

***TWINSBURG TOWNSHIP – VILLAGE OF
REMINDERVILLE
JOINT ECONOMIC DEVELOPMENT DISTRICT***

SUMMIT COUNTY

Regular Audit

For the Years Ended December 31, 2019 and 2018



OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Twinsburg Township-Village of Reminderville Joint Economic Development
3382 Glenwood Boulevard
Reminderville, Ohio 44022

We have reviewed the *Independent Auditor's Report* of the Twinsburg Township-Village of Reminderville Joint Economic Development, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 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 Township-Village of Reminderville Joint Economic Development 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

September 23, 2020

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Twinsburg Township – Village of Reminderville Joint Economic Development District

Summit County

For the Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Twinsburg Township-Village of Reminderville Joint Economic Development District
Summit County
3382 Glenwood Boulevard
Reminderville, Ohio 44022

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Twinsburg Township-Village of Reminderville Joint Economic Development District, Summit County, (the JEDD) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the JEDD prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determined, we presume they are material.

Though the JEDD does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the JEDD as of December 31, 2019 and 2018, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

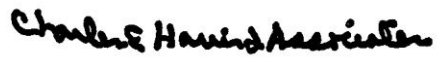
In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Twinsburg Township-Village of Reminderville Joint Economic Development District, Summit County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 5 to the 2019 financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDD. We did not modify our opinions regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, on our consideration of the JEDD's internal control over financial reporting and on 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 JEDD'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 JEDD's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 16, 2020

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**Twinsburg Township-Village of Reminderville
 Joint Economic Development District
 Summit County, Ohio**

*Statement of Receipts, Disbursements and Changes in
 Fund Balance (Regulatory Cash Basis)
 General Fund
 For the Year Ended December 31, 2019*

	General
Cash Receipts	
Income Taxes	\$ 3,666,597
<i>Total Cash Receipts</i>	3,666,597
Cash Disbursements	
Legal	223
Professional Services	29,415
Donations/Scholarship	30,000
JEDD JOIN Tax Agreement	32,693
Income Tax Disbursement, Township	2,406,135
Income Tax Disbursement, Village	1,031,201
Income Tax Collection Fee	107,761
<i>Total Cash Disbursements</i>	3,637,428
<i>Net Change in Fund Cash Balances</i>	29,169
<i>Fund Cash Balances, January 1</i>	116,971
Fund Cash Balances, December 31	
Unassigned	146,140
<i>Fund Cash Balances, December 31</i>	\$ 146,140

The notes to the financial statements are an integral part of this statement.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Twinsburg Township – Village of Reminderville Joint Economic Development District (JEDD) is a statutorily created subdivision of the State. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County the Village and the Township. The joint venture is considered a separate reporting entity by the Village’s and Township’s management.

The Board of Director of the JEDD consists of six members. Three members are appointed by the Mayor of the Village and three members are appointed by the Township’s Board of Trustees. The JEDD levies an income tax at 1.5 percent in the JEDD, which is collected by the Village. The JEDD keeps up to 3 percent of the income tax revenues to operate the District. Revenues in excess of the expense are paid to the Village (30 percent) and the Township (70 percent).

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The JEDD’s financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the General Fund.

Fund Accounting

The JEDD uses fund accounting 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. The fund of the JEDD is presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the JEDD for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Deposits and Investments

As permitted by the Ohio Revised Code, the Village of Reminderville holds the JEDD’s cash as custodian for the JEDD. The JEDD’s assets are held in the Village’s cash and investment pool and are valued at the Village’s reported carrying amount.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the JEDD must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The JEDD classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

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

Committed The Board can commit amounts via formal action (resolution). The JEDD must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund balance have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a JEDD official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The JEDD 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 balances, committed amounts are reduced first, follow by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Taxes

Income Taxes

The JEDD levies a 1.5 percent income tax whose proceeds are placed into the JEDD General Fund, held by the Village. The JEDD levies the tax on all substantially earned income arising from employment, residency, or business activities within the JEDD, as well as certain income of residents earned outside of the JEDD. Employers within the JEDD withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA). The JEDD contracts with RITA for the collection of taxes, including delinquencies and monitoring of compliance with the filing requirements.

The net income tax revenues are distributed 70 percent to the Township and 30 percent to the Village. The distributions are made monthly. The Board retains up to 3% for operations of the JEDD.

Note 4 – Contributions

As part of the contract forming the JEDD, the Township and the Village have agreed to contribute to the development and operation of the JEDD, including the building and maintenance of infrastructures, water, sewer and storm sewer service. The Township and Village cooperate in seeking ways of improving fire and EMS service and split the cost of police protection, Township paying 70 percent and Village 30 percent.

Note 5 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDD. The JEDD's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. The impact on the JEDD's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio**

*Statement of Receipts, Disbursements and Changes in
Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2018*

	General
Cash Receipts	
Income Taxes	\$ 3,662,824
<i>Total Cash Receipts</i>	3,662,824
Cash Disbursements	
Legal	863
Accounting/Audit	1,953
Professional Services	29,555
Donations/Scholarship	30,000
JEDD JOIN Tax Agreement	83,517
Income Tax Disbursement, Township	2,413,930
Income Tax Disbursement, Village	1,034,541
Income Tax Collection Fee	107,852
<i>Total Cash Disbursements</i>	3,702,211
<i>Net Change in Fund Cash Balances</i>	(39,387)
<i>Fund Cash Balances, January 1</i>	156,358
Fund Cash Balances, December 31	
Unassigned	116,971
<i>Fund Cash Balances, December 31</i>	\$ 116,971

The notes to the financial statements are an integral part of this statement.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Twinsburg Township – Village of Reminderville Joint Economic Development District (JEDD) is a statutorily created subdivision of the State. The purpose of the JEDD is to facilitate economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State, the County the Village and the Township. The joint venture is considered a separate reporting entity by the Village’s and Township’s management.

The Board of Director of the JEDD consists of six members. Three members are appointed by the Mayor of the Village and three members are appointed by the Township’s Board of Trustees. The JEDD levies an income tax at 1.5 percent in the JEDD, which is collected by the Village. The JEDD keeps up to 3 percent of the income tax revenues to operate the District. Revenues in excess of the expense are paid to the Village (30 percent) and the Township (70 percent).

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The JEDD’s financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for the General Fund.

Fund Accounting

The JEDD uses fund accounting 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. The fund of the JEDD is presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the JEDD for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Deposits and Investments

As permitted by the Ohio Revised Code, the Village of Reminderville holds the JEDD’s cash as custodian for the JEDD. The JEDD’s assets are held in the Village’s cash and investment pool and are valued at the Village’s reported carrying amount.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the JEDD must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Nonspendable The JEDD classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

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

Committed The Board can commit amounts via formal action (resolution). The JEDD must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund balance have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a JEDD official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The JEDD 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 balances, committed amounts are reduced first, follow by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Twinsburg Township-Village of Reminderville
Joint Economic Development District
Summit County, Ohio

Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Taxes

Income Taxes

The JEDD levies a 1.5 percent income tax whose proceeds are placed into the JEDD General Fund, held by the Village. The JEDD levies the tax on all substantially earned income arising from employment, residency, or business activities within the JEDD, as well as certain income of residents earned outside of the JEDD. Employers within the JEDD withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA). The JEDD contracts with RITA for the collection of taxes, including delinquencies and monitoring of compliance with the filing requirements.

The net income tax revenues are distributed 70 percent to the Township and 30 percent to the Village. The distributions are made monthly. The Board retains up to 3% for operations of the JEDD.

Note 4 – Contributions

As part of the contract forming the JEDD, the Township and the Village have agreed to contribute to the development and operation of the JEDD, including the building and maintenance of infrastructures, water, sewer and storm sewer service. The Township and Village cooperate in seeking ways of improving fire and EMS service and split the cost of police protection, Township paying 70 percent and Village 30 percent.

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

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

Twinsburg Township-Village of Reminderville Joint Economic Development District
Summit County
3382 Glenwood Boulevard
Reminderville, Ohio 44022

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements of the Twinsburg Township-Village of Reminderville Joint Economic Development District, Summit County (the JEDD) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 16, 2020, wherein we noted the JEDD followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the JEDD.

Internal Control Over Financial Reporting

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

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Page 2

Compliance and Other Matters

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

However, we noted a certain matter not requiring inclusion in this report that we reported to the JEDD's management in a separate letter dated June 16, 2020.

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



Charles E. Harris and Associates, Inc.
June 16, 2020

OHIO AUDITOR OF STATE KEITH FABER



**TWINSBURG TOWNSHIP – VILLAGE OF REMINDERVILLE JOINT ECONOMIC DEVELOPMENT
DISTRICT**

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 10/6/2020

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