



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Wellington Community Improvement Corporation  
Lorain County  
115 Willard Memorial Square  
Wellington, Ohio 44090

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Wellington Community Improvement Corporation, Lorain County, Ohio, (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. **Ohio Rev. Code § 1724.05** requires each community improvement corporation to file their financial statements with the Auditor of State's Office annually. The report must be prepared according to generally accepted accounting principles and filed within 120 days after fiscal year end.

The CIC did not file its 2017 annual report until May 30, 2018, which was after the due date of April 30, 2018.

The CIC should file complete financial statements with the Auditor of State within 120 days after fiscal year end.

2. The CIC did not maintain a detailed expense or revenue ledger in 2017. To prepare the year-end financial statements, the CIC compiled information from the monthly bank statements. Although the CIC did not have a significant amount of activity in 2017, the CIC is susceptible to incorrect financial reporting without maintaining detailed expense and revenue ledgers.

Since the CIC did not maintain any detail accounting ledgers in 2017, there was no book to bank reconciliation performed. The CIC reported the cash balance on their financial statements from the year-end bank statements.

Beginning in May 2018, the CIC began preparing monthly financial statements which included detailed revenue and expense transactions.

**Current Year Observations (continued)**

3. In 2018, the Village of Wellington (the Village) sold property in the Village's industrial park to the CIC for \$1, and in turn the CIC sold said property to a business for development in the amount \$14,206. Per the purchase agreement between the CIC and the Village, and in accordance with the Ohio Revised Code, the CIC remitted the proceeds from the sale back to the Village.

The CIC did not disclose the sale of the property in the notes to their financial statements.

The CIC should ensure future property sales are disclosed in the notes to the financial statements, including the amount and nature of the sale.

**Current Status of Matters Reported in our Prior Engagement**

The prior engagement reported the same observations reported as item numbers one and two of the current year observations. Additionally, the prior engagement noted an unsupported account receivable of \$14,000 reported on the 2015 and 2016 financial statements. This receivable was subsequently removed from the CIC's financial statements by management.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 30, 2019

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**WELLINGTON COMMUNITY IMPROVEMENT CORPORATION**

**LORAIN 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 13, 2019**