

**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, 2019**





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Columbus, Ohio 43215  
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(800) 282-0370

Board of Directors  
Canton Community Improvement Corporation  
218 Cleveland Ave, SW  
Canton, Ohio 44702-1906

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, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The 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

July 23, 2020

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**CANTON**  
**COMMUNITY IMPROVEMENT CORPORATION**  
**(A Component Unit of the City of Canton)**  
**Stark County, Ohio**

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**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, 2019 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, 2019, 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.

**Emphasis of Matters**

As discussed in Note 9 to the financial statements for the year ended December 31, 2019, beginning net position has been restated due to an adjustment of capital assets. Also, noted in Note 13, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Canton Community Improvement Corporation. We did not modify our opinion regarding these matters.

***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 June 8, 2020, 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.  
June 8, 2020



**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, 2019  
(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, 2019. 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 2019 are as follows:

- Net position decreased by \$20,713 for the year.
- Total assets decreased by \$22,132\* for the year.
- Total liabilities decreased by \$1,419 for the year.
- Total revenue was \$224,566 which was up from 2018's amount of \$138,279.
- City of Canton grant income was the same as 2018 at \$125,000.
- Total operating expenses amounted to \$235,848 for the year. This is up from 2018's amount by \$109,424.

\*See Note 9 for December 31, 2018 restatement

**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 2019 and 2018 listed below**

- Total Assets 2019 - \$185,432
- Total Assets 2018 (restated) - \$207,564
  
- Total Liabilities 2019 - \$0
- Total Liabilities 2018 - \$1,419
  
- Total Net Position 2019 - \$185,432
- Total Net Position 2018 (restated) - \$206,145

**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, 2019  
(UNAUDITED)**

**Changes in Net Position for the year 2019 and 2018 listed below**

- Total Revenues 2019 - \$224,566
- Total Revenues 2018 - \$138,279
  
- Total Expenses 2019 - \$245,279
- Total Expenses 2018 - \$126,439
  
- Total Net Income (Loss) 2019 – (\$20,713)
- Total Net Income (Loss) 2018 - \$11,840

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 2019 and 2018 are listed below:**

Total capital assets 2019 - \$0\*\*  
Total capital assets 2018 (restated)- \$136,000

\*\*Amounts were reclassified as real estate held for development

**Current Financial Related Activities**

The CCIC management continues to monitor all activity affecting the condition of the CCIC. At December 31, 2019 the CCIC had total assets and net position of \$ 185,432.

**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, 2019

**Assets**

Current assets:

Cash	\$ 49,432
Total current assets	<u>49,432</u>

Non-current assets:

Real Estate Held for Development	<u>136,000</u>
Total non-current capital assets	<u>136,000</u>

Total assets	<u>185,432</u>
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**Net Position**

Unrestricted	<u>185,432</u>
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Total net position	<u><u>\$ 185,432</u></u>
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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, 2019

**Operating Revenues**

City of Canton Contribution	\$	125,000
Stark County Innovation TIF		38,887
Stark Economic Development Board Innovation District Contribution		40,000
JEFFCO Metals City Scales Rent		4,198
Strat2G Building Rent		9,000
Total operating revenues		217,085

**Operating Expenses**

Program services:

Huntington Bank Parking Grant		20,500
Rent- 309 Court Ave		32,500
Maint., repairs, & Ins at Lehman High School		3,745
Total program services		56,745

Support services:

Accounting Fees		175
Administrative Fees		6,923
Audit Expense		5,000
Supplies		493
Insurance		501
Miscellaneous Operations Expense		12
Postage, Mailing Service		27
JumpStart Contract for Services		133,750
Quality Review Fee		152
Ohio EPA Fee		470
Stark Development Board Cost		28,100
Ohio Housing Lehman Application		3,500
Total support services		179,103

Total operating expenses 235,848

Operating Income (Loss) (18,763)

**Non-operating revenues (expenses):**

Stark County Auditor Tax Reimbursement		2,166
Miscellaneous Revenue		5,315
Real Estate Taxes		(9,431)
Total non-operating revenues (expenses)		(1,950)

Net income (Loss) (20,713)

Net position at beginning of year (restated) 206,145

**Net Position at End of Year** \$ 185,432

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, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from contributions, TIF, and rent	\$	217,085
Cash payments to employees		(1,419)
Cash payments for goods and services		(235,848)
		(20,182)
Net cash provided by (used in) operating activities		(20,182)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash received from miscellaneous revenue		5,315
Cash received from Stark County Auditor Tax Reimbursement		2,166
Cash used in Real Estate Taxes		(9,431)
		(1,950)
Net cash provided by (used in) noncapital financing activities		(1,950)

NET DECREASE IN CASH (22,132)

Cash at beginning of year	\$	71,564
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<b>CASH AT END OF YEAR</b>	<b>\$</b>	<b>49,432</b>
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**RECONCILIATION OF OPERATING LOSS  
TO NET CASH USED IN OPERATING ACTIVITIES**

Operating income (loss)	\$	(18,763)
Adjustments:		
Increase (Decrease) in payroll liabilities		(1,419)
		(1,419)
Net cash provided by (used in) operating activities	<b>\$</b>	<b>(20,182)</b>

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, 2019**

**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, 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 and 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 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, issues loans to various businesses for the purpose of assisting the establishment of a new business enterprise in the City 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, 2019**

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

**D. Real Estate Held for Development**

Real Estate Held for Development represents property donated or transferred to CCIC by the City to be used in future economic development projects as well as land currently being utilized for an economic development project. The property held for development is reported at cost and depreciation is not recognized. The balance is reported as a non-current asset, as the CIC does not intend to distribute the property in the subsequent year.

**E. Contributions**

During 2019, the CCIC received \$125,000 from the City. The funds received provide economic development loans and facade improvement grants, as well as administrative expenses of CCIC.

**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 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 balance for economic development as of December 31, 2019.

**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. 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, 2019**

**NOTE 3 - CASH**

At December 31, 2019, the carrying amount of the CCIC’s deposits was \$49,432. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2019, the entire bank balance of \$69,932 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, 2019, CCIC had no investments.

**NOTE 4 – REAL ESTATE HELD FOR DEVELOPMENT**

Real Estate Held for Development activity year ended December 31, 2019 was as follows:

	*Reclassified			Balance
	Balance			Balance
	<u>12/31/18</u>	<u>Addition</u>	<u>Deletion</u>	<u>12/31/19</u>
Real Estate Held for Development	\$ 136,000	\$ -	\$ -	\$ 136,000
Total Cost	<u>\$ 136,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,000</u>

\* Amounts were reclassified from capital assets (land, land improvements, and buildings).

**NOTE 5 - COMMUNITY DEVELOPMENT LOANS**

CCIC awards loans through the Community Development Block Grant program provided by the City. 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 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 2019, there were no loans or grants committed to or approved by the Board of Directors.

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

The City 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 in 2019.

**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, 2019

**NOTE 8 - 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, 2019.

**NOTE 9 – RESTATEMENT OF NET POSITION**

Adjustments made for prior capital asset acquisition, deletions or transfers and the associated accumulated depreciation resulted in the following changes to the beginning balances of the Net Position at December 31, 2018.

Net Position at December 31, 2018	\$ 932,732
Capital Assets, Net	<u>(726,587)</u>
Restated Net Position at December 31, 2018	<u><u>\$ 206,145</u></u>

**NOTE 10 – LITIGATION**

The CCIC is not involved in any material litigation as either the plaintiff or defendant.

**NOTE 11 – RISK MANAGEMENT**

For 2019, the CCIC’s properties were covered under the City’s property insurance policy, except for Lehman HS which has its own \$1,000,000 liability insurance policy.

**NOTE 12 – LEASES**

During 2019, the CCIC continued its monthly lease with D&J Promotions, Inc. (Jeffco Metals Division) for the Scales property at 11th Street SE, Canton, Ohio. The CCIC received \$4,198 in rental income for 2019.

During 2019, the CCIC subleased to Strat2G Acquisitions, Inc. to provide commercial office space at 309 Court Avenue NW, Canton, Ohio. The CCIC received \$9,000 in rental income for 2019.

**NOTE 13 – SUBSEQUENT EVENTS**

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the CCIC. In addition, the impact on the CCIC’s future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

**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, 2019 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 June 8, 2020. Furthermore, as discussed in Note 9 to the financial statements, beginning net position has been restated due to an adjustment of capital assets. Also, noted in Note 13, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

***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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

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 Two

***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*.

***Canton Community Improvement Corporation's Response to Finding***

Canton Community Improvement Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not subject Canton Community Improvement Corporation's response to the auditing procedures applied in the audit of the financial statements 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 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.  
June 8, 2020

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

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2019**

<b>FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2019-001

**Material Weakness - Financial Statement Presentation**

Sound financial reporting is the responsibility of the Board of Directors and management and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

Failure to correctly record activity may not only impact the users' understanding of the financial operations, it may also inhibit the Board of Directors ability to make sound financial decisions and result in material misstatements of the financial statements.

An adjustment was made to restate net position for the year ended December 31, 2018 in the amount of (\$726,587) for capital assets that were not properly added or removed from the previous financial statements. A \$136,000 adjustment was made to reclassify the remaining capital assets (land, land improvements, and buildings) as real estate held for development for the year ended December 31, 2019. The audited financial statements, related notes, and CCIC records have been adjusted for the misstatements identified during the audit.

We recommend the CCIC create an asset log which tracks the acquisition value, date of acquisition, useful life, and accumulated depreciation.

Client Response: The CCIC has implemented procedures and a log to assure all properties are properly recorded.

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# OHIO AUDITOR OF STATE KEITH FABER



**CANTON COMMUNITY IMPROVEMENT CORPORATION**

**STARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 8/4/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)