



Dave Yost • Auditor of State



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Community Improvement Corporation of Lynchburg
Highland County
Lynchburg, Ohio 45142

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Community Improvement Corporation of Lynchburg, Highland 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.

Based on the results of our procedures, we found no significant compliance or accounting issues to report.

Current Year Observations

1. We noted that bank reconciliations were not prepared as of December 31, 2016. Upon inquiry, the fiscal officer verbally reported no revenues, and one expense in the amount of \$1,353.69. There was also no documentation of the governing board review of the bank statements.

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. The fiscal officer should review transactions recorded since the last reconciliation and correct the error.

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. On November 29, 2016, the Corporation expended \$1,353.69 to the local food pantry to close out the Corporation's account. Article V of the Corporation's Articles of Incorporation, requires court approval of the distribution the Corporation's assets upon dissolution. The Corporation did not obtain court approval to distribute the remaining funds.

We recommend the Corporation contact the Secretary of State regarding canceling the Corporation.

Current Status of Matters we Reported in our Prior Engagement

3. Our prior Basic Audit Procedures Report for the years ended December 31, 2014 and 2013 noted the following exception: No bank reconciliation was prepared as of December 31, 2014 and 2013. Revenues of \$643.56 and expenses of \$45.00 were verbally reported by the fiscal officer, upon inquiry. There was also no documentation of the governing board review of the bank statements.

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

Dave Yost
Auditor of State

Columbus, Ohio

October 18, 2017



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**COMMUNITY IMPROVEMENT CORPORATION OF LYNCHBURG
HIGHLAND 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**