



Dave Yost • Auditor of State



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North College Hill Community Improvement Corporation
Hamilton County
1500 W. Galbraith Rd.
North College Hill, OH 45231

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the North College Hill Community Improvement Corporation, Hamilton County (the Corporation), for the years ended December 31, 2015 and 2014.

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, 2015 or 2014.

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. The Corporation did not provide us with any cash reconciliations for either year under review.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. The fiscal officer should review transactions recorded since the last reconciliation and prepare cash reconciliations on a regular basis going forward.

Also, the Corporation's small size requires governing board involvement with critical accounting processes (such as bank reconciliations) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

2. Chapter 1724.05 of the Ohio Revised Code (ORC) requires the Corporation to submit a financial statement report in conformance of generally accepted accounting principles within 120 days of fiscal year end to the Auditor of State. The Corporation should file its annual financial statement report in compliance with ORC Section 1724.05. Auditor of State Bulletins 2001-003 and 2015-007 provide additional guidance/clarification on this issue. These bulletins can be found at www.auditor.state.oh.us/publications. The Corporation did not file its financial reports with the Auditor of State by the required date.

3. We identified the following errors in accounting and financial reporting:

- The Corporation received \$197,676 in 2014; however, the Corporation reported receipts of \$197,616 on the 2014 statement of cash flows.

- The Corporation sold property in 2014 and reported on the 2014 statement of cash flows \$197,616 as Principal payments received on lease purchase receivable-land and \$197,616 as Principal payments on loan – building. The Corporation reported neither a lease purchase receivable nor a building loan at December 31, 2013, and did not report an adjustment to the January 1, 2014 balances in the notes to the 2015-2014 financial statements. Also, an August 21, 2014 memo from the administrator of the City of North College Hill to the Corporation describes the transaction “net proceeds from the sale of 1704 W. Galbraith . . . (\$200,000 less closing costs and proration).”

Current Status of Matters we Reported in our Prior Engagement

4. The prior engagement noted that the North College Hill Community Improvement Corporation (Corporation) financial statements as required by the **Ohio Rev. Code § 1724.05** had errors and omissions as the financial statements were not filed timely, did not include Management’s Discussion & Analysis or financial statement footnotes, and did not provide support for the amount reported as loan repayment to the City of North College Hill. The prior engagement also noted the Corporation did not provide us with cash reconciliations. The issues were not fully corrected for the fiscal years ended December 31, 2015 and 2014.



Dave Yost
Auditor of State

Columbus, Ohio

June 1, 2017



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NORTH COLLEGE HILL COMMUNITY IMPROVEMENT CORPORATION

HAMILTON 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
JUNE 15, 2017**