



OHIO AUDITOR OF STATE
KEITH FABER



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

BASIC AUDIT REPORT

Fayette County Land Reutilization Corporation
Fayette County
Washington Court House, Ohio 43160

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Fayette County Land Reutilization Corporation, Fayette County, (the Corporation) for the years ended December 31, 2023, and 2022.

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, 2023, and 2022.

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. Formal monthly bank to book reconciliations were not prepared or reviewed by the Board during 2023 and 2022. Failure to reconcile monthly increases the possibility that the Corporation will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of formal accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

In addition, the Corporation opened a bank account specifically for a demolition grant in March of 2023; however, they did not include the bank account, in the amount of \$4,504, with the Corporation's fund balance reported in the financial statements filed on the Hinkle System.

The Fiscal Officer should record all transactions and prepare a formal monthly bank to book cash reconciliation, which includes all bank accounts and all fund balances. Variances should be investigated, documented, and corrected. In addition, the Board should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

2. The Corporation received a demolition grant during our audit period. The Corporation is required, per the grant agreement, to record all demo grant receipts and disbursements in a separate special revenue fund specifically for the demo grant.

The Corporation failed to record demo grant money in a separate fund, all transactions were recorded in the general fund.

The Corporation should create a separate special revenue fund specifically for demo grant receipts and disbursements. The Corporation should also incorporate this new fund into its accounting ledgers.

3. **Ohio Rev. Code § 117.38** states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The Corporation's December 31, 2022, annual financial report due by May 1, 2023, was not filed with the Auditor of State until January 3, 2024. The Corporation should implement procedures to verify its annual financial report is filed with the Auditor of State by the required deadline.

Current Status of Matters Reported in our Prior Engagement

1. Our prior audit for the year ended December 31, 2021, included an exception stating that the Corporation did not include footnotes. We observed that footnotes were filed along with the financial statements for 2023 and 2022 in the Hinkle System.



Keith Faber
Auditor of State
Columbus, Ohio

June 24, 2024

OHIO AUDITOR OF STATE KEITH FABER



FAYETTE COUNTY LAND REUTILIZATION CORPORATION

FAYETTE 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 7/9/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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