



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Botkins Community Improvement Corporation
Shelby County
P.O. Box 436
Botkins, Ohio 45306

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Botkins Community Improvement Corporation, Shelby County, (the CIC) for the years ended December 31, 2014 and 2013.

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, 2014 and 2013.

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 examined the bank reconciliation prepared as of December 31, 2014 and noted that it excluded an outstanding check (a reconciling item) of \$3,000 which cleared the bank in January 2015. The fiscal officer reduced expenditures by \$3,000 to balance to the bank statement at year end.

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 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.

2. We examined the annual report prepared for the year ended December 31, 2014 and noted that it did not foot as a \$20 receipt was not included on the report and a rental disbursement in the amount of \$3,000 was not included on the report. The fiscal officer reduced expenditures by \$3,000 to balance to the bank statement (cash) at year end. The fiscal officer should review the annual report to verify that it is mathematical accurate and includes all transactions that occurred during the fiscal year.

Current Status of Matters we Reported in our Prior Engagement

3. Our prior engagement noted that the Botkins Community Improvement Corporation did not prepare its financial statements in accordance with generally accepted accounting principles (GAAP) nor file its financial statements (annual report) within one hundred twenty days following the last day of the corporations fiscal year, as required by **Ohio Rev. Code Section 1724.05**. The CIC has not prepared its 2013 and 2014 report in accordance with GAAP nor has it filed the annual report with the Auditor of State by the required date. The CIC should implement a control, such as a reminder system, to help assure the timely filing of annual financial reports.
4. Our prior engagement also noted that the Botkins Community Improvement Corporation (CIC) has been in operation since 1990 but has not obtained tax exempt status in regards to State and Federal Taxation. The CIC's articles of incorporation indicate the organization was established as a tax exempt organization, and the CIC has operated in that manner from its inception. This matter was not corrected for the fiscal years ended December 31, 2014 and 2013.



Dave Yost
Auditor of State

June 2, 2015



Dave Yost • Auditor of State

BOTKIN COMMUNITY IMPROVEMENT CORPORATION

SHELBY 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
JUNE 16, 2015**