



**KILLBUCK COMMUNITY IMPROVEMENT CORPORATION
HOLMES COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2018-2017

OHIO AUDITOR OF STATE KEITH FABER



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Killbuck Community Improvement Corporation
Holmes County
Killbuck, Ohio 44637

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

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, 2018 and 2017.

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 the following significant compliance or accounting issues to report.

Current Year Observations

1. We noted the CIC did not file their Financial Statements on the Hinkle System in a timely manner. **Ohio Rev. Code §1724.05** states 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, 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 CIC filed the 2017 financial statements on May 9, 2018 which is more than 120 days after fiscal year-end. The deadline was not extended by the Auditor of State.

Current Status of Matters Reported in our Prior Engagement

1. In addition to the filing of the annual financial report with the Auditor of State matter noted above, we noted the CIC did not document the performance of a formal bank to book reconciliation process during 2016 and 2015. Furthermore, the CIC did not maintain receipt and expenditure ledgers other than a bank account check book register. We were able to determine the CIC did reconcile as of December 31, 2016 and 2015.

Reconciling cash and maintenance of revenue and expenditure journals are a critical control in ensuring all transactions are posted accurately and in proper accounting period.

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 abuse of these reviews may be a material weakness in internal accounting control, resulting in inaccurate cash balances, or even undetected theft.

The CIC utilized Quick Books in 2017 and 2018 and reconciled the bank account to the accounting ledgers each month.



Keith Faber
Auditor of State

Columbus, Ohio

July 31, 2019

OHIO AUDITOR OF STATE
KEITH FABER



KILLBUCK COMMUNITY IMPROVEMENT CORPORATION

HOLMES 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
AUGUST 20, 2019**