



Dave Yost • Auditor of State

**LORAIN COUNTY LAND REUTILIZATION CORPORATION
LORAIN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Lorain County Land Reutilization Corporation
Lorain County
226 Middle Avenue, 4th Floor
Elyria, Ohio 44035

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Lorain County Land Reutilization Corporation, Lorain County, Ohio, (the Corporation), a component unit of Lorain County Port Authority as of and for the year ended December 31, 2014, 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 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 General Fund of the Lorain County Land Reutilization Corporation, Lorain County, Ohio, as of December 31, 2014, and the respective changes in financial position thereof for the year 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 June 17, 2015, 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.



Dave Yost
Auditor of State
Columbus, Ohio

June 17, 2015

LORAIN COUNTY LAND REUTILIZATION CORP
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

The following Management's Discussion and Analysis (MD&A) of the Lorain County Land Reutilization Corporation (the Corporation) financial performance provides an introduction to the financial statements for the year ended December 31, 2014. The information contained in this MD&A should be considered in conjunction with the information contained in the Corporation's financial statements.

Financial Highlights

- At December 31, 2014, the Statement of Net Position liabilities of the Corporation exceeded the assets by \$104,596.
- Total net position for 2014 decreased by \$335,888 from 2013. Total net position for 2013 increased by \$226,151 from 2012
- The Corporation's total revenues on the Statement of Activities amounted to \$1,290,671 in 2014, of which \$1,288,844 or 99.9% were program revenues and \$1,827 or .1% were general revenues.
- The Corporation had \$986,871 in total expenses, excluding loss on intra-entity capital asset transfers in 2014 compared to \$3,176,685 in 2013.

Using this Annual Financial Report

This annual report consists of financial statements and notes to those statements. These statements are organized so the reader can understand the Corporation as a financial whole.

The Statement of Net Position and Statement of Activities (referred collectively as the government-wide statements) provide information about the activities of the entire Corporation and present a longer-term view of the Corporation's finances. The Corporation has no long term assets or liabilities.

Reporting the Corporation as a Whole

Statement of Net Position and Statement of Activities

These government-wide statements answer the question, "How did the Corporation as a whole do financially during 2014? They are prepared on the accrual basis of accounting, including all assets and liabilities, much the same way as for a private enterprise. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Corporation's net position and the changes in the net position. This change in net position is important as it tells the reader that, 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, nonfinancial information such as the condition of the Corporation's needs will also need to be evaluated.

The Statement of Net Position. This Statement (page 7) reports all assets and liabilities of the Corporation as of December 31, 2014. The difference between total assets and total liabilities is reported as net position. Increases in net position generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.

The Statement of Activities. This Statement (page 8) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Corporation for the year ended December 31, 2014. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expenses of the Corporation's various programs net of related revenues, as well as the separate presentation of revenues available for general purposes.

LORAIN COUNTY LAND REUTILIZATION CORP
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LORAIN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

In the Statement of Net Position and the Statement of Activities, the Corporation has one kind of activity:

Governmental Activities – All of the Corporation’s programs are reported here. These programs will be funded primarily by delinquent property taxes collected and intergovernmental revenue including Federal grants.

Reporting the Corporation’s Most Significant Funds

Fund Financial Statements

These statements provide financial position and results of the Corporation’s major funds. The Corporation’s only major governmental fund is the General Fund. A fund is an accounting entity created to account for a specific activity or purpose. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds. The Corporation has only governmental funds.

- **Governmental Funds.** Governmental funds are used to account for “Government-Type” activities. However, unlike the government-wide financial statements, governmental fund statements use a “flow of financial resources” measurement focus. The governmental fund statements provide a detailed short-term view of the Corporation’s general government operations and the basic services it provides. Increases in spendable resources are reported in the operating statement as “revenues” or “other financing sources”. Decreases in spendable resources are reported as “expenditures” or “other financing uses”. State grants finance most of those activities.

The Basic Governmental Fund Financial Statements can be found on pages 9 through 12 of this report.

Other Information

Notes to the Basic Financial Statements:

The notes provide additional and explanatory data. They are an integral part of the basic financial statements. Notes to the Basic Financial Statements can be found starting on page 13 of this report. As of December 31, 2014, the Corporation had no Debt.

The Corporation as a Whole

Recall the Statement of Net Position looks at the Corporation as a whole. Table 1 provides a summary of the Corporation’s net position for 2014.

Table 1		
Net Position		
	2014	2013
ASSETS:		
Current Assets	\$2,875,185	\$2,473,060
Capital Assets, Net	0	615,298
Total Assets	2,875,185	3,088,358
LIABILITIES:		
Current and Other Liabilities	2,979,781	2,857,066
NET POSITION:		
Net Investment in Capital Assets	0	615,298
Unrestricted (Deficit)	(104,596)	(384,006)
Total Net Position	(\$104,596)	\$231,292

LORAIN COUNTY LAND REUTILIZATION CORP
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

During 2014, the Corporation's overall financial position decreased by \$335,888. The decrease was due mainly to intra-entity capital asset transfers and a decrease in capital grants and contributions. Accounts payable increased due to outstanding invoices due to vendors and contractors. Also contributing to the increase in accounts payable was an increase due to Lorain County Port Authority for the bond anticipation note rollover.

The following represents the Corporation's summary of changes in net position:

Table 2
Changes in Net Position

	2014	2013
Program Revenues		
Charges for Services and Sales	\$3,850	\$3,850
Operating Grants and Contributions	1,260,604	2,739,959
Capital Grants and Contributions	24,390	619,741
General Revenues		
Gain on Sale of Asset Held for Resale	0	24,750
Miscellaneous	1,827	14,536
Total Revenues	1,290,671	3,402,836
Program Expenses		
Professional and Contract Services	854,459	3,103,364
Program Administration	50,840	50,550
Project Activities	27,834	15,639
Repairs & Maintenance	715	223
Utilities	6,173	6,909
Interest and Fiscal Charges	46,814	0
Miscellaneous	36	0
Total Program Expenses	986,871	3,176,685
Special Item		
Loss on Intra-entity Capital Asset Transfers	639,688	0
Total Expenses	1,626,559	3,176,685
Increase(Decrease) in Net Position	(335,888)	226,151
Net Position, Beginning of Year	231,292	5,141
Net Position (Deficit), End of Year	(\$104,596)	\$231,292

The Corporation's revenues were \$1,290,671 and its expenses were \$986,871, excluding intra-entity capital asset transfers for 2014. The main revenue sources are from a Grant from the State's Attorney General and from the County Treasurer authorized by the Lorain County Board of Commissioners from a percentage of delinquent property taxes collected.

A comparative analysis of the Corporation's financial position and change in net position is as follows:

- Total Revenues decreased \$2,112,165 from 2013 due mainly to receiving less delinquent property taxes and grant dollars
- Total Expenses, excluding loss on intra-entity capital asset transfers, decreased \$2,189,814 from 2013. Paying the contractors for fewer rehabilitations or demolishing foreclosed or blighted homes was the main cause of the decrease in expenses.

LORAIN COUNTY LAND REUTILIZATION CORP
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Capital Assets

Due to intra-entity capital asset transfers, the Corporation's had no investment in capital assets as of December 31, 2014.

Table 3
Capital Assets
(Net of Depreciation)

	2014	2013
Land	\$0	\$86,690
Buildings	0	528,608
Total Capital Assets, Net of Depreciation	\$0	\$615,298

Debt

As of December 31, 2014, the Corporation did not have any debt.

Request for Information

This financial report is designed to provide a general overview of the Lorain County Land Reutilization Corporation finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: James Cordes, Lorain County Land Reutilization Corporation, 226 Middle Avenue 4th Floor, Elyria, OH 44035.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Statement of Net Position
December 31, 2014

	Governmental Activities
Assets	
Cash and Cash Equivalents with Fiscal Agents	\$2,772,678
Intergovernmental Receivable	79,920
Assets Held for Resale	22,587
	<hr/>
<i>Total Assets</i>	2,875,185
	<hr/>
Liabilities	
Accounts Payable	2,979,781
	<hr/>
<i>Total Liabilities</i>	2,979,781
	<hr/>
Net Position	
Unrestricted (Deficit)	(104,596)
	<hr/>
<i>Total Net Position</i>	(\$104,596)
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The notes to the financial statements are an integral part of this statement.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Professional and Contract Services	\$854,459	\$3,500	\$1,145,862	\$22,170	\$317,073
Program Administration	50,840	208	68,179	1,319	18,866
Project Activities	27,834	114	37,326	722	10,328
Repairs & Maintenance	715	3	959	19	266
Utilities	6,173	25	8,278	160	2,290
Interest	46,814	0	0	0	(46,814)
Miscellaneous	36	0	0	0	(36)
<i>Total Governmental Activities</i>	<u>986,871</u>	<u>3,850</u>	<u>1,260,604</u>	<u>24,390</u>	<u>301,973</u>
General Revenues:					
					<u>1,827</u>
Miscellaneous					1,827
<i>Total General Revenues</i>					<u>1,827</u>
Special Item					
Loss on Intra-entity Capital Asset Transfers					<u>(639,688)</u>
<i>Total General Revenues and Special Item</i>					<u>(637,861)</u>
<i>Change in Net Position</i>					<u>(335,888)</u>
<i>Net Position Beginning of Year</i>					<u>231,292</u>
<i>Net Position End of Year</i>					<u><u>(\$104,596)</u></u>

The notes to the financial statements are an integral part of this statement.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Balance Sheet
Governmental Fund
December 31, 2014

	General Fund
Assets	
Cash and Cash Equivalents with Fiscal Agents	\$2,772,678
Intergovernmental Receivable	79,920
Assets Held for Resale	22,587
	<hr/>
<i>Total Assets</i>	<u>\$2,875,185</u>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	\$2,979,781
	<hr/>
<i>Total Liabilities</i>	<u>2,979,781</u>
Fund Balances	
Nonspendable	
Assets Held for Resale	22,587
Unassigned (Deficit)	(127,183)
	<hr/>
<i>Total Fund Balance (Deficit)</i>	<u>(104,596)</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$2,875,185</u>

The notes to the financial statements are an integral part of this statement.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2014

Total Governmental Funds Balance (Deficit) (\$104,596)

Net Position (Deficit) of Governmental Activities (\$104,596)

The notes to the financial statements are an integral part of this statement.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2014

	General Fund
Revenues:	
Intergovernmental	\$1,260,604
Rent	3,850
Miscellaneous	1,827
<i>Total Revenues</i>	<u>1,266,281</u>
Expenditures:	
Professional and Contract Services	854,459
Program Administration	50,840
Project Activities	27,834
Repairs & Maintenance	715
Utilities	6,173
Miscellaneous	36
<i>Total Expenditures</i>	<u>940,057</u>
<i>Excess of Revenues Over Expenditures</i>	326,224
Other Financing (Uses):	
Interest Expense	<u>(46,814)</u>
<i>Net Change in Fund Balance</i>	279,410
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(384,006)</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$104,596)</u></u>

The notes to the financial statements are an integral part of this statement.

Lorain County Land Reutilization Corporation
(A Component Unit of Lorain County Port Authority)
Lorain County
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balance - Total Governmental Fund	\$279,410
<i>Amounts reported for governmental activities in the Statement of Activities are different because</i>	
Capital contributions of assets are not reported in the funds, but are additions to capital assets on the entity-wide statements.	24,390
Intra-entity capital transfers of assets are not reported in the funds, but are deletions to capital assets on the entity-wide statements.	(639,688)
	<hr/>
<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$335,888)</u></u>

The notes to the financial statements are an integral part of this statement.

**LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1 – DESCRIPTION OF THE CORPORATION AND REPORTING ENTITY

The Lorain County Land Reutilization Corporation (the Corporation) is a body corporate and politic organized on May 25, 2012 by the Lorain County Board of Commissioners (LCBC). The Corporation is created in accordance with Section 1724 of the Ohio Revised Code.

The Corporation meets the criteria for reporting as a discretely presented component unit of the Lorain County Port Authority for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus.”

The Corporation is governed by a seven-member Board of Directors (the Board) consisting of the County Treasurer (ex officio Director), three County Commissioners (ex officio Directors), one member who is a representative of a municipal corporation, one member who is a representative of a township, and one resident of Lorain County having private sector or nonprofit experience in rehabilitation or real estate acquisitions.

Component units are legally separate organizations for which the Corporation is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization’s governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organization other than the Corporation itself is included in the financial reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these basic financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. The more significant of the Corporation’s policies are described below.

A. *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.

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.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 business segment or governmental function is self-financing or draws from the general revenues of the Corporation.

B. *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 other 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.

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 Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund. 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. In addition, the fund receives State grant revenues.

C. *Measurement Focus*

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all 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.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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 current liabilities 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the general fund.

D. *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 Non-Exchange 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 local resources to be used for a specified 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, intergovernmental revenue and operating grant 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.

In 2014, the Corporation had no deferred outflows/inflows of resources.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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.

Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

E. *Budgetary Process*

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code. The Board of Directors of the Corporation is required by their Code of Regulations to adopt an annual budget prior to the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required. For 2014, the Board of Directors did not adopt an annual budget during the fiscal year.

F. *Cash, Cash Equivalents with Fiscal Agents*

The Lorain County Port Authority (the Authority) is currently holding deposits that belong to the Corporation which are represented by "Cash and cash equivalents with fiscal agents" on the Statement of Position. The Authority's cash and investment pool holds the Corporation's cash and investments, which are reported at the Authority's carrying amount. Deposits and investments disclosures for the Authority as a whole may be obtained from the Authority. This information may be obtained by writing Patrick Metzger, Director, 226 Middle Avenue 4th Floor, Elyria, OH 44035.

G. *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 plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated properties, the asset is reported at fair value which is based on the taxable value as determined by the County Auditor. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the city or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

H. *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 statements 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.

All capital assets, excluding land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for buildings over useful lives of fifty years. The Corporation had no capital assets in 2014.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

I. *Accrued Liabilities*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. The Corporation did not have any accrued liabilities or long-term obligations in 2014.

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.

J. *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 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 or 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 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 governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not 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.

Unassigned The 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.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

K. *Net Position*

Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Corporation had no deferred outflows or inflows of resources.

L. *Intergovernmental Revenue*

The Corporation receives operating income through Lorain 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.

M. *Extraordinary and Special Items*

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. The Corporation had no extraordinary items in 2014. 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. For 2014, the Corporation is reporting a special item representing the transfer of a building to the Authority.

N. *Estimates*

The preparation of the 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 those estimates.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2014, the Corporation has implemented GASB Statement No. 69, “*Government Combinations and Disposals of Government Operations*” and GASB Statement No. 70, “*Accounting and Financial Reporting for Nonexchange Financial Guarantees*”.

GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the Corporation.

NOTE 4 – Receivables

Receivables at December 31, 2014 consisted of funds due from the Lorain County Treasurer, which are presented as intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LORAIN COUNTY PORT AUTHORITY)
LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 5 – Capital Assets

Capital assets activity for the year ended December 31, 2014 was as follows:

	Balance 01/01/14	Additions	Deletions	Balance 12/31/14
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$86,690	\$24,390	(\$111,080)	\$0
Total Capital Assets, Not Being Depreciated	86,690	24,390	(111,080)	0
Capital Assets, Being Depreciated:				
Buildings and Improvements	533,050	0	(533,050)	0
Total Capital Assets, Being Depreciated	533,050	0	(533,050)	0
Less Accumulated Depreciation:				
Buildings and Improvements	(4,442)	0	4,442	0
Total Accumulated Depreciation	(4,442)	0	4,442	0
Total Capital Assets, Being Depreciated, net	528,608	0	(528,608)	0
Governmental Activities Capital Assets, net	\$615,298	\$24,390	(\$639,688)	\$0

The Capital Assets were transferred to the Authority and are presented as “loss on intra-entity capital asset transfers” on the Statement of Activities.

NOTE 6 – Transactions with Lorain County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Lorain County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County’s Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the Corporation to fund operations. At December 31, 2014, the Corporation recognized revenues of \$801,250 for these fees that were collected by the County in 2014.

NOTE 7 – Litigation

Litigation for the Corporation persisted until late 2014, when this action was dropped by the attorney for the plaintiff’s estate. In any case, the Corporation’s position was that it ought to have been removed as a defendant because it was inappropriately named in the suit. Nevertheless, the point as to materiality is moot since the action has ceased.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
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LORAIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 8 – Management Agreement and Activities

Effective May 25, 2012, the Corporation entered into a three year Management Agreement with Lorain County Port Authority (the Authority). The Agreement’s term will renew for additional, successive one (1) year periods in perpetuity upon mutual consent of the parties. The Authority shall serve as the Management Company and shall assist the Corporation in the administration and execution of the Agreement and Plan entered into with the Lorain Board of County Commissioners, Lorain County, Ohio. The Authority shall act as the executive of the Corporation and will act under the direction of the Corporation as established by the Corporation Board through its Code of Regulation, other policies, and specific direction. During 2014, the Corporation paid \$50,840 in administration fees to the Authority.

In November 2014, the Authority issued a \$2,700,000 revenue bond anticipation notes to provide financial assistance to the Corporation to pay the costs of acquiring real property and interests therein for the purpose of reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other such real property within Lorain County. The notes mature in November 2015. The Authority is not obligated in any manner for repayment of the notes. However, a liability equal to the conduit debt along with a corresponding receivable from the Corporation responsible for its ultimate repayment is reported in the Authority’s financial statements. An accounts payable has been reported on the Corporation’s financial statements.

NOTE 9 - 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 2014, the Corporation contracted with Allied World Assurance Co Holding Ltd. for various types of insurance as follows:

<u>Type</u>	<u>Coverage</u>
Public Officials Liability	\$2,000,000
Non-Monetary Coverage	\$50,000/\$100,000
Employment Practices Liability	\$2,000,000
Public Officials Crisis Management	\$25,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year. The Corporation did not have insurance coverage for these risks in the previous two years.

NOTE 10 – Subsequent Events

The Corporation has evaluated subsequent events through the date of the “Independent Auditor Report,” the date on which the financial statements were available to be issued. There were no events requiring disclosure.



Dave Yost • Auditor of State

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

Lorain County Land Reutilization Corporation
Lorain County
226 Middle Avenue, 4th Floor
Elyria, Ohio 44035

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 General Fund of the Lorain County Land Reutilization Corporation, Lorain County, Ohio (the Corporation), a component unit of Lorain County Port Authority, Lorain County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 17, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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. We consider findings 2014-001 and 2014-002 described in the accompanying schedule of findings to be material weaknesses.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

Entity's Response to Findings

The Corporation's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Corporation's responses and, accordingly, we express no opinion on them.

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 communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

June 17, 2015

**LORAIN COUNTY LAND REUTILIZATION CORPORATION
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2014-001

Noncompliance and Material Weakness - Code of Regulations - Required Board Meetings and Operating Budget

The Lorain County Land Reutilization Corporation (the Corporation) Code of Regulations Section 4.2, Annual Meeting states, "The Board of Directors shall hold an annual meeting each calendar year on the third Thursday of January. The purpose of the annual meeting is to elect officers and to transact such other business as may properly come before the Board of Directors at the annual meeting."

Code of Regulations Section 4.3, Regular Meetings states, "In addition to the annual meeting, the Board of Directors shall hold at least one regular meeting during each calendar quarter of each fiscal year of the Corporation on such dates and at such times as the Board of Directors shall determine, provided that if the Board of Directors so determines at its annual meeting that the regular meeting otherwise required pursuant to this Section 4.3 that would be held in the same calendar quarter as the annual meeting is not necessary for continuing to conduct the business of the Corporation, the regular meeting for such calendar quarter shall not be held. One regular meeting shall be held on or before the date by which the Corporation is required to file with the Auditor of State the financial report described in Section 1724.05 of the Ohio Revised Code."

Code of Regulations Section 9.3, states, "at least thirty days prior to the end of each fiscal year of the Corporation, the Executive Director or authorized staff of the Management Company shall present to the Board of Directors the annual budget of the Corporation for the next succeeding fiscal year. The Board of Directors shall, at a regular or special meeting, conduct a public hearing on such budget and shall, at such meeting or at another meeting called for the purpose, adopt the annual budget which shall govern the expenditures of the Corporation during the fiscal year to which such budget applies."

The Corporation did not hold the required annual meeting or three of the four required regular meetings during 2014. The Corporation did not hold a regular meeting within 120 days of the fiscal year end, the date by which the Corporation was required to file their financial report with the Auditor of State. The Corporation did not hold a regular or special meeting to discuss or adopt an operating budget for fiscal year 2014.

The Executive Director of the Lorain Count Port Authority, which manages the Corporation indicated that an illness to one of the Board members was a factor in not holding such meetings or approving an operating budget.

Failure to hold meetings and approve an operating budget in accordance with the established Code of Regulations could result in the Corporation's inability to approve, conduct and monitor entity operations in a timely manner and diminishes public transparency regarding the Corporation's operations. Vigilant monitoring of budget and actual results would increase the likelihood that material misstatements such as incorrectly reporting intergovernmental revenue totaling \$611,198 in a different entity's accounting records (see Finding Number 2014-002) would be detected and corrected.

We recommend the Corporation hold meetings and approve an operating budget as prescribed in its Code of Regulations. The Board should periodically monitor its budgetary performance by comparing estimated receipts and disbursements with actual receipts and disbursements. Evidence of such monitoring could be documented at these meetings.

Officials' Response:

The LCLRC Board and staff is keenly aware of the necessity for adhering to guidelines as adopted by the organization during its inception. In the best of worlds the original schedule of meetings is an ideal that we intended to meet. Nevertheless, a combination of short staff, limited resources, scheduling problems and illness of key personnel were genuine obstacles to maintaining such an inflexible standard. Additionally, land bank staff resources and time were largely consumed with aggressively meeting a substantial deadline for housing acquisition under the Ohio Housing Finance Agency Neighborhood Initiative Program (OHFA NIP) during most of 2014 and the first quarter of 2015.

The LCLRC *is* vigilant in the tracking and monitoring of budget and expenditure; and, while the State Auditor review team might tend to characterize "...incorrectly report(ed) intergovernmental revenue totaling \$611,198 in a different entity's accounting records" as a "...material misstatement..." and "...diminish(ed) public transparency regarding the Corporation's operations" in as a cause and effect chain, these funds were placed under LCPA account custody in adherence with the service provision agreement between the two entities requiring financial management of resources which was monitored closely.

However, once the State Auditor completed its 2013 audit of the LCRLC in the middle part of 2014 it made the recommendation that those funds ought to be segregated - they were. Funds from that point forward were maintained separately. Nevertheless, offset between the audit report and the calendar year left us unable to correct this position until the second half of 2014 – and so we are left with a legacy evaluation. Adoption of your recommendation made perfect sense and has since helped to improve our own process in a very productive way.

The LCLRC wholeheartedly agrees that maintaining a meeting schedule is important, and as such, has adopted a much more functional and flexible approach via amendment to its operational agreement.

FINDING NUMBER 2014-002

Material Weakness - Financial Reporting

Sound financial reporting is the responsibility of the Corporation and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Ohio Admin. Code §117-2-02(A), states that all public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related, legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

The following deficiencies were identified:

- Corporation Intergovernmental Revenue totaling \$611,198 was improperly reported as Lorain County Port Authority Intergovernmental Revenue. This understated Corporation Intergovernmental Revenue and Cash by \$611,198. The financial statements and accounting records were adjusted by the Corporation for this error.
- Corporation DRETAC receipts totaling \$2,714 was improperly reported as Grant Revenue instead of Intergovernmental Revenue. The financial statements were adjusted by the Corporation for this error.
- Corporation Accounts Payable was understated by \$25,199. The financial statements and accounting records were adjusted by the Corporation for this error.

The Lorain County Port Authority (the Authority) acted as the fiscal agent for the Corporation. Although the Corporation maintained a separate checking account from the Authority, Corporation receipts were deposited into the Authority's checking account resulting in the inability to separate the Corporation's transactions from Authority's transactions within the accounting system. Additionally, the Corporation did not have procedures in place to maintain compliance with the requirements denoted above.

Failure to separate the financial activity of the Corporation and the Authority as well as adopting policies and procedures to maintain compliance with the Ohio Administrative Code requirements resulted in the inability to accurately prepare and reconcile the accounting records which could: 1) reduce the accountability over Corporation funds, 2) reduce the Corporation Board's ability to monitor financial activity and make informed financial decisions, 3) increase the likelihood that monies will be misappropriated and not detected, and 4) increase the likelihood that the Corporation's financial statements will be misstated.

We recommend all Corporation transactions be processed through the Corporation's checking account so that a separate accounting system can be maintained for the Corporation. Additionally, we recommend the Corporation adopt policies and procedures for controls over the recording of financial transactions into proper account codes within the Corporation accounting system, and over financial reporting including reconciliations to increase assurance the information accurately reflects the activity of the Corporation; thereby, increasing the reliability of the financial data.

Officials' Response:

The LCLRC has segregated accounts and accounting from the LCPA general account based on the State Auditor 2013 audit recommendations. Many of the "deficiencies" noted above have been remedied as of the latter part of year 2014. As such we are left with residual findings from the offset of auditor recommendations as they occurred in the calendar year.

I'd like to address the following points as to the three line items that you have drawn attention to throughout your analysis that you've also annotated as having been corrected by the LCLRC:

- \$611,198 was placed under LCPA account custody in adherence with the service provision agreement between the two entities requiring financial management of resources. These funds were monitored quite closely and were segregated during 2014 in accordance with the State Auditor recommendations off the 2013 Audit.
- \$2,714 in DRETAC were receipts coded as grant receipts inadvertently because of an inefficiency of the County Auditor coding system for payables. The \$2,417 is comprised of \$1,489.79 – a dollar amount attributed to DRETAC fees on Mobile Home units; and, \$1,224.21 attributed to Personal Property settlement DRETAC fees (a holdover from a closed out program.) County Auditor coding on these payments to the landbank were obscure and relatively indecipherable. We expended quite a bit of effort to get to the bottom of the issue before being able to correct the matter. \$2,714.00 represents less than a 2% error – which while immaterial, is taken very seriously by the land bank.
- \$25,199 Corporation Accounts Payable understatement had been a simple oversight by Varney, Fink and Associates. This amount represents an invoice from the County Prosecutor for land bank legal representation during 2014 that was submitted to the land bank during January of 2015. This invoice was properly accounted to 2014 through regular review of monthly accounting and invoicing reconciliation.

The land bank appreciates the State Auditor recommendation that all Corporation transactions be processed through the Corporation's checking account so that a separate accounting system can be maintained for the Corporation. This recommendation was implemented in large part during the latter part of 2014 – following a recommendation made during the 2013 year State audit. The organization can always benefit from an increase in the reliability of the financial data.

LORAIN COUNTY LAND REUTILIZATION CORPORATION
LORAIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Code of Regulation 9.2 and 9.3 - Failure to adopt an operating budget.	No	Not corrected; repeated as part of finding number 2014-001

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LORAIN COUNTY LAND REUTILIZATION CORPORATION

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 7, 2015**