



Dave Yost • Auditor of State



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Madison Community Improvement Corporation
Lake County
P.O. Box 316
Madison, Ohio 44057

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Madison Community Improvement Corporation, Lake 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. We examined the bank reconciliation prepared as of December 31, 2016. There was no documentation of the governing board's review of the bank reconciliations.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending.

Also, the Corporation's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) 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. We examined the HINKLE system filing for the Corporation and noted the Corporation did not file its financial statements (annual report) within one hundred twenty days following the last day of the Corporation's fiscal year for 2016 and 2015, as required by Ohio Rev. Code § 1724.05. Furthermore, the Corporation did not prepare financial statements, including footnotes, in accordance with Generally Accepted Accounting Principles (GAAP) as required by Ohio Rev. Code § 1724.05.

Current Year Observations (Continued)

3. We examined receipt documentation noting there were no records of price points or number of items sold for specific fund raising events. This does not provide proper accountability that cash collections are consistent with prices charged and the number of items sold and could result in all monies not being remitted for deposit. Documentation relating to the receipt should also be kept including ticket stubs or invoices for costs of items bought for re-sale.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 17, 2018



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MADISON COMMUNITY IMPROVEMENT CORPORATION

LAKE 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
MAY 10, 2018**