



OHIO AUDITOR OF STATE
KEITH FABER



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Community Improvement Corporation
Athens County
340 W. State Street, Unit 26
Athens, Ohio 45701

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Community Improvement Corporation, Athens County, Ohio (the Corporation), for the years ended January 17, 2019 and December 31, 2018 and 2017.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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 January 17, 2019 and December 31, 2018 and 2017.

The Corporation's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 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 § 1724.05 provides, in part, that each community improvement corporation shall prepare an annual financial report that conforms to rules prescribed by the Auditor of State pursuant to § 117.20 of the Revised Code, that is prepared according to generally accepted accounting principles (GAAP), and that is 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 State 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 failed to file the 2018 financial statements with the Auditor of State within the required time frame or request an extension. Failure to provide the complete required annual financial report limits transparency of the Corporation to the public. The failure to file was due to some confusion resulting from the Corporation voting to dissolve. The Board of Trustees or the Treasurer should certify the annual financial statements and file them with the Auditor of State within one hundred twenty days following the last day of the corporation's fiscal year, unless a waiver is obtained.

Current Year Observations (Continued)

2. The Statement of Financial Position as of December 31, 2019 included \$159,885 which had been assigned to the Economic Development Corporation of Athens County. This should not have been included as an investment of the Corporation. The Statement of Activities for Fiscal Year Ending December 31, 2019 included the following errors:
 - Interest was understated by \$2 relating to the Corporation's certificate of deposit.
 - Operating Expenses were understated by \$15 due to a withdrawal recorded in the wrong year.
 - Net Position, January 1 was understated by \$15 due to a withdrawal recorded in the wrong period.
 - The statement was not mathematically accurate.

The Statement of Financial Position as of December 31, 2018 Cash and Equivalents was understated by \$15 due to a withdrawal recorded in the wrong period. The Statement of Activities for Fiscal Year Ending December 31, 2018 included the following errors:

- Interest was understated by \$22.
- Operating Expenses were understated by \$50 due to a maintenance fee.
- Net Position, December 31 was understated by \$15 due to a withdrawal recorded in the wrong period.
- The statement was not mathematically accurate.

The Statement of Activities for Fiscal Year Ending December 31, 2017 included the following errors:

- Interest was understated by \$6.
- Operating Expenses were understated by \$50 due to a maintenance fee.
- The statement was not mathematically accurate.

The failure to record complete and mathematically accurate information in the annual financial filing obscures the true financial standing of the entity and prevents transparency. The Corporation should review annual financial reports to ensure the information provided is complete and mathematically accurate.

Current Status of Matters Reported in our Prior Engagement

1. The citation of Ohio Rev. Code § 1724.05 reported in the prior engagement was repeated above.
2. The internal control issue reported in the prior year pertaining to mathematical accuracy of the Statement of Activities was repeated above.



Keith Faber
Auditor of State
Columbus, Ohio

October 16, 2019

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY IMPROVEMENT CORPORATION OF ATHENS

ATHENS 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 7, 2019**