



**UNION COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF UNION COUNTY)
UNION COUNTY**

INITIAL AUDIT

**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 AND THE PERIOD ENDED
DECEMBER 31, 2016**

**UNION COUNTY LAND REUTILIZATION CORPORATION
UNION COUNTY
DECEMBER 31, 2018, 2017, AND 2016**

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UNION COUNTY LAND REUTILIZATION CORPORATION
UNION COUNTY
DECEMBER 31, 2018, 2017, AND 2016

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INDEPENDENT AUDITOR'S REPORT

Union County Land Reutilization Corporation
Union County
233 W. Sixth Street
Marysville, Ohio 43040

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Union County Land Reutilization Corporation, Union County, Ohio (the Corporation), a component unit of Union County, Ohio, as of and for the years ended December 31, 2018 and 2017, and the period ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Union County Land Reutilization Corporation, Union County, Ohio, as of December 31, 2018, 2017, and 2016, and the respective changes in its financial position thereof for the years and period then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2019, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

September 19, 2019

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2018

The discussion and analysis of the Union County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The Corporation acquired 2 properties in 2018
- The Corporation initiated demolition of a former gas station in 2018
- The Corporation was awarded a Grant of \$211,000 in 2018 (spending 2019) for remediation and tank removal
- Opening Cash and assets for 2018 was \$49,148; Closing Cash and asset Balance as of 12-31-2018 was \$50,230
- There were no outstanding liabilities as of 12-31-2018

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation. Presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. The Statement of Activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position for the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

**Union County Land Reutilization Corporation
Union County, Ohio**

Management's Discussion and Analysis
For the Year Ended December 31, 2018

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

The presentation for the Corporation's only fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The general fund is reported using modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the Corporation's government constituents. The relationship (or difference) between governmental activities (reported on the Statement of Net Position and the Statement of Activities) and the general fund is reconciled in the financial statements.

The Union County Land Reutilization Corporation as a whole:
Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2018 compared to 2017:

**Table 1
Net Position**

	2017	2018
ASSETS		
Current and Other Assets	\$ 49,148	\$ 50,230
Total Assets	\$ 49,148	\$ 50,230
 NET POSITION		
Unrestricted	\$ 49,148	\$ 50,230
Total Net Position	\$ 49,148	\$ 50,230

Current cash and other assets increased \$1,082 over 2017. All of the assets currently consist of Cash on deposit in the primary checking account. The only activities in 2018 were D&O insurance \$807, contracting demolition fees of \$17,850, Phase I and asbestos survey fees of \$6,900, and recording fees of \$90, offset by earned interest of \$82 and the sale of scrap of \$1,000.

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2018

Table 2 provides a summary of the Corporation's changes in net position for 2018:

	2017	2018
REVENUES		
<i>General Revenues:</i>		
Intergovernmental	\$ -	\$ 25,647
Other	\$ 49	\$ 1,082
Total General Revenues	\$ 49	\$ 26,729
PROGRAM EXPENSES		
Professional and contract expenses	\$ -	\$ 24,750
Administration	\$ 905	\$ 897
Total Program Expenses	\$ 905	\$ 25,647
Increase (Decrease) in Net Position	\$ (856)	\$ 1,082
Net Position Beginning of Year	\$ 50,004	\$ 49,148
Net Position at End of Year	\$ 49,148	\$ 50,230

Intergovernmental revenues for 2018 consisted of DTAC funding from the County Auditor and reimbursement for demolition costs from the City of Marysville. Other revenues consisted of interest during 2018 of \$82 and sale of scrap \$1,000. Program expenditures consisted of D&O Insurance of \$807, recording fees \$90, and contracting demolition fees of \$17,850 and Phase I and asbestos survey fees of \$6,900.

Budgeting

A summary budget for 2018 was presented to the Board of Directors in 2018 in accordance with the Corporation's Code of Regulations. The budget was predicated on the acquisition and destruction of properties by the Union County Land Reutilization Board and the development of a basic set of guiding principles based on planned revenues, proceeds from sales of assets, and anticipated expenditures.

Capital Assets

As of December 31, 2018 the Corporation has no capital assets.

Debt

As of December 31, 2018 the Corporation has no debt.

**Union County Land Reutilization Corporation
Union County, Ohio**

Management's Discussion and Analysis
For the Year Ended December 31, 2018

Current Financial Related Activities

The Corporation has been designated by Union County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Union County. Marysville, Ohio, the largest incorporated legal subdivision in Union County, has also designated the Corporation as its agent for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax foreclosed and other real property of its legal incorporated boundaries. Principle operating revenues of the Corporation were the transfer of delinquent real estate tax collection (DTAC) funds from Union County's Treasurer to the Corporation.

Contacting the Corporation's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Union County Treasurer, Chairman, Union County Land Reutilization Corporation, 233 W. 6th Street, Marysville, Ohio 43040.

**Union County Land Reutilization Corporation
Union County, Ohio**

**Statement of Net Position
For Year Ended: December 31, 2018**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 50,230
Total Assets	<u>\$ 50,230</u>
NET POSITION	
Unrestricted	\$ 50,230
Total Net Position	<u><u>\$ 50,230</u></u>

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Statement of Activities
For Year Ended: December 31, 2018**

	<u>Governmental Activities</u>
Expenses:	
Professional Contract Services	\$ 24,750
Administration	\$ 897
Total Program Expenses	<u>\$ 25,647</u>
General Revenues:	
Intergovernmental	\$ 25,647
Other	\$ 1,082
Total General Revenues	<u>\$ 26,729</u>
(Decrease) Increase in Net Position	\$ 1,082
Net Position Beginning of Year	<u>\$ 49,148</u>
Net Position End of Year	<u><u>\$ 50,230</u></u>

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Balance Sheet - Governmental Fund
For Year Ended: December 31, 2018**

	<u>General Fund</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 50,230
Total Assets	<u>\$ 50,230</u>
Fund Balance	
Unassigned	\$ 50,230
Total Fund Balance	<u>\$ 50,230</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 50,230</u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
For Year Ended: December 31, 2018

Total Governmental Fund Balance	\$	50,230
Net Position of Governmental Activities	\$	50,230

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Statement of Revenues, Expenditures and Change in Fund
Balance: Governmental Fund
For Year Ended: December 31, 2018

	General
REVENUES	
<i>General Revenues:</i>	
Intergovernmental	\$ 25,647
Other	\$ 1,082
Total General Revenues	\$ 26,729
EXPENDITURES	
Current:	
General Government:	
Professional and contract expenses	\$ 24,750
Administration	\$ 897
Total Program Expenses	\$ 25,647
 Net Change in Fund Balance	 \$ 1,082
 Fund Balance (Deficit) at Beginning of Year	 \$ 49,148
 Fund Balance (Deficit) at End of Year	 \$ 50,230

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For Year Ended: December 31, 2018

Net Change in Fund Balance - Total Governmental Fund	\$	1,082
Change in Net Position of Governmental Activities	\$	<u>1,082</u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity and Basis of Presentation

Union County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on November 17, 2016 by the Board of County Commissioners of Union County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a 5 member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, and a real estate representative.

The Corporation is classified as a component unit of Union County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No.61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriffs Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statement of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of , or provide financial support to the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Corporation's accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements distinguish between those activities of the Corporation that are considered governmental and those that are business-type activities. The Corporation, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. The Corporation has no program revenues in 2018. Revenues which are not classified as program revenues are presented as general revenues of the corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program self-finances or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restriction or limitations.

For financial statement purposes, the Corporation's fund is classified as governmental fund.

Government Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as the fund balance. The following is the Corporation's only governmental fund:

General Fund – The general fund accounts for all financial resources that are received from all County sources, including but not limited to the County Auditor and Treasurer if approved by the Union County Board of Commissioners which approved an additional 5% DTAC allocation calculated by the County Auditor after the 1st and 2nd half collections. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources with a measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statement for the general fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records, and when they are reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transaction, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, includes grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, interest and grants revenue sources are considered to be both measurable and available at year-end.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive may sell any stock given to the Corporation immediately upon receipt by the Corporation or may retain it as an asset of the Corporation.

The Corporation shall accept contributions for goods or services, other than cash, that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

In 2018, the Corporation received donations of \$0 in cash or value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future periods and will not be recognized as an inflow of resources (revenue) until that time.

Expense/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

For the year ended December 31, 2018 there was an operating budget approved by the Board of Directors. The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Code of Regulations.

The budget is compiled by the Finance Director and the President.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed other
- Liabilities: current, and long term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The Board of Directors, the Finance Director, or the President may request or require organizational budget changes when material changes in plans, transaction amount, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. The President is authorized to transfer monies between line items in the Corporation's operating budget.

Cash and Cash Equivalents

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained thru the Corporation's records. The Corporation had no investments during the year or at the end of the year. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statement as cash equivalents. As of December 31, 2018 the Corporation had \$50,230 of unrestricted cash on hand.

Prepaid items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year it which the services are consumed. As of December 31, 2018 the Corporation had \$0 prepaid items.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of purchase or donation plus any cost of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property. As of December 31, 2018 the Corporation had \$0 Assets Held for Resale.

Capital Assets

The Corporation's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statement of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Corporation maintains a capitalization threshold of \$1,000.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for assets with a useful life of 5-10 years. For the year-ended December 31, 2018 the Corporation had \$0 capital assets.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences (which there are none) and claims and judgements (which there are none) are reported as a liability in the fund financial statement only to the extent payments come due each period upon the occurrence of employee resignations and retirements; and it is noted that there are currently no employees. As of December 31, 2018 the Corporation had \$0 Accrued Liabilities and Long-Term Obligations

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Compensated Absences

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences* as interpreted by Interpretation No. 6 of the GASB, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits thru paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. The Corporation as of December 31, 2018 had no employees nor any liability for compensated absences.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables, or from the sale of those properties is restricted, committed, or assigned.

Restricted - Fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the President to assign fund balance.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation may receive operating income through Union County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263 these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request. During fiscal year 2018, the Corporation requested, the County Commissioners approved, and the Corporation received an additional 5% DTAC allocation calculated by the County Auditor, amounting to \$13,272 of intergovernmental revenue. The Corporation also received \$12,375 from the City of Marysville as reimbursement per an agreement to split the costs of the assessment demolition of a former gas station.

Operating Grants

The Corporation may participate in programs administered by the Ohio Housing Finance Agency, BUSTR, or a number of Federal or State of Ohio community improvement grants. Revenues received from such programs are recognized as operating revenue in the accounting period in which all eligibility requirements have been met. As of December 31, 2018 there was \$0 operating revenue attributed to Operating Grants.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items in 2018.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 3 - Deposits and Investments

Monies held by the Corporation are classified by State Statute into two categories: active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the Corporation treasury. Active monies must be maintained either as cash in the Corporation treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection for the Corporation's deposits is provided by Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Monies held by the Corporation, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in specified securities provided a written investment policy has been filed with the Ohio Auditor of State. As of December 31, 2018 the Union County Land Reutilization Corporation did not have an investment policy filed with the Auditor of State and all monies were deposited with a Bank certified as a depository for public funds. The amount deposited is FDIC insured.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of Corporation's fund shall be required to pledge security for repayment of all public moneys. The Corporation has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Treasurer or an agent designated by the Treasurer.

Cash on Hand at December 31, 2018 was \$0: all cash was on deposit with a public depository.

Deposits – At December 31, 2018 the carry amount of the Corporation's deposits was \$0 and the bank balance was \$50,230, all of which was covered by Federal Deposit Insurance.

Note 4 -Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; error and omissions; injuries to the general public; and natural disasters if the Corporation has physical assets. As of December 31, 2018 the Corporation had no physical assets that would be risk exposed. The Corporation is the beneficial owner of 2 vacant parcels acquired in the Treasurer's foreclosure process. All liquid assets consisted of cash on deposit with public depositories. The Corporation began maintaining insurance coverage with an independent third party for directors' and officers' liability and entity liability insurance on April 20, 2017. There were no settled claims from these risks that have exceeded commercial insurance coverage since the coverage was established, nor has insurance coverage been significantly reduced from the prior year.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 5 Capital Assets:

A summary of changes in capital assets during 2018 follows:

	Balance <u>12/31/2017</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/2018</u>
Total Capital Assets	\$0	\$0	\$0	\$0
Accumulated Depreciation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Capital Assets, Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Note 6 - Employee Benefits

As of December 31, 2018 the Corporation had no employees.

Note 7 – Receivables

As of December 31, 2018 the Corporation had no Receivables.

Note 8 – Line of Credit

As of December 31, 2018 the Corporation had no outstanding lines of credit.

Note 9 – Long Term Obligations

As of December 31, 2018 the Corporation had no Long Term Obligations.

Note 10 – Fund Balance

Fund Balance can be classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed by upon the use of the resources in governmental funds. The constraints placed on fund balance for the governmental fund is presented below:

<u>Fund Balance</u>	General <u>Fund</u>
Unassigned	<u>\$50,230</u>
	<u><u>\$50,230</u></u>

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2017

The discussion and analysis of the Union County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- The identified 6 properties to initiate actions upon approval by the Board
- The Corporation had minimal financial activity during 2017
- Interest earnings of \$49 during 2017
- Opening Cash and assets for 2017 was \$50,004; Closing Cash and asset Balance as of 12-31-2017 was \$49,148
- There were no outstanding liabilities as of 12-31-2017

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation. Presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. The Statement of Activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position for the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

**Union County Land Reutilization Corporation
Union County, Ohio**

Management's Discussion and Analysis
For the Year Ended December 31, 2017

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

The presentation for the Corporation's only fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The general fund is reported using modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the Corporation's government constituents. The relationship (or difference) between governmental activities (reported on the Statement of Net Position and the Statement of Activities) and the general fund is reconciled in the financial statements.

The Union County Land Reutilization Corporation as a whole:
Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2017 compared to 2016:

**Table 1
Net Position**

	2016	2017
ASSETS		
Current and Other Assets	\$ 50,004	\$ 49,148
Total Assets	\$ 50,004	\$ 49,148
 NET POSITION		
Unrestricted	\$ 50,004	\$ 49,148
Total Net Position	\$ 50,004	\$ 49,148

Current cash and other assets decreased \$856 over 2017. All of the assets currently consist of Cash on deposit in the primary checking account. The only activities in 2017 were the purchase of checks and D&O insurance offset by earned interest of \$49.

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2017

Table 2 provides a summary of the Corporation's changes in net position for 2017:

	<u>2016</u>	<u>2017</u>
REVENUES		
<i>General Revenues:</i>		
Intergovernmental	\$ 50,000	\$ -
Other	\$ 4	\$ 49
Total General Revenues	<u>\$ 50,004</u>	<u>\$ 49</u>
PROGRAM EXPENSES		
Administration	\$ -	\$ 905
Total Program Expenses	<u>\$ -</u>	<u>\$ 905</u>
Increase (Decrease) in Net Position	<u>\$ 50,004</u>	<u>\$ (856)</u>
Net Position Beginning of Year	\$ -	\$ 50,004
Net Position at End of Year	<u><u>\$ 50,004</u></u>	<u><u>\$ 49,148</u></u>

There were no intergovernmental revenues in 2017. Revenues consisted of \$49 in earned interest during 2017. Program expenditures consisted of supply purchases and insurance.

Budgeting

A summary budget for 2017 was presented to the Board of Directors in 2017 in accordance with the Corporation's Code of Regulations. The budget was predicated on the acquisition and destruction of properties by the Union County Land Reutilization Board and the development of a basic set of guiding principles based on planned revenues, proceeds from sales of assets, and anticipated expenditures.

Capital Assets

As of December 31, 2017 the Corporation has no capital assets.

Debt

As of December 31, 2017 the Corporation has no debt.

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Year Ended December 31, 2017

Current Financial Related Activities

The Corporation has been designated by Union County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Union County. Marysville, Ohio, the largest incorporated legal subdivision in Union County, has also designated the Corporation as its agent for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax foreclosed and other real property of its legal incorporated boundaries. Principle operating revenues of the Corporation were the transfer of delinquent real estate tax collection (DTAC) funds from Union County's Treasurer to the Corporation.

Contacting the Corporation's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Union County Treasurer, Chairman, Union County Land Reutilization Corporation, 233 W. 6th Street, Marysville, Ohio 43040.

**Union County Land Reutilization Corporation
Union County, Ohio**

**Statement of Net Position
For Year Ended: December 31, 2017**

	<u>Governmental Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 49,148
Total Assets	<u>\$ 49,148</u>
NET POSITION	
Unrestricted	\$ 49,148
Total Net Position	<u><u>\$ 49,148</u></u>

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Statement of Activities
For Year Ended: December 31, 2017**

	Governmental Activities
Expenses:	
Administration	\$ 905
Total Program Expenses	\$ 905
General Revenues:	
Other	\$ 49
Total General Revenues	\$ 49
(Decrease) Increase in Net Position	\$ (856)
Net Position Beginning of Year	\$ 50,004
Net Position End of Year	\$ 49,148

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Balance Sheet - Governmental Fund
For Year Ended: December 31, 2017**

	<u>General Fund</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 49,148
Total Assets	<u>\$ 49,148</u>
Fund Balance	
Unassigned	\$ 49,148
Total Fund Balance	<u>\$ 49,148</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 49,148</u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
For Year Ended: December 31, 2017

Total Governmental Fund Balance	\$	49,148
Net Position of Governmental Activities	\$	49,148

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Statement of Revenues, Expenditures and Change in Fund
Balance: Governmental Fund
For Year Ended: December 31, 2017

	General
REVENUES	
<i>General Revenues:</i>	
Other	\$ 49
Total General Revenues	\$ 49
EXPENDITURES	
Current:	
General Government:	
Administration	\$ 905
Total Program Expenses	\$ 905
Net Change in Fund Balance	\$ (856)
Fund Balance (Deficit) at Beginning of Year	\$ 50,004
Fund Balance (Deficit) at End of Year	\$ 49,148

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For Year Ended: December 31, 2017

Net Change in Fund Balance - Total Governmental Fund	\$ (856)
Change in Net Position of Governmental Activities	<u><u>\$ (856)</u></u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 1 –Description of Reporting Entity

Union County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on November 17, 2016 by the Board of County Commissioners of Union County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a 5 member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, and a real estate representative.

The Corporation is classified as a component unit of Union County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No.61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriffs Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statement of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of , or provide financial support to the organization; or the Corporation is obligate for the debt of the organization. Component units may also include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Corporation's accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements distinguish between those activities of the Corporation that are considered governmental and those that are business-type activities. The Corporation, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. The Corporation has no program revenues in 2017. Revenues which are not classified as program revenues are presented as general revenues of the corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restriction or limitations.

For financial statement purposes, the Corporation's fund is classified as governmental.

Government Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund – The general fund accounts for all financial resources that are received from all County sources, including but not limited to the County Auditor if approved by the Union County Board of Commissioners to allocate an additional 5% DTAC allocation (not implemented in 2017). The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statement for the general fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transaction, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, includes grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, interest and grants revenue sources are considered to be both measurable and available at year-end.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive may sell any stock given to the Corporation immediately upon receipt by the Corporation or may retain it as an asset of the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must reviewed and approved by the Board of Directors before acceptance.

In 2017, the Corporation received donations of \$0 in cash or value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Expense/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

For the year ended December 31, 2017 there was no operating budget. Additionally, due to the timing of the establishment of the Corporation, there is no approved 2017 operating budget. For 2018 and going forward the budgetary process that is followed by the Corporation is for control purposes and is set forth in its Code of Regulations. The 2018 operating budget was approved at the 1st meeting of the Board of Directors in 2018. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decision for the organization.

The budget is compiled by the Finance Director and the President.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed other
- Liabilities: current, and long term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The Board of Directors, the Finance Director, and the President may request or require organizational budget changes when material changes in plans, transaction amount, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. The Executive Director is authorized to transfer monies between line items in the Corporation's operating budget.

Cash and Cash Equivalents

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained thru the Corporation's records. The Corporation had no investments during the year or at the end of the year. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statement as cash equivalents. As of December 31, 2017 the Corporation had \$49,148 of unrestricted cash on hand.

Prepaid items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year it which the services are consumed. As of December 31, 2017 the Corporation had \$0 prepaid items.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of purchase or donation plus any cost of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property. As of December 31, 2017 the Corporation had \$0 Assets Held for Resale.

Capital Assets

The Corporation's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statement of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Corporation maintains a capitalization threshold of \$1,000.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for assets with a useful life of 5-10 years. For the year-ended December 31, 2017 the Corporation had \$0 capital assets.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences (which there are none) and claims and judgements (which there are none) are reported as a liability in the fund financial statement only to the extend payments come due each period upon the occurrence of employee (there are no employees) of employee resignations and retirements. As of December 31, 2017 the Corporation had \$0 Accrued Liabilities and Long-Term Obligations.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Compensated Absences

The Corporation reports compensated absences in accordance with the provision of GASB No. 16, *Accounting for Compensated Absences* as interpreted by Interpretation No.6 of the GASB, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits thru paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. The Corporation as of December 31, 2017 had no employees nor any liability for compensated absences.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables, or from the sale of those properties is restricted, committed, or assigned.

Restricted - Fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation may receive operating income through Union County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263 these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request. As of December 31, 2017, the Corporation has not made a written request for such Intergovernmental Revenue.

Operating Grants

The Corporation may participate in programs administered by the Ohio Housing Finance Agency, BUSTR, or a number of Federal or State of Ohio community improvement grants. Revenues received from such programs are recognized as operating revenue in the accounting period in which all eligibility requirements have been met. As of December 31, 2017 there was \$0 operating revenue attributed to Operating Grants.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items in 2017.

Note 3 - Deposits and Investments

Monies held by the Corporation are classified by State Statute into two categories: active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the Corporation treasury. Active monies must be maintained either as cash in the Corporation treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Protection for the Corporation’s deposits is provided by Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Monies held by the Corporation, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in specified securities provided a written investment policy has been filed with the Ohio Auditor of State. As of December 31, 2017 the Corporation did not have an investment policy filed with the Auditor of State and all monies were deposited with a Bank certified as a depository for public funds. The amount deposited is FDIC insured.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of Corporation’s fund shall be required to pledge security for repayment of all public moneys. The Corporation has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Treasurer or an agent designated by the Treasurer.

Cash on Hand at December 31, 2017 was \$0, all cash was on deposit with a public depository.

Deposits – At December 31, 2017 the carry amount of the Corporation’s deposits was \$49,148 and the bank balance was \$49,148, all of which was covered by Federal Deposit Insurance.

Note 4 -Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; error and omissions; injuries to the general public; and natural disasters if the Corporation has physical assets. As of December 31, 2017 the Corporation had no physical assets. All assets consisted of cash on deposit with public depositories. The Corporation began maintaining insurance coverage with an independent third party for directors’ and officers’ liability insurance on April 20, 2017. There were no settled claims from these risks that have exceeded commercial insurance coverage since the coverage was established.

Note 5 Capital Assets:

A summary of changes in capital assets during 2017 follows:

	Balance <u>12/31/2016</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/2017</u>
Total Capital Assets	\$0	\$0	\$0	\$0
Accumulated Depreciation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Capital Assets, Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

Note 6 - Employee Benefits

As of December 31, 2017 the Corporation had no employees.

Note 7 – Receivables

As of December 31, 2017 the Corporation had no Receivables.

Note 8 – Line of Credit

As of December 31, 2017 the Corporation had no outstanding lines of credit.

Note 9 – Long Term Obligations

As of December 31, 2017 the Corporation had no Long Term Obligations.

Note 10 – Fund Balance

Fund Balance can be classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed by upon the use of the resources in governmental funds. The constraints placed on fund balance for the governmental fund is presented below:

<u>Fund Balance</u>	General
Unassigned	<u>Fund</u>
	<u>\$49,148</u>
	<u><u>\$49,148</u></u>

Union County Land Reutilization Corporation
Union County, Ohio

Management's Discussion and Analysis
For the Period Ended December 31, 2016

The discussion and analysis of the Union County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the period ended December 31, 2016. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- Union County established a Land Reutilization Corporation during 2016
- The Corporation received initial funding of \$50,000 from the County Treasurer's DTAC fund in November 2016
- Interest earnings of \$4 during 2016
- Opening Cash and assets for 2016 was \$0; Closing Cash and asset Balance as of 12-31-2016 was \$50,004.
- There were no outstanding liabilities as of 12-31-2016

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation, presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. The Statement of Activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position for the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

**Union County Land Reutilization Corporation
Union County, Ohio**

Management's Discussion and Analysis
For the Period Ended December 31, 2016

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

The presentation for the Corporation's only fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The general fund is reported using modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the Corporation's government constituents. The relationship (or difference) between governmental activities (reported on the Statement of Net Position and the Statement of Activities) and the general fund is reconciled in the financial statements.

The Union County Land Reutilization Corporation as a whole:
Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2016 (initial year):

**Table 1
Net Position**

	<u>2016</u>
ASSETS	
Current and Other Assets	<u>\$ 50,004</u>
Total Assets	<u>\$ 50,004</u>
NET POSITION	
Unrestricted	<u>\$ 50,004</u>
Total Net Position	<u><u>\$ 50,004</u></u>

Current cash and other assets totaled \$50,004 at December 31, 2016. All of the assets currently consist of Cash on deposit in the primary checking account. There were no other activities in 2016 other than initial funding by Union County Treasurer of \$50,000. The remaining cash was interest earned during the period 11-30-2016 to 12-31-2016.

**Union County Land Reutilization Corporation
Union County, Ohio**

Management's Discussion and Analysis
For the Period Ended December 31, 2016

Table 2

REVENUES

General Revenues:

Intergovernmental	\$ 50,000
Other	<u>\$ 4</u>
Total General Revenues	<u><u>\$ 50,004</u></u>

Increase (Decrease) in Net Position \$ 50,004

Net Position Beginning of Year \$ -

Net Position at End of Year \$ 50,004

Intergovernmental Revenues consisted of initial funding from the Union County Treasurer's DTAC fund, other revenues consisted of \$4 of interest on deposits for a period of 31 days.

Budgeting

There are no budgetary requirements for the Corporation identified in the Ohio Revised Code. However, the Corporation's Code of Regulations establishes the requirement to prepare an annual budget estimating the revenues and expenditures of the Corporation for the next subsequent fiscal year to be adopted prior to the end of the fiscal year to be adopted prior to the year such budget will be effective. Additionally, for 2017, the Corporation's Board of Directors Union County Land Reutilization Board will develop a basic set of guiding principles based on planned revenues, proceeds from sales of assets, and anticipated expenditures.

Capital Assets

As of December 31, 2016 the Corporation has no capital assets.

Debt

As of December 31, 2016 the Corporation has no debt.

Current Financial Related Activities

The Corporation has been designated by Union County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Union County. Marysville, Ohio, the largest incorporated legal subdivision in Union County, has also designated the Corporation as its agent for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax foreclosed and other real property of its legal incorporated boundaries. Principle operating revenues of the Corporation were the transfer of delinquent real estate tax collection (DTAC) funds from Union County's Treasurer to the Corporation.

Contacting the Corporation's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Union County Treasurer, Chairman, Union County Land Reutilization Corporation, 233 W. 6th Street, Marysville, Ohio 43040.

Union County Land Reutilization Corporation
Union County, Ohio

Statement of Net Position
For Period Ended: December 31, 2016

	<u>Governmental</u> <u>Activities</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 50,004
Total Assets	<u>\$ 50,004</u>
NET POSITION	
Unrestricted	\$ 50,004
Total Net Position	<u><u>\$ 50,004</u></u>

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Statement of Activities
For Period Ended: December 31, 2016**

	Governmental Activities
Expenses:	
Total Program Expenses	\$ -
 General Revenues:	
Intergovernmental	\$ 50,000
Other	\$ 4
Total General Revenues	\$ 50,004
 (Decrease) Increase in Net Position	\$ 50,004
 Net Position Beginning of Year	\$ -
 Net Position End of Year	\$ 50,004

See accompanying notes to the financial statements

**Union County Land Reutilization Corporation
Union County, Ohio**

**Balance Sheet - Governmental Fund
For Period Ended: December 31, 2016**

	<u>General Fund</u>
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 50,004
Total Assets	<u>\$ 50,004</u>
Fund Balance	
Unassigned	\$ 50,004
Total Fund Balance	<u>\$ 50,004</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 50,004</u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
For Period Ended: December 31, 2016

Total Governmental Fund Balance	\$	50,004
Net Position of Governmental Activities	\$	50,004

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Statement of Revenues, Expenditures and Change in Fund
Balance: Governmental Fund
For Period Ended: December 31, 2016

	General
REVENUES	
Intergovernmental	\$ 50,000
Other	\$ 4
Total General Revenues	\$ 50,004
Expenditures	
Current:	\$ -
General Government	\$ -
Total Expenditures	\$ -
Net Change in Fund Balance	\$ 50,004
Fund Balance (Deficit) at Beginning of Year	\$ -
Fund Balance (Deficit) at End of Year	\$ 50,004

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For Period Ended: December 31, 2016

Net Change in Fund Balance - Total Governmental Fund	\$	50,004
Change in Net Position of Governmental Activities	\$	<u>50,004</u>

See accompanying notes to the financial statements

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Note 1 – Description of Reporting Entity

Union County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on November 17, 2016 by the Board of County Commissioners of Union County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a 5 member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, and a real estate representative.

The Corporation is classified as a component unit of Union County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No.61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriffs Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statement of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of , or provide financial support to the organization; or the Corporation is obligate for the debt of the organization. Component units may also include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Corporation's accounting policies are described below.

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements distinguish between those activities of the Corporation that are considered governmental and those that are business-type activities. The Corporation, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. The Corporation has no program revenues in 2016. Revenues which are not classified as program revenues are presented as general revenues of the corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restriction or limitations.

For financial statement purposes, the Corporation's fund is classified as governmental.

Government Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund – The general fund accounts for all financial resources that are received from all County sources, including but not limited to the County Auditor if approved by the Union County Board of Commissioners to allocated an additional 5% DTAC allocation (not implemented in 2016). The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statement for the general fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transaction, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, includes grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, interest and grants revenue sources are considered to be both measurable and available at year-end.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive may sell any stock given to the Corporation immediately upon receipt by the Corporation or may retain it as an asset of the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must reviewed and approved by the Board of Directors before acceptance.

In 2016, the Corporation received donations of \$0 in cash or value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Expense/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities.

For the period ended December 31, 2016 there was no operating budget. Additionally, due to the timing of the establishment of the Corporation, there is no approved 2017 operating budget. For 2018 and going forward the budgetary process that is followed by the Corporation is for control purposes and is set forth in its Code of Regulations. Starting with 2018 the annual organizational budget must be completed at least thirty days prior to the fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decision for the organization.

The budget is compiled by the Finance Director and the President.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed other
- Liabilities: current, and long term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

The Board of Directors, the Finance Director, the President may request or require organizational budget changes when material changes in plans, transaction amount, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. The Executive Director is authorized to transfer monies between line items in the Corporation's operating budget.

Cash and Cash Equivalents

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained thru the Corporation's records. The Corporation had no investments during the year or at the end of the year. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statement as cash equivalents. As of December 31, 2016 the Corporation had \$50,004 of unrestricted cash on hand.

Prepaid items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year it which the services are consumed. As of December 31, 2016 the Corporation had \$0 prepaid items.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of purchase or donation plus any cost of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property. As of December 31, 2016 the Corporation had \$0 Assets Held for Resale.

Capital Assets

The Corporation's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statement of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Corporation maintains a capitalization threshold of \$1,000.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for assets with a useful life of 5-10 years. For the period ended December 31, 2016 the Corporation had \$0 capital assets.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences (which there are none) and claims and judgements (which there are none) are reported as a liability in the fund financial statement only to the extend payments come due each period upon the occurrence of employee (there are no employees) resignations and retirements. As of December 31, 2016 the Corporation had \$0 Accrued Liabilities and Long-Term Obligations.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Compensated Absences

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences* as interpreted by Interpretation No. 6 of the GASB, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits thru paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. The Corporation as of December 31, 2016 had no employees nor any liability for compensated absences.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables, or from the sale of those properties is restricted, committed, or assigned.

Restricted - Fund balance is reported as restricted when constraints placed on the use of the resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation may receive operating income through Union County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263 these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request. During fiscal year 2016, the Corporation requested, the County Commissioners approved, and the Corporation received principle funding from the County Treasurer's DTAC Fund, amounting to \$50,000 of intergovernmental revenue.

Operating Grants

The Corporation may participate in programs administered by the Ohio Housing Finance Agency, BUSTR, or a number of Federal or State of Ohio community improvement grants. Revenues received from such programs are recognized as operating revenue in the accounting period in which all eligibility requirements have been met. As of December 31, 2016 there was \$0 operating revenue attributed to Operating Grants

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items in 2016.

Note 3 - Deposits and Investments

Monies held by the Corporation are classified by State Statute into two categories: active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the Corporation treasury. Active monies must be maintained either as cash in the Corporation treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Protection for the Corporation’s deposits is provided by Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Monies held by the Corporation, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in specified securities provided a written investment policy has been filed with the Ohio Auditor of State. As of December 31, 2016 the Union County Land Reutilization Corporation did not have an investment policy filed with the Auditor of State and all monies were deposited with a Bank certified as a depository for public funds. The amount deposited is FDIC insured.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of Corporation’s fund shall be required to pledge security for repayment of all public moneys. The Corporation has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Treasurer or an agent designated by the Treasurer.

Cash on Hand at December 31, 2016 was \$0, all cash was on deposit with a public depository.

Deposits – At December 31, 2016 the carrying amount of the Corporation’s deposits was \$50,004 and the bank balance was \$50,004, all of which was covered by Federal Deposit Insurance.

Note 4 -Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; error and omissions; injuries to the general public; and natural disasters if the Corporation has physical assets. As of December 31, 2016 the Corporation had no physical assets. All assets consisted of cash on deposit with public depositories. The Corporation began maintaining insurance coverage with an independent third party for directors and officers liability and entity liability insurance on April 20, 2017.

Note 5 Capital Assets:

A summary of changes in capital assets during 2016 follows:

	Balance <u>12/31/2015</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/2016</u>
Total Capital Assets	\$0	\$0	\$0	\$0
Accumulated Depreciation	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Capital Assets, Net	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Note 6 - Employee Benefits

As of December 31, 2016 the Corporation had no employees.

Note 7 – Receivables

As of December 31, 2016 the Corporation had no Receivables.

Note 8 – Line of Credit

As of December 31, 2016 the Corporation had no outstanding lines of credit.

Union County Land Reutilization Corporation
Union County, Ohio

Notes to the Basic Financial Statements
For the Period Ended December 31, 2016

Note 9 – Long Term Obligations

As of December 31, 2016 the Corporation had no Long Term Obligations.

Note 10 – Fund Balance

Fund Balance can be classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed by upon the use of the resources in governmental funds. The constraints placed on fund balance for the governmental fund is presented below:

<u>Fund Balance</u>	<u>General Fund</u>
Unassigned	<u>\$50,004</u>
	<u><u>\$50,004</u></u>

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Union County Land Reutilization Corporation
Union County
233 W. Sixth Street
Marysville, Ohio 43040

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the Union County Land Reutilization Corporation, Union County, (the Corporation), a component unit of Union County, as of and for the years ended December 31, 2018 and 2017, and the period ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 19, 2019.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Corporation's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Corporation's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 19, 2019

**UNION COUNTY LAND REUTILIZATION CORPORATION
UNION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018, 2017, AND 2016**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2018-001

**Financial Reporting
Material Weakness**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The Corporation does not have controls in place to help ensure fund balances were properly included on the financial statements.

The following material adjustments were posted to the Corporation's financial statements for fiscal year ended December 31, 2017:

1. Adjustment of \$50,004 to increase beginning and ending Net Position of Governmental Activities on the Statement of Activities.
2. Adjustment of \$50,004 to increase beginning and ending Fund Balance of the General Fund on the Statement of Revenues, Expenditures and Change in Fund Balance.

The following material adjustments were posted to the Corporation's financial statements for fiscal year ended December 31, 2018:

1. Adjustment of \$49,148 to increase beginning and ending Net Position of Governmental Activities on the Statement of Activities.
2. Adjustment of \$49,148 to increase beginning and ending Fund Balance of the General Fund on the Statement of Revenues, Expenditures and Change in Fund Balance.

Lack or failure of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of the financial data throughout the year.

We recommend the Corporation develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the Corporation and thereby increasing the reliability of the financial data through the year. We also recommend the Corporation implement additional procedures over the completeness and accuracy of financial information reported within the Corporation's annual report. Such procedures may include review of the financial statements and related components by a member of management with analytic comparisons of the current year annual report to the prior year reports for obvious errors or omissions.

Officials' Response: We did not receive a response from Officials to this finding.

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OHIO AUDITOR OF STATE
KEITH FABER



UNION COUNTY LAND REUTILIZATION CORPORATION

UNION 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
OCTOBER 10, 2019**