------------|
| \$100,000 and Over | 1,929 | 26% | \$ 343,706,223 | 61% |
| 75,000-99,999 | 838 | 11% | 72,581,038 | 13% |
| 50,000-74,999 | 1,191 | 16% | 73,787,183 | 13% |
| 25,000-49,999 | 1,407 | 19% | 52,650,052 | 9% |
| Under 25,000 | 2,151 | 29% | 21,386,598 | 4% |
| Total | 7,516 | 100% | 564,111,094 | 100% |

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

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

City of Twinsburg, Ohio

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

| Employer | 2012 Rank | 2021 Rank |
|--|----------------------|----------------------|
| Pepsi Cola Metropolitan Bottling Company | 1 | - |
| RGH Enterprises | 2 | 1 |
| Verizon | 3 | - |
| Envision Pharmaceutical Holdings | 4 | - |
| Twinsburg Board of Education | 5 | 3 |
| Rockwell Automation Inc | 6 | 4 |
| PepsiAmericas Sales Services | 7 | - |
| Goodrich Corporation | 8 | - |
| The Cleveland Clinic Foundation | 9 | 2 |
| General Electric | 10 | - |
| Cardinal Health | - | 5 |
| Amazon Com Services LLC | - | 6 |
| Bottling Group LLC | - | 7 |
| GD Mobile Security America Inc | - | 8 |
| Rite Aid Payroll Management Inc | - | 9 |
| Victory Innovations Company, Inc. | - | 10 |

City of Twinsburg, Ohio

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

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | |
|-------------|--------------------------|--------------------------|---------------|-----------------------|--------------------------|--------------------------|---------------|-----------------------|
| | General Obligation Bonds | Special Assessment Bonds | Notes Payable | Capital Lease Payable | General Obligation Bonds | Special Assessment Bonds | Notes Payable | Capital Lease Payable |
| 2012 | 10,573,725 | 225,000 | 3,229,087 | - | - | - | 83,649 | 22,866 |
| 2013 | 9,714,530 | 194,000 | 3,290,985 | 219,841 | - | - | 304,834 | 100,678 |
| 2014 | 1,140,000 | 21,000 | 4,496,383 | 111,214 | - | - | 298,339 | 72,636 |
| 2015 | 7,386,560 | 152,000 | 4,799,547 | - | - | - | 288,178 | 43,621 |
| 2016 | 6,189,634 | 134,000 | 5,388,061 | 587,442 | - | - | 278,017 | 22,096 |
| 2017 | 4,952,708 | 116,000 | 5,796,643 | 428,088 | - | - | 6,405,856 | - |
| 2018 | 3,680,780 | 98,000 | 5,977,031 | 653,295 | - | - | 6,395,695 | - |
| 2019 | 2,343,853 | 80,000 | 5,828,653 | 333,004 | - | - | 6,788,560 | - |
| 2020 | 8,096,926 | 62,000 | 6,001,080 | 1,209,670 | - | - | 745,579 | - |
| 2021 | 7,130,000 | 44,000 | 5,821,812 | 814,554 | - | - | 721,886 | - |

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

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

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

(3) 2019-2021 based on most recent U.S. Census data

See the related notes to the financial statements

City of Twinsburg, Ohio

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

| Total Primary Government | | | | | | |
|---------------------------------|--------------------------------------|--|------------------------------|-----------------------|------------------------------------|---------------------------------|
| Fiscal Year | Total Debt Primary Government | Total Debt as Percentage of Personal Income | Total Debt per Capita | Population (1) | Median Household Income (1) | Per Capita Income (2)(3) |
| 2012 | 14,134,327 | 1.81% | 766 | 18,456 | 71,528 | 42,292 |
| 2013 | 13,824,868 | 1.74% | 746 | 18,544 | 70,958 | 42,767 |
| 2014 | 6,139,572 | 0.74% | 331 | 18,556 | 69,778 | 44,751 |
| 2015 | 12,669,906 | 1.48% | 682 | 18,573 | 71,194 | 46,163 |
| 2016 | 12,599,250 | 1.44% | 678 | 18,585 | 73,314 | 46,963 |
| 2017 | 17,699,295 | 1.95% | 947 | 18,685 | 75,365 | 48,701 |
| 2018 | 16,804,801 | 1.76% | 896 | 18,762 | 77,021 | 50,872 |
| 2019 | 15,374,070 | 2.14% | 815 | 18,856 | 77,021 | 38,143 |
| 2020 | 16,115,255 | 2.24% | 855 | 18,856 | 77,021 | 38,143 |
| 2021 | 14,532,252 | 1.68% | 755 | 19,248 | 82,760 | 44,942 |

City of Twinsburg, Ohio

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

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Net Bonded Debt | Net Bonded Debt as Percent of Estimated Actual Taxable Value of Property | Net Bonded Debt Per Capita | Total Assessed Property Tax |
|--------------------|---------------------------------|---|------------------------|---|-----------------------------------|------------------------------------|
| 2012 | 10,573,725 | 33,164 | 10,540,561 | 1.85% | 571 | 569,277,460 |
| 2013 | 9,714,530 | 85,895 | 9,628,635 | 1.70% | 519 | 567,033,150 |
| 2014 | 1,140,000 | 72,168 | 1,067,832 | 0.19% | 58 | 569,528,270 |
| 2015 | 7,386,560 | 306,194 | 7,080,366 | 1.25% | 381 | 566,767,150 |
| 2016 | 6,189,634 | 117,528 | 6,072,106 | 1.06% | 327 | 571,330,980 |
| 2017 | 4,952,708 | 591,400 | 4,361,308 | 0.75% | 233 | 581,020,330 |
| 2018 | 3,680,780 | 584,719 | 3,096,061 | 0.49% | 165 | 630,954,430 |
| 2019 | 2,343,853 | 657,958 | 1,685,895 | 0.26% | 89 | 640,274,310 |
| 2020 | 8,096,926 | 566,847 | 7,530,079 | 1.16% | 399 | 650,941,550 |
| 2021 | 7,130,000 | 539,483 | 6,590,517 | 0.93% | 342 | 711,987,930 |

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

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

City of Twinsburg, Ohio

*Direct and Overlapping Governmental Activities Debt
Fiscal Year 2021
Unaudited*

| | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---------------------------------------|-----------------------------|--|--|
| <u>City of Twinsburg Direct Debt</u> | | | |
| General Bonded Debt and Warrants | \$ 7,130,000 | 100% | \$ 7,130,000 |
| Special Assessment Bonds | 44,000 | 100% | 44,000 |
| Notes Payable | 5,821,812 | 100% | 5,821,812 |
| Capital Leases Payable | 814,554 | 100% | 814,554 |
| <u>Overlapping Debt</u> | | | |
| Summit County | 2,905,000 | 5.00% | 145,250 |
| Twinsburg City School District | 1,123,650 | 70.46% | 791,724 |
| Total Direct and Overlapping Debt | | | <u>\$ 14,747,340</u> |

City of Twinsburg, Ohio

Legal Debt Margin Information Last Ten Fiscal Years Unaudited

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Assessed Valuation | \$ 711,987,930 | \$ 650,941,550 | \$ 640,274,310 | \$ 630,954,430 | \$ 581,020,330 | \$ 571,330,980 | \$ 566,767,150 | \$ 569,528,270 | \$ 567,033,150 | \$ 569,227,460 |
| Overall Debt Limitation - 10.5% of Assessed Valuation | 74,758,733 | 68,348,863 | 67,228,803 | 66,250,215 | 61,007,135 | 59,989,753 | 59,510,551 | 59,800,468 | 59,538,481 | 59,768,883 |
| Gross Indebtedness | 14,017,698 | 14,905,485 | 15,041,066 | 16,151,506 | 17,271,207 | 11,989,712 | 12,626,285 | 13,536,208 | 13,504,349 | 14,111,461 |
| Less Debt Outside Limitation | | | | | | | | | | |
| Bond Anticipation Notes | - | - | 6,138,000 | 6,138,000 | 6,138,000 | - | - | - | - | - |
| Special Assessment Bonds | 44,000 | 62,000 | 80,000 | 98,000 | 116,000 | 134,000 | 152,000 | 173,000 | 194,000 | 225,000 |
| ODOT Loans | - | - | - | - | - | - | - | - | 220,000 | 535,000 |
| OPWC Loans | 5,821,812 | 6,651,640 | 6,479,213 | 6,234,726 | 6,064,499 | 5,493,430 | 4,692,155 | 4,094,528 | 2,700,239 | 2,243,771 |
| Net Indebtedness | 8,151,886 | 8,191,845 | 2,343,853 | 3,680,780 | 4,952,708 | 6,362,282 | 7,782,130 | 9,268,680 | 10,390,110 | 11,107,690 |
| Less Fund Balance in Debt Service Fund | (539,483) | (566,847) | (569,316) | (505,354) | (504,577) | (290,082) | (306,194) | (72,168) | (85,895) | (33,164) |
| Net Debt Within 10.5% Limitation | 7,612,403 | 7,624,998 | 1,774,537 | 3,175,426 | 4,448,131 | 6,072,200 | 7,475,936 | 9,196,512 | 10,304,215 | 11,074,526 |
| Legal Debt Margin Within 10.5% Limitation | 67,146,330 | 60,723,865 | 65,454,266 | 63,074,789 | 56,559,004 | 53,917,553 | 52,034,615 | 50,603,956 | 49,234,266 | 48,694,357 |
| Legal Debt Margin as a Percentage of the Overall Debt Limitation | 89.82% | 88.84% | 97.36% | 95.21% | 92.71% | 89.88% | 87.44% | 84.62% | 82.69% | 81.47% |
| Unvoted Debt Limitation - 5.5% of Assessed Valuation | 39,159,336 | 35,801,785 | 35,215,087 | 34,702,494 | 31,956,118 | 31,423,204 | 31,172,193 | 31,324,055 | 31,186,823 | 31,307,510 |
| Gross Indebtedness | 14,017,698 | 14,905,485 | 15,041,066 | 16,151,506 | 17,271,207 | 11,989,712 | 12,626,285 | 13,536,208 | 13,504,349 | 14,111,461 |
| Less Debt Outside Limitation | | | | | | | | | | |
| Bond Anticipation Notes | - | - | 6,138,000 | 6,138,000 | 6,138,000 | - | - | - | - | - |
| Special Assessment Bonds | 44,000 | 62,000 | 80,000 | 98,000 | 116,000 | 134,000 | 152,000 | 173,000 | 194,000 | 225,000 |
| OPWC Loans | 5,821,812 | 6,651,640 | 6,479,213 | 6,234,726 | 6,064,499 | 5,493,430 | 4,692,155 | 4,094,528 | 2,700,239 | 2,243,771 |
| Net Debt Within 5.5% Limitation | 8,151,886 | 8,191,845 | 2,343,853 | 3,680,780 | 4,952,708 | 6,362,282 | 7,782,130 | 9,268,680 | 10,390,110 | 11,107,690 |
| Unvoted Legal Debt Margin Within 5.5% Limitation | \$ 31,007,450 | \$ 27,609,940 | \$ 32,871,234 | \$ 31,021,714 | \$ 27,003,410 | \$ 25,060,922 | \$ 23,390,063 | \$ 22,055,375 | \$ 20,796,713 | \$ 20,199,820 |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 79.18% | 77.12% | 93.34% | 89.39% | 84.50% | 79.75% | 75.04% | 70.41% | 66.68% | 64.52% |
| Total net debt applicable to limit as a percentage of debt limit | | | | | | | | | | |

Source: City Records

City of Twinsburg, Ohio

*Pledged Revenue Coverage
Last Ten Fiscal Years
Unaudited*

| Fiscal Year | Special Assessment Revenue | Less: Operating Expenses | Net Available Revenue (A) | Principal (B) | Interest (C) | Coverage A/(B+C) |
|--------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------|---------------------|-------------------------|
| 2012 | 46,680 | - | 46,680 | 18,000 | 11,029 | 1.61 |
| 2013 | 41,697 | - | 41,697 | 18,000 | 10,266 | 1.48 |
| 2014 | 43,683 | - | 43,683 | 18,000 | 9,502 | 1.59 |
| 2015 | 42,485 | - | 42,485 | 18,000 | 8,611 | 1.60 |
| 2016 | 43,443 | - | 43,443 | 18,000 | 7,720 | 1.69 |
| 2017 | 44,156 | - | 44,156 | 18,000 | 6,805 | 1.78 |
| 2018 | 44,304 | - | 44,304 | 18,000 | 5,890 | 1.85 |
| 2019 | 46,724 | - | 46,724 | 18,000 | 4,975 | 2.03 |
| 2020 | 43,982 | - | 43,982 | 18,000 | 4,060 | 1.99 |
| 2021 | 45,513 | - | 45,513 | 18,000 | 3,145 | 2.15 |

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

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

City of Twinsburg, Ohio

*Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited*

| Fiscal Year | Population (1) | Per Capita Personal Income (2)(3) | Personal Income | Unemployment Rate |
|--------------------|-----------------------|--|------------------------|--------------------------|
| 2012 | 18,456 | 42,292 | 780,541,152 | 6.20% |
| 2013 | 18,544 | 42,767 | 793,071,248 | 6.30% |
| 2014 | 18,556 | 44,751 | 830,399,556 | 4.50% |
| 2015 | 18,573 | 46,163 | 857,385,399 | 4.80% |
| 2016 | 18,585 | 46,963 | 872,807,355 | 4.90% |
| 2017 | 18,685 | 48,701 | 909,978,185 | 4.80% |
| 2018 | 18,762 | 50,872 | 954,460,464 | 4.90% |
| 2019 | 18,856 | 38,143 | 719,224,408 | 4.00% |
| 2020 | 18,856 | 38,143 | 719,224,408 | 4.00% |
| 2021 | 19,248 | 44,942 | 865,043,616 | 4.00% |

- (1) Data from U.S. Department of Commerce, Bureau of Economic Analysis and U.S. Census Bureau (Data reported 1
(2) 2010-2018 data from U.S. Department of Commerce, Bureau of Economic Analysis (Data reported for Cleveland-Akron-Canton Combined Statistical Area)
(3) 2019-2021 based on most recent U.S. Census data

City of Twinsburg, Ohio

*Principal Employers
Current Year and Nine Years Ago
Unaudited*

| Employer | 2021 | | | 2012 | | |
|-------------------------------------|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| FedEx Ground Package | 2,493 | 1 | 16.85% | - | - | 0.00% |
| RGH Enterprises Inc. | 1,150 | 2 | 7.77% | 918 | 1 | 6.23% |
| The Cleveland Clinic Foundation | 780 | 3 | 5.27% | N/A | - | 0.00% |
| Twinsburg Board of Education | 697 | 4 | 4.71% | 797 | 2 | 5.41% |
| Amazon Com Services LLC | 555 | 5 | 3.75% | - | - | 0.00% |
| Rockwell Automation Inc | 535 | 6 | 3.62% | 461 | 3 | 3.13% |
| Bottling Group LLC | 525 | 7 | 3.55% | 313 | 5 | 2.12% |
| City of Twinsburg | 426 | 8 | 2.88% | 440 | 4 | 2.98% |
| Windstream Services LLC | 364 | 9 | 2.46% | - | - | 0.00% |
| Go Mobile Security America Inc | 312 | 10 | 2.11% | - | - | 0.00% |
| Winstream Communications Inc. | - | - | 0.00% | 265 | 6 | 1.80% |
| General Electric | - | - | 0.00% | 244 | 7 | 1.65% |
| Fasteners For Retail Inc | - | - | 0.00% | 205 | 8 | 1.39% |
| Hitachi Medical Systems | - | - | 0.00% | 163 | 9 | 1.11% |
| Goodrich Corporation | - | - | 0.00% | 150 | 10 | 1.02% |
| Total | 7,837 | | 28.35% | 3,956 | | 20.60% |
| Total City Employment (1)(2) | 14,792 | | | 14,745 | | |

(1) 2021 Total City Employment based on U.S. Census Bureau 2020 ACS 5-Year Estimates

(2) 2012 Total City Employment based on U.S. Census Bureau 2012 ACS 5-Year Estimates

City of Twinsburg, Ohio

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government | | | | | | | | | | |
| Council | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Mayor | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.0 | 2.0 |
| Law | - | - | - | - | - | - | - | - | 1.0 | 1.0 |
| Finance | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Human Resources | 1.0 | - | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Information Technology | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 3.0 |
| Public Works | 32.0 | 33.0 | 34.0 | 37.0 | 36.0 | 37.0 | 37.0 | 37.0 | 34.0 | 37.0 |
| Security of Persons and Property | | | | | | | | | | |
| Communications | 10.0 | 10.0 | 9.0 | 9.0 | 9.0 | 10.0 | 10.0 | 11.0 | 10.0 | 9.0 |
| Fire | 33.0 | 33.0 | 33.0 | 33.0 | 33.0 | 32.0 | 33.0 | 32.0 | 31.0 | 34.0 |
| Police | 31.0 | 34.0 | 31.0 | 33.0 | 34.0 | 36.0 | 38.0 | 39.0 | 38.0 | 34.0 |
| Leisure Time Activities | | | | | | | | | | |
| Parks and Recreation | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 2.0 | 2.0 |
| Senior Activity | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.0 | 2.0 |
| Community Development | | | | | | | | | | |
| Building | 4.0 | 4.0 | 4.0 | 5.0 | 5.0 | 5.0 | 4.0 | 4.0 | 3.0 | 4.0 |
| Community Plan and Development | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Engineering | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 3.0 | 5.0 |
| Fitness Center | | | | | | | | | | |
| Fitness Center | 5.0 | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 3.0 | 3.0 |
| Fitness Aquatics | - | - | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Golf | | | | | | | | | | |
| Aaron and Moses Restaurant | - | - | - | - | - | - | 3.0 | 2.0 | - | - |
| Glen Eagles Golf Course | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Glen Eagles MTCE | 5.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 3.0 | 2.0 |
| Glen Eagles Banquest Center | - | - | - | - | - | 1.0 | 1.0 | 1.0 | - | - |
| Sewer | 22.0 | 22.0 | 23.0 | 18.0 | 20.0 | 19.0 | 19.0 | 20.0 | 21.0 | 22.0 |
| Total | 162.0 | 164.0 | 167.0 | 169.0 | 173.0 | 176.0 | 181.0 | 182.0 | 164.0 | 170.0 |

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

Source: City Records

City of Twinsburg, Ohio

Operating Indicators by Function/Program Last Ten Fiscal Years Unaudited

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| General Government | | | | | | | | | | |
| Public Works | | | | | | | | | | |
| Branch Chipping: | | | | | | | | | | |
| <i>Homes Served*</i> | - | 3,950 | 3,912 | 4,274 | 4,444 | 6,222 | 3,838 | 4,214 | 4,357 | 4,272 |
| <i>Material Chipped (cubic yards)*</i> | - | 1,440 | 1,344 | 1,436 | 1,514 | 3,612 | 1,436 | 1,313 | 1,247 | 1,428 |
| Leaf Removal: | | | | | | | | | | |
| <i>Homes Served*</i> | - | 5,237 | 5,495 | 5,570 | 5,946 | 5,477 | 4,241 | 4,669 | 4,768 | 6,994 |
| <i>Opportunities for Pick Up*</i> | - | 41 | 42 | 39 | 41 | 36 | 49 | 47 | 47 | 12 |
| Snow and Ice Control | | | | | | | | | | |
| <i>Number of Events**</i> | - | - | 41 | 29 | 18 | 21 | 25 | 19 | 19 | 22 |
| <i>Miles Covered**</i> | - | - | 49,839 | 62,441 | 21,436 | 28,203 | 38,963 | 24,605 | 24,605 | 31,686 |
| <i>Tons of Salt Used**</i> | - | - | 10,954 | 7,418 | 4,084 | 6,102 | 7,171 | 2,482 | 2,482 | 4,777 |
| Senior Snow Plowing | | | | | | | | | | |
| <i>Number of Driveways Plowed**</i> | - | - | 87 | 74 | 19 | 46 | 68 | 21 | 21 | 261 |
| <i>Miles Covered**</i> | - | - | 2,854 | 2,701 | 653 | 1,661 | 2,389 | 500 | 500 | 925 |
| <i>Number of Events**</i> | - | - | 18 | 14 | 4 | 9 | 14 | 4 | 4 | 5 |
| Security of Persons and Property | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Calls for Service | 2,204 | 2,232 | 2,258 | 2,431 | 2,559 | 2,916 | 2,837 | 2,981 | 2,979 | 3,417 |
| Inspections | 1,224 | 1,324 | 1,446 | 1,446 | 1,346 | 1,337 | 943 | 212 | 933 | 649 |
| Training: | | | | | | | | | | |
| <i>Classes</i> | 1,693 | 2,079 | 1,862 | 2,473 | 2,874 | 2,788 | 3,060 | 2,762 | 1,442 | 1,463 |
| <i>Hours</i> | 3,052 | 3,973 | 3,751 | 5,327 | 5,441 | 5,953 | 5,776 | 5,730 | 5,352 | 6,430 |
| Police | | | | | | | | | | |
| Warning | 2,789 | 3,057 | 2,475 | 2,147 | 2,081 | 3,047 | 2,984 | 2,391 | 216 | 490 |
| Citation | 1,097 | 1,261 | 1,067 | 1,013 | 897 | 1,029 | 1,493 | 1,561 | 758 | 789 |
| Verbal | 1,083 | 1,174 | 667 | 688 | 656 | 1,015 | 1,654 | 1,668 | 687 | 982 |
| Arrest | 595 | 413 | 360 | 304 | 326 | 245 | 247 | 903 | 472 | 371 |
| Calls for Service | 36,928 | 29,726 | 28,215 | 27,650 | 27,055 | 30,018 | 32,683 | 29,427 | 30,139 | 29,296 |
| Leisure Time Activities | | | | | | | | | | |
| Day Camp Participations | 3,743 | 3,640 | 3,765 | 3,991 | 4,624 | 4,465 | 4,494 | 3,474 | - | 1,401 |
| Rock the Park Ticket Counts* | - | 3,798 | 2,871 | 5,955 | 6,301 | 8,199 | 8,164 | 8,657 | - | 6,795 |
| Fitness Center | | | | | | | | | | |
| Members | 6,353 | 6,761 | 7,186 | 6,810 | 6,272 | 6,149 | 5,670 | 7,064 | 2,017 | 2,677 |
| Visits | 568,064 | 556,771 | 555,310 | 544,943 | 546,382 | 576,585 | 523,542 | 496,037 | 102,584 | 198,000 |
| Golf | | | | | | | | | | |
| Rounds*** | - | - | - | - | - | - | 30,255 | 34,994 | 36,156 | 37,219 |
| Sewer | | | | | | | | | | |
| Daily Wastewater Flow (millions of gallons) | 2.49 | 2.47 | 2.50 | 2.41 | 2.44 | 2.65 | 2.70 | 2.62 | 2.62 | 2.80 |

Source: City Records

* - Data prior to 2013 unavailable

** - Data prior to 2014 unavailable

*** - Data prior to 2018 unavailable

City of Twinsburg, Ohio

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| General Government | | | | | | | | | | |
| City Hall Square Footage | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 | 33,909 |
| Vehicles | 28 | 29 | 29 | 34 | 34 | 32 | 46 | 42 | 42 | 40 |
| Security of Persons and Property | | | | | | | | | | |
| Police | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 20 | 20 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 25 |
| Fire | | | | | | | | | | |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire Station Square Footage | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 | 20,919 |
| Vehicles | 18 | 20 | 21 | 21 | 20 | 20 | 21 | 21 | 21 | 20 |
| Leisure Time Activities | | | | | | | | | | |
| Number of Picnic Tables | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Playground Equipment | 16 | 16 | 16 | 16 | 16 | 17 | 17 | 17 | 17 | 17 |
| Vehicles | 17 | 17 | 15 | 16 | 14 | 15 | 4 | 4 | 4 | 4 |
| Transportation | | | | | | | | | | |
| City Bridges | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Road Miles* | - | - | - | - | - | - | - | 91 | 91 | 91 |
| Street Lights | 1,889 | 1,896 | 1,912 | 1,944 | 1,973 | 1,987 | 2,001 | 2,022 | 2,035 | 2,035 |
| Traffic Signal Heads | 263 | 265 | 271 | 271 | 279 | 284 | 284 | 284 | 284 | 284 |
| Public Works | | | | | | | | | | |
| Vehicles | 9 | 10 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 8 |
| Fitness Center | | | | | | | | | | |
| Fitness Center Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf | | | | | | | | | | |
| Clubhouse | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mowers | 12 | 15 | 15 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Sewer | | | | | | | | | | |
| Wastewater Collection Linear Feet* | - | - | - | - | - | - | - | 517 | 517 | 517 |
| Stormwater Collection Linear Feet* | - | - | - | - | - | - | - | 546 | 546 | 546 |
| Wastewater Facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: City Records

* - Data prior to 2019 unavailable

OHIO AUDITOR OF STATE KEITH FABER



CITY OF TWINSBURG

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/11/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov