



OHIO AUDITOR OF STATE
KEITH FABER



JEFFERSON COUNTY LAND REUTILIZATION CORPORATION
JEFFERSON COUNTY
DECEMBER 31, 2021

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Jefferson County Land Reutilization Corporation
Jefferson County
301 Market Street, Room 105
Steubenville, Ohio 43952

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Jefferson County Land Reutilization Corporation, Jefferson County, Ohio as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 8 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2022, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2022

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Jefferson County Land Reutilization Corporation
A Component Unit of Jefferson County
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The discussion and analysis of Jefferson County Land Reutilization Corporation's financial performance provides an overview of the Corporation's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- The Corporation continued to focus on returning property to productive use, returning property to the tax duplicate and accelerating economic or housing activity in Jefferson County communities. The Corporation works cooperatively with cities, other units of government and individual property owners to acquire troubled real estate and return it to productive use.
- The Corporation acquired fifty-two properties throughout the year and made many more sales of revitalized properties during 2021. Sixty-nine properties were sold in 2021 and the land bank has sixty-two properties on hand at year end.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the Corporation as a financial whole or as an entire operating entity.

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

Reporting of the Corporation's Financial Activities

Statement of Net Position and the Statement of Activities

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

These two statements report the Corporation's net position and changes in that position. This change in net position is important because it tells the reader whether, for the Corporation as a whole, the *financial position* of the Corporation has improved or diminished.

The *Statement of Net Position* and the *Statement of Activities* are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources

Jefferson County Land Reutilization Corporation
A Component Unit of Jefferson County
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

- Net Position (Assets/Deferred Outflows minus Liabilities/Deferred Inflows)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

Reporting on the Corporation's Funds

Governmental Funds

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

The table below provides a summary of Corporation's net position for 2021 and 2020.

Net Position	<u>2021</u>	<u>2020</u>	<u>Change</u>
Assets			
Cash and Cash Equivalents	\$ 702,754	\$ 700,854	\$ 1,900
Assets Held for Resale	\$ 51,568	\$ 86,396	\$ (34,828)
Due from NIP	\$ -	\$ 4,119	\$ (4,119)
Due from Parcels	\$ 6,856	\$ 2,838	\$ 4,018
Total Assets	761,178	794,207	(33,029)
Liabilities			
Current and Other Liabilities	147,741	7,044	(140,697)
Total Liabilities	147,741	7,044	(140,697)
Net Position			
Unrestricted	613,437	787,163	(173,726)
Total Net Position	\$ 613,437	\$ 787,163	\$ (173,726)

Over time, net position can serve as useful indicator of a government's financial position. At December 31, 2021, the Corporation's net position was \$613,437, a decrease of \$173,726 from 2020. The Corporation's liabilities increased by \$140,697 due to the increase in demolition costs.

Cash increased in 2021 by \$1,900 compared to 2020. Assets held for sale as of December 31, 2021 decreased by \$34,828 compared 2020 as the corporation slowed the acquisition process and increased sales of properties, prior to the receipt of Neighborhood Initiative Program funds.

Jefferson County Land Reutilization Corporation
A Component Unit of Jefferson County
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The table below shows the change in net position for the year ending December 31, 2021 and December 31, 2020.

Change in Net Position	2021	2020	Change
Revenues			
Program Revenues			
Parcel Sales	\$ 56,418	\$ 33,409	\$ 23,009
Gas/Oil Royalties	7,602	-	7,602
Operating Grants and Contributions	51,943	-	51,943
Total Program Revenues	<u>115,963</u>	<u>33,409</u>	<u>82,554</u>
General Revenues:			
Intergovernmental	\$ 323,228	\$ 215,223	\$ 108,005
Lease Bonus and Royalty Payments	1,620	15,669	(14,049)
Interest	767	2,987	(2,220)
Total General Revenues	<u>325,615</u>	<u>233,879</u>	<u>91,736</u>
Total Revenues	<u>441,578</u>	<u>267,288</u>	<u>174,290</u>
Program Expenses			
General Government	\$ 91,969	\$ 91,606	\$ 363
Land Reutilization	523,335	151,508	371,827
Total Expenses	<u>615,304</u>	<u>243,114</u>	<u>372,190</u>
Change in Net Position	<u>\$ (173,726)</u>	<u>\$ 24,174</u>	<u>\$ (197,900)</u>
Beginning Net Position	<u>\$ 787,163</u>	<u>\$ 762,989</u>	<u>\$ 24,174</u>
Ending Net Position	<u>\$ 613,437</u>	<u>\$ 787,163</u>	<u>\$ (173,726)</u>

Governmental Activities

Revenues for 2021 consist of intergovernmental shared funds, parcel sales, and lease bonus and royalty payments. The Corporation received \$51,943 from the Neighborhood Initiative Program in the current year. Also, the Corporation is maintaining 62 properties at the end of 2021. Revenues increased by \$174,290 and expenses increased by \$372,190 as a result of an increase in sale of properties and DTAC funds. Expenses increased due to increased demolition costs and increased acquisitions.

The Corporation's Funds

The Corporation's governmental funds are accounted for using the modified accrual basis of

Jefferson County Land Reutilization Corporation
A Component Unit of Jefferson County
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

accounting. All governmental funds had revenues of \$441,578 and expenditures of \$615,304. Revenues for 2021 consist of revenue primarily from Jefferson County levying delinquent tax and assessment collection, parcel sales and lease bonus and royalty payments.

Capital Assets and Debt Administration

As of December 31, 2021, the Corporation had no capital assets or debt.

Current Financial Related Activities

The Corporation began operations on May 9, 2014. The Corporation is Jefferson County, Ohio's agent to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in Jefferson County. The purpose of the Corporation is to strengthen neighborhoods in Jefferson County by returning vacant and abandoned properties to productive use. By strategically acquiring properties, the Corporation works to reduce blight, promote economic development, increase property values, and thereby improve the quality of life of all Jefferson County residents. The principal operating revenues of the Corporation is revenue from property dispositions and grants.

Requests for Information

This financial report is designed to provide users of the financial statements with a general overview of the Corporation's finances and show the Corporation's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Raymond Agresta, Chairman, 301 Market Street, First Floor, Steubenville, Ohio 43952.

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION
A COMPONENT UNIT OF JEFFERSON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
ASSETS	
Cash in Bank - Wesbanco	\$ 702,754
Assets Held for Resale	51,568
Due from Parcel Sales	6,856
TOTAL ASSETS	\$ 761,178
 LIABILITIES	
Accounts Payable	\$ 147,741
TOTAL LIABILITIES	\$ 147,741
 NET POSITION	
Unrestricted	613,437
TOTAL NET POSITION	\$ 613,437

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION
A COMPONENT UNIT OF JEFFERSON COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES
	EXPENSES	CHARGES FOR SERVICES AND SALES	OPERATING GRANTS	GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES				
Current:				
General Government	\$ 91,969	\$ -	-	\$ (91,969)
Land Reutilization	523,335	64,020	51,943	\$ (407,372)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 615,304	\$ 64,020	\$ 51,943	\$ (499,341)
GENERAL REVENUE				
Intergovernmental Shared Revenue				323,228
Gas & Oil Lease Bonus Revenue				1,620
Interest				767
TOTAL GENERAL REVENUES				325,615
				CHANGE IN NET POSITION (173,726)
				NET POSITION - BEGINNING OF YEAR 787,163
				NET POSITION - END OF YEAR \$ 613,437

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION
A COMPONENT UNIT OF JEFFERSON COUNTY
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2021

General

ASSETS

Cash in Bank - Wesbanco	\$ 702,754
Assets Held for Resale	51,568
Due from Neighborhood Initiative Program	-
Due from Parcel Sales	6,856
TOTAL ASSETS	<u><u>\$ 761,178</u></u>

LIABILITIES

Accounts Payable	<u>\$ 147,741</u>
TOTAL LIABILITIES	<u>\$ 147,741</u>

FUND BALANCES

Nonspendable, Assets Held for Resale	\$ 51,568
Unassigned	<u>561,869</u>
Total Fund Balances	<u>613,437</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 761,178</u></u>

**JEFFERSON COUNTY LAND REUTILIZATION CORPORATION
A COMPONENT UNIT OF JEFFERSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>
REVENUES	
Parcel Sales	\$ 56,418
Lease Bonus and Royalty Payments	9,222
Intergovernmental Shared Revenue	375,171
Interest Income	767
Total Revenues	441,578
EXPENDITURES	
Current:	
General Government	91,969
Land Reutilization	523,335
Total Expenditures	615,304
Net Change in Fund Balance	(173,726)
FUND BALANCE - BEGINNING OF YEAR	787,163
FUND BALANCE - END OF YEAR	\$ 613,437

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY**

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Jefferson County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on May 9, 2014 when the Jefferson County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Jefferson County (the County) by returning vacant and abandoned properties to productive use. 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 no less than five and no more than nine 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 legally separate entity and meets the requirements to be reported by the County as a discretely presented component unit in the County's basic financial statements. 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.

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.

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 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 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.

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.

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY
Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements 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.

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 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 liabilities is reported as fund balance. The following is the Corporation's governmental fund.

General Fund The general fund accounts for all financial resources that are not required to be separately accounted for. 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.

C. Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using a flow of economic resource measurement focus. All assets and all liabilities associated with the operation of the Corporation are included on the Statement of Net Position. The Statement of Activities presents increases and decreases in total net position.

Fund Financial Statements The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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.

D. 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. Governmental funds use 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 outflows/inflows of resources and in the presentation of expenses versus expenditures.

**JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY**

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 thirty days of year-end.

Non-exchange 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 non-exchange transactions must also be available before it can be recognized.

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

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.

E. Federal Income Tax

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

F. 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.

G. Assets Held for Resale

Assets held for resale represents properties held by the Corporation that the Corporation intends to sell to a third party. These assets are valued at the estimated net realizable value. The Corporation holds properties until the parcel is either sold to a new homeowner, sold to an individual who will rehabilitate the parcel, or the home on the property is demolished.

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY
Notes to the Basic Financial Statements For the Year Ended December 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Position

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. The Corporation did not have any deferred outflow of resources and deferred inflow of resources as of December 31, 2021. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Directors 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, 2021. The Corporation applies restricted resources first when an expense is incurred for which both restricted and unrestricted net positions are available.

I. 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.

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:

1. Non-spendable

The non-spendable 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 and prepaid amounts.

2. Restricted

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.

3. Committed

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.

4. Assigned

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.

5. Unassigned

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.

JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

K. Intergovernmental Revenue

The Corporation receives operating income through Jefferson County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

NOTE 3 - DEPOSITS

At December 31, 2021, the carrying amount of the Corporation's deposits was \$702,754. Based on the criteria described in GASB Statement Number 40, Deposits and Investment Risk Disclosures, as of December 31, 2021, a portion (\$250,000) of the Corporation's bank balance of \$705,399 was covered by Federal Deposit Insurance Corporation (FDIC). Custodial credit risk is the risk that in the event of bank failure that the Corporation's deposits may not be returned to it. Protection of the Corporation's cash and deposits is provided by the FDIC or collateralized by the financial institution.

The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

NOTE 4 - RECEIVABLES

At December 31, 2021, receivables consisted of \$6,856 which was due from the several parcel sales to neighboring residents of parcels in Jefferson County. These amounts are expected to be collected in the subsequent year.

**JEFFERSON COUNTY LAND REUTILIZATION CORPORATION JEFFERSON COUNTY
A COMPONENT UNIT OF JEFFERSON COUNTY**

Notes to the Basic Financial Statements For the Year Ended December 31, 2021

NOTE 5 – RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Corporation contracted with West Bend Insurance and Oklok-Criss Insurance for various types of insurance as follows:

Type	Coverage
General Aggregate	\$1,000,000/\$2,000,000
Liability Property	1,000,000
Commercial General Liability	1,000,000
Personal Injury	1,000,000
Business Personal Property	150,000
Ohio Employers Liability	1,700,000
Directors/Officers Liability	2,000,000
Employment Practices Liability	1,000,000
Employee Dishonesty	225,000
Employee Benefits Liability	1,000,000/3,000,000
Umbrella Coverage	5,000,000

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

NOTE 6 – RELATED PARTY TRANSACTIONS

The Corporation acts as the lead agency on the Neighborhood Initiative Program. As of December 31, 2021, the Neighborhood Initiative Program has reimbursed the Corporation \$51,943. The Corporation receives operating income through Jefferson County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. The revenue collected by the Corporation for Delinquent Tax and Assessment Collection was \$322,448 for the year ending December 2021.

NOTE 7 – CONTINGENCIES

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

NOTE 8 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. In addition, the impact on the Corporation's future operating costs, revenues, and any recovery from emergency funding, either federal or state cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.



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

Jefferson County Land Reutilization Corporation
Jefferson County
301 Market Street, Room 105
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Jefferson County Land Reutilization Corporation, Jefferson County, (the Corporation) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 1, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Corporation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

June 1, 2022

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON COUNTY LAND REUTILIZATION CORPORATION

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/28/2022

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

This report is a matter of public record and is available online at
www.ohioauditor.gov