



Dave Yost • Auditor of State



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Botkins Community Improvement Corporation
Shelby County
P.O. Box 436
Botkins, Ohio 45306

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Botkins Community Improvement Corporation, Shelby County, (the Corporation) for the years ended December 31, 2016 and 2015.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Corporation's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Corporation's financial statements, transactions or balances for the years ended December 31, 2016 and 2015.

The Corporation's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. Ohio Rev. Code Section 1702.57 states "No person shall exercise or attempt to exercise any rights, privileges, immunities, powers, franchises, or authority under the articles of a domestic corporation after such articles have been canceled or after such corporation has been dissolved or after the period of existence of the corporation specified in its articles has expired, except such acts as are incident to the winding up of the affairs of such corporation, or are required to obtain reinstatement of the articles in accordance with section 1702.06, 1702.59, or 1724.06 of the Revised Code, or are permitted upon reinstatement by division (C) of section 1702.60 of the Revised Code."

According to the Ohio Secretary of State, the Corporation's articles of incorporation were cancelled effective October 13, 2017; however, the Corporation has not been dissolved. The Corporation's articles of incorporation were cancelled due to a failure to file required annual financial reports in a timely manner with the Auditor of State, which is addressed in item #2 on Page 2.

If the Corporation intends to continue operating, the Corporation should contact the Secretary of State to have its articles of incorporation reinstated. If the Corporation intends to dissolve, the Corporation should notify the Secretary of State and Auditor of State of its intentions.

2. The Corporation's annual financial report for 2016 and 2015 and its year-end bank reconciliation for 2016 and 2015 identified cash on hand of \$3,490. It was determined that this cash was being held at the Treasurer's home and had been held since prior to the beginning of the period (January 1, 2015). Any Corporation revenue (cash and check) should be deposited as soon as possible. If not possible to deposit immediately, Corporation revenue should be properly safeguarded until it can be deposited. Additionally, the Corporation should have a formally adopted policy in place related to the deposit of cash and checks and the necessary safeguards that should be taken until deposited. This cash was subsequently deposited by the Corporation on October 17, 2017.

Current Status of Matters we Reported in our Prior Engagement

1. Our prior engagement identified that the Corporation did not include a 2014 rental disbursement in the amount of \$3,000 in the 2014 annual financial report. The Corporation then also incorrectly reported this disbursement in the 2015 annual report. Given that the applicable disbursement was paid during 2014, the disbursement should have been reported on the 2014 annual financial report. This resulted in beginning cash and ending expenditures being recorded incorrectly in the 2015 annual financial report. The Corporation should implement procedures to monitor the financial reporting process.
2. Our prior engagement identified that the Corporation did not file its annual report within one hundred twenty days following the last day of the Corporation's fiscal year as required by Ohio Rev. Code Section 1724.05. The Corporation did not file its annual report with the Auditor of State for 2016 and 2015 until October 5, 2017, which was significantly after the required date. Ohio Rev. Code Section 1724.06 states, in part, that if any community improvement corporation fails to prepare an annual financial report as required by section 1724.05 of the Revised Code and to file that report with the auditor of state within ninety days of the time prescribed for that filing by that section, the auditor of state shall certify that fact to the secretary of state. The secretary of state then shall cancel the articles of the community improvement corporation. The Corporation should implement procedures to verify that its annual report is filed by the required date.
3. Our prior engagement identified that the Corporation did not file its annual report in accordance with generally accepted accounting principles (GAAP) as required by Ohio Rev. Code Section 1724.05. The CIC also did not prepare its 2016 and 2015 annual financial report in accordance with GAAP.
4. Our prior engagement identified that the Corporation has been in operation since 1990 but has not obtained tax exempt status in regards to State and Federal taxation. The Corporation's articles of incorporation indicate the organization was established as a tax exempt organization, and the CIC has operated in that manner from its inception. This matter was not corrected for the fiscal years ended December 31, 2016 and 2015.



Dave Yost
Auditor of State

October 20, 2017



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BOTKINS COMMUNITY IMPROVEMENT CORPORATION

SHELBY 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
NOVEMBER 9, 2017**