

CANTON COMMUNITY IMPROVEMENT CORPORATION

(A Component Unit of the City of Canton)

Stark County, Ohio

BASIC FINANCIAL STATEMENTS

(Audited)

FOR THE YEAR ENDED DECEMBER 31, 2018



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Canton Community Improvement Corporation
218 Cleveland Avenue S.W.
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the Canton Community Improvement Corporation, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2018. 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 Canton 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

June 10, 2019

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**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

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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

Canton Community Improvement Corporation
Stark County
218 Cleveland Avenue S.W.
Canton, Ohio 44702

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Canton Community Improvement Corporation, Stark County, Ohio, a component unit of the City of Canton, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Canton Community Improvement Corporation'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 Canton Community Improvement Corporation'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 Canton Community Improvement Corporation'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Canton Community Improvement Corporation, Stark County, Ohio, as of December 31, 2018, 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.

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 May 15, 2019, on our consideration of the Canton Community Improvement Corporation'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 Canton Community Improvement Corporation's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 15, 2019

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

The management's discussion and analysis for Canton Community Improvement Corporation's (CCIC) financial performance provides an overall review of CCIC for the year ended December 31, 2018. The intent of this discussion and analysis is to look at CCIC's performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of CCIC's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- Net position increased by \$11,840 for the year.
- Total assets increased by \$10,424 for the year.
- Total liabilities decreased by \$1,416 for the year.
- Total revenue was \$138,279 which was down from 2017's amount of \$184,199.
- City of Canton grant income was increased by \$65,219 for 2018.
- Total operating expenses amounted to \$109,424 for the year. This is up from 2017's amount by \$15,253.

Overview of the Financial Statements

The basic financial statements include a statement of net position, revenues, expenses and changes in net position, and a statement of cash flows. Since CCIC only uses one fund for its operations, the entity wide and the fund presentation information is the same.

Financial Analysis

Summary changes in revenue, expenses, and net position for the year 2018 and 2017 listed below

- Total Assets 2018 - \$934,151
- Total Assets 2017 - \$923,727

- Total Liabilities 2018 - \$ 1,419
- Total Liabilities 2017 - \$2,835

- Total Net Position 2018 - \$932,732
- Total Net Position 2017 - \$920,892

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
(UNAUDITED)**

Changes in Net Position for the year 2018 and 2017 listed below

- Total Revenues 2018 - \$138,279
- Total Revenues 2017 - \$184,199

- Total Expenses 2018 - \$126,439
- Total Expenses 2017 - \$104,012

- Total Net Income (Loss) 2018 - \$11,840
- Total Net Income (Loss) 2017 - \$80,187

Additional information on the CCIC's revenues, expenses, and net position can be found on the enclosed financial statements and enclosed notes to the financial statements.

Summary changes in capital assets for the year 2017 and 2018 are listed below:

Total capital assets 2018 - \$862,587
Total capital assets 2017 - \$865,267

Current Financial Related Activities

The CCIC management continues to monitor all activity affecting the condition of the CCIC. At December 31, 2018 the CCIC had total assets of \$934,151 and a total net position of \$923,732.

Request for Information

This financial report is designed to provide the citizens, taxpayers, and consumers of the City of Canton with a general overview of CCIC's financial position. If you have any questions about this report or need additional financial information, contact the Director, 218 Cleveland Ave., 8th Floor, Canton, Ohio 44702.

BASIC
FINANCIAL STATEMENTS

CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)

STATEMENT OF NET POSITION
DECEMBER 31, 2018

ASSETS

Current assets:

| | | | |
|----------------------|--|----|--------|
| Cash | | \$ | 71,564 |
| Total current assets | | | 71,564 |

Noncurrent assets:

Capital assets:

| | | | |
|--------------------------|--|--|----------|
| Buildings | | | 107,500 |
| Land | | | 130,400 |
| Land Held for Future Use | | | 486,961 |
| Land Improvements | | | 172,400 |
| Accumulated Depreciation | | | (34,674) |

| | | | |
|----------------------------------|--|--|---------|
| Total non-current capital assets | | | 862,587 |
|----------------------------------|--|--|---------|

| | | | |
|--------------|--|--|---------|
| Total assets | | | 934,151 |
|--------------|--|--|---------|

LIABILITIES

Current liabilities:

| | | | |
|---------------------|--|--|-------|
| Payroll Liabilities | | | 1,419 |
|---------------------|--|--|-------|

| | | | |
|-------------------|--|--|-------|
| Total liabilities | | | 1,419 |
|-------------------|--|--|-------|

NET POSITION

| | | | |
|------------------------------|--|--|---------|
| Investment in capital assets | | | 862,587 |
|------------------------------|--|--|---------|

| | | | |
|--------------|--|--|--------|
| Unrestricted | | | 70,145 |
|--------------|--|--|--------|

| | | | |
|--------------------|--|----|---------|
| Total net position | | \$ | 932,732 |
|--------------------|--|----|---------|

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

OPERATING REVENUES

| | | |
|--------------------------------|----|---------|
| City of Canton Grants | \$ | 125,000 |
| JEFFCO Metals City Scales Rent | | 700 |
| Total operating revenues | | 125,700 |

OPERATING EXPENSES

| | | |
|----------------------------------|--|--------|
| Program services: | | |
| Depreciation Expense | | 2,680 |
| Equipment Rental and Maintenance | | 7,850 |
| Huntington Bank Parking Grant | | 20,500 |
| Rent- 309 Court Ave | | 5,417 |
| Tree cutting Lehman High School | | 11,400 |
| Total program services | | 47,847 |

| | | |
|----------------------------------|--|---------|
| Support services: | | |
| Accounting Fees | | 1,925 |
| Administrative Fees | | 5,192 |
| Advertising and marketing | | 765 |
| Audit Expense | | 5,000 |
| Employer Tax Contribution | | 2,056 |
| Insurance | | 501 |
| Miscellaneous Operations Expense | | 39 |
| Postage, Mailing Service | | 16 |
| Property Transfer Deed Expense | | 41 |
| Quality Review Fee | | 115 |
| Salaries | | 24,701 |
| Stark Development Board Cost | | 21,075 |
| Worker's compensation insurance | | 151 |
| Total support services | | 61,577 |
| Total operating expenses | | 109,424 |

| | | |
|------------------|--|--------|
| OPERATING INCOME | | 16,276 |
|------------------|--|--------|

Non-operating revenues (expenses):

| | | |
|---|--|----------|
| Stark County Auditor Tax Reimburse | | 3,628 |
| Property Sale Proceeds | | 1,886 |
| Miscellaneous Revenue | | 7,065 |
| Real Estate Taxes | | (17,015) |
| Total non-operating revenues (expenses) | | (4,436) |

| | | |
|------------|--|--------|
| Net income | | 11,840 |
|------------|--|--------|

| | | |
|-----------------------------------|--|---------|
| Net position at beginning of year | | 920,892 |
|-----------------------------------|--|---------|

| | | |
|------------------------------------|-----------|----------------|
| NET POSITION AT END OF YEAR | \$ | 932,732 |
|------------------------------------|-----------|----------------|

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

| | | |
|--|----|----------|
| Cash received from grants and rent | \$ | 125,700 |
| Cash payments to employees | | (28,324) |
| Cash payments for goods and services | | (79,836) |
| | | 17,540 |
| Net cash provided by (used in) operating activities | | 17,540 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | | |
|---|--|----------|
| Cash received from miscellaneous revenue | | 7,065 |
| Cash received from Stark County Auditor Tax Reimburse | | 3,628 |
| Cash received from Property Sale | | 1,886 |
| Cash used in Real Estate Taxes | | (17,015) |
| | | (4,436) |
| Net cash provided by (used in) noncapital financing activities | | (4,436) |

| | | |
|----------------------------|-----------|---------------|
| NET INCREASE IN CASH | | 13,104 |
| Cash at beginning of year | | 58,460 |
| CASH AT END OF YEAR | \$ | 71,564 |

RECONCILIATION OF OPERATING INCOME

TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

| | | |
|--|-----------|---------------|
| Operating income | \$ | 16,276 |
| Adjustments: | | |
| Depreciation | | 2,680 |
| Increase (Decrease) in accrued wages and benefits | | (760) |
| Increase (Decrease) in payroll liabilities | | (656) |
| | | 17,540 |
| Net cash provided by (used in) operating activities | \$ | 17,540 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 1 - NATURE OF ACTIVITIES

Canton Community Improvement Corporation (“CCIC”), a component unit of the City of Canton, is a non-profit corporation organized under Chapter 1724 of the Ohio Revised Code for the purpose of promoting industrial, economic, commercial and civic development. CCIC has been designated as the City of Canton’s agent for industrial and commercial distributions and research development. As an agent, the CCIC disburses loan and grant funds to recipients for economic development projects approved by the Board of Directors. Because CCIC is only acting as an agent, the City of Canton retains the loans and collects payments on the loans. CCIC uses one fund to account for its activities, an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to private enterprises. The intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through grants.

The City of Canton (the “City”) is a municipal corporation incorporated under the laws of the State of Ohio. The Financial Reporting Entity, the City’s financial statements include all organizations, activities and functions, which comprise the primary government and those legally separate entities for which the City is financially accountable. Financial accountability is defined as the appointment of a voting majority of the unit’s board and either 1) the City’s ability to impose its will over the unit, or 2) the possibility that the unit will provide a financial benefit or impose a financial burden to the City. CCIC is a legally separate entity and is reported by the City as a discretely presented component unit in its basic financial statements. CCIC does not include any other units in its presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The basic financial statements of CCIC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. CCIC’s significant accounting policies are described below. The CCIC’s financial statements have been prepared using the accrual basis of accounting.

B. Basis of Presentation

The CCIC’s basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

C. Community Development Loans

The CCIC, acting as an agent for the City of Canton, issues loans to various businesses for the purpose of assisting the establishment of a new business enterprise in the City of Canton and/or continuing or expanding existing business activity.

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Capital Assets

Capital assets represent land and buildings donated or transferred to CCIC by the City of Canton to be used in future economic development projects as well as land currently being utilized for an economic development project. The land and buildings have been recorded at their acquisition value as of the date of the contribution, or at cost if purchased. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Building Improvements and Buildings are depreciated over 40 years.

E. Grant Revenue

Grant revenue is derived from a grant passed through from the City of Canton. The grant funds received provide economic development loans and facade improvement grants, as well as administrative expenses of CCIC. Grant revenue is recognized to the extent that expenses eligible for reimbursement under the grant agreement have been incurred during the period.

F. Federal Income Tax

CCIC is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code.

G. Net Position

Net position represents the difference between assets and liabilities on the statement of net position. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used to build or acquire the capital assets. Net position is reported as restricted in the financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations. There was no restricted for economic development as of December 31, 2018.

H. Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from these estimates.

I. Subsequent Events

CCIC 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.

J. Operating Revenues and Expenses

Operating Revenues are those revenues that are generated directly from the primary activity of CCIC. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of CCIC. All revenues and expenses not meeting these definitions are reported as nonoperating.

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - CASH

At December 31, 2018, the carrying amount of the CIC's deposits was \$71,564. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2018, the entire bank balance of \$92,064 was covered by the Federal Deposit Insurance Corporation. There are no significant statutory restrictions regarding the deposits and investments of funds held by the not-for-profit corporation.

At December 31, 2018, CCIC had no investments.

NOTE 4 - CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2018 was as follows:

| | Balance <u>1/1/18</u> | <u>Additions</u> | <u>Disposals</u> | Balance <u>12/31/18</u> |
|---|--------------------------|-------------------|------------------|----------------------------|
| Capital Assets Not Being Depreciated: | | | | |
| Land | \$ 130,400 | \$ - | \$ - | \$ 130,400 |
| Land Improvements | 172,400 | - | - | 172,400 |
| Land Held for Future Use | <u>486,961</u> | <u>-</u> | <u>-</u> | <u>486,961</u> |
| Total Capital Assets Not Being Depreciated | <u>789,761</u> | <u>-</u> | <u>-</u> | <u>789,761</u> |
| Capital Assets Being Depreciated: | | | | |
| Buildings | <u>107,500</u> | <u>-</u> | <u>-</u> | <u>107,500</u> |
| Total Capital Assets Being Depreciated | <u>107,500</u> | <u>-</u> | <u>-</u> | <u>107,500</u> |
| Less: Accumulated Depreciation | | | | |
| Buildings | <u>(31,994)</u> | <u>(2,680)</u> | <u>-</u> | <u>(34,674)</u> |
| Total accumulated depreciation | <u>(31,994)</u> | <u>(2,680)</u> | <u>-</u> | <u>(34,674)</u> |
| Total capital assets, being depreciated | <u>75,506</u> | <u>(2,680)</u> | <u>-</u> | <u>72,826</u> |
| Governmental activities capital assets, net | <u>\$ 865,267</u> | <u>\$ (2,680)</u> | <u>\$ -</u> | <u>\$ 862,587</u> |

NOTE 5 - COMMUNITY DEVELOPMENT LOANS

CCIC awards loans through the Community Development Block Grant program provided by the City of Canton. If the business has been awarded a Performance Loan (Deferred Loan) and has maintained all of the terms and conditions of the agreement, CCIC shall forgive and cancel the unpaid balance for the specified time stated in the agreement. For all loan types, the borrowers must meet certain criteria documented in the loan agreements for receiving these funds. Jobs must be created as a result of the loan. Fifty-one percent or more of the new employees must be in the low to moderate income category. The City of Canton retains the loans and is responsible for the collection of these loans and are therefore not recorded in the financial statements of CCIC.

NOTE 6 - COMMITMENTS

In 2018, there were no loans or grants committed to or approved by the Board of Directors.

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY, OHIO
(A Component Unit of the City of Canton)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE 7 - IN-KIND CONTRIBUTIONS, DONATED FACILITIES AND SERVICES

The City of Canton provides CCIC with office space and various office services without charge. The value of the donated facilities is not recognized in the accompanying financial statements because no objective basis is available to measure the value of the donated facilities. No in-kind wages were received from the City of Canton in 2018.

NOTE 8 - SOCIAL SECURITY

Corporation employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Corporation contributed an amount equal to 6.2 percent of participants' gross salaries. The Corporation has paid all contributions required through December 31, 2018.

NOTE 9 - CONTINGENCIES

The CCIC, through the City of Canton, received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the CCIC. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the CCIC at December 31, 2018.



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*

Canton Community Improvement Corporation
Stark County
218 Cleveland Avenue S.W.
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 Canton Community Improvement Corporation, Stark County, Ohio, a component unit of the City of Canton, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Canton Community Improvement Corporation's basic financial statements and have issued our report thereon dated May 15, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Canton Community Improvement Corporation'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 Canton Community Improvement Corporation'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 Canton Community Improvement Corporation'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.

Canton Community Improvement Corporation
Stark County

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

Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Canton Community Improvement Corporation'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 Canton Community Improvement Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Canton Community Improvement Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
May 15, 2019

OHIO AUDITOR OF STATE KEITH FABER



CANTON COMMUNITY IMPROVEMENT CORPORATION

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
JUNE 20, 2019**