



Dave Yost • Auditor of State

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	3
BASIC FIANCIAL STATEMENTS	
Statement of Net Position.....	7
Statement of Revenue, Expenses, and Changes in Net Position.....	8
Statement of Cash Flows	9
Notes to the Financial Statements	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Schedule of Findings	19
Schedule of Prior Audit Findings	20

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Canton Community Improvement Corporation
Stark County
218 Cleveland Ave S.W.
Canton, OH 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 (the CCIC) a component unit of the City of Canton, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the CCIC'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 that we plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about the 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 considered internal control relevant to the CCIC's preparation and fair presentation of the financial statements in order to design appropriate audit procedures, but not to the extent needed to opine on the effectiveness of the CCIC'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 opinions.

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 (the CCIC), as of December 31, 2013, and the changes in 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 July 22, 2014, on our consideration of the CCIC'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 CCIC's internal control over financial reporting and compliance.



Dave Yost
Auditor of State

Columbus, Ohio

July 22, 2014

Canton Community Improvement Corporation

Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The discussion and analysis for Canton Community Improvement Corporation's (CCIC) financial performance provides an overall review of CCIC for the year ended December 31, 2013. 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 2013 are as follows:

- In total, net position decreased \$304,824 from 2012. The primary reason for the decrease is loss of intergovernmental receivables and sale of property.
- Total assets decreased \$305,076 from 2012. This is mainly due to a decrease in cash and capital assets.
- Total liabilities decreased by \$252, which represents less than a 1% decrease from 2012.
- The total revenue amounted to \$286,818 in 2013, which is an increase of \$205,007 from 2012 or 251%. An increase in Economic Development Grants was the reason for the increase in revenue
- The \$169,733 increase in total expenses, excluding Loss on Disposal of Capital Assets, from 2012 was caused by an increase in Economic Development Grants Expense.

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.

Canton Community Improvement Corporation
 Management's Discussion and Analysis
 For the Year Ended December 31, 2013
 (Unaudited)

FINANCIAL ANALYSIS

A comparative analysis of 2013 and 2012 is presented below:

Changes in Net Position

The following table shows the changes in net position for the years 2013 and 2012:

Table 1
Net Position

	2013	2012
Assets		
Current Assets	\$5,817	\$78,889
Capital Assets, Net	2,728,081	2,960,085
Total Assets	2,733,898	3,038,974
Liabilities		
Current and Other Liabilities	65,663	65,915
Net Position		
Net Investment in Capital		
Assets	2,728,081	2,960,085
Restricted	0	3,587
Unrestricted (Deficit)	(59,846)	9,387
Total Net Position	\$2,668,235	\$2,973,059

Canton Community Improvement Corporation
Management's Discussion and Analysis
For the Year Ended December 31, 2013
(Unaudited)

The following represents CCIC's summary of changes in net position:

Table 2
Statement of Revenues, Expenses, and Changes in Net Position

	2013	2012	Increase (Decrease)
<u>Operating Revenues:</u>			
Rental Income	\$0	\$2,799	(\$2,799)
Grants	284,079	78,009	206,070
Total Operating Revenues	284,079	80,808	203,271
<u>Operating Expenses:</u>			
Program Services:			
Economic Development Grants	195,500	17,840	177,660
Depreciation	55,164	58,820	(3,656)
Total Program Services	250,664	76,660	174,004
Support Services:			
Administrative Wages and Fees	47,398	65,775	(18,377)
Advertising and Marketing	0	9,256	(9,256)
Bank Fees	287	163	124
Consulting Expense	36,000	9,576	26,424
Legal and Accounting Fees	4,182	9,944	(5,762)
Membership and Dues	9,150	843	8,307
Office Expense	72	128	(56)
Payroll Taxes	4,644	5,886	(1,242)
Property Taxes	60,322	61,119	(797)
Travel/Training	1,978	5,586	(3,608)
Worker's Compensation Insurance	105	133	(28)
Total Support Services	164,138	168,409	(4,271)
Total Operating Expenses	414,802	245,069	169,733
Operating Income	(130,723)	(164,261)	33,538
<u>Non-Operating Revenues (Expenses):</u>			
Intergovernmental Revenue	606	1,003	(397)
Other	2,133	0	2,133
Loss on Disposal of Capital Assets	(176,840)	(32,700)	(144,140)
Total Non-Operating Revenues (Expenses)	(174,101)	(31,697)	(142,404)
Change in Net Position	(304,824)	(195,958)	(108,866)
Net Position at Beginning of Year	2,973,059	3,169,017	(195,958)
Net Position at End of Year	\$2,668,235	\$2,973,059	(\$304,824)

Canton Community Improvement Corporation
 Management's Discussion and Analysis
 For the Year Ended December 31, 2013
 (Unaudited)

CAPITAL ASSETS

At the end of 2013, CCIC had \$2,728,081 invested in capital assets, net of depreciation. The following table shows 2013 and 2012 balances:

Table 3
Capital Assets
(Net of Depreciation)

	2013	2012
Land	\$41,700	\$42,900
Land Improvements	172,400	0
Land Held for Future Use	486,961	585,761
Construction in Progress	0	206,969
Buildings	1,993,315	2,124,455
Building Improvements	33,705	0
 Total Capital Assets	 \$2,728,081	 \$2,960,085

Additional information on CCIC's capital assets can be found in Note 5.

CURRENT FINANCIAL RELATED ACTIVITIES

At December 31, 2013, CCIC had total assets of \$2,733,898 and total net position of \$2,668,235. To lessen the tax burden on CCIC, property currently held by CCIC is being reverted to City of Canton ownership. The CCIC is in the process of reviewing property ownership with the intent of reverting property to former ownership if the purpose for CCIC ownership has expired. Purpose for CCIC property ownership is generally related to active development projects. In cases where the project was canceled or the need for the property terminated CCIC will revert the property to original owner as soon as possible. It is the policy of CCIC to not hold properties for longer than required. This property holding practice will impact CCIC financial position by reducing assets and property tax liabilities.

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 Administrator, 218 Cleveland Ave., 5th Floor, Canton, Ohio 44702.

Canton Community Improvement Corporation
Statement of Net Position
December 31, 2013

Assets

Current:

Cash	\$4,134
Intergovernmental Receivable	1,166

Restricted:

Cash	517
------	-----

Total Current Assets	<u>5,817</u>
----------------------	--------------

Noncurrent:

Capital Assets:

Non-Depreciable Capital Assets	701,061
Depreciable Capital Assets, Net	<u>2,027,020</u>

Total Noncurrent Assets	<u>2,728,081</u>
-------------------------	------------------

<i>Total Assets</i>	<u>2,733,898</u>
---------------------	------------------

Liabilities

Current Liabilities:

Accounts Payable	148
Intergovernmental Payable	61,053
Accrued Wages and Benefits	<u>4,462</u>

<i>Total Liabilities</i>	<u>65,663</u>
--------------------------	---------------

Net Position

Net Investment in Capital Assets	2,728,081
Unrestricted (Deficit)	<u>(59,846)</u>

<i>Total Net Position</i>	<u>\$2,668,235</u>
---------------------------	--------------------

The accompanying notes are an integral part of these financial statements.

Canton Community Improvement Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2013

Operating Revenues:

Grants	\$284,079
	<hr/>
<i>Total Operating Revenues</i>	<i>284,079</i>
	<hr/>

Operating Expenses:

Program Services:	
Economic Development Grants	195,500
Depreciation	55,164
Total Program Services	<hr/> 250,664 <hr/>
Support Services:	
Administrative Wages	47,398
Bank Fees	287
Consulting Fees	36,000
Legal and Accounting Fees	4,182
Membership and Dues	9,150
Office Expense	72
Payroll Taxes	4,644
Property Taxes	60,322
Travel/Training	1,978
Worker's Compensation Insurance	105
Total Support Services	<hr/> 164,138 <hr/>
<i>Total Operating Expenses</i>	<i>414,802</i>
	<hr/>
<i>Operating (Loss)</i>	<i>(130,723)</i>
	<hr/>

Non-Operating Revenue (Expenses):

Intergovernmental Revenue	606
Other	2,133
Loss on Disposal of Capital Assets	<hr/> (176,840) <hr/>
<i>Net Non-Operating Revenues (Expenses)</i>	<i>(174,101)</i>
	<hr/>
<i>Net (Loss)</i>	<i>(304,824)</i>
	<hr/>
<i>Net Position at Beginning of Year</i>	<i>2,973,059</i>
	<hr/>
<i>Net Position at End of Year</i>	<i>\$2,668,235</i>
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Canton Community Improvement Corporation
Statement of Cash Flows
For the Year Ended December 31, 2013

Cash Flows from Operating Activities

Cash Received from Grants	\$283,916
Cash Received from Customers	1,166
Cash Payments to Employees	(46,882)
Cash Payments for Goods and Services	<u>(313,008)</u>
<i>Net Cash (Used) for Operating Activities</i>	<u>(74,808)</u>

Cash Flows from Noncapital Financing Activities

Intergovernmental Revenue	606
Other Non-Operating Revenue	<u>2,133</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>2,739</u>

Net Decrease in Cash (72,069)

Cash Beginning of Year 76,720

Cash End of Year \$4,651

**Reconciliation of Operating Loss to Net Cash
Provided By Operating Activities**

Operating (Loss)	(\$130,723)
Adjustments:	
Depreciation	55,164
Increase (Decrease) in Assets:	
Accounts Receivable	1,166
Intergovernmental Receivable	(163)
Increase (Decrease) in Liabilities:	
Accounts Payable	(115)
Accrued Wages	1,385
Intergovernmental Payable	<u>(1,522)</u>
<i>Net Cash (Used) for Operating Activities</i>	<u><u>(\$74,808)</u></u>

The accompanying notes are an integral part of these financial statements.

This Page Intentionally Left Blank.

CANTON COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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 agent, 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 user charges.

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 financial statements of CCIC are prepared using the accrual basis of accounting.

B. Restricted Cash

CCIC received a grant award for economic development. Terms of the grant require specific uses of the funds.

C. 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 fair 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.

CANTON COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

D. 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.

E. Federal income tax

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

F. In-kind Contributions

City of Canton employees perform services for CCIC. This portion of salaries and related fringe benefits for these services are paid by the City of Canton. The estimated fair value of in-kind contribution is reported as a revenue and an expense in the period in which the services are used. CCIC also benefited from the contribution of Board of Directors' time to attend board meetings. The estimated fair value of these members' contribution is not reflected in these statements since it is not susceptible to objective valuation. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. CCIC had no in-kind contributions in 2013.

G. Net Position

Net position represents the difference between assets and liabilities on the statement of net position. Net 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 combined 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, 2013.

H. Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, 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

The 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.

CANTON COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2013, CCIC has implemented GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities.” In addition, CCIC implemented GASB Statement No. 66, “Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62.”

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB 65 had no material effect on the financial statements of CCIC.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the City.

NOTE 4 – CASH

At December 31, 2013, the bank balance was \$4,651. The entire bank balance was covered by Federal Depository Insurance. CCIC has not experienced any losses on this account and management of CCIC believes it is not exposed to any significant credit risk on its cash.

At December 31, 2013 CCIC had no investments.

CANTON COMMUNITY IMPROVEMENT CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 is as follows:

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013
Capital Assets not Being Depreciated:				
Land	\$42,900	\$0	(\$1,200)	\$41,700
Land Improvements	0	172,400	0	172,400
Land Held for Future Use	585,761	0	(98,800)	486,961
Construction in Progress	206,969	0	(206,969)	0
Total Capital Assets not Being Depreciated	835,630	172,400	(306,969)	701,061
Capital Assets Being Depreciated:				
Buildings	2,353,300	0	(180,800)	2,172,500
Building Improvements	0	34,569	0	34,569
Total Capital Assets Being Depreciated	2,353,300	34,569	(180,800)	2,207,069
Less Accumulated Depreciation:				
Building	(228,845)	(54,300)	103,960	(179,185)
Building Improvements	0	(864)	0	(864)
Total Accumulated Depreciation	(228,845)	(55,164)	103,960	(180,049)
Total Capital Assets Being Depreciated, Net	2,124,455	(20,595)	(76,840)	2,027,020
Total Capital Assets, Net	<u>\$2,960,085</u>	<u>\$151,805</u>	<u>(\$383,809)</u>	<u>\$2,728,081</u>

NOTE 6 – 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 7 – COMMITMENTS

In 2013, there were no loans or grants committed to or approved by the Board of Directors.

CANTON COMMUNITY IMPROVEMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013 (CONTINUED)

NOTE 8 – 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 2013.

NOTE 9 – RELATED PARTY

CCIC Board of Directors Member, Steve Katz, is an employee of the Canton Regional Chamber of Commerce in which the CCIC made two payments, totaling \$175,139 during 2013.

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

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 Ave S.W.
Canton, OH 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, (the CCIC) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the CCIC's basic financial statements and have issued our report thereon dated July 22, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the CCIC'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 CCIC'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 Government'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 CCIC'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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

Entity's Response to Findings

The CCIC's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the CCIC's response and, accordingly, we express no opinion on it.

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 CCIC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the CCIC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

July 22, 2014

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

1. Finding for Recovery Repaid Under Audit

<i>Finding Number</i>	2013-001
-----------------------	----------

NONCOMPLIANCE

At the June 19, 2013 Board of Directors meeting the Board passed a motion to hire Rafael Rodriguez as the Canton Community Improvement Corporation's Business Development Specialist with the additional title of Administrator at the hourly rate of \$23.08 effective immediately and for the remainder of the calendar year. On July 11, 2013 the Administrator received a "retroactive" payment of \$1,964; however, the retroactive payment was not approved by the Board of Directors. The Administrator also received \$243 for time that was not supported by timesheets.

Payments made to employees appointed by the Board of Directors should be approved by the Board of Directors. Also, time paid to an employee should be supported by hours documented on a timesheet.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Rafael Rodriguez, Administrator, in the amount of \$2,207 and in favor of the Canton community Improvement Corporations' enterprise fund. Rafael Rodriguez repaid \$2,207 to the CCIC by check # 1066 on 08/28/14.

Official's Response: It had been the intent of the Board to specifically authorize that retroactive payment. The Board at that meeting had approved a pay increase for him but failed to specifically note that it was retroactive to January 1, 2013. On June 18, 2014, as a corrective action, the current Board of Directors approved a motion to make that June 18, 2013 wage increase retroactive to January 1, 2013. Mr. Rodriguez reimbursed the Canton Community Improvement Corporation for the amounts cited.

**CANTON COMMUNITY IMPROVEMENT CORPORATION
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Expense Allocation – CCIC employees and consultants did not document the time spent on CDBG activities	Yes	Finding no longer valid.
2012-02	Financial Reporting - Management restated net position for contributed capital assets not properly recorded in 2011.	Yes	Finding no longer valid.



Dave Yost • Auditor of State

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
SEPTEMBER 16, 2014**