



**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION**  
**Compilation Report**  
**For the Year Ended December 31, 2019**

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**TWINSBURG COMMUNITY IMPROVEMENT CORPORATION**

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Twinsburg Community Improvement Corporation  
10075 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Trustees:

Management is responsible for the accompanying financial statements of **Twinsburg Community Improvement Corporation** (a not-for-profit organization) (the TCIC), which comprise the statement of net position as of December 31, 2019, and the related statement of activities, and statement of cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.



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

October 25, 2020

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**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>
<b>ASSETS</b>		
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
<b>TOTAL ASSETS</b>	<u><u>\$ 1,032,355</u></u>	<u><u>\$ 1,006,382</u></u>
<b>LIABILITIES</b>		
Current Portion of Note Payable	55,000	55,000
Long-Term Note Payable	105,417	160,417
<b>TOTAL LIABILITIES</b>	<u>160,417</u>	<u>215,417</u>
<b>NET POSITION</b>		
Unrestricted	871,938	790,965
<b>TOTAL NET POSITION</b>	<u>871,938</u>	<u>790,965</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 1,032,355</u></u>	<u><u>\$ 1,006,382</u></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>
<b>OPERATING REVENUES</b>		
Contributions from Local Government	\$ 92,589	\$ 95,078
Program Fees	11,905	12,597
Interest Income	1,602	352
<b>TOTAL OPERATING REVENUES</b>	<u>106,096</u>	<u>108,027</u>
<b>OPERATING EXPENSES</b>		
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
<b>TOTAL OPERATING EXPENSES</b>	<u>25,123</u>	<u>46,205</u>
<b>CHANGE IN NET POSITION</b>	80,973	61,822
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>790,965</u>	<u>729,143</u>
<b>NET POSITION, END OF YEAR</b>	<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.

**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 \$ 1,032,355

**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 160,417

**NET POSITION**

Unrestricted 871,938

TOTAL NET POSITION 871,938

TOTAL LIABILITIES AND NET POSITION \$ 1,032,355

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

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

	<b>2019</b>
<b>OPERATING REVENUES</b>	
Contributions from Local Government	\$ 92,589
Program Fees	11,905
Interest Income	1,602
TOTAL OPERATING REVENUES	106,096
<b>OPERATING EXPENSES</b>	
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 and the Independent Accountants' Compilation Report

**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>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 176,049</u></u>

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



**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.