

**CANTON COMMUNITY IMPROVEMENT CORPORATION**

**(A Component Unit of the City of Canton)**

**Stark County, Ohio**

**BASIC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**L. RAFAEL RODRIGUEZ, ADMINISTRATOR**





# Dave Yost • Auditor of State

Board of Directors  
Canton Community Improvement Corporation  
218 Cleveland Ave., 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, 2015 through December 31, 2015. 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 "Dave Yost".

Dave Yost  
Auditor of State

July 19, 2016

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

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

Independent Auditor's Report

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

To the Board of Directors:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the Canton Community Improvement Corporation, Stark County, Ohio, a component unit of the City of Canton, as of and for the year ended December 31, 2015 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 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, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, 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 17, 2016

**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, 2015  
(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, 2015. 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 2015 are as follows:

- In total, net position decreased \$138,684 from 2014.
- Total assets decreased \$134,200 from 2014. This is mainly due to the reclassification of depreciation expense for 2014.
- Total liabilities increased \$4,484 for the year.
- Total operating revenue was \$275,280 which was up from 2014's operating revenues of \$243,354. This increase was mainly due to the Hall of Fame Event Sponsorship & Ticket sales and the Sales Proceeds of land located at 902 Cherry Ave.
- Total operating expenses amounted to \$334,901 for the year. This is up from 2014's operating expenses of \$227,343 mainly due to the amount of economic development grants paid out during the year.

**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  
STARK COUNTY, OHIO  
(A Component Unit of the City of Canton)**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
(UNAUDITED)

**Financial Analysis**

A comparative analysis of 2015 and 2014 is presented below:

**Changes in Net Position**

The following table shows the changes in net position for the years 2015 and 2014:

	2015	2014
<b>Assets</b>		
Current Assets	\$ 18,434	\$ 17,671
Capital Assets, Net	2,537,954	2,672,917
 Total Assets	 2,556,388	 2,690,588
<b>Liabilities</b>		
Current and Other Liabilities	4,484	-
<b>Net Position</b>		
Net Investment in Capital Assets	2,537,954	2,672,917
Restricted	-	-
Unrestricted (Deficit)	13,950	17,671
 Total Net Position	 \$ 2,551,904	 \$ 2,690,588

**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, 2015  
(UNAUDITED)

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

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

	2015	2014	Increase (Decrease)
<u>Operating Revenues:</u>			
Grants	\$ 201,731	\$ 210,482	\$ (8,751)
Sale Proceeds	53,595	-	53,595
HOF Event Sponsorship & Tickets	16,690	-	16,690
Other Operating Revenues	3,264	32,872	(29,608)
Total Operating Revenues	<u>275,280</u>	<u>243,354</u>	<u>31,926</u>
<u>Operating Expenses:</u>			
Program Services:			
Economic Development Grants	126,095	35,500	90,595
Depreciation	52,884	55,164	(2,280)
Total Program Services	<u>178,979</u>	<u>90,664</u>	<u>88,315</u>
Support Services:			
Administrative Wages	61,849	55,935	5,914
Advertising and Marketing	376	572	(196)
Bank Fees	264	243	21
Consulting Fees	42,000	42,000	-
Legal and Accounting Fees	15,979	16,472	(493)
Membership and Dues	2,733	4,524	(1,791)
Office Expense	1,763	124	1,639
Payroll Taxes	4,576	4,381	195
Property Taxes	11,087	-	11,087
HOF Event	9,960	-	9,960
Travel and Training	5,033	12,304	(7,271)
Worker's Compensation Insurance	302	124	178
Total Support Services	<u>155,922</u>	<u>136,679</u>	<u>19,243</u>
Total Operating Expenses	<u>334,901</u>	<u>227,343</u>	<u>107,558</u>
Operating Loss/Change in Net Position	<u>(59,621)</u>	<u>16,011</u>	<u>(75,632)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Other Non-Operating Revenues	3,016	6,342	(3,326)
Loss on Sale of Asset	(82,079)	-	(82,079)
Total Non-Operating Revenues (Expenses)	<u>(79,063)</u>	<u>6,342</u>	<u>(85,405)</u>
Change in Net Position	(138,684)	22,353	(161,037)
Net Position at Beginning of Year	2,690,588	2,668,235	22,353
Net Position at End of Year	<u>\$ 2,551,904</u>	<u>\$ 2,690,588</u>	<u>\$ (138,684)</u>

**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, 2015  
(UNAUDITED)

**Capital Assets**

At the end of 2015, CCIC had \$2,537,954 invested in capital assets, net of depreciation. The following table shows 2015 and 2014 balances:

**Table 3  
Capital Assets  
(Net of Depreciation)**

	2015	2014
Land	\$ 41,700	\$ 41,700
Land Improvements	172,400	172,400
Land Held for Future Use	486,961	486,961
Buildings	1,804,916	1,939,015
Building Improvements	31,977	32,841
 Total Capital Assets	 \$ 2,537,954	 \$ 2,672,917

Additional information on CCIC's capital assets can be found in Note 4.

**Current Financial Related Activities**

At December 31, 2015, CCIC had total assets of \$2,556,388 and total net position of \$2,551,904. 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.

**BASIC  
FINANCIAL STATEMENTS**

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

STATEMENT OF NET POSITION  
DECEMBER 31, 2015

**ASSETS**

Current assets:	
Cash	\$ 18,434
Total current assets	18,434
Noncurrent assets:	
Capital assets:	
Land	701,061
Depreciable capital assets, net	1,836,893
Total non-current capital assets	2,537,954
Total assets	2,556,388

**LIABILITIES**

Current liabilities:	
Accounts payable	800
Accrued wages	2,032
Payroll Liabilities	1,652
Total current liabilities . . . . .	4,484
Total liabilities	4,484

**NET POSITION**

Investment in capital assets	2,537,954
Unrestricted	13,950
Total net position	\$ 2,551,904

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, 2015

**OPERATING REVENUES**

Grants	\$ 201,731
Sale Proceeds	53,595
HOF Event Sponsorship & Tickets	16,690
Other operating revenues	3,264
Total operating revenues	275,280

**OPERATING EXPENSES**

Program services:	
Economic development grants	126,095
Depreciation	52,884
Total program services	178,979
Support services:	
Advertising and marketing	376
Administrative wages	61,849
Bank fees	264
Consulting fees	42,000
Legal and accounting fees	15,979
Membership and dues	2,733
Office expense	1,763
Payroll taxes	4,576
Property taxes	11,087
HOF Event	9,960
Travel and training	5,033
Worker's compensation insurance	302
Total support services	155,922
Total operating expenses	334,901
OPERATING INCOME (Loss)	(59,621)

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

Other non-operating revenue	3,016
Loss on sale of assets	(82,079)
Total non-operating revenues (expenses)	(79,063)

Net income (Loss) (138,684)

Net position at beginning of year 2,690,588

**NET POSITION AT END OF YEAR** **\$ 2,551,904**

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, 2015

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from grants	\$	201,731
Cash received from other operating revenue		73,549
Cash payments to employees		(58,165)
Cash payments for goods and services		(219,368)
		(2,253)
Net cash provided by (used in) operating activities		(2,253)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Cash received from other nonoperating revenue		3,016
		3,016
Net cash provided by noncapital financing activities		3,016

NET INCREASE IN CASH		763
Cash at beginning of year		17,671
<b>CASH AT END OF YEAR</b>	<b>\$</b>	<b>18,434</b>

**RECONCILIATION OF OPERATING LOSS  
TO NET CASH USED IN OPERATING ACTIVITIES**

Operating income (loss)	\$	(59,621)
Adjustments:		
Depreciation		52,884
Increase in accounts payable		800
Increase in accrued wages and benefits		2,032
Increase in payroll liabilities		1,652
		1,652
Net cash provided by (used in) operating activities	<b>\$</b>	<b>(2,253)</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, 2015**

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

**B. Basis of Presentation**

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

**C. Community Development Loans**

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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

**D. Capital Assets**

Capital assets represent land and buildings donated or transferred to CCIC by the City of Canton to be used in future economic development projects as well as land currently being utilized for an economic development project. The land and buildings have been recorded at their 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.

**E. Grant Revenue**

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

**F. Federal Income Tax**

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

**G. 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 2015.

**H. 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 for economic development as of December 31, 2015.

**I. 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.

**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, 2015

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

**J. Subsequent Events**

CCIC has evaluated subsequent events through the date of the "Independent Auditors Report," the date on which the financial statements were available to be issued. There were no events requiring disclosure.

**K. 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.

**NOTE 3 - CASH**

At December 31, 2015, the bank balance was \$18,434. The entire bank balance was covered by Federal Depository Insurance. CCIC has not experience 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, 2015, CCIC had no investments.

**NOTE 4 - CAPITAL ASSETS**

Capital Asset activity for the year ended December 31, 2015 was as follows:

	*Restated Balance <u>1/1/15</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/15</u>
Capital Assets Not Being Depreciated:				
Land	\$ 41,700	\$ -	\$ -	\$ 41,700
Land Improvements	172,400	-	-	172,400
Land Held for Future Use	486,961	-	-	486,961
Total Capital Assets Not Being Depreciated	<u>701,061</u>	<u>-</u>	<u>-</u>	<u>701,061</u>
Capital Assets Being Depreciated:				
Buildings	2,172,500	-	(91,700)	2,080,800
Building Improvements	34,569	-	-	34,569
Total Capital Assets Being Depreciated	<u>2,207,069</u>	<u>-</u>	<u>(91,700)</u>	<u>2,115,369</u>
Less: Accumulated Depreciation				
Buildings	(233,485)	(52,020)	9,621	(275,884)
Building Improvements	(1,728)	(864)	-	(2,592)
Total accumulated depreciation	<u>(235,213)</u>	<u>(52,884)</u>	<u>9,621</u>	<u>(278,476)</u>
Total capital assets, being depreciated	<u>1,971,856</u>	<u>(52,884)</u>	<u>(82,079)</u>	<u>1,836,893</u>
Governmental activities capital assets, net	<u>\$ 2,672,917</u>	<u>\$ (52,884)</u>	<u>\$ (82,079)</u>	<u>\$ 2,537,954</u>

\*Accumulated Depreciation was reclassified between asset categories.

**CANTON COMMUNITY IMPROVEMENT CORPORATION  
STARK COUNTY, OHIO  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 5 - COMMUNITY DEVELOPMENT LOANS**

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

**NOTE 6 - COMMITMENTS**

In 2015, 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 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 2015.

**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, 2015.



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Canton Community Improvement Corporation, Stark County, Ohio, a component unit of the City of Canton, as of and for the year ended December 31, 2015 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 17, 2016.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Canton Community Improvement Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Canton Community Improvement Corporation's internal control. Accordingly, we have not opined on it.

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

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

Board of Directors  
Canton Community Improvement Corporation

***Compliance and Other Matters***

As part of reasonably assuring whether the Canton Community Improvement Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

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

Julian & Grube, Inc.  
June 17, 2016

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# 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  
AUGUST 2, 2016**