



Dave Yost • Auditor of State





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Goshen Community Improvement Corporation  
Clermont County  
4100 Ironledge Ct.  
Loveland, Ohio 45140

To the Board of Trustees:

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Goshen Community Improvement Corporation, Clermont County, Ohio, (the Corporation) for the period January 1, 2017 through February 7, 2018.

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 period January 1, 2017 through February 7, 2018.

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 the following significant compliance or accounting issues to report.

## Current Year Observations

1. **Ohio Rev. Code § 117.38** requires local public offices file their annual financial reports with the Auditor of State. **Ohio Rev. Code § 1724.05**, states each community improvement corporation shall prepare an annual financial report that conforms to rules prescribed by the auditor of state pursuant to **Ohio Rev. Code § 117.20** that is prepared according to generally accepted accounting principles and 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 Sate within one hundred twenty days following the last day of the Corporation's fiscal year, unless the Auditor of State extends that deadline.

The Corporation did not file an annual report for 2017 until September 6, 2018.

We noted the Corporation filed a report for the period January 1, 2018 through February 7, 2018 on September 6, 2018 which was prior to the due date for 2018. The Corporation ceased operations effective February 7, 2018.

This matter was reported in the prior audit of the Corporation for 2016 and 2015.

2. **Ohio Rev. Code § 1702.57** states 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 section 1702.06, 1702.59, or 1724.06 of the Revised Code, or are permitted upon reinstatement by division (C) of section 1702.60 of the Revised Code.

The Ohio Secretary of State canceled the Corporation's articles of incorporation effective November 25, 2015. However, the Corporation had not fully completed its closure.

The Corporation should not have continued operating beyond this date. However, the Corporation completed the disposition of land in 2017 and completed the disposition of cash on hand prior to February 7, 2018. The Corporation ceased operations effective February 7, 2018.

### **Current Status of Matters We Reported in our Prior Engagements**

3. In addition to the annual report matter reported in item 1 above, our prior audit reports for the years ended December 31, 2016 and 2015 and the years ended December 31, 2014 and 2013 included the status of a noncompliance and a control weakness matter reported in our prior audit reports for the years ended December 31, 2012 and 2011 as Finding 2012-001.

We noted in Finding 2012-001 that Representatives of the Goshen Community Improvement Corporation (GCIC) initially represented to the public and to Auditor of State that the entity had changed legal structure; however, representatives of the GCIC subsequently represented to the Auditor of State that the changes were in name only and had no effect on the corporation legal structure. Ultimately, GCIC representatives provided updated representations to the Auditor of State that the actions taken by the GCIC did not change the legal form of the entity from a community improvement corporation to a development corporation named Goshen Community Development Corporation (GCDC).

We also noted that according to the documentation at the Ohio Secretary of State and representations by the GCIC, the GCIC always has been and continues to be a public entity incorporated under Ohio Rev. Code § 1702 and is designated as a community improvement corporation under Ohio Rev. Code § 1724. The GCIC also continues under the same designation number assigned by the Office of the Ohio Secretary of State; and the entity's representatives have indicated the United States Internal Revenue Service 501(c)(3) designation previously secured for the GCIC remains effective for the GCDC. Finally, we note that although the GCIC name was changed to GCDC (a development corporation) the board did not incorporate the Ohio Revised Code sections related to development corporations into the revised articles of incorporation. Community improvement corporations are organized under Ohio Rev. Code sections 1702 and 1724, and are considered public entities. Development corporations are incorporated under chapter 1726 and are not considered public entities.

We previously recommended that the Board of the Corporation take any steps necessary to confirm that the Corporation was organized and operating as a community improvement corporation, was subject to audit by the Auditor of State, and was in compliance with applicable public record and open meeting laws.

The Corporation ceased operations effective February 7, 2018.

4. As noted in step 2 above, we noted that the Ohio Secretary of State canceled the Corporation's articles of incorporation effective November 25, 2015 and the Corporation completed the disposition of land in 2017 and completed the disposition of cash on hand prior to February 7, 2018. The Corporation ceased operations effective February 7, 2018.

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

December 10, 2018

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**GOSHEN COMMUNITY IMPROVEMENT CORPORATION**

**CLERMONT 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 20, 2018**