



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Beach City Community Improvement Corporation
Stark County
Beach City, Ohio 44608

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Beach City Community Improvement Corporation, Stark County, (the Corporation) for the years ended December 31, 2021 and 2020.

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 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, 2021 and 2020.

The Corporation'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 the following significant compliance or accounting issues to report.

Current Year Observations

1. Ohio Revised Code § 1724.05 requires each community improvement corporation to file its financial report with the Auditor of State within 120 days following the last day of the corporation's fiscal year. The Auditor of State may extend the deadline for filing a financial report. The Corporation filed their fiscal year 2021 financial reports with the Auditor of State on August 9, 2022; however, the fiscal year 2021 financial report was required to be filed with the Auditor of State on May 2, 2022.

The Corporation should implement controls to help ensure the timely filing of financial reports with the Auditor of State.

2. Segregation of duties provides two significant benefits: (1) a deliberate fraud is more difficult because it requires collusion of two or more persons and (2) it is more likely an error will be detected. Proper segregation of duties is not possible when only one or two people handle all four aspects of the internal control cycle (record keeping, authorization, custody and reconciliation). We identified weakness with receipts because the same person receiving cash, also deposits the cash and records it. In addition, a duplicate receipt book is not used.

Due to the size of the Corporation, segregating every function may not be financially feasible; however, careful consideration of which functions need to be separated should be completed.

Current Status of Matters Reported in our Prior Engagement

3. Our prior audit for the years ended December 31, 2019 and 2018 included a matter of an unsupported adjustment that was not recorded in the check register until July 7, 2020. A similar matter was not identified during the current engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 8, 2022

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BEACH CITY COMMUNITY IMPROVEMENT CORPORATION

STARK COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/22/2022

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This report is a matter of public record and is available online at
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