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Dave Yost • Auditor of State



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September 24, 2018

Monroe Area Community Improvement Corporation
Butler County
233 S. Main Street
Monroe, Ohio 45050

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Monroe Area Community Improvement Corporation, Butler County, (the CIC) for the years ended December 31, 2017 and 2016.

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, 2017 and 2016. .

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.

Based on the results of our procedures, we found no significant compliance or accounting issues to report.

Current Year Observations

1. We examined the CIC's bank statements and check register throughout each month and ending December 31, 2017 and 2016. Although a yearly reconciliation was performed between bank statements and the check register, separate monthly bank reconciliations were not completed by the CIC. However, the check register did agree with the monthly bank statements when considering outstanding checks. There was no documentation of the governing board review of the bank statements.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. It also provides an accurate presentation of the CIC's cash balance at any given month in order to prevent an overdrawn account.

We recommend the CIC perform monthly bank reconciliations. With the CIC's limited activity, bank reconciliations may be performed on the back of bank statements.

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.

Dave Yost
Auditor of State

August 15, 2018