



Certified Public Accountants, A.C.

**Twinsburg Community Improvement Corporation
Summit County
Regular Audit
For the Year Ended December 31, 2017**

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St.,
Suite 300
Wheeling, WV 26003
304.232.1358

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

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Dave Yost • Auditor of State

Board of Trustees
Twinsburg Community Improvement Corporation
10075 Ravenna Road
Twinsburg, Ohio 44087

We have reviewed the *Independent Auditor's Report* of the Twinsburg Community Improvement Corporation, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 22, 2018

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TWINSBURG COMMUNITY IMPROVEMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

June 30, 2018

Twinsburg Community Improvement Corporation
10075 Ravenna Road
Twinsburg, Ohio 44087

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of **Twinsburg Community Improvement Corporation**, Twinsburg, Ohio (the "TCIC") a not-for-profit organization, a component unit of the City of Twinsburg, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Twinsburg Community Improvement Corporation, Summit County, Ohio as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2018, on our consideration of the TCIC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the TCIC's internal control over financial reporting and compliance.



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

TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017

ASSETS	
Cash and Cash Equivalents	\$ 112,830
Contribution Receivable	10,589
Prepaid Insurance	1,063
Land for Investment/Sale	<u>875,078</u>
 TOTAL ASSETS	 <u><u>\$ 999,560</u></u>
 LIABILITIES	
Current portion of Note Payable	\$ 55,000
Long-term Note Payable	<u>215,417</u>
 TOTAL LIABILITIES	 <u>270,417</u>
 NET ASSETS	
Unrestricted	<u>729,143</u>
 TOTAL NET ASSETS	 <u>729,143</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 999,560</u></u>

See the accompanying notes to the financial statements.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions from Local Government	\$ 95,845	\$ -	\$ 95,845
Program Fees	11,363	-	11,363
Miscellaneous	993	-	993
	<u>108,201</u>	<u>-</u>	<u>108,201</u>
Released from Restriction	-	-	-
EXPENSES			
Program Expenses	6,135	-	6,135
Administrative Expenses	18,490	-	18,490
TOTAL EXPENSES	<u>24,625</u>	<u>-</u>	<u>24,625</u>
CHANGE IN NET ASSETS	83,576	-	83,576
NET ASSETS, BEGINNING OF YEAR	<u>645,567</u>	<u>-</u>	<u>645,567</u>
NET ASSETS, END OF YEAR	<u>\$ 729,143</u>	<u>\$ -</u>	<u>\$ 729,143</u>

See the accompanying notes to the financial statements.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Insurance	\$ -	\$ 1,531	\$ 1,531
Website costs	-	311	311
Professional fees	-	3,036	3,036
Contracted services	-	7,070	7,070
Business fees	5,000	-	5,000
Utilities	-	2,010	2,010
Miscellaneous	-	321	321
Loan Interest	1,135	-	1,135
Property Taxes	-	4,211	4,211
	<u>6,135</u>	<u>18,490</u>	<u>24,625</u>
TOTAL EXPENSES	<u>\$ 6,135</u>	<u>\$ 18,490</u>	<u>\$ 24,625</u>

See the accompanying notes to the financial statements.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets		\$	83,576
Adjustments to Reconcile Change in Net Assets to Net Cash used by Operating Activities:			
Decrease (Increase) in Operating Assets:			
Prepaid Insurance			(9)
Contributions Receivable			82,825
			166,392
Net Cash Provided by Operating Activities			166,392

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Property and Equipment			(400,000)
Net Cash (Used) by Investing Activities			(400,000)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term debt			275,000
Payments of long-term debt			(4,583)
Net Cash (Used) by Financing Activities			270,417
Net Change in Cash and Cash Equivalents			36,809
Cash and Cash Equivalents, Beginning of Year			76,021
Cash and Cash Equivalents, End of Year		\$	112,830

SUPPLEMENTAL DISCLOSURES

Cash Paid for:			
Interest		\$	1,135

See the accompanying notes to the financial statements.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1. NATURE OF OPERATIONS

The Twinsburg Community Improvement Corporation (the 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the TCIC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2017, the TCIC does not have any temporarily or permanently restricted net assets.

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, 2017, 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 2014, 2015, and 2016 are subject to examination by the IRS, generally for three years after filing.

Estimates

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

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Expense Allocation

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

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

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

The Board of Trustees has discretionary control of the unrestricted net assets to use in the activities of the TCIC.

NOTE 3. 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

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.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 4. 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, 2017, the TCIC's entire cash balance is insured.

For the year ended December 31, 2017, the TCIC received 89% of its revenue from the City of Twinsburg.

NOTE 5. DEBT

Long-term debt consists of the following as of December 31, 2017:

	<u>Amount</u>
Aurora Road Property Note	<u>\$ 270,417</u>
Total Long-Term Debt	270,417
Less: Current Portion	<u>(55,000)</u>
 Total Long-Term Debt	 <u><u>\$ 215,417</u></u>

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

The aggregate maturities on long-term debt for the five years as of December 31, 2017, are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2018	\$ 55,000
2019	55,000
2020	55,000
2021	55,000
2022	<u>50,417</u>
 Total	 <u><u>\$ 270,417</u></u>

NOTE 6. INSURANCE

The Corporation maintains property insurance through a private insurance carrier. The insurance was purchased in 2017. There have been no claims that exceeded coverage.

NOTE 7. SUBSEQUENT EVENTS

Management has evaluated events subsequent to the date of the financial statements through June 30, 2018, which is the date the financial statements were available to be issued. No events subsequent to year end through June 30, 2018 have occurred that require inclusion in these financial statements.

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

June 30, 2018

Twinsburg Community Improvement Corporation
10075 Ravenna Road
Twinsburg, Ohio 44087

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of **Twinsburg Community Improvement Corporation**, Twinsburg, Ohio (the "TCIC"), a component unit of the City of Twinsburg, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 30, 2018.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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 TCIC'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 TCIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



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TWINSBURG COMMUNITY IMPROVEMENT CORPORATION

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 4, 2018**