



OHIO AUDITOR OF STATE
KEITH FABER



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The Perry County Community Improvement Corporation
Perry County
110 North Main Street
New Lexington, Ohio 43764

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of The Perry County Community Improvement Corporation, Perry County, Ohio (the Corporation), for the years ended 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 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. During 2016, the Perry County Community Kitchen and Farmer's Pantry Inc. (the Pantry), a nonprofit corporation, was established. The Corporation was named as the statutory agent within the Pantry's initial articles of incorporation. The Corporation included the bank account balances and financial activity of the Pantry within its annual financial statements; however, the Corporation failed to provide documentation supporting the inclusion (or exclusion) of the Pantry as part of the Corporation's financial reporting entity.

Additionally, the Corporation did not provide sufficient appropriate audit evidence supporting \$5,016 in cash-basis disbursements that occurred during fiscal year 2017 according to the Pantry's bank account statements. The Pantry's bank account was closed during 2018 with the remaining \$294 transferred to the Corporation's bank account. In the absence of supporting documentation, we could not determine whether the transactions related to the Pantry's bank account were made for proper public purposes relating to the Corporation's or Pantry's business.

The Corporation should review the requirements of generally accepted accounting principles to ensure activity is being properly presented within (or excluded from) its financial statements each year. The Corporation should maintain documentation on file supporting this determination has been made. In addition, proper documentation, including but not limited to, invoices, receipts, agreements, bank statements and canceled checks should be maintained and readily available to support the transactions the Corporation's transactions and amounts on the financial statements.

Current Year Observations (Continued)

2. Ohio Revised Code § 1724.05 requires each community improvement corporation to file an annual financial report 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's annual financial report was not filed within the allotted timeframe for the year ended December 31, 2017. The Corporation filed the 2017 annual report on July 12, 2018. Failure to file within ninety days of the prescribed timeframe can result in the Auditor of State certifying the Corporation to the Office of the Secretary of State which may then result in the cancellation of the Corporation's articles of incorporation.

Current Status of Matters Reported in our Prior Engagement

In addition to the matter reported in item Current Year Observations above, our prior audit for the years ended December 31, 2016 and 2015 included an issue regarding the Corporation's failure to maintain a general ledger of receipts and disbursements for all accounts. Furthermore, the prior audit indicated monthly bank reconciliations were not being performed over the Corporation's two bank accounts.

During the current engagement, we noted that the Corporation did not maintain a general ledger of receipts and disbursements for all accounts for the years ended December 31, 2018 and 2017. We noted monthly bank reconciliations were performed for only one of the Corporation's two bank accounts as no evidence was provided for audit to support bank reconciliations were being performed over the Corporation's other account.

The Corporation should maintain a general ledger of receipts and disbursements which incorporates all activity of the Corporation. Bank accounts should be reconciled monthly and presented to the Board for review.



Keith Faber
Auditor of State
Columbus, Ohio

November 4, 2019

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THE PERRY COUNTY COMMUNITY IMPROVEMENT CORPORATION

PERRY 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 19, 2019**