



Certified Public Accountants, A.C.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
SUMMIT COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2019**

313 Second St.
Marietta, OH 45750
740 373 0056

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

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

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

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

OHIO AUDITOR OF STATE
KEITH FABER



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

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, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

November 13, 2020

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TWINSBURG COMMUNITY IMPROVEMENT CORPORATION

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis..... | 3 |
| Financial Statements: | |
| Statement of Net Position | 5 |
| Statement of Revenues, Expenses, and Changes in Net Position..... | 6 |
| Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 14 |

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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

November 3, 2020

Twinsburg Community Improvement Corporation
Summit County
10075 Ravenna Road
Twinsburg, Ohio 44087

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Twinsburg Community Improvement Corporation**, Summit County, Ohio (the "TCIC"), a component unit of the City of Twinsburg, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the TCIC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the 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 such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit 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, as of December 31, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the TCIC. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2020, 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

This discussion and analysis, along with the accompanying financial report of the Twinsburg Community Improvement Corporation, Inc., (the "TCIC") is designed to provide our creditors and other interested parties with a general overview of the TCIC and its financial activities.,

Financial Highlights

- Total net position of the TCIC on December 31, 2019 and 2018 was \$871,938 and \$790,965 respectively.
- Net Operating Income of the TCIC for 2019 and 2018 was \$80,973 and \$61,822, respectively.
- The TCIC had \$875,078 of property held for sale on December 31, 2019 and 2018.

Overview of Basic Financial Statements

The TCIC is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Financial Statements are presented using the accrual basis of accounting.

The Statement of Net Position includes all of the TCIC's Assets and Liabilities. This statement provides information about the nature and amounts of investments in resources (assets) owned by the TCIC, and obligations owed by the TCIC (liabilities). The TCIC's net position (equity) is the difference between assets and liabilities.

The Statement of Activities provides information on the TCIC's operations over the past year. Revenues are reported when earned and expenses are reported when incurred.

The Statements of Cash Flows provides information about the TCIC's cash receipts and cash disbursements. It summarizes the financial changes in cash resulting from operating, investing, and financing activities.

Net Position

Table 1 summarizes the Net Position of the TCIC.

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 156,206 | \$ 35,157 |
| Contribution Receivable | - | 95,078 |
| Prepaid Insurance | 1,071 | 1,069 |
| Land Held for Sale | 875,078 | 875,078 |
| TOTAL ASSETS | <u>\$ 1,032,355</u> | <u>\$ 1,006,382</u> |
| LIABILITIES | | |
| Current Portion of Note Payable | 55,000 | 55,000 |
| Long-Term Note Payable | 105,417 | 160,417 |
| TOTAL LIABILITIES | <u>160,417</u> | <u>215,417</u> |
| NET POSITION | | |
| Unrestricted | 871,938 | 790,965 |
| TOTAL NET POSITION | <u>871,938</u> | <u>790,965</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 1,032,355</u> | <u>\$ 1,006,382</u> |

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Statement of Activities

Table 2 below summarizes the changes in revenues and expenses and the resulting change in net position.

| | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| OPERATING REVENUES | | |
| Contributions from Local Government | \$ 92,589 | \$ 95,078 |
| Program Fees | 11,905 | 12,597 |
| Interest Income | 1,602 | 352 |
| TOTAL OPERATING REVENUES | <u>106,096</u> | <u>108,027</u> |
| OPERATING EXPENSES | | |
| Insurance | 1,543 | 1,563 |
| Website Costs | 580 | 95 |
| Software | - | 300 |
| Professional Fees | 200 | 1,262 |
| Contracted Services | 5,145 | 13,178 |
| Equipment and Supplies | - | 2,500 |
| Business Fees | 111 | - |
| Utilities | 4,971 | 9,137 |
| Miscellaneous | - | 599 |
| Loan Interest | 9,544 | 12,304 |
| Property Taxes | 2,996 | 5,267 |
| TOTAL OPERATING EXPENSES | <u>25,123</u> | <u>46,205</u> |
| CHANGE IN NET POSITION | 80,973 | 61,822 |
| NET POSITION, BEGINNING OF YEAR | <u>790,965</u> | <u>729,143</u> |
| NET POSITION, END OF YEAR | <u>\$ 871,938</u> | <u>\$ 790,965</u> |

Property Held for Investment

Summarized below is the Property Held for Sale of the TCIC.

| | |
|-------------------------|------------|
| Property Held for Sale: | |
| Aurora Road | \$ 875,078 |

Property held for sale had no change from 2018 to 2019. For additional information regarding the Property held for sale, see note 4.

Long-Term Debt

The Aurora Road Property Note was used to purchase property at 2573 and 2593 East Aurora Road, Twinsburg, OH 44087. The Note decreased \$55,000 from 2018 to 2019.

Contacting the TCIC

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.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2019**

ASSETS

Current:

| | |
|---------------------------|------------------|
| Cash and Cash Equivalents | \$ 156,206 |
| Prepaid Insurance | 1,071 |
| Land Held for Sale | <u>875,078</u> |
| Total Current Assets | <u>1,032,355</u> |

| | |
|--------------|----------------------------|
| TOTAL ASSETS | <u><u>\$ 1,032,355</u></u> |
|--------------|----------------------------|

LIABILITIES

Current:

| | |
|---------------------------------|---------------|
| Current Portion of Note Payable | \$ 55,000 |
| Total Current Liabilities | <u>55,000</u> |

Noncurrent:

| | |
|------------------------------|----------------|
| Note Payable, Noncurrent | <u>105,417</u> |
| Total Noncurrent Liabilities | <u>105,417</u> |

| | |
|-------------------|----------------|
| TOTAL LIABILITIES | <u>160,417</u> |
|-------------------|----------------|

NET POSITION

| | |
|--------------|----------------|
| Unrestricted | <u>871,938</u> |
|--------------|----------------|

| | |
|--------------------|----------------|
| TOTAL NET POSITION | <u>871,938</u> |
|--------------------|----------------|

| | |
|------------------------------------|----------------------------|
| TOTAL LIABILITIES AND NET POSITION | <u><u>\$ 1,032,355</u></u> |
|------------------------------------|----------------------------|

See the accompanying notes to the financial statements

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | 2019 |
|-------------------------------------|-------------------|
| OPERATING REVENUES | |
| Contributions from Local Government | \$ 92,589 |
| Program Fees | 11,905 |
| Interest Income | 1,602 |
| TOTAL OPERATING REVENUES | 106,096 |
| OPERATING EXPENSES | |
| Bank Fees | 33 |
| Insurance | 1,543 |
| Website Costs | 580 |
| Professional Fees | 200 |
| Contracted Services | 5,145 |
| Business Fees | 111 |
| Utilities | 4,971 |
| Loan Interest | 9,544 |
| Property Taxes | 2,996 |
| TOTAL OPERATING EXPENSES | 25,123 |
| CHANGE IN NET POSITION | 80,973 |
| NET POSITION, BEGINNING OF YEAR | 790,965 |
| NET POSITION, END OF YEAR | <u>\$ 871,938</u> |

See the accompanying notes to the financial statements

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|----------------|
| Cash from Contributions from Local Government | \$ 187,667 |
| Cash from Program Fees | 11,905 |
| Cash from Miscellaneous Revenue | 1,602 |
| Cash Paid in Website Cost | (580) |
| Cash Paid in Fees and Services | (5,456) |
| Bank Fees Paid | (33) |
| Insurance Paid | (1,545) |
| Utilities Paid | (4,971) |
| Loan Interest Paid | (9,544) |
| Property Taxes Paid | <u>(2,996)</u> |
| Net Cash Provided by Operating Activities | <u>176,049</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|--------------------------|
| Payments of Long-Term Debt | <u>(55,000)</u> |
| Net Cash (Used) by Capital and Related Financing Activities | <u>(55,000)</u> |
| Net Change in Cash and Cash Equivalents | 121,049 |
| Cash and Cash Equivalents, Beginning of Year | <u>35,157</u> |
| Cash and Cash Equivalents, End of Year | <u><u>\$ 156,206</u></u> |

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

| | |
|--|--------------------------|
| Operating Income | 80,973 |
| (Increase) Decrease in Assets: | |
| Contribution Receivable | 95,078 |
| Prepaid Insurance | <u>(2)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u><u>\$ 176,049</u></u> |

See the accompanying notes to the financial statements

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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 as applied to special purpose governments. 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.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

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 2019 or will become effective in future fiscal years and could impact TCIC's financial reports:

GASB 82 – "Pension Issues – an Amendment of GASB Statement No. 67, No. 68, and No. 73." The standard became effective for fiscal year 2018.

GASB 83 – "Certain Asset Retirement Obligations." Effective for reporting periods beginning after June 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 84 – "Fiduciary Activities." Effective for reporting periods beginning after December 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 85 – "Omnibus 2017." The standard became effective for fiscal year 2018.

GASB 86 – "Certain Debt Extinguishment Issues." The standard became effective for fiscal year 2018.

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.

GASB 88 – "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." Effective for reporting periods beginning after June 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after June 15, 2019.

GASB 89 – "Accounting for Interest Cost Incurred before the End of a Construction Period" Effective for reporting periods beginning after December 15, 2019. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2020.

GASB 90 – "Majority Equity Interests – an amendment of GASB Statements No.14 and No. 61" Effective for reporting periods beginning after December 15, 2018. Per GASB 95 the effective date has been updated to reporting periods beginning after December 15, 2019.

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.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncements (Continued)

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.

GASB 95 – “Postponement of the Effective Dates of Certain Authoritative Guidance” Effective immediately.

GASB 96 – “Subscription-Based Information Technology Arrangements” Effective for fiscal years beginning after June 15, 2022. TCIC has adopted all applicable GASB standards that were effective during its fiscal years 2019 and 2018.

TCIC determined those standards adopted had no material impact on its financial statements as of December 31, 2019.

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, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The TCIC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The TCIC’s Federal Return of Organization from Income Tax (federal Form 990) for 2016, 2017, 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.

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

Notes Payable

All notes payable are reported on the statement of net position.

NOTE 3. CASH AND CASH EQUIVALENTS

The TCIC maintains its cash balance in banking accounts. At December 31, 2019, the TCIC's carrying value of cash was \$156,206. At December 31, 2019, the TCIC's bank balance was \$156,206. Of the bank balances, as of December 31, 2019, \$156,206 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 limits or require collateralization consistent with state laws governing public deposits.

NOTE 4. LAND FOR INVESTMENT/SALE

The TCIC 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 TCIC 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, 2019**

NOTE 5. CONCENTRATION OF RISK

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

NOTE 6. DEBT

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

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

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.

Changes in long-term debt for the year ended December 31, 2019, are as follows:

| | 12/31/2018 | Increases | Decreases | 12/31/2019 | Current |
|----------------------|------------|-----------|-------------|------------|-----------|
| Aurora Road Property | \$ 215,417 | \$ - | \$ (55,000) | \$ 160,417 | \$ 55,000 |
| Total | \$ 215,417 | \$ - | \$ (55,000) | \$ 160,417 | \$ 55,000 |

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

| Year Ended June 30 | Amount |
|--------------------|------------|
| 2020 | \$ 55,000 |
| 2021 | 55,000 |
| 2022 | 50,417 |
| Total | \$ 160,417 |

NOTE 7. RISK MANAGEMENT

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

**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 8. SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many counties, included the geographical area in which the TCIC operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to amongst other provisions, provide emergence assistance for individuals, families and businesses affected by the coronavirus pandemic.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the TCIC.

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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 St., 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**

November 3, 2020

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**, Summit County, Ohio (the "TCIC"), (a component unit of the City of Twinsburg), as of and for the year ended December 31, 2019, and the related notes to the financial statements and have issued our report thereon dated November 3, 2020, wherein we noted that the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the TCIC.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the 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

OHIO AUDITOR OF STATE KEITH FABER



TWINSBURG COMMUNITY IMPROVEMENT CORPORATION

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 12/1/2020

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
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