



OHIO AUDITOR OF STATE
KEITH FABER



**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Basic Financial Statements:	
Statement of Net Position - Fiscal Year End December 31, 2018	3
Statement of Revenues, Expenditures and Changes in Net Position Fiscal Year End December 31, 2018.....	4
Statement of Cash Flows - Fiscal Year End December 31, 2018.....	5
Notes to the Basic Financial Statements - Fiscal Year End December 31, 2018.....	7
Statement of Net Position - Fiscal Year End December 31, 2017	11
Statement of Revenues, Expenditures and Changes in Net Position Fiscal Year End December 31, 2017.....	12
Statement of Cash Flows - Fiscal Year End December 31, 2017.....	13
Notes to the Basic Financial Statements - Fiscal Year End December 31, 2017	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19
Schedule of Findings	21

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Wyoming Community Improvement Corporation
Hamilton County
800 Oak Street
Wyoming, Ohio 45215

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming Community Improvement Corporation, Hamilton County, Ohio (the Corporation), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Wyoming Community Improvement Corporation, Hamilton County, Ohio, as of December 31, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Corporation has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2019, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

September 12, 2019

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
ASSETS	
CURRENT ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$23,046
Receivables:	
Accounts	5,903
Prepaid Rent	1,900
Prepaid Maintenance Cost	1,375
TOTAL CURRENT ASSETS	32,224
CAPITAL NONCURRENT ASSETS:	
Land	200,398
Buildings	802,344
Building Improvements	283,675
Security Deposit	2,000
Loan Receivable (400 Wyoming)	149,723
Accumulated Depreciation	(167,147)
TOTAL CAPITAL NONCURRENT ASSETS	1,270,993
TOTAL ASSETS	1,303,217
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	19,180
Security Deposits	16,674
Accrued Expenses	350
LONGTERM LIABILITIES:	
Due within One Year	97,389
Due in more than One Year	514,447
TOTAL LIABILITIES	648,040
NET POSITION	
Net Investment in Capital Assets	659,157
Unrestricted	(3,980)
TOTAL NET POSITION	\$655,177

See accompanying notes to the basic financial statements.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018
OPERATING REVENUES:	
Rental Income	\$81,433
TOTAL OPERATING REVENUE	81,433
OPERATING EXPENSES:	
Facilities and Equipment	70,000
Contract Services	18,676
Depreciation Expense	23,981
Operations	230
Other Expenses	200
TOTAL OPERATING EXPENSES	113,087
OPERATING GAIN (LOSS)	(31,654)
NON-OPERATING REVENUE (EXPENSE)	
Contribution from the City of Wyoming	275,000
Interest Expense	(453)
Gain on Sale of Property	2,557
TOTAL NON-OPERATING REVENUE (EXPENSES)	277,104
Net Change in Position	245,450
Net Position - Beginning of Year	409,727
Net Position - End of Year	\$655,177

See accompanying notes to the basic financial statements.

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
Operating Activities and Non-operating Activities	
Net Income	\$245,450
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	(4,645)
Property Tax Payable	(7,319)
Accrued Expense Payable	(125)
Security Deposits	10,800
Net cash provided by Operating Activities and Non-operating Activities	244,161
Investing Activities	
220 Crescent - Land Purchase	(1,000)
400 Wyoming - Accumulated Depreciation	10,513
400 Wyoming - Capital Improvements	(149,723)
500 Wyoming - Accumulated Depreciation	13,468
Loan to 400 Wyoming Tenant	(149,723)
820 Oak - Purchase	(68,206)
Net cash provided by Investing Activities	(344,671)
Financing Activities	
CIC Loan - 400 Wyoming Avenue	(22,000)
CIC Loan - 400 Wyoming Avenue - 2015	(25,388)
CIC Loan - 400 Wyoming Avenue - 2018	150,000
Net cash provided by Financing Activities	102,612
 Net cash increase for period	 2,102
 Cash at beginning of period	 20,944
 Cash at end of period	 \$23,046

See accompanying notes to the basic financial statements.

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**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Wyoming CIC, Hamilton County, Ohio (the Corporation), is a not-for-Profit organization which derives the major source of its revenues from rental income. The Corporation was established for the economic development of the City of Wyoming. The Corporation works with the City in many aspects of the overall adopted economic development strategy, but its current efforts are focused on bringing more small businesses into the City of Wyoming. The Corporation does not purport to, and does not represent the City of Wyoming, Ohio as of December 31, 2018.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. Accounting Basis

The financial statements consist of a single-purpose business-type activity which is reported on the accrual basis of accounting using the economic resources measurement focus.

The significant accounting policies followed in the preparation of these financial statements conform to generally accepted accounting principles for local governmental unit as prescribed in the statements issued by the Governmental Accounting Standards Board (GAS) and other recognized authoritative sources as applied to governmental non-profit organizations. Under the guidelines of GASB Statement No. 20, the Corporation has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Corporation are classified as unrestricted net assets because they are not subject to imposed stipulations.

The Corporation's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the balances sheet. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its proprietary activities.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The Corporation uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalents

The Corporation maintains their funds in a checking account at a local financial institution.

D. Fund Accounting

The Corporation has one fund and it is classified as a business-type activity.

E. Property, Plant and Equipment

Acquisitions of buildings and building improvements are capitalized. Land is carried at cost. Depreciation is computed using the straight-line method over a useful life of respective assets.

F. Significant Estimates

The preparation of financial statements in conformity with general accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Income Tax

The Corporation has applied to be a not-for-profit tax exempt organization under the Internal Revenue Code Section 501(c)(3). Accordingly, there is no provision for income taxes in these financial statements.

H. Capital Assets

Capital assets utilized by the proprietary funds are reported statement of position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Business-Type Activities Estimated Lives</u>
Commercial Buildings and Improvements	39 Years
Residentia Buildings and Improvements	27.5 Years

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the proprietary fund financial statements.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Corporation, these revenues are rental receipts. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund

2. Deposits and Investments

The Corporation maintains a pool of deposits. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2018</u>
Checking Account	\$23,046

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. Capital Assets

The Corporation's land and buildings are valued at cost and held for lease. Capital asset activity for the years ended December 31, 2018:

	Balance 1/1/2018	Additions	Deductions	Balance 12/31/2018
Capital Assets, not being depreciated:				
Land	\$ 177,156	\$ 23,242	\$ -	\$ 200,398
Subtotal	<u>177,156</u>	<u>23,242</u>	<u>-</u>	<u>200,398</u>
Capital Assets, being depreciated:				-
Buildings	751,379	50,964	-	802,343
Building Improvements	133,952	149,723	-	283,675
Subtotal	<u>885,331</u>	<u>200,687</u>	<u>-</u>	<u>1,086,018</u>
 Total Nondepreciable and Depreciable	 <u>1,062,487</u>	 <u>223,929</u>	 <u>-</u>	 <u>1,286,416</u>
 Less Accumulated Depreciation	 (143,166)	 (23,981)	 -	 (167,147)
 Capital Assets, Net	 <u>\$ 919,321</u>	 <u>\$ 199,948</u>	 <u>\$ -</u>	 <u>\$ 1,119,269</u>

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)**

4. Long-Term Debt

A schedule of changes in loans and long-term obligations of the Corporation during 2018, follows:

	Amount Outstanding 1/1/2018	Additions	Deletions	Amount Outstanding 12/31/2018	Amounts Due in One Year
City of Wyoming Loan - 400 Wyoming Avenue	\$ 110,000	\$ -	\$ 22,000	\$ 88,000	\$ 22,000
City of Wyoming Loan - Second Loan	399,223	-	25,388	373,835	25,388
City of Wyoming Loan - Third Loan	-	150,000	-	150,000	50,000
Total	<u>\$ 509,223</u>	<u>\$ 150,000</u>	<u>\$ 47,388</u>	<u>\$ 611,835</u>	<u>\$ 97,388</u>

During 2012, the City of Wyoming loaned the Corporation \$220,000 with accrued interest to be repaid at a rate of \$22,000 per year over the next 10 years, first payment due during 2013. During 2014, the City of Wyoming loaned the Corporation an additional \$475,387 to be repaid at a rate of \$25,388 per year, first payment due during 2015 with the City holding the option to call the entire loan balance with a 60 day written notice. During 2018, the City of Wyoming loaned the Corporation \$150,000 to be repaid at a rate of \$50,000 per year for the next 3 Years, first payment due during 2019.

Year Ending December 31	City of Wyoming Loan		City of Wyoming Loan #2		City of Wyoming Loan #3		Total
	Principal	Loan	Principal	Interest	Principal	Interest	
2019	\$ 22,000	\$ -	\$ 25,388	\$ -	\$ 50,000	\$ -	\$ 97,388
2020	22,000	-	25,388	-	50,000	-	97,388
2021	22,000	-	25,388	-	50,000	-	97,388
2022	22,000	-	25,388	-			47,388
2023-2027			126,940	-			126,940
2028-2032			126,940	-			126,940
2033-2037			18,403	-			18,403
Totals	<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 373,835</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 611,835</u>

5. Risk Management

Commercial Insurance

The Corporation has obtained comprehensive property and general liability insurance as part of the City's policy through a private carrier.

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017
ASSETS	
CURRENT ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$20,944
Receivables:	
Accounts	1,259
Prepaid Rent	1,900
Prepaid Maintenance Cost	1,375
TOTAL CURRENT ASSETS	25,478
CAPITAL NONCURRENT ASSETS:	
Land	177,156
Buildings	751,379
Building Improvements	133,952
Security Deposit	7,000
Accumulated Depreciation	(143,167)
TOTAL CAPITAL NONCURRENT ASSETS	926,320
TOTAL ASSETS	951,798
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	26,499
Security Deposits	5,874
Accrued Expenses	350
LONGTERM LIABILITIES:	
Due within One Year	47,388
Due in more than One Year	461,835
TOTAL LIABILITIES	541,946
NET POSITION	
Net Investment in Capital Assets	417,098
Unrestricted	(7,371)
TOTAL NET POSITION	\$409,727

See accompanying notes to the basic financial statements.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES
EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017
OPERATING REVENUES:	
Rental Income	\$120,508
TOTAL OPERATING REVENUE	120,508
OPERATING EXPENSES:	
Facilities and Equipment	82,141
Contract Services	14,412
Depreciation Expense	30,891
Operations	210
Other Expenses	200
TOTAL OPERATING EXPENSES	127,854
OPERATING GAIN (LOSS)	(7,346)
NON-OPERATING REVENUE (EXPENSE)	
Contribution from the City of Wyoming	20,000
Interest Expense	(352)
Loss on Sale of Property	(185,921)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(166,273)
Net Change in Position	(173,619)
Net Position - Beginning of Year	583,346
Net Position - End of Year	\$409,727

See accompanying notes to the basic financial statements.

WYOMING COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017
Operating Activities and Non-operating Activities	
Net Income	(\$173,619)
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	2,681
Prepaid Rent	1,500
Property Tax Payable	327
Accrued Expense Payable	25
Security Deposits	18
Net cash provided by Operating Activities and Non-operating Activities	(169,068)
Investing Activities	
1062 Oak Avenue - Accumulated Depereciation	(40,846)
1062 Oak Avenue - Building	144,710
1062 Oak Avenue - Capital Improvements	2,136
1065 Oak Avenue - land	42,790
400 Wyoming - Accumulated Depreciation	10,367
500 Wyoming - Accumulated Depreciation	16,492
522 Wyoming - Land	(461)
820 Oak - Deposit	(5,000)
Net cash provided by Investing Activities	170,188
Financing Activities	
CIC Loan - 400 Wyoming Avenue	(22,000)
CIC Loan - 400 Wyoming Avenue - 2015	(25,388)
Net cash provided by Financing Activities	(47,388)
Net cash increase for period	(46,268)
Cash at beginning of period	67,212
Cash at end of period	\$20,944

See accompanying notes to the basic financial statements.

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**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Wyoming CIC, Hamilton County, Ohio (the Corporation), is a not-for-Profit organization which derives the major source of its revenues from rental income. The Corporation was established for the economic development of the City of Wyoming. The Corporation works with the City in many aspects of the overall adopted economic development strategy, but its current efforts are focused on bringing more small businesses into the City of Wyoming. The Corporation does not purport to, and does not represent the City of Wyoming, Ohio as of December 31, 2017.

The Corporation's management believes these financial statements present all activities for which the Corporation is financially accountable.

B. Accounting Basis

The financial statements consist of a single-purpose business-type activity which is reported on the accrual basis of accounting using the economic resources measurement focus.

The significant accounting policies followed in the preparation of these financial statements conform to generally accepted accounting principles for local governmental unit as prescribed in the statements issued by the Governmental Accounting Standards Board (GAS) and other recognized authoritative sources as applied to governmental non-profit organizations. Under the guidelines of GASB Statement No. 20, the Corporation has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net assets of the Corporation are classified as unrestricted net assets because they are not subject to imposed stipulations.

The Corporation's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the balances sheet. The operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the Corporation finances and meets the cash flow needs of its proprietary activities.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The Corporation uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalents

The Corporation maintains their funds in a checking account at a local financial institution.

D. Fund Accounting

The Corporation has one fund and it is classified as a business-type activity.

E. Property, Plant and Equipment

Acquisitions of buildings and building improvements are capitalized. Land is carried at cost. Depreciation is computed using the straight-line method over a useful life of respective assets.

F. Significant Estimates

The preparation of financial statements in conformity with general accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Income Tax

The Corporation has applied to be a not-for-profit tax exempt organization under the Internal Revenue Code Section 501(c)(3). Accordingly, there is no provision for income taxes in these financial statements.

H. Capital Assets

Capital assets utilized by the proprietary funds are reported statement of position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Business-Type Activities Estimated Lives</u>
Commercial Buildings and Improvements	39 Years
Residential Buildings and Improvements	27.5 Years

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the proprietary fund financial statements.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Corporation, these revenues are rental receipts. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund

2. Deposits and Investments

The Corporation maintains a pool of deposits. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	<u>2017</u>
Checking Account	\$20,944

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. Capital Assets

The Corporation's land and buildings are valued at cost and held for lease. Capital asset activity for the years ended December 31, 2017:

	Balance 1/1/2017	Additions	Deductions	Balance 12/31/2017
Capital Assets, not being depreciated:				
Land	\$ 219,485	\$ 16,841	\$ (59,170)	\$ 177,156
Subtotal	219,485	16,841	(59,170)	177,156
Capital Assets, being depreciated:				-
Buildings	896,089	28,620	(173,330)	751,379
Building Improvements	136,088	-	(2,136)	133,952
Subtotal	1,032,177	28,620	(175,466)	885,331
Total Nondepreciable and Depreciable	1,251,662	45,461	(234,636)	1,062,487
Less Accumulated Depreciation	(157,153)	(30,891)	44,878	(143,166)
Capital Assets, Net	\$ 1,094,509	\$ 14,570	\$ (189,758)	\$ 919,321

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017
(Continued)**

4. Long-Term Debt

A schedule of changes in loans and long-term obligations of the Corporation during 2017, follows:

	Amount Outstanding 1/1/2017	Additions	Deletions	Amount Outstanding 12/31/2017	Amounts Due in One Year
City of Wyoming Loan - 400 Wyoming Avenue	\$ 132,000	\$ -	\$ 22,000	\$ 110,000	\$ 22,000
City of Wyoming Loan - Second Loan	424,611	-	25,388	399,223	25,388
Total	<u>\$ 556,611</u>	<u>\$ -</u>	<u>\$ 47,388</u>	<u>\$ 509,223</u>	<u>\$ 47,388</u>

During 2012, the City of Wyoming loaned the Corporation \$220,000 with accrued interest to be repaid at a rate of \$22,000 per year over the next 10 years, first payment due during 2013. During 2014, the City of Wyoming loaned the Corporation an additional \$475,387 to be repaid at a rate of \$25,388 per year, first payment due during 2015 with the City holding the option to call the entire loan balance with a 60 day written notice.

Year Ending December 31	City of Wyoming Loan		City of Wyoming Loan #2		Total
	Principal	Loan	Principal	Interest	
2018	\$ 22,000	\$ -	\$ 25,388	\$ -	\$ 47,388
2019	22,000	-	25,388	-	47,388
2020	22,000	-	25,388	-	47,388
2021	22,000	-	25,388	-	47,388
2022-2026	22,000	-	126,940	-	148,940
2027-2031			126,940	-	126,940
2032-2036			43,791	-	43,791
Totals	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 399,223</u>	<u>\$ -</u>	<u>\$ 509,223</u>

5. Risk Management

Commercial Insurance

The Corporation has obtained comprehensive property and general liability insurance as part of the City's policy through a private carrier.

OHIO AUDITOR OF STATE KEITH FABER



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Wyoming Community Improvement Corporation
Hamilton County
800 Oak Street
Wyoming, Ohio 45215

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Wyoming Community Improvement Corporation, Hamilton County, (the Corporation) as of and for the year ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 12, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Corporation's Response to Finding

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Corporation's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 12, 2019

**WYOMING COMMUNITY IMPROVEMENT CORPORATION
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

We identified the following conditions related to the Corporation's financial statements at December 31, 2018:

- The Corporation failed to post three payments totaling \$26,359 to the general ledger which resulted in an understatement of the Corporation's operating expenses.
- The Corporation did not post an expense for renovations to 400 Wyoming Avenue building on behalf of the City of Wyoming which resulted in an understatement of \$12,670 in Notes Receivable and \$12,670 in Building improvement expense.
- The Corporation posted \$42,500 to Long Term Liabilities: Due Within One Year which should have been posted to Long Term Liabilities: Due in more than One Year.

The Corporation corrected the financial statements and accounting records where appropriate.

These errors resulted from deficiencies in the Corporation's internal controls over accounting and financial statement preparation. Inaccurate accounting and financial reporting could result in materially misstated financial statements. The Corporation should exercise due care when posting entries to the financial records and annual financial report to prevent errors and to assist in accurately reflecting the Corporation's financial activity in the underlying accounting records and the annual financial statements. We also recommend that management adopt procedures to periodically review posting of activity recorded in the underlying accounting records and in the annual financial statements.

Officials' Response:

We have reviewed, and agree with, the audit findings for the years ending 12/31/18 and 12/31/17. We have taken corrective action to ensure these types of findings don't come up again for the organization. Upon review, we discovered 2 process improvements that we'll be implementing:

1. 2 of the findings resulted from incorrectly dating checks in the accounting system. Checks were written in December, 2018, but entered in January, 2019, and the date of entry, not the date the check was written, was used. Some of these checks cleared in December, and even though a bank reconciliation was performed, this error was not immediately caught. Going forward, we will have the outside accountant review the bank reconciliations to ensure that checks have proper dating in the system.

FINDING NUMBER 2018-001
(Continued)

2. For the finding relating to the current portion of long term debt, this was a miscommunication with our accountant about the payback schedule. In the future, the accountant will communicate with the City's finance manager and ensure that he has a copy of the loan agreements on file.

OHIO AUDITOR OF STATE KEITH FABER



WYOMING COMMUNITY IMPROVEMENT CORPORATION

HAMILTON 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
OCTOBER 15, 2019**