

**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

LINDA S. BOLON, CHAIRPERSON



Dave Yost • Auditor of State

Board of Directors
Columbiana County Land Reutilization Corporation
105 South Market Street
Lisbon, Ohio 44432

We have reviewed the *Independent Auditor's Report* of the Columbiana County Land Reutilization Corporation, Columbiana County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbiana County Land Reutilization Corporation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 9, 2016

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**COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditor's Report

Columbiana County Land Reutilization Corporation
Columbiana County
105 South Market Street
Lisbon, Ohio 44432

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Columbiana County Land Reutilization Corporation, Columbiana County, Ohio, a component unit of Columbiana County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Columbiana County Land Reutilization 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 Columbiana County Land Reutilization 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 Columbiana County Land Reutilization 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 major fund of the Columbiana County Land Reutilization Corporation, Columbiana County, Ohio, as of December 31, 2015, 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 24, 2016, on our consideration of the Columbiana County Land Reutilization 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 Columbiana County Land Reutilization Corporation's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 24, 2016

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

The management's discussion and analysis of the Columbiana County Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- The total net position of the Corporation increased \$421,612 due to general revenues of \$456,584 and program revenues of \$134,682 exceeding expenses of \$169,654 during 2015.
- The general fund had revenues and other financing sources of \$591,266 and expenditures of \$169,654. The net increase in fund balance of the general fund was \$421,612.

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the Corporation as a whole, presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

While this document contains only one fund used by the Corporation to provide programs and activities, the view of the Corporation as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take 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 changes in that net position. This change in net position is important because it tells the reader that, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Governmental activities - The Corporation's programs and services are reported here. These services are funded primarily by intergovernmental revenues including state grants and other shared revenues.

The Corporation's statement of net position and statement of activities can be found on pages 9 and 10 of this report.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Reporting the Corporation's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the Corporation can be reflected as a governmental fund.

Fund financial reports provide detailed information about the Corporation's major funds. The Corporation uses the general fund to account for a multitude of financial transactions. The analysis of the Corporation's general fund begins on page 7.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation maintains a general fund. The basic governmental fund financial statements can be found on pages 11-12 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 13-21 of this report.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Government-Wide Financial Analysis

The statement of net position provides the perspective of the Corporation as a whole. The table below provides a summary of the Corporation's net position at December 31, 2015 and 2014.

	Net Position	
	Governmental Activities	
	2015	2014
<u>Assets</u>		
Current and other assets	\$ 521,762	\$ 150
Total assets	521,762	150
<u>Liabilities</u>		
Current and other liabilities	100,000	-
Total liabilities	100,000	-
<u>Net Position</u>		
Unrestricted	421,762	150
Total net position	\$ 421,762	\$ 150

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2015, the Corporation's assets exceeded liabilities by \$421,762.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

The table below shows the comparative analysis of changes in net position for 2015 and the period ending December 31, 2014.

	Change in Net Position	
	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Operating grants and contributions	\$ 134,682	\$ -
Total program revenues	134,682	-
General revenues:		
Grants and entitlements	31,178	-
Contributions and donations	394,400	-
Seller concessions	27,239	-
Sale of assets	3,655	735
Other	112	-
Total general revenues	456,584	735
Total revenues	591,266	735
Expenses:		
General government	169,654	585
Total expenses	169,654	585
Change in net position	421,612	150
Net position at beginning of year	150	-
Net position at end of year	\$ 421,762	\$ 150

Governmental Activities

Governmental activities net position increased \$421,612 during 2015.

Expenses for 2015 totaled \$169,654. The main expense of the Corporation is demolition costs related to the Neighborhood Initiative Program (NIP) grant. These costs were funded by \$134,682 in grant money.

General revenues totaled \$456,584 or 77.22% of total governmental revenues. The primary source of general revenues is contributions and donations related to properties acquired by the Corporation. These amounted to \$394,400 or 66.70% of total governmental revenues during 2015.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

General Fund

The fund balance of the general fund increased \$421,612 during 2015. This was the result of the Corporation receiving funding the NIP grant and donations of property that are held for resale. Expenditures for the year were primarily demolition costs related to the NIP grant.

Capital Assets

As of December 31, 2015, the Corporation does not have any capital assets.

Debt Administration

As of December 31, 2015, the Corporation does not have any debt.

Current Financial Related Activities

The County formed the Columbiana County Land Reutilization Corporation on May 9, 2014 and operations began on November 7, 2014. The Corporation is Columbiana County's agent to help local County municipalities reclaim, rehabilitate, and reutilize vacant, abandon, tax foreclosed, and other real property in Columbiana County. The purpose of the Corporation is to help the County's municipalities strengthen neighborhoods in Columbiana County by returning vacant and abandoned properties to productive use.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 questions about this report or need additional financial information please contact: Ms. Linda S. Bolon, Chairperson of the Columbiana County Land Reutilization Corporation, 105 South Market Street, Lisbon, Ohio 44432.

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COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents . . .	\$ 122,127
Prepayments	5,235
Assets held for resale	394,400
Total assets	521,762
Liabilities:	
Due to primary government	100,000
Total liabilities.	100,000
Net position:	
Unrestricted	421,762
Total net position	\$ 421,762

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General
Assets:	
Equity in pooled cash and cash equivalents	\$ 122,127
Prepayments	5,235
Assets held for resale	394,400
Total assets	\$ 521,762
Liabilities:	
Due to primary government	\$ 100,000
Total liabilities	100,000
Fund balances:	
Nonspendable:	
Prepayments	5,235
Assets held for resale	394,400
Unassigned	22,127
Total fund balances.	421,762
Total liabilities and fund balances	\$ 521,762

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General
Revenues:	
Intergovernmental	\$ 31,178
Contributions and donations	394,400
NIP grant	134,682
Sellers concessions	27,239
Other	112
Total revenues	587,611
Expenditures:	
Current:	
General government:	
Insurance	3,677
Professional services	9,554
NIP costs	147,441
Taxes	8,689
Miscellaneous/other	293
Total expenditures	169,654
Excess of revenues over expenditures	417,957
Other financing sources:	
Sale of assets	3,655
Total other financing sources	3,655
Net change in fund balances	421,612
Fund balances at beginning of year	150
Fund balances at end of year	\$ 421,762

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Columbiana County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on May 9, 2014, when the Columbiana County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to: (1) assist in the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property within the County for whose benefit the Corporation is being organized; (2) efficiently holding and managing vacant, abandoned or tax-foreclosed real property pending its reclamation, rehabilitation and reutilization; (3) assisting governmental entities and other non-profit or for-profit persons to assemble, clear the title of property described in division (B)(2) of ORC Section 1724.01 in a coordinated manner; or (4) promoting economic and housing development of the County or region. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of at least seven members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organization Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus”, the Corporation’s primary government and basic financial statements include components units which are defined as 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 impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization’s resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of an organization. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation’s management believes these basic financial statements present all activities for which the Corporation is financially accountable. The Corporation is a component unit of Columbiana County, Ohio.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation's significant accounting policies are described below.

Basis of Presentation

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

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, except for the fiduciary funds. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities or fiduciary funds.

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 is 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 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.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Fund

The governmental fund focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the governmental fund 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 plus deferred outflows of resources less liabilities plus deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund and major 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 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.

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.

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, current deferred outflows of resources, current liabilities and current 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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the general fund. There are no differences between the government-wide financial statements and the statements for the general fund, and thus, reconciliations are not presented.

Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide 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, the recording of deferred inflow of resources and in the presentation of expenses versus expenditures.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 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 of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will 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. There were no deferred outflows of resources at December 31, 2015.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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. There were no deferred inflows of resources at December 31, 2015.

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.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Budgetary Process

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

Federal Income Tax

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

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. 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.

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

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 or forfeited properties, the asset is reported at fair value. 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.

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.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2015.

Intergovernmental Revenue

The Corporation receives operating income through Columbiana County. For 2015, this amount represents start-up funding. In addition, the Corporation receives State grant funding for the Neighborhood Initiative Program (NIP) grant.

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 Fund Balance - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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, for example, inventories, prepaid amounts and property acquired for resale, unless the use of the proceeds from the collection of the sale of those properties is restricted, committed or assigned.

Restricted Fund Balance - The restricted classification is used 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 imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors remove 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.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Assigned Fund Balance - Assigned fund balance includes amounts that are constrained by the Corporation's intent to be used for specific purposes, but are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors have by resolution authorized the Treasurer to assign fund balance.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those 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's Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2015.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles/Restatement of Net Position

For 2015, the Corporation implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 had no effect on the basic financial statements of the Corporation.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. The implementation of GASB Statement No. 71 had no effect on the basic financial statements of the Corporation.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

At December 31, 2015, the carrying amount of all Corporation deposits was \$122,127. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2015, all of the Corporation's bank balance of \$124,827 was covered by the Federal Deposit Insurance Corporation (FDIC).

NOTE 5 - RISK MANAGEMENT

Public Officials Liability and Employment Practices Liability and Commercial General Liability Insurance

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2015, the Corporation contracted with Darwin National Assurance Company and United Specialty Insurance for Public Officials Liability and Employment Practices Liability Insurance and Commercial General Liability Insurance, respectively.

The limitations of coverages are as follows:

Public Officials and Employment Practices:

Public Officials Liability	\$1,000,000
Non-Monetary - Defense Only	\$50,000 - \$100,000
Employment Practices and Third Party Liability	\$1,000,000
Policy Aggregate Limit of Liability	\$1,000,000
Public Official Crisis Management Limit of Insurance	\$25,000

Commercial General Liability:

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage in the past two years and there was no significant change in insurance coverage from the prior year.

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION
COLUMBIANA COUNTY, OHIO
(A Component Unit of Columbiana County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 6 - TRANSACTIONS WITH COLUMBIANA COUNTY

During 2015, the Corporation received \$31,178 in start-up funding from the County. The Corporation also received a \$100,000 advance from the County that will be repaid with future revenues. This amount is recorded as a “due to primary government” on the basic financial statements.

During 2015, the Corporation paid \$10,530 in various costs to the Columbiana County Auditor and Clerk of Courts.

NOTE 7 - START UP PERIOD

The Corporation began operations on November 7, 2014. During the period November 7, 2014 through December 31, 2014, the Corporation had revenues of \$735 and expenditures/expenses of \$585 for an ending net position and fund balance of \$150 at December 31, 2014.



Julian & Grube, Inc.
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Columbiana County Land Reutilization Corporation
Columbiana County
105 South Market Street
Lisbon, Ohio 44432

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the Columbiana County Land Reutilization Corporation, Columbiana County, Ohio, a component unit of Columbiana County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Columbiana County Land Reutilization Corporation's basic financial statements and have issued our report thereon dated June 24, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Columbiana County Land Reutilization 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 Columbiana County Land Reutilization Corporation's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Directors
Columbiana County Land Reutilization Corporation

Compliance and Other Matters

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

Purpose of this Report

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



Julian & Grube, Inc.
June 24, 2016



Dave Yost • Auditor of State

COLUMBIANA COUNTY LAND REUTILIZATION CORPORATION

COLUMBIANA 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
SEPTEMBER 22, 2016**