



Dave Yost • Auditor of State

**TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Trumbull County Land Reutilization Corporation
Trumbull County
160 High Street NW, FL2A
Warren, Ohio 44481

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Trumbull County Land Reutilization Corporation, Trumbull County, Ohio (the Corporation), a component unit of Trumbull County, as of and for the years ended December 31, 2015 and 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 those risks of financial statement material 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 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 Trumbull County Land Reutilization Corporation, Trumbull County, Ohio, as of December 31, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2016, 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

September 13, 2016

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(UNAUDITED)

The management's discussion and analysis of the Trumbull County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 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 \$253,126 due to operating revenues of \$469,269 and non-operating revenues of \$1,306,310 exceeding expenses of \$1,522,453 during 2015.
- The Corporation had revenues of \$1,775,579 and expenses of \$1,522,453. The net increase in net position of the Corporation was \$253,126 or 23.86%.

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 statement of net position and statement of revenues, expenses and changes in net position 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.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The basic financial statements are comprised of the *statement of net position*, the *statement of revenues, expenses and change in net position*, the *statement of cash flows* and the *notes to the financial statements*.

- The *statement of net position* presents information on all of the Corporation's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.
- The *statement of revenues, expenses and change in net position* presents information showing how the Corporation's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *statement of cash flows* presents information showing in greater detail how the Corporation received and disbursed cash during the most recent fiscal years.

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- The *notes to financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The Corporation's financial statements consist of a single enterprise fund (a proprietary fund type), as the Corporation intends to recover all or a significant portion of its costs through user fees and charges (known as "business-type activities").

Financial Analysis

The net position of the Corporation is summarized for the purpose of determining the overall financial position. At December 31, 2015, the Corporation's assets exceeded liabilities by \$1,314,130, while at December 31, 2014, the Corporation's assets exceeded liabilities by \$1,061,004.

A comparative analysis of the data is presented below:

	Net Position		
	<u>Business-Type Activities</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current and other assets	\$ 1,283,328	\$ 1,036,377	\$ 744,705
Capital assets, net	33,252	27,077	2,950
Total assets	1,316,580	1,063,454	747,655
<u>Liabilities</u>			
Current and other liabilities	2,450	2,450	2,450
Total liabilities	2,450	2,450	2,450
<u>Net Position</u>			
Investment in capital assets	33,252	27,077	2,950
Unrestricted	1,280,878	1,033,927	742,255
Total net position	<u>\$ 1,314,130</u>	<u>\$ 1,061,004</u>	<u>\$ 745,205</u>

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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A portion of the Corporation's net position, \$33,252 or 2.52% at December 31, 2015, reflects its investment in capital assets. These assets are not available for future spending. Investment in capital assets at December 31, 2014 were \$27,077 which represents 2.55% of the Corporation's net position. The table below shows the comparative analysis of changes in net position.

	Change in Net Position		
	<u>Business-Type Activities</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues			
Operating revenues:			
Parcel sales and other revenue	\$ 469,269	\$ 524,815	\$ 389,267
Total operating revenues	469,269	524,815	389,267
Non-operating revenues:			
Grants and contributions	1,306,310	1,638,569	541,992
Total non-operating revenues	1,306,310	1,638,569	541,992
Total revenues	1,775,579	2,163,384	931,259
Expenses			
Operating expenses	1,522,453	1,847,585	546,542
Total expenses	1,522,453	1,847,585	546,542
Change in net position	253,126	315,799	384,717
Net position at beginning of year	1,061,004	745,205	360,488
Net position at end of year	<u>\$1,314,130</u>	<u>\$1,061,004</u>	<u>\$ 745,205</u>

Business-Type Activities

Business-Type Activities net position increased by \$253,126 during 2015.

Expenses for 2015 totaled \$1,522,453. The largest expense of the Corporation consists of reimbursement payments to cities and townships of Trumbull County for demolition costs in the amount of \$902,265 which represents 59.26% of total expenses. These costs were partially funded by grant money received from the Moving Ohio Forward grant program in the amount of \$48,823 which represents 3.74% of revenue from grants and contributions.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
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The remaining revenues from grants and contributions total \$1,257,473 which represents 96.26% of the total amount of \$1,306,296. The primary sources of this revenue consist of funds from the Ohio Neighborhood Initiative Program totaling \$703,956 or 53.88%, and of 5% of all collections of delinquent property taxes in Trumbull County which amounted to \$478,853 or 36.66% of total grant and contribution revenues during 2015. The remaining grant and contribution revenue of \$74,664 (5.72%) was received from donations.

In 2014, demolition costs totaled \$1,489,693 and represented 80.62% of the total expenses which were \$1,847,585. Grant money received from the Moving Ohio Forward grant program was \$1,193,342, or 72.83% of 2014 revenues from grants and donations. Of the remaining \$445,227 of the \$1,638,569 of total grant and donation revenues, \$431,515, or 26.33% came as a result of 5% of all collections of delinquent property taxes in Trumbull County while the remaining \$13,712 (.84%) was received from donations.

Capital Assets

Capital assets are comprised of computers and the related software, a vehicle, miscellaneous furniture and equipment, and construction in process.

Other Assets

Other assets consist of the Corporation's share of delinquent tax receivable and receivables from land contract parcel sales.

Debt Administration

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

Current Financial Related Activities

Trumbull County formed the Trumbull County Land Reutilization Corporation on November 10, 2010. The Corporation is a component unit of Trumbull County, Ohio. The purpose of the Corporation is for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in the county.

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: Mr. Sam Lamancusa, Treasurer, Trumbull County, 160 High Street NW, Warren, OH 44481.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2015 AND 2014

ASSETS	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 369,986	\$ 222,471
Due from other governments	501,912	623,059
Land contracts receivable	13,890	41,915
Inventory asset	397,250	148,932
Prepaid recording fees	290	0
TOTAL CURRENT ASSETS	1,283,328	1,036,377
CAPITAL ASSETS		
Land	2,400	0
Construction in process	9,378	0
Computers	747	747
Computer software	45,498	37,560
Vehicles	3,500	3,500
Furniture & equipment	953	315
	62,476	42,122
Less: accumulated depreciation	(29,224)	(15,045)
NET CAPITAL ASSETS	33,252	27,077
TOTAL ASSETS	\$ 1,316,580	\$ 1,063,454
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Escrow deposits payable	\$ 2,450	\$ 2,450
TOTAL CURRENT LIABILITIES	2,450	2,450
TOTAL LIABILITIES	2,450	2,450
NET POSITION		
Investment in capital assets	33,252	27,077
Restricted	75,943	87,287
Unrestricted	1,204,935	946,640
TOTAL NET POSITION	1,314,130	1,061,004
TOTAL LIABILITIES AND NET POSITION	\$ 1,316,580	\$ 1,063,454

See accompanying notes.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Parcel sales	\$ 460,422	\$ 520,659
Fee offsets	3,000	800
Salvage income	4,506	3,356
Reimbursements	1,341	0
TOTAL OPERATING REVENUES	469,269	524,815
OPERATING EXPENSES		
Cost of sales	857,084	1,544,349
Asbestos inspections	91,157	61,669
Board up supplies	1,051	382
Contract services	17,190	0
Court services	359	237
Deed preparation	9,190	8,570
Equipment expenses	105	0
Facilitator fees	135,000	90,000
Filing fees	148	533
Fuel	153	0
Licenses & permits	200	0
NIP expenses	96,621	0
Program fees	50,728	12,965
Property inspections	5,765	13,550
Property maintenance	91,389	9,179
Publications	12,996	30,793
Real estate taxes	0	573
Recording fees	1,404	0
Security	3,050	3,206
Signage	3,330	0
Supplies	5,971	0
Surveying	4,400	3,250
Utilities	5,554	4,456
Vehicle expense	178	0
Advertising & marketing	35,985	507
Automobile	7,141	6,853
Bank fees	110	522
Books, subscriptions, reference	110	60
Computer & internet expense	327	717
Depreciation	14,179	13,432
Donations	5,000	0
Insurance	17,672	11,759
Office Supplies	139	0
Postage & delivery	411	171
Printing & copying	437	490
Professional fees - accounting	14,400	14,400
Professional fees - legal	21,365	10,218
Professional fees - state audit	6,458	0
Supplies	116	2,600
Telephone	1,446	587

See accompanying notes.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Travel - conference & meetings	3,543	737
Travel expenses	<u>591</u>	<u>820</u>
TOTAL OPERATING EXPENSES	<u>1,522,453</u>	<u>1,847,585</u>
OPERATING INCOME (LOSS)	(1,053,184)	(1,322,770)
 NON-OPERATING REVENUES/(EXPENSES)		
Moving Ohio Forward grant	48,823	1,193,342
Ohio Home Assist NIP	703,956	0
DTAC share	478,853	431,515
Donations	74,664	13,712
Royalty revenue	<u>14</u>	<u>0</u>
TOTAL NON-OPERATING REVENUES/(EXPENSES)	1,306,310	1,638,569
CHANGE IN NET POSITION	253,126	315,799
NET POSITION BEGINNING OF YEAR	<u>1,061,004</u>	<u>745,205</u>
NET POSITION END OF YEAR	<u>\$ 1,314,130</u>	<u>\$ 1,061,004</u>

See accompanying notes.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from parcel sales	\$ 467,672	\$ 478,744
Other cash receipts	8,847	4,156
Cash payments for inventory	(1,084,627)	(1,660,768)
Other cash payments	(651,190)	(289,804)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,259,298)	(1,467,672)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants received	752,779	1,193,342
DTAC share received	600,000	150,001
Donations received	74,664	13,712
Royalty revenue	14	0
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	1,427,457	1,357,055
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash used to purchase capital assets	(20,354)	(37,560)
Cash used for prepaid recording fees	(290)	0
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(20,644)	(37,560)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	147,515	(148,177)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	222,471	370,648
CASH AND CASH EQUIVALENTS AT END OF YEAR	369,986	222,471

See accompanying notes.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,053,184)	\$ (1,322,770)
Adjustments		
Depreciation	14,179	13,432
(Increase) decrease in assets		
Land contracts receivable	28,025	(41,915)
Inventory asset	<u>(248,318)</u>	<u>(116,419)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(1,259,298)</u>	<u>(1,467,672)</u>

See accompanying notes.

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TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1 – DESCRIPTION OF THE REPORTING ENTITY

The Trumbull County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed on November 10, 2010, when the Trumbull County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code to exercise the powers and perform the duties of a county with respect to land reutilization under Chapter 5722 of the Ohio Revised Code. The purpose of the Corporation is for the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in the county. The Corporation is a component unit of Trumbull County, Ohio.

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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Corporation’s significant accounting policies are described below.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Corporation uses a single proprietary or enterprise fund to account for and report its financial activities, which are limited to *business-type activities* – i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Property sales associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period.

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.

Operating and Non-operating Revenues and Expenses

As a business-type activity, the Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues are mostly comprised of revenues from the sales of property. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation’s mission. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position

Cash and cash equivalents

All monies received by the Corporation are deposited in a demand deposit account, with the exception of some deposits being made for the purchase of real estate which are placed into an interest on trust accounts (IOTA) escrow account to be held until the completion of certain objectives. The balance in the IOTA account was \$75,943 at December 31, 2015, and \$87,287 at December 31, 2014. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. The Corporation had no investments during the years of or at the end of the years of 2015 or 2014.

Restricted assets

Certain amounts of cash are classified as restricted because their use is restricted by grant agreements or requirements for the purchase of real estate. Restricted cash balances at December 31, 2015 and 2014 are \$75,943 and \$87,287, respectively.

Due from other governments

Amounts due from other governments are receivables stated at their outstanding balance. The Corporation considers all amounts to be fully collectible. If collection becomes doubtful, the Corporation will either set up an allowance for doubtful accounts, or if deemed completely uncollectible, the amounts will be charged against income in the current period. Management does not believe a reserve for uncollectible receivables is necessary at December 31, 2015 or 2014.

Land contracts receivable

Land contracts receivable are receivables from parcel sales and are stated at their outstanding balance. The Corporation considers all amounts to be fully collectible. If amounts become uncollectible, the Corporation will identify them and record them as bad debt in the period that they become uncollectible. There was no bad debt in 2015 or 2014. In 2015, one land contract receivable was mutually terminated and the parcel was repurchased for the remaining outstanding balance of \$20,775.

Inventory asset

The Corporation's inventory consists of any unsold parcels that have been transferred into the name of the Corporation. The values placed on these parcels are based solely on the expense incurred by the Corporation that directly pertains to said parcels not to exceed the expected net realizable value. Inventory value was \$397,250 and \$148,932 at December 31, 2015 and 2014, respectively.

Capital Assets

The Corporation follows the practice of capitalizing expenses for property and equipment whose cost is in excess of \$250. The costs of additions and improvements which substantially extend the useful life of a particular asset are capitalized. Routine repair and maintenance costs are expensed in the period they are incurred.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Corporation's equipment and vehicles are depreciated primarily using the straight-line method. Estimated useful lives of assets are as follows:

Computer equipment and software	5 years
Vehicles	5 years
Furniture & equipment	7 years

Depreciation expenses were \$14,179 and \$13,432 for the years ended December 31, 2015 and 2014, respectively.

Net Position

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Corporation has no borrowings as of December 31, 2015 or 2014.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is \$75,943 and \$87,287 at December 31, 2015 or 2014, respectively.
- c. Unrestricted net position - all other assets that do not meet the definition of net investment in capital assets or restricted net position.

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 and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2015 or 2014.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

The Corporation maintains cash balances at Huntington National Bank, located in the Northeastern Ohio area. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2015, the Corporation's uninsured cash balances totaled \$119,986. At December 31, 2014, the Corporation's uninsured cash balances totaled \$0.

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 4 – RECEIVABLES

Amounts due from other governments at December 31, 2015 and 2014, consist of the Corporation's share of Trumbull County's Delinquent Tax Assessment and Collection (DTAC) fund. At December 31, 2015 and 2014, amounts due from other governments are \$501,912 and \$623,059, respectively.

As of December 31, 2015, there were two separate land contract agreement receivables totaling \$13,890. At December 31, 2014, there were three separate land contract agreement receivables totaling \$41,915.

NOTE 5 – CONSTRUCTION IN PROCESS

Construction in process consists of a building purchased that is in the process of being rehabilitated.

NOTE 6 – PREPAID RECORDING FEES

Prepayments consist of payments made to the county recorder in advance for future recording fees. The fees are reimbursed to the Corporation at the time of closing of parcel sales. This practice began in August 2015. Prepaid recording fees at December 31, 2015 amounted to \$290.

NOTE 7 – CAPITAL ASSETS

Capital assets at December 31, 2015, consisted of:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 2,400	\$ 0	\$ 2,400
Construction in process	\$ 9,378	\$ 0	\$ 9,378
Computers	\$ 747	\$ 448	\$ 299
Computer Software	\$ 45,498	\$ 25,702	\$ 19,796
Vehicles	\$ 3,500	\$ 2,800	\$ 700
Furniture & Equipment	<u>\$ 953</u>	<u>\$ 274</u>	<u>\$ 679</u>
	\$ 62,476	\$ 29,224	\$ 33,252

Plant, property and equipment at December 31, 2014, consisted of:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Computers	\$ 747	\$ 299	\$ 448
Computer Software	\$ 37,560	\$ 12,520	\$ 25,040
Vehicles	\$ 3,500	\$ 2,100	\$ 1,400
Furniture & Equipment	<u>\$ 315</u>	<u>\$ 126</u>	<u>\$ 189</u>
	\$ 42,122	\$ 15,045	\$ 27,077

TRUMBULL COUNTY LAND REUTILIZATION CORPORATION
TRUMBULL COUNTY, OHIO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 8 – COST OF SALES

Cost of sales for 2015 and 2014 consists of:

	2015	2014
Demolition	\$ 676,276	\$ 1,489,693
Parcel rehab - building	77,829	25,428
Parcel rehab - landscaping	0	2,778
Title searches	102,979	26,450
	\$ 857,084	\$ 1,544,349

NOTE 9 – TRANSACTIONS WITH TRUMBULL COUNTY

Pursuant to and in accordance with Section 321.621 (B) of the Ohio Revised Code, the Corporation has been authorized by the Trumbull 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 (DTAC) fund and will be available for appropriation by the Corporation to fund operations. At December 31, 2015, the Corporation recognized revenues of \$478,853 for these fees that were collected by the County in 2015 and \$431,515 for these fees that were collected by the County in 2014. The Corporation received \$600,000 of the DTAC amounts receivable in 2015 and \$150,001 of the DTAC amounts receivable in 2014.

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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*

Trumbull County Land Reutilization Corporation
Trumbull County
160 High Street NW, Floor 2A
Warren, Ohio 44481

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 Trumbull County Land Reutilization Corporation, Trumbull County, (the Corporation), a component unit of Trumbull County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 13, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 13, 2016



Dave Yost • Auditor of State

TRUMBULL COUNTY LAND REUTILIZATION

TRUMBULL COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 13, 2016