



OHIO AUDITOR OF STATE  
**KEITH FABER**





**CLINTON COUNTY LAND REUTILIZATION CORPORATION  
CLINTON COUNTY  
DECEMBER 31, 2022 AND 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Clinton County Land Reutilization Corporation  
Clinton County  
69 N. South Street  
Wilmington, Ohio 45177

To the Board of Directors:

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of the governmental activities and major fund of the Clinton County Land Reutilization Corporation, Clinton County, Ohio (the Corporation), as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Clinton County Land Reutilization Corporation, Clinton County, Ohio as of December 31, 2022 and 2021, and the respective changes in financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's 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  
April 8, 2024

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## **Clinton County Land Reutilization Corporation**

### **Clinton County, Ohio**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2022*

*(Unaudited)*

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The discussion and analysis of the Clinton 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, 2022. The intent of this discussion and analysis is to look at the Corporation's 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 2022 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Clinton County. The Corporation reported \$75,557 in 2022.
- Net position decreased \$31,111 in 2022. Further details will be discussed in this analysis.

### ***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 conditions.

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 assets. 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. The basis for this 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 of 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.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

***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 Clinton 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 2022 compared to 2021:

	2022	2021	Change
<b>Assets</b>			
Current and Other Assets	\$ 850,633	\$ 755,564	\$ 95,069
<i>Total Assets</i>	850,633	755,564	95,069
<b>Liabilities</b>			
Current and Other Liabilities	130,558	4,378	126,180
<i>Total Liabilities</i>	130,558	4,378	126,180
<b>Net Position</b>			
Unrestricted	720,075	751,186	(31,111)
<i>Total Net Position</i>	\$ 720,075	\$ 751,186	\$ (31,111)

Assets held for resale decreased over 2021 as the Corporation sold several properties. Intergovernmental receivable increased due to the timing of grant received. Current liabilities increased due to the timing of payments for demolition work completed in 2022, but not paid until 2023.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2022 and 2021.

**Table 2**  
**Change in Net Position**

	2022	2021	Change
<b>Revenues</b>			
<i>Program Revenues:</i>			
Operating Grants	\$ 242,922	\$ 130,296	\$ 112,626
<i>General Revenues:</i>			
Intergovernmental	54,039	33,064	20,975
Sale of Inventoried Assets	386,685	65,000	321,685
Other	9,491	1,174	8,317
<i>Total General Revenues</i>	<u>450,215</u>	<u>99,238</u>	<u>350,977</u>
<i>Total Revenues</i>	<u>693,137</u>	<u>229,534</u>	<u>463,603</u>
<b>Program Expenses</b>			
<i>General Government:</i>			
Professional and Contract Services	667,930	84,794	583,136
Administration	56,318	42,911	13,407
<i>Total Program Expenses</i>	<u>724,248</u>	<u>127,705</u>	<u>596,543</u>
<i>Increase (Decrease) in Net Position</i>	(31,111)	101,829	(132,940)
<i>Net Position Beginning of Year</i>	<u>751,186</u>	<u>649,357</u>	<u>101,829</u>
<i>Net Position End of Year</i>	<u>\$ 720,075</u>	<u>\$ 751,186</u>	<u>\$ (31,111)</u>

Operating grants increased in 2021 primarily due to additional grant funding from Clinton County for the demolition and cleanup of properties. Sale of inventoried assets increased as the Corporation sold thirty-seven properties during 2022. Contract services expenses increased in 2022 due to demolition projects that were funded by the grants from the County.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

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**The Corporation's Fund**

The Corporation's governmental fund is accounted for using the modified accrual basis of accounting.

The Corporation had general fund revenues of \$693,137 and expenditures of \$724,248. Fund balance in the general fund decreased \$31,111 from 2021.

**Budgeting**

There are no budgetary requirements for the Corporation identified in the Ohio Revised Code. The Corporation's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary process that is followed is for control purposes.

**Contacting the Corporation's Financial Management**

This 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 Clinton County Treasurer, Chairman, Clinton County Land Reutilization Corporation, 69 N South Street, Wilmington, Ohio 45177.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Statement of Net Position*  
*December 31, 2022*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 441,137
Intergovernmental Receivable	242,922
Prepaid Items	1,183
Assets Held for Resale	<u>165,391</u>
<i>Total Assets</i>	<u>850,633</u>
<b>Liabilities</b>	
Accounts Payable	<u>130,558</u>
<i>Total Liabilities</i>	<u>130,558</u>
<b>Net Position</b>	
Unrestricted	<u>720,075</u>
<i>Total Net Position</i>	<u><u>\$ 720,075</u></u>

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2022

		Program Revenues	Net (Expense) Revenue and Change in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>			
General Government:			
Professional and Contract Services	\$ 667,930	\$ 242,922	\$ (425,008)
Administration	56,318	-	(56,318)
<i>Total</i>	\$ 724,248	\$ 242,922	\$ (481,326)
<b>General Revenues:</b>			
Intergovernmental			54,039
Sale of Inventoried Assets			386,685
Other			9,491
<i>Total General Revenues</i>			450,215
<i>Increase (Decrease) in Net Position</i>			(31,111)
<i>Net Position Beginning of Year</i>			751,186
<i>Net Position End of Year</i>			\$ 720,075

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Balance Sheet*  
*Governmental Fund*  
*December 31, 2022*

	General Fund
<b>Assets</b>	
Cash and Cash Equivalents	\$ 441,137
Intergovernmental Receivable	242,922
Prepaid Items	1,183
Assets Held for Resale	165,391
<i>Total Assets</i>	\$ 850,633
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 130,558
<b>Fund Balance</b>	
Nonspendable	166,574
Unassigned	553,501
<i>Total Fund Balance</i>	720,075
<i>Total Liabilities and Fund Balance</i>	\$ 850,633

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**

*Statement of Revenues, Expenditures and Change in Fund Balance*  
*Governmental Fund*  
*For the Year Ended December 31, 2022*

	General
<b>Revenues:</b>	
Intergovernmental	\$ 54,039
Operating Grants	242,922
Sales of Inventoried Assets	386,685
Other	9,491
<i>Total Revenues</i>	<i>693,137</i>
<b>Expenditures:</b>	
Current:	
General Government:	
Professional and Contract Services	667,930
Administration	56,318
<i>Total Expenditures</i>	<i>724,248</i>
<i>Net Change in Fund Balance</i>	<i>(31,111)</i>
<i>Fund Balance at Beginning of Year</i>	<i>751,186</i>
<i>Fund Balance at End of Year</i>	<i>\$ 720,075</i>

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

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

The Corporation's governing body is a five member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the City of Wilmington and a representative of the Village of Midland.

The Corporation is classified as a component unit of Clinton 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, Board of Revision proceedings, Sheriff's 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 statements 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 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 local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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***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.

**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 usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. 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 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. 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, restrictions or limitations.

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

## Clinton County Land Reutilization Corporation

### Clinton County, Ohio

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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#### Governmental 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 the County Auditor from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

#### ***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 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 changes 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 statements 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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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***Revenues - Exchange and Nonexchange Transactions***

Revenue resulting from exchange transactions, 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, include 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 resources to be used for a specified purpose, and expenditure requirements, in which the resources 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.

***Deferred Outflows/Inflows of Resources***

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

***Expenses/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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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***Budgetary Process***

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

***Cash and Cash Equivalents***

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained through 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 statements as cash equivalents.

***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 in which the services are consumed.

***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 donation plus any costs 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.

***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.

***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:

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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***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 interfund loans, 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 resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments or is 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 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 or 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.

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. 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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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***Intergovernmental Revenue***

The Corporation receives operating income through Clinton 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.

***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 during 2022.

***Implementation of New Accounting Principles***

For the year ended December 31, 2022, the Corporation has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 92, Omnibus 2020, a certain provision of GASB Statement No. 93, Replacement of Interbank Offered Rates, certain provisions of GASB Statement No. 97, Component Unit Criteria and Deferred Compensation Plans, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Corporation's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Corporation.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the Corporation.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Corporation.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

*Custodial credit risk* is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it.

*Deposits* - At year-end 2022, \$191,138 of the Corporation's bank balance of \$441,137 was exposed to custodial credit risk.

The Corporation has no investments.

**NOTE 4 - RECEIVABLES**

Receivables at December 31, 2022 consisted of intergovernmental receivables related to grant funding from the City of Wilmington and Delinquent Tax and Collection (D-TAC) funding from Clinton County. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

**NOTE 5 - RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Corporation maintained suitable insurance coverage.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years and there was no significant change in insurance coverage from the prior year.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2022*

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**NOTE 6 – FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in governmental funds.

<u>Fund Balance</u>	<u>General Fund</u>
Nonspendable:	
Assets Held for Resale	\$ 165,391
Prepays	<u>1,183</u>
Total Nonspendable	<u>166,574</u>
Unassigned	<u>553,501</u>
<i>Total Fund Balance</i>	<u><u>\$ 720,075</u></u>

**NOTE 7 – SUBSEQUENT EVENT**

Since August 2023, there has been an ongoing investigation into delinquent real estate tax foreclosure cases brought by the Clinton County Prosecuting Attorney and of delinquent tax deed in lieu of foreclosure property transfers, regarding defects related to title work, service on parties, and other jurisdictional defects in cases brought between 2020 and 2023 with most affected properties having been transferred to the Clinton County Land Reutilization Corporation aka the Land Bank. The resulting effects, if any, on the financial statements of the Land Bank cannot yet be determined.

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## **Clinton County Land Reutilization Corporation**

### **Clinton County, Ohio**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2021*

*(Unaudited)*

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The discussion and analysis of the Clinton 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, 2021. The intent of this discussion and analysis is to look at the Corporation's 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 2021 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Clinton County. The Corporation reported \$33,064 in 2021.
- Net position increased \$101,829 in 2021. Further details will be discussed in this analysis.

### ***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 conditions.

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 assets. 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. The basis for this 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 of 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.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

***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 Clinton 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 2021 compared to 2020:

**Table 1**  
**Net Position**

	2021	2020	Change
<b>Assets</b>			
Current and Other Assets	\$ 755,564	\$ 671,297	\$ 84,267
<i>Total Assets</i>	755,564	671,297	84,267
<b>Liabilities</b>			
Current and Other Liabilities	4,378	21,940	(17,562)
<i>Total Liabilities</i>	4,378	21,940	(17,562)
<b>Net Position</b>			
Unrestricted	751,186	649,357	101,829
<i>Total Net Position</i>	\$ 751,186	\$ 649,357	\$ 101,829

Current and other assets increased over 2020. Assets held for resale increased over 2020 as the Corporation acquired 15 additional properties. Intergovernmental receivable increased due to the timing of Delinquent Tax and Collection (D-TAC) funding. In 2021, the annual D-TAC funding was not received until January 2022. Current liabilities decreased due to the timing of payments for mowing and demolition work completed in 2020, but not paid until 2021.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2021 and 2020.

**Table 2**  
**Change in Net Position**

	2021	2020	Change
<b>Revenues</b>			
<i>Program Revenues:</i>			
Operating Grants	\$ 130,296	\$ 88,290	\$ 42,006
<i>General Revenues:</i>			
Intergovernmental	33,064	31,033	2,031
Sale of Inventoried Assets	65,000	-	65,000
Other	1,174	578	596
<i>Total General Revenues</i>	<u>99,238</u>	<u>31,611</u>	<u>67,627</u>
<i>Total Revenues</i>	<u>229,534</u>	<u>119,901</u>	<u>109,633</u>
<b>Program Expenses</b>			
<i>General Government:</i>			
Professional and Contract Services	84,794	67,739	17,055
Administration	42,911	48,713	(5,802)
<i>Total Program Expenses</i>	<u>127,705</u>	<u>116,452</u>	<u>11,253</u>
<i>Increase (Decrease) in Net Position</i>	101,829	3,449	98,380
<i>Net Position Beginning of Year</i>	<u>649,357</u>	<u>645,908</u>	<u>3,449</u>
<i>Net Position End of Year</i>	<u>\$ 751,186</u>	<u>\$ 649,357</u>	<u>\$ 101,829</u>

Operating grants increased in 2021 primarily due to additional grant funding from Clinton County for the demolition and cleanup of properties. Sale of inventoried assets increased as the Corporation sold three properties during 2021. Contract services expenses increased slightly in 2021 due to demolition projects that were funded by the grants from the County.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2021*  
*(Unaudited)*

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**The Corporation's Fund**

The Corporation's governmental fund is accounted for using the modified accrual basis of accounting.

The Corporation had general fund revenues of \$242,824 and expenditures of \$127,705. Fund balance in the general fund increased \$115,119 from 2020.

**Budgeting**

There are no budgetary requirements for the Corporation identified in the Ohio Revised Code. The Corporation's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary process that is followed is for control purposes.

**Current Financial Related Activities**

The Corporation has been designated by Clinton County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Clinton County. By strategically acquiring properties, the Corporation works to reduce blight, promote economic development, increase property values, and thereby improve the quality of life of all Clinton County residents. Principal operating revenues of the Corporation include contributions from Clinton County's delinquent tax and assessment collection fund. The Corporation participates in the Neighborhood Initiative Program which is being administered by the Ohio Housing Finance Agency. This award provides funds on a reimbursement basis to demolish abandoned, vacant and blighted residential properties. As of December 31, 2021, the Corporation owned 54 properties.

**Contacting the Corporation's Financial Management**

This 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 Clinton County Treasurer, Chairman, Clinton County Land Reutilization Corporation, 69 N South Street, Wilmington, Ohio 45177.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Statement of Net Position*  
*December 31, 2021*

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 176,717
Intergovernmental Receivable	43,301
Prepaid Items	1,277
Assets Held for Resale	534,269
<i>Total Assets</i>	755,564
<b>Liabilities</b>	
Accounts Payable	4,378
<i>Total Liabilities</i>	4,378
<b>Net Position</b>	
Unrestricted	751,186
<i>Total Net Position</i>	\$ 751,186

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2021

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position
<b>Governmental Activities</b>		Operating Grants and Contributions	Governmental Activities
General Government:			
Professional and Contract Services	\$ 84,794	\$ 130,296	\$ 45,502
Administration	42,911	-	(42,911)
<i>Total</i>	<u>\$ 127,705</u>	<u>\$ 130,296</u>	<u>\$ 2,591</u>
<b>General Revenues:</b>			
Intergovernmental			33,064
Sale of Inventoried Assets			65,000
Other			1,174
<i>Total General Revenues</i>			99,238
<i>Increase (Decrease) in Net Position</i>			101,829
<i>Net Position Beginning of Year</i>			649,357
<i>Net Position End of Year</i>			\$ 751,186

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**  
*Balance Sheet*  
*Governmental Fund*  
*December 31, 2021*

	General Fund
<b>Assets</b>	
Cash and Cash Equivalents	\$ 176,717
Intergovernmental Receivable	43,301
Prepaid Items	1,277
Assets Held for Resale	534,269
<i>Total Assets</i>	\$ 755,564
<b>Liabilities and Fund Balances</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 4,378
<b>Fund Balance</b>	
Nonspendable	535,546
Unassigned	215,640
<i>Total Fund Balance</i>	751,186
<i>Total Liabilities and Fund Balance</i>	\$ 755,564

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**

*Statement of Revenues, Expenditures and Change in Fund Balance*  
*Governmental Fund*  
*For the Year Ended December 31, 2021*

	General
<b>Revenues:</b>	
Intergovernmental	\$ 33,064
Operating Grants	130,296
Sales of Inventoried Assets	65,000
Other	1,174
<i>Total Revenues</i>	<i>229,534</i>
<b>Expenditures:</b>	
Current:	
General Government:	
Professional and Contract Services	84,794
Administration	42,911
<i>Total Expenditures</i>	<i>127,705</i>
<i>Net Change in Fund Balance</i>	<i>115,119</i>
<i>Fund Balance at Beginning of Year</i>	<i>636,067</i>
<i>Fund Balance at End of Year</i>	<i>\$ 751,186</i>

See accompanying notes to the basic financial statements.

**Clinton County Land Reutilization Corporation**  
**Clinton County, Ohio**

*Reconciliation of the Statement of Revenues, Expenditures and Change  
in Fund Balance of the Governmental Fund to the Statement of Activities  
For the Year Ended December 31, 2021*

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Net Change in Fund Balance - Total Governmental Fund	\$ 115,119
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	
Operating Grants	<u>(13,290)</u>
Change in Net Position of Governmental Activities	<u>\$ 101,829</u>

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

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

The Corporation's governing body is a five member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the City of Wilmington and a representative of the Village of Midland.

The Corporation is classified as a component unit of Clinton 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, Board of Revision proceedings, Sheriff's 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 statements 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 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 local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

## **Clinton County Land Reutilization Corporation**

### **Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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#### ***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.

#### **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 usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. 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 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. 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, restrictions or limitations.

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

## Clinton County Land Reutilization Corporation

### Clinton County, Ohio

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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#### Governmental 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 the County Auditor from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

#### ***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 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 changes 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 statements 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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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***Revenues - Exchange and Nonexchange Transactions***

Revenue resulting from exchange transactions, 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, include 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 resources to be used for a specified purpose, and expenditure requirements, in which the resources 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.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a 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.

***Expenses/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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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***Budgetary Process***

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

***Cash and Cash Equivalents***

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained through 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 statements as cash equivalents.

***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 in which the services are consumed.

***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 donation plus any costs 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.

***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.

***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:

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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***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 interfund loans, 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 resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments or is 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 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 or 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.

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. 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.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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***Intergovernmental Revenue***

The Corporation receives operating income through Clinton 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.

***Operating Grants***

The Corporation currently participates in the Neighborhood Initiative Program which is administered by the Ohio Housing Finance Agency. Revenues received from the program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

***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 during 2021.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

***Custodial credit risk*** is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it.

***Deposits*** - At December 31, 2021, the carrying amount of the Corporation's deposits was \$176,717. The Corporation's bank balance of \$176,717 was covered by the Federal Deposit Insurance Corporation.

The Corporation has no investments.

**NOTE 4 - RECEIVABLES**

Receivables at December 31, 2021 consisted of intergovernmental receivables related to grant funding from the City of Wilmington and Delinquent Tax and Collection (D-TAC) funding from Clinton County. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

**Clinton County Land Reutilization Corporation**

**Clinton County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2021*

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**NOTE 5 - RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Corporation maintained suitable insurance coverage.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years and there was no significant change in insurance coverage from the prior year.

**NOTE 6 – FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in governmental funds.

<u>Fund Balance</u>	<u>General Fund</u>
Nonspendable:	
Assets Held for Resale	\$ 534,269
Prepays	1,277
Total Nonspendable	<u>535,546</u>
Unassigned	<u>215,640</u>
<i>Total Fund Balance</i>	<u><u>\$ 751,186</u></u>

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
(800) 282-0370

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

Clinton County Land Reutilization Corporation  
Clinton County  
69 N. South Street,  
Wilmington, Ohio 45177

To the Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and major fund of the Clinton County Land Reutilization Corporation, Clinton County, (the Corporation) as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated April 8, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
April 8, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**CLINTON COUNTY LAND REUTILIZATION CORPORATION**

**CLINTON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 4/25/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)