



**MARSHALLVILLE COMMUNITY IMPROVEMENT CORPORATION  
WAYNE COUNTY**

**BASIC AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2016-2015**



**Dave Yost • Auditor of State**





# Dave Yost • Auditor of State

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 Section 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, 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 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, 2016 or 2015.

The CIC'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 noted the CIC did not document the performance of a formal bank to book reconciliation process during 2016 and 2015. Furthermore, the CIC did not maintain receipt and expenditure ledgers. The only documentation noted was the bank statements. We were unable to determine the CIC reconciled as of December 31, 2016 and 2015.

Reconciling cash and the maintenance of revenue and expenditure journals are a critical control in ensuring 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 record transactions on a reconciliation for each month.

Also, the CIC'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.

**Current Year Observations (Continued)**

2. We noted the CIC did not file their Financial Statements on the Hinkle System in a timely manner. Ohio Rev. Code Section 117.38 states that each public office shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The AOS may waive these penalties, upon the filing of the past due financial report.

The CIC reports their financial statements on the cash basis of accounting. However, they did not file their 2015 & 2016 annual reports until August 15, 2017, which is more than 60 days after fiscal year-end. By not filing timely, the CIC is subject to penalties.

The CIC should ensure their cash basis report is filed with the Auditor of State by the filing deadline of within 60 days of fiscal year-end.

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

November 1, 2017



# Dave Yost • Auditor of State

**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  
DECEMBER 12, 2017**