

**CANTON COMMUNITY  
IMPROVEMENT CORPORATION**

**(A COMPONENT UNIT OF THE CITY OF CANTON)  
STARK COUNTY, OHIO**

**REGULAR AUDIT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Directors  
Canton Community Improvement Corporation  
218 Cleveland Avenue SW  
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, 2021 through December 31, 2021. 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

**May 20, 2022**

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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 SW  
Canton, Ohio 44702

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### *Opinion*

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, 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Canton Community Improvement Corporation, as of December 31, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Canton Community Improvement Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matters*

As described in Note 3 to the financial statements, in 2021, the Canton Community Improvement Corporation adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. As described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Canton Community Improvement Corporation. Our opinion is not modified with respect to these matters.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Canton Community Improvement Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Canton Community Improvement Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Canton Community Improvement Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2022, on our consideration of the Canton Community Improvement Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Canton Community Improvement Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Canton Community Improvement Corporation's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.  
May 4, 2022

**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, 2021**

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, 2021. 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 2021 are as follows:

- Net position increased by \$1,024,726 for the year.
- Total assets increased by \$1,014,829 for the year.
- Total liabilities decreased by \$9,897 for the year.
- Total revenue was \$1,232,010 which was up from 2020's amount of \$240,556.
- City of Canton grant income was \$1,223,272 which was up from 2020's amount of \$150,000.
- Total expenses amounted to \$207,284 for the year. This is down from 2020's amount by \$98,720.

**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 2021 and 2020 listed below:**

- Total Assets 2021 - \$1,167,613
- Total Assets 2020 - \$152,784
  
- Total Liabilities 2021 - \$22,903
- Total Liabilities 2020 - \$32,800
  
- Total Net Position 2021 - \$1,144,710
- Total Net Position 2020 - \$119,984

**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, 2021**

**Changes in Net Position for the year 2021 and 2020 listed below:**

- Total Revenues 2021 - \$1,232,010
- Total Revenues 2020 - \$240,556
  
- Total Expenses 2021 - \$207,284
- Total Expenses 2020 - \$306,004
  
- Total Net Income (Loss) 2021 – \$1,024,726
- Total Net Income (Loss) 2020 – (\$65,448)

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 2021 and 2020 are listed below:**

Total capital assets 2021 - \$0  
Total capital assets 2020 - \$0

**Current Financial Related Activities**

The CCIC management continues to monitor all activity affecting the condition of the CCIC. At December 31, 2021 the CCIC had total assets of \$1,167,613 and net position of \$1,144,710.

**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 Mark Crouse, Finance Director (City of Canton), 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, 2021

**Assets**

Current assets:

Cash	\$ 1,111,430
Prepaid Insurance	<u>16,183</u>

Total current assets 1,127,613

Non-current assets:

Real Estate Held for Development	<u>40,000</u>
Total non-current capital assets	<u>40,000</u>

Total assets 1,167,613

**Liabilities**

Current Liabilities:

Accounts Payable	<u>22,903</u>
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**Net Position**

Unrestricted	<u>1,144,710</u>
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Total net position \$ 1,144,710

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, 2021

**Operating Revenues**

City of Canton Contribution	\$	1,223,272
Enterprise Zone Fees		5,120
JEFFCO Metals City Scales Rent		3,498
Parking Fees		120
Total operating revenues		1,232,010

**Operating Expenses**

Program services:		
Rent- 309 Court Ave		29,792
Maint., repairs, & Ins at Lehman High School		3,866
Maint., repairs, & Ins at Nationwide Property		53,653
Maint., repairs, & Ins at Canton Inn		19,792
Total program services		107,103

Support services:

Accounting Fees		1,700
Administrative Fees		6,922
Audit Expense		5,000
JumpStart Contract for Services		56,250
Quality Review Fee		172
Stark Development Board Cost		28,100
Total support services		98,144

Total operating expenses		205,247
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Operating Income (Loss)		1,026,763
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**Non-operating revenues (expenses):**

Real Estate Taxes		(2,037)
Total non-operating revenues (expenses)		(2,037)

Net income (Loss)		1,024,726
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Net position at beginning of year		119,984
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<b>Net Position at End of Year</b>	<b>\$</b>	<b>1,144,710</b>
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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 CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from contributions, fees, and rent	\$	1,232,010
Cash payments for goods and services		(241,327)
		990,683
Net cash provided by (used in) operating activities		990,683

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash (used by) Real Estate Taxes		(2,037)
		(2,037)
Net cash provided by (used in) noncapital financing activities		(2,037)

NET INCREASE IN CASH		988,646
Cash at beginning of year		122,784
<b>CASH AT END OF YEAR</b>	<b>\$</b>	<b>1,111,430</b>

**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

Operating income (loss)	\$	1,026,763
Increase in real estate held for development		(10,000)
Increase in prepaid expenses		(16,183)
Decrease in accounts payable		(9,897)
		(9,897)
Net cash provided by (used in) operating activities	<b>\$</b>	<b>990,683</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, 2021

**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. In accordance with the Governmental Accounting Standards Board (GASB) Statement No.14, as amended by GASB Statement No. 39, The Financial Reporting Entity, and GASB Statement No. 61, The Financial Reporting Entity: Omnibus, the City’s primary government and basic financial statements include component units which are defined as legally separate organizations 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, 2021**

**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 2021, the CCIC received \$1,223,272 from the city. The funds received provide economic development loans, facade improvement grants, purchase and maintain properties, 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. 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, 2021.

**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.

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**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, 2021

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2021, CCIC has implemented GASB Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period” and GASB Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of MEORC.

GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The Corporation applied GASB No. 95 to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021, and to GASB Statement No. 87, which was originally due to be implemented in 2020.

The following pronouncements are postponed by one year and the Corporation has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following pronouncements are postponed by eighteen months and the Corporation has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**NOTE 4 - CASH**

At December 31, 2021, the carrying amount of the CCIC’s deposits was \$1,111,430. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2021, only \$250,000 of the bank balance 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, 2021, CCIC had no investments.

**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, 2021

**NOTE 5 – REAL ESTATE HELD FOR DEVELOPMENT**

Real Estate Held for Development activity year ended December 31, 2021 was as follows:

	Balance 12/31/20	Addition	Deletion	Balance 12/31/21
Real Estate Held for Development	\$ 30,000	\$ 10,000	\$ -	\$ 40,000
Total Cost	\$ 30,000	\$ 10,000	\$ -	\$ 40,000

**NOTE 6 - 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 7 - COMMITMENTS**

In 2021, there were no loans or grants committed to or approved by the Board of Directors.

**NOTE 8 - 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 2021.

**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, 2021.

**NOTE 10 – LITIGATION**

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

**NOTE 11 – RISK MANAGEMENT**

For 2021, the CCIC’s properties were covered under the City’s property insurance policy.

**NOTE 12 – LEASES**

During 2021, 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 \$3,498 in rental income for 2021.

**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, 2021**

**NOTE 13 – COVID-19**

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 may 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 Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Canton Community Improvement Corporation  
Stark County  
218 Cleveland Avenue SW  
Canton, Ohio 44702

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, 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 4, 2022, wherein we noted as described in Note 3 to the financial statements, the Canton Community Improvement Corporation adopted Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Furthermore, as described in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Canton Community Improvement Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Canton Community Improvement Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Canton Community Improvement Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Canton Community Improvement Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Canton Community Improvement Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Canton Community Improvement Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

May 4, 2022

# 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 6/2/2022**

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)