



**MARSHALLVILLE COMMUNITY IMPROVEMENT CORPORATION
WAYNE COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2018-2017

OHIO AUDITOR OF STATE KEITH FABER



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Marshallville Community Improvement Corporation
Wayne County
7 North Main Street
P.O. Box 169
Marshallville, Ohio 44645

We have completed certain procedures in accordance with Ohio Rev. Code §117.01(G) to the accounting records and related documents of the Marshallville Community Improvement Corporation, Wayne County, (the CIC) for the years ended December 31, 2018 and 2017.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code §117.11(A). Because our procedures were not designed to opine on the CIC's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the CIC's financial statements, transactions or balances for the years ended December 31, 2018 and 2017.

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

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. We noted the CIC did not have active status per the Ohio Secretary of State's website. **Ohio Rev. Code §1702.57** states that 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 §1702.06, 1702.59, or 1724.06 of the revised code, or are permitted upon reinstatement by division (C) of §1702.60 of the revised code. The CIC was supposed to submit their continued existence statement by October 31, 2018.

The CIC did not file their certificate of continued existence by October 31, 2018. However, the CIC did file a reinstatement with the Secretary of State on May 24, 2019 and are currently in active status.

2. We noted the CIC did not file their Financial Statements on the Hinkle System in a timely manner. **Ohio Rev. Code §1724.05** states that each community improvement corporation shall prepare an annual financial report that conforms to rules prescribed by the auditor of state pursuant to §117.20 of the Revised Code, that is prepared according to generally accepted accounting principles, and that is certified by the board of directors of the corporation or its treasurer or other chief fiscal officer to the best knowledge and belief of those persons certifying the report. The financial report shall be filed with the auditor of state within one hundred twenty days following the last day of the corporation's fiscal year, unless the auditor of state extends that deadline.

The CIC reported the 2017 and 2018 financial statements on the cash basis of accounting. In addition, the 2017 and 2018 financial statements were not filed until May 3, 2019 which is more than 120 days after fiscal year-end. The deadline was not extended by the Auditor of State.

3. We noted the CIC did not maintain supporting documentation for receipts. **Ohio Rev. Code § 149.351** states in part all records are the property of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of. **Ohio Admin Code §117-2-02** states that all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code. It also states the management of each local public office is responsible for the assertions underlying the information in the public office's financial statements.

Even though the CIC utilizes Quickbooks, there was a lack of supporting documentation for receipts recorded in 2017.

Current Status of Matters Reported in our Prior Engagement

4. In our prior basic audit, we noted the CIC did not file their financial statements on the Hinkle System in a timely manner as noted above under current observation 2.
5. In our prior basic audit, we noted the CIC did not document the performance of a formal bank to book reconciliation process and the CIC did not maintain receipt and expenditure ledgers. No issues were noted during the current procedures.



Keith Faber
Auditor of State

Columbus, Ohio

July 9, 2019

OHIO AUDITOR OF STATE KEITH FABER



MARSHALLVILLE COMMUNITY IMPROVEMENT CORPORATION

WAYNE 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
JULY 30, 2019**