

**JACKSON-CANTON JOINT ECONOMIC DEVELOPMENT DISTRICT SM
STARK COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS
(AUDITED)**

FOR THE PERIOD AUGUST 31, 2016 THROUGH DECEMBER 31, 2017



Dave Yost • Auditor of State

Board of Directors
Jackson-Canton Joint Economic Development District SM
218 Cleveland Avenue SW
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the Jackson-Canton Joint Economic Development District SM, Stark County, prepared by Julian & Grube, Inc., for the audit period August 1, 2016 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 Jackson-Canton Joint Economic Development District SM is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

December 17, 2018

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**JACKSON-CANTON JOINT ECONOMIC DEVELOPMENT DISTRICT SM
STARK COUNTY, OHIO**

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Julian & Grube, Inc.
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Independent Auditor's Report

Jackson-Canton Joint Economic Development District SM
Stark County
218 Cleveland Avenue SW
Canton, Ohio 44702

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Jackson-Canton Joint Economic Development District SM, Stark County, Ohio, for the period August 31, 2016 through December 31, 2017 and the related notes to the financial statements, which collectively comprise the Jackson-Canton Joint Economic Development District SM'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 Jackson-Canton Joint Economic Development District SM'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 Jackson-Canton Joint Economic Development District SM'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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jackson-Canton Joint Economic Development District SM, Stark County, Ohio, for the period August 31, 2016 through December 31, 2017, and the changes in financial position thereof for the period August 31, 2016 through December 31, 2017 in accordance with the accounting principles generally accepted in the United States of America.

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 26, 2018, on our consideration of the Jackson-Canton Joint Economic Development District SM'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 Jackson-Canton Joint Economic Development District SM's internal control over financial reporting and compliance.



Julian & Grube, Inc.
November 26, 2018

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Management's Discussion and Analysis
For the Period August 31, 2016 through December 31, 2017

The discussion and analysis of the Jackson-Canton Joint Economic Development District's SM (the "JEDD SM") financial performance provides an overall review of the JEDD SM's financial activities for the period August 31, 2016 through December 31, 2017. The intent of this discussion and analysis is to look at the JEDD SM's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the JEDD SM's financial performance. This discussion and analysis will provide two year comparison data in future years when available.

Financial Highlights

- The JEDD SM was established by an agreement entered into by the City of Canton, Ohio and Jackson Township, Ohio.
- Period August 31, 2016 through December 31, 2017 revenues and expenses were \$249,705 and \$242,705, respectively.

Using this Annual Financial Report

This report is designed to allow the reader to look at the financial activities of the JEDD SM as a whole and is intended to allow the reader to obtain a summary view or a more detailed view of the JEDD SM's operations, as they prefer.

The Statement of Net Position and the Statement of Activities provide information from a summary perspective showing the effects of the operations for the Period August 31, 2016 through December 31, 2017 and how they affected the operations of the JEDD SM as a whole.

Reporting the JEDD SM as a Whole

Statement of Net Position and the Statement of Activities

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole JEDD SM, presenting both an aggregate view of the JEDD SM's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

A question typically asked about the JEDD SM's finances is "How did we do financially during the Period August 31, 2016 through December 31, 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows* and *liabilities and deferred inflows* using the *accrual basis of accounting* similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the JEDD SM's *net position* and *changes in net position*. This change in net position is important because it tells the reader that, for the JEDD SM as a whole, the *financial position* of the JEDD SM has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio
Management's Discussion and Analysis
For the Period August 31, 2016 through December 31, 2017

Reporting the JEDD SM's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been safeguarded for specific activities or objectives. The JEDD SM, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All activities of the JEDD SM are reported in the general fund. The basic governmental fund financial statements can be found on pages 7-10 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 11-16.

Governmental Activities

The funding for the governmental activities comes from municipal income tax. The JEDD SM levies a municipal income tax of 2.0 percent on all salaries and net profits.

Governmental Funds

Information about the JEDD SM's governmental fund begins on page 7. This fund is accounted for using the modified accrual method of accounting. The JEDD SM had revenues of \$144,814 and expenditures of \$242,705.

The general fund's net change in fund balance for the Period August 31, 2016 through December 31, 2017 was a decrease of \$97,891.

Contacting the JEDD SM's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the JEDD SM's finances and to show the JEDD SM's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, City of Canton, 218 Cleveland Ave., Canton, Ohio 44702.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio
Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
Assets	
Cash with Fiscal Agent	\$ 7,000
Income Taxes Receivable	<u>104,891</u>
<i>Total Assets</i>	<u>111,891</u>
Liabilities	
Intergovernmental Payable	<u>104,891</u>
<i>Total Liabilities</i>	<u>104,891</u>
Net Position	
Unrestricted	<u><u>\$ 7,000</u></u>

See accompanying notes to the basic financial statements.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio
Statement of Activities
For the Period August 31, 2016 through December 31, 2017

	Governmental Activities
Expenses	
Economic Development:	
Income Tax Disbursements, Jackson Township	\$ 72,228
Income Tax Disbursements, City of Canton	170,477
	242,705
<i>Total Program Expenses</i>	<i>242,705</i>
Revenues	
General Revenues:	
Income Taxes	249,705
	7,000
<i>Change in Net Position</i>	<i>7,000</i>
<i>Net Position at Beginning of Year</i>	<i>0</i>
<i>Net Position at End of Year</i>	<i>\$ 7,000</i>

See accompanying notes to the basic financial statements.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio
Balance Sheet
Governmental Fund
December 31, 2017

	<u>General Fund</u>
Assets	
Cash with Fiscal Agent	\$ 7,000
Income Taxes Receivable	<u>104,891</u>
<i>Total Assets</i>	<u>\$ 111,891</u>
Liabilities	
Intergovernmental Payable	104,891
Deferred Inflows of Resources	
Income Tax	<u>104,891</u>
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>209,782</u>
Fund Balances	
Unassigned	<u>(97,891)</u>
<i>Total Fund Balances</i>	<u>\$ (97,891)</u>

See accompanying notes to the basic financial statements.

**Jackson-Canton Joint Economic Development District SM
Stark County, Ohio**

*Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2017*

Total Governmental Fund Balance (Deficit)	\$ (97,891)
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
 Income tax receivables that are not available to pay for current-period expenditures and therefore are deferred inflows of resources in governmental funds.	 <u>104,891</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>\$ 7,000</u></u>

See accompanying notes to the basic financial statements.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Period August 31, 2016 through December 31, 2017

	General Fund
Revenues	
Income Taxes	\$ 144,814
<i>Total Revenues</i>	144,814
Expenditures	
Current:	
Economic Development:	
Income Tax Disbursements, Jackson Township	72,228
Income Tax Disbursements, City of Canton	170,477
<i>Total Expenditures</i>	242,705
<i>Net Change in Fund Balance</i>	(97,891)
<i>Fund Balance Beginning of Year</i>	0
<i>Fund Balance (Deficit) End of Year</i>	\$ (97,891)

See accompanying notes to the basic financial statements.

**Jackson-Canton Joint Economic Development District SM
Stark County, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Period August 31, 2016 through December 31, 2017*

Net Change in Fund Balance (Deficit) - Total Governmental Funds	\$ (97,891)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Income tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds	<u>104,891</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 7,000</u></u>

See accompanying notes to the basic financial statements.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

Note 1 – Description of the JEDD SM

The Jackson-Canton Joint Economic Development District SM (the “JEDD SM”) was created by an agreement (in effect as of August 31, 2016) entered into by Jackson Township (the “Township”) and the City of Canton (the “City”) for the purpose of facilitating economic development to create and preserve jobs and employment opportunities and improve the economic welfare of the people in the JEDD SM district, the City, the Township, Stark County, and the State of Ohio. The City Treasurer shall be the appointed “Administrator” of the JEDD SM and will administer, collect, and enforce the income tax on behalf of the JEDD SM, which income tax has been levied in the JEDD SM by the Board pursuant to the contract.

The Board of Directors consists of five members. One member from the City and the Township, one member representing the owners of businesses located within JEDD SM appointed by the Township Trustees, one member representing the persons working within JEDD SM appointed by Township Trustees, and the Chair of the Board shall be selected as set forth in the Ohio Revised Code Section 715.78(A)(1)(e). The member from the City shall be the Mayor or an elected member of Council, or a designee who is appointed by the Mayor and approved by Council. The Township member shall be from the Board of Township Trustees.

The term of the contract for the existence of the JEDD SM shall be for fifty years from the date of the agreement. The agreement will be renewed for an additional fifty year term unless either party, by official legislative action, gives written notice to the other party of its intent not to renew on or before ninety days prior to the extension of the initial term, for the period of August 31, 2016 through December 31, 2017. For future years the JEDD SM will report on a calendar year end December 31.

The management of the JEDD SM believes that these financial statements present all activities for which the JEDD SM is financially accountable.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the JEDD SM have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The most significant of the JEDD SM’s accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the JEDD SM as a whole. These statements include the financial activities of the primary government.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

The statement of net position presents the financial condition of the governmental activities of the JEDD SM at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the JEDD SM's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. General revenues are all receipts not classified as program revenues, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the JEDD SM.

Fund Financial Statements

During the year, the JEDD SM segregates transactions related to certain JEDD SM functions or activities in a separate fund in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the JEDD SM at this more detailed level. All activities of the JEDD SM are reported in one fund, the general fund.

Fund Accounting

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

Governmental Funds

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

The JEDD SM has no proprietary or fiduciary funds.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the JEDD SM are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Non-exchange transactions, in which the JEDD SM receives value without directly giving equal value in return, include income taxes. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. On a modified accrual basis, revenue from income taxes must also be available before it can be recognized. For the JEDD SM, available means expected to be received within 31 days of year-end.

Under the modified accrual basis, income tax revenue is considered to be both measurable and available at year-end.

Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The JEDD SM had no deferred outflows of resources at December 31, 2017.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the JEDD SM, deferred inflows of resources include unavailable income tax revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. This amount is deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

Budgetary Data

The Ohio Revised Code does not require the JEDD SM to budget annually; therefore, budgetary information for the JEDD SM is not presented in the basic financial statements.

Cash with Fiscal Agent

All monies received by the JEDD SM are held by the City which serves as fiscal agent. At year-end, cash with fiscal agent totaled \$7,000.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of the JEDD SM.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the JEDD SM classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the JEDD SM. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

Assigned – Amounts in the assigned fund balance classification are intended to be used by the JEDD SM for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Directors. The Board of Directors has, by resolution, authorized the Administrator to assign fund balance. The Board of Directors 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.

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

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At December 31, 2017, there was no net position restricted by enabling legislation.

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

Estimates

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

Note 3 – Accountability and Compliance

The General fund reported a negative fund balance of \$97,891 caused by adjustments for accrued liabilities.

Note 4 – Income Taxes

The JEDD SM levies a 2 percent income tax whose proceeds are placed into the general fund.

Jackson-Canton Joint Economic Development District SM
Stark County, Ohio

Notes to the Basic Financial Statements
For the Period August 31, 2016 through December 31, 2017

The net income tax revenues are distributed quarterly. Absent a formalized agreement, net income tax revenues will be split 50% Township and 50% City. As part of a Job Creation Agreement entered into by all parties on December 27, 2017, for the first 10 years of the JEDD SM agreement, the distribution of the income tax is 25 percent to the Township, 75 percent to the City. As part of the agreement, the City will then refund 50 percent back to Stolle Machinery. After 10 years, the income tax will not be subject to a refund to Stolle Machinery; the Township and the City will each receive 50 percent of the income tax revenue collected. The JEDD SM shall set aside one percent of the income tax collected for long-term maintenance of the JEDD SM, provided the amount does not exceed \$500 annually without consent of the contracting parties.

Note 5– Contributions

As part of the contract forming the JEDD SM, the City provides certain services to the JEDD SM. The Treasurer of the City is the Administrator of the income tax of JEDD SM. The Administrator is responsible for the receipt, safekeeping and investment of the income tax revenues collected within the JEDD SM. The Administrator may utilize the personnel of the City’s Division of Taxation and others to assist in carrying out the duties of the administrator. The fair value of the services provided are not determined and not recorded in the financial statements.

Note 6– Contractual Commitments

The JEDD SM has no contractual commitments at December 31, 2017

Note 7– Subsequent Events

The JEDD SM has evaluated subsequent events through the date of the “Independent Auditors Report,” the date on which the financial statements were available to be issued. There were no events requiring disclosure.



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Jackson-Canton Joint Economic Development District SM
Stark County
218 Cleveland Avenue SW
Canton, Ohio 44702

To the Board of Directors:

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 the governmental activities and the major fund of the Jackson-Canton Joint Economic Development District SM, Stark County, Ohio, for the period August 31, 2016 through December 31, 2017 and the related notes to the financial statements, which collectively comprise the Jackson-Canton Joint Economic Development District SM's basic financial statements and have issued our report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Jackson-Canton Joint Economic Development District SM's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Jackson-Canton Joint Economic Development District SM'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 Jackson-Canton Joint Economic Development District SM'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.

Compliance and Other Matters

As part of reasonably assuring whether the Jackson-Canton Joint Economic Development District SM'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

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Jackson-Canton Joint Economic Development District SM's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Jackson-Canton Joint Economic Development District SM's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
November 26, 2018



Dave Yost • Auditor of State

**JACKSON- CANTON JOINT ECONOMIC DEVELOPMENT DISTRICT SM
STARK 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
DECEMBER 27, 2018**