



OHIO AUDITOR OF STATE
KEITH FABER



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City of Mentor, Ohio Lake County Communities
Energy Special Improvement District
Lake County
8500 Civic Center Boulevard,
Mentor, Ohio 44060

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the City of Mentor, Ohio Lake County Communities Energy Special Improvement District, Lake County, Ohio, (the District) 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 District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2018 and 2017.

The District'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 § 117.38** requires local public offices file their annual financial reports with the Auditor of State. **Auditor of State Bulletin 2015-007** indicates Special Improvement District's organized under Ohio Rev. Code § 1710 are subject to these filing requirements and have 60 days following fiscal year-end to complete their submission. The District did not file their December 31, 2017 year-end financial report until January 28, 2019.

We recommend the District file appropriate annual reports with the Auditor of State within the required timeframe as required.

2. We examined the bank reconciliation which was documented on the December 31, 2018 bank statement, and compared the reconciled cash balance to the cash balance documented within the financial report filed on the Hinkle System. We observed the year end cash balance on the financial statements was documented as \$8,586; however the reconciled bank statement balance was \$7,139. We inquired with management regarding this difference and were informed the total annual disbursements recorded in the financial statements were understated \$1,447 due to a computation error. After accounting for the additional disbursements, we were able to agree the District's cash balance to its bank reconciliation.

Current Year Observations – (Continued)

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The Director should ensure its reconciled cash balance corresponds with its annual financial report.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

April 17, 2019

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**CITY OF MENTOR OHIO LAKE COUNTY COMMUNITIES ENERGY SPECIAL
IMPROVEMENT DISTRICT
LAKE 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
MAY 9, 2019**