



OHIO AUDITOR OF STATE
KEITH FABER



**MAHONING COUNTY LAND REUTILIZATION CORPORATION
MAHONING COUNTY
DECEMBER 31, 2021 AND 2020**

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**MAHONING COUNTY LAND REUTILIZATION CORPORATION
MAHONING COUNTY
DECEMBER 31, 2021 AND 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Mahoning County Land Reutilization Corporation
Mahoning County
20 West Federal Street
Youngstown, Ohio 44503

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 Mahoning County Land Reutilization Corporation, Mahoning County, Ohio (Corporation), as of and for the years ended December 31, 2021 and 2020, 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 Mahoning County Land Reutilization Corporation, Mahoning County, Ohio, as of December 31, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for 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 11 to the 2021 and 2020 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 3, 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 3, 2022

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Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Management's Discussion and Analysis

For the Year Ended December 31, 2021

(Unaudited)

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

Financial Highlights

Key financial highlights for 2021 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation reported \$557,841 in 2021.
- The Corporation completed the Neighborhood Initiative Program (NIP) in 2020. The remaining reimbursement awards of \$205,183 were reported in 2021.
- The Corporation received \$63,000 from the Paycheck Protection Program in 2020. This loan was forgiven in March 2021.
- Net position increased \$32,112 in 2021. Further details will be discussed in this analysis.

Using this Annual Financial Report

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

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

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

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

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

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

The Mahoning County Land Reutilization Corporation as a Whole

Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2021 compared to 2020:

	2021	2020	Change
Assets			
Current and Other Assets	\$ 3,692,258	\$ 3,911,153	\$ (218,895)
Depreciable Capital Assets	24,351	22,870	1,481
<i>Total Assets</i>	<i>3,716,609</i>	<i>3,934,023</i>	<i>(217,414)</i>
Liabilities			
Current and Other Liabilities	200,419	403,875	(203,456)
Long-Term Liabilities			
Due Within One Year	29,663	93,180	(63,517)
Due in More Than One Year	35,819	18,372	17,447
<i>Total Liabilities</i>	<i>265,901</i>	<i>515,427</i>	<i>(249,526)</i>
Net Position			
Net Investment in Capital Assets	6,449	17,712	(11,263)
Unrestricted	3,444,259	3,400,884	43,375
<i>Total Net Position</i>	<i>\$ 3,450,708</i>	<i>\$ 3,418,596</i>	<i>\$ 32,112</i>

Current and other assets decreased from 2020, mainly cash with the completion of the NIP Grant Program. A decrease in unearned maintenance revenue accounts for most of the decrease in current and other liabilities from the prior year. The decrease in long-term liabilities is attributable to the forgiveness of the PPP loan received by the Corporation in 2020.

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

Table 2
Change in Net Position

	2021	2020	Change
Revenues			
<i>Program Revenues:</i>			
Operating Grants	\$ 210,183	\$ 366,233	\$ (156,050)
<i>General Revenues:</i>			
Intergovernmental	620,841	562,339	58,502
Sale of Inventoried Assets	330,147	289,893	40,254
Other	14,789	50,924	(36,135)
<i>Total General Revenues</i>	<u>965,777</u>	<u>903,156</u>	<u>62,621</u>
<i>Total Revenues</i>	<u>1,175,960</u>	<u>1,269,389</u>	<u>(93,429)</u>
Program Expenses			
<i>General Government:</i>			
Professional and Contract Services	595,865	609,914	(14,049)
Administration	547,875	551,570	(3,695)
Interest and Fiscal Charges	108	82	26
<i>Total Program Expenses</i>	<u>1,143,848</u>	<u>1,161,566</u>	<u>(17,718)</u>
<i>Increase (Decrease) in Net Position</i>	32,112	107,823	(75,711)
<i>Net Position Beginning of Year</i>	<u>3,418,596</u>	<u>3,310,773</u>	<u>107,823</u>
<i>Net Position End of Year</i>	<u>\$ 3,450,708</u>	<u>\$ 3,418,596</u>	<u>\$ 32,112</u>

Intergovernmental revenues mainly consist of revenue from Mahoning County for 5 percent of delinquent taxes and assessments. The largest portion of operating grants are from the Corporation's Neighborhood Initiative Program which began in 2014, with a final grant deadline of December 31, 2019. Operating grants decreased significantly in 2021 due to the completion of the Program.

The Corporation's Fund

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

The Corporation had general fund revenues of \$1,180,738 and expenditures of \$1,227,786. The completion of the Neighborhood Initiative Program revenue contributed to the decrease in revenue from 2020 while expenditures remained fairly consistent. Fund balance in the general fund decreased \$28,529 from 2020.

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

Budgeting

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

Capital Assets

The Corporation had \$24,351 in capital assets in 2021. See Note 5 for details.

Debt

The Corporation entered into a new capital lease for a copier. At December 31, 2021, the Corporation had a capital lease balance of \$17,902. See Note 8 for details.

Current Financial Related Activities

The Corporation has been designated by Mahoning County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Mahoning County. Principal operating revenues of the Corporation include contributions from Mahoning County's delinquent tax assessment collection fund.

The Ohio Legislature adopted a biennial budget in July 2021 that included \$150 million toward demolition of vacant, abandoned, damaged residential and non-brownfield commercial properties, and \$350 million to remediate brownfield properties. The Ohio Department of Development (ODOD) began to receive applications in December 2021 from qualified entities, which include county land banks. Each county is eligible for match-free reimbursements of up to \$500,000 for residential and non-brownfield commercial properties and up to \$1 million for brownfield remediation and demolition. Remaining funds in each program are to be awarded on a competitive basis. Mahoning County Land Reutilization Corporation applied for an additional \$9.5 million to demolish 825 residential and commercial buildings, and an additional \$1.6 million for brownfield cleanup. ODOD is expected to confirm awards during the second quarter of 2022.

Also in 2021, the Corporation sold or signed agreements to sell 6 residential structures to buyers, 3 commercial structures to investors, and sold 200 parcels of vacant land to new owners for economic development and/or neighborhood enhancement projects.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mahoning County Treasurer, Chairman, Mahoning County Land Reutilization Corporation, 20 W. Federal Street, Suite 202, Youngstown, Ohio 44503.

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

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 2,261,552
Accounts Receivable	15,766
Intergovernmental Receivable	27,835
Prepaid Items	12,036
Assets Held for Resale	1,324,550
Deposits	86
Restricted Cash and Cash Equivalents	50,433
Depreciable Capital Assets (Net)	24,351
<i>Total Assets</i>	3,716,609
Liabilities	
Accounts Payable	28,896
Accrued Wages	8,951
Intergovernmental Payable	383
Accrued Expenses	28,775
Customer Deposits	50,433
Unearned Revenue	82,981
Long Term Liabilities:	
Due Within One Year	29,663
Due In More Than One Year	35,819
<i>Total Liabilities</i>	265,901
Net Position	
Net Investment in Capital Assets	6,449
Unrestricted	3,444,259
<i>Total Net Position</i>	\$ 3,450,708

See accompanying notes to the basic financial statements.

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

		Program Revenues	Net (Expense) Revenue and Change in Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government:			
Professional and Contract Services	\$ 595,865	\$ 210,183	\$ (385,682)
Administration	547,875	-	(547,875)
Interest and Fiscal Charges	108	-	(108)
<i>Total</i>	\$ 1,143,848	\$ 210,183	(933,665)
General Revenues:			
			620,841
			330,147
			14,789
			<i>Total General Revenues</i> 965,777
			32,112
			<i>Net Position Beginning of Year</i> 3,418,596
			<i>Net Position End of Year</i> \$ 3,450,708

See accompanying notes to the basic financial statements.

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

	General Fund
Assets	
Cash and Cash Equivalents	\$ 2,261,552
Receivables:	
Accounts	15,766
Intergovernmental	27,835
Prepaid Items	12,036
Assets Held for Resale	1,324,550
Deposits	86
Restricted Assets:	
Restricted Cash and Cash Equivalents	50,433
<i>Total Assets</i>	\$ 3,692,258
Liabilities	
Accounts Payable	\$ 28,896
Accrued Wages	8,951
Intergovernmental Payable	383
Accrued Expenses	28,775
Customer Deposits	50,433
Unearned Revenue	82,981
<i>Total Liabilities</i>	200,419
Deferred Inflows of Resources	
Unavailable Revenue	32,048
Fund Balance	
Nonspendable	1,336,672
Unassigned	2,123,119
<i>Total Fund Balance</i>	3,459,791
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 3,692,258

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2021

Total Governmental Fund Balance	\$	3,459,791
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund.		24,351
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.		
Sales of Inventoried Assets	\$ 4,215	
Operating Grants	27,833	32,048
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	47,580	
Capital Lease Payable	17,902	(65,482)
 Net Position of Governmental Activities	 \$	 <u>3,450,708</u>

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
For the Year Ended December 31, 2021

	General
Revenues:	
Intergovernmental	\$ 620,841
Operating Grants	205,183
Donations	5,000
Sales of Inventoried Assets	334,925
Other	14,789
<i>Total Revenues</i>	1,180,738
Expenditures:	
Current:	
General Government:	
Professional and Contract Services	613,735
Administration	547,194
Debt Service:	
Principal Retirement	66,749
Interest and Fiscal Charges	108
<i>Total Expenditures</i>	1,227,786
Other Financing Sources and Uses:	
Inception of Capital Lease	18,519
<i>Net Change in Fund Balance</i>	(28,529)
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,488,320
<i>Fund Balance (Deficit) at End of Year</i>	\$ 3,459,791

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2021*

Net Change in Fund Balance - Total Governmental Fund	\$	(28,529)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 18,519	
Current Year Depreciation	<u>(6,804)</u>	11,715
 Net effect of transactions involving sale of capital assets are not reflected in the fund.		
		(10,234)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Sales of Inventoried Assets	(4,778)	
Operating Grants	<u>17,868</u>	13,090
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Capital Lease	3,749	
PPP Loan	<u>63,000</u>	66,749
 Inception of capital lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Inception of Capital Lease (net of \$2,026 trade in)		(16,493)
 Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental fund.		
Compensated Absences		<u>(4,186)</u>
Change in Net Position of Governmental Activities	\$	<u><u>32,112</u></u>

See accompanying notes to the basic financial statements.

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Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Mahoning County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on Feb. 24, 2011 by the Board of County Commissioners of Mahoning County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a nine member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, a representative of a township with 10,000 or more residents, a representative of small cities and villages, a representative of a township with fewer than 10,000 residents, a citizen representative and a real estate representative.

The Corporation is classified as a component unit of Mahoning County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriff's Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statements of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund - The general fund accounts for all financial resources that are received from the County Auditor from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for the general fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide resources to be used for a specified purpose, and expenditure requirements, in which the resources provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Donations are recorded at fair market value at the time of the contribution. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the Corporation immediately upon receipt by the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Unearned Revenue

Unearned revenue represents amounts received in advance that are used to maintain properties prior to their sale.

Deferred Outflows/Inflows of Resources

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

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

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

The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decisions for the organization. The budget is compiled by the Finance Committee, the Executive Director and the Fiscal Officer.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed and other
- Liabilities: current and long-term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

The Board of Directors, the Finance Committee, the Executive Director and/or the Fiscal Officer may request or require organizational budget changes when material changes in plans, transaction amounts, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. Where the budget total does not change, the Executive Director is authorized to transfer monies between line items in the Corporation's operating budget, not to exceed the total dollar amount of \$1,500 per line item.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Cash and Cash Equivalents

Cash held by the Corporation is reflected as “Cash and Cash Equivalents.”

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 year or at the end of the year.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of donation plus any costs of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposit liability account.

Capital Assets

The Corporation’s only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Corporation maintains a capitalization threshold of five hundred dollars.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for furniture and equipment with a useful life of 5 to 10 years.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

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. However, compensated absences and claims and judgements are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements.

Compensated Absences

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation receives operating income through Mahoning 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.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Operating Grants

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2021.

Implementation of New Accounting Principles

For the year ended December 31, 2021, the Corporation has implemented Governmental Accounting Standards Board (GASB) Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of certain provisions (all except for paragraphs 13 and 14, which are effective for fiscal years beginning after June 15, 2021), of GASB Statement No. 93 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 98 establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The implementation of GASB Statement No. 98 did not have an effect on the financial statements of the Corporation

NOTE 3 - DEPOSITS AND INVESTMENTS

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

Cash on Hand - At December 31, 2021 the Corporation had \$100 in undeposited cash on hand, which is included in the balance sheet of the Corporation as part of "Cash and Cash Equivalents."

Deposits - At December 31, 2021, the carrying amount of the Corporation's deposits was \$2,311,885. \$250,000 of the Corporation's bank balance of \$2,317,973 was covered by the Federal Deposit Insurance

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Corporations, the remaining \$2,067,973 was exposed to custodial credit risk. The Corporation's financial institution participates in the Ohio Pooled Collateral System (OPCS).

The Corporation has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the Corporation 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 Ohio Pooled Collateral System (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.

NOTE 4 - RISK MANAGEMENT

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

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

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets during 2021 follows:

	Balance 12/31/20	Additions	Disposals	Balance 12/31/21
Furniture & Equipment	\$ 36,938	\$ 18,519	\$ (20,470)	\$ 34,987
Accumulated Depreciation	<u>(14,068)</u>	<u>(6,804)</u>	<u>10,236</u>	<u>(10,636)</u>
Capital Assets, Net	<u>\$ 22,870</u>	<u>\$ 11,715</u>	<u>\$ (10,234)</u>	<u>\$ 24,351</u>

Depreciation expense of \$6,804 was charged to administration expense.

NOTE 6 – EMPLOYEE BENEFITS

Compensated Absences

The Corporation employees earn vacation leave at varying rates based upon length of service. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of the anniversary of employment and unused vacation may be carried over indefinitely.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

After one (1) full year of service with Mahoning County Land Reutilization Corporation, an employee will be credited with vacation earned during the first year of employment. New employees with no prior public service are eligible for paid vacation only after one (1) full year of employment. If a new employee with no prior service credit terminates employment before serving one (1) full year of employment, he/she will receive no vacation pay out. Otherwise, when an employee terminates employment, he or she will receive the balance of unused, earned vacation time.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 25 percent of their sick leave balance not to exceed 240 hours.

Overtime compensation will be taken as compensatory time. Time worked over forty (40) hours in a work week will be compensated at 1-1/2 hours for each hour worked. The maximum number of compensatory hours that an employee may accrue is eighty (80) hours within the same calendar year. Any employee who has reached this maximum shall not work any additional overtime until the employee's accrued compensatory time has fallen below the maximum allowed, unless the employee receives advanced written authorization from the Executive Director. An employee is encouraged to use all his/her compensatory time within the same calendar year in which it is earned. However, the employee may carry over a maximum of forty (40) hours of compensatory time beyond the calendar year in which it is earned. Any compensatory time that an employee has accrued that cannot be carried over as a result of the forty-hour (40 hr.) limit, must be paid on December 31 of the calendar year in which it was accrued. At no time will an employee be paid for any compensatory time not utilized during the calendar year in excess of forty (40) hours. Any compensatory time that is not paid at the end of the calendar year or is not carried over shall lapse.

Health Insurance Benefits

The Corporation makes available to all full time employees comprehensive major medical/hospitalization health care insurance. Participating employees may elect coverage (i.e. single, family, etc.) as provided under the offered plan(s). Eligible employees may elect applicable coverage. Employee participation costs, as may be applicable, shall be made through payroll deduction. The employer shall contribute ninety percent (90 percent) and eligible employees shall contribute ten percent (10 percent) for the premium cost of health care coverage. Employees will split the cost of any increase in premium cost on the basis of the same 90 percent expenditure by management and 10 percent expenditure by employees. Eligible employees may opt out from the hospitalization plan at a rate of \$150 per month, minus taxes paid on 12 pays.

Retirement Benefits

The Corporation adopted a 401(k) plan for employees ages 21 and older who work 1,000 or more hours of service per year of eligibility. The plan consists of an annual lump sum contribution by the Corporation, based on up to 10 percent of each employee's earned wages, and elective deferrals by employees with matching amounts paid by the Corporation, up to 8 percent per employee. Each qualifying participant's individual account will receive an annual pro rata allocation, based on the qualifying participant's compensation in relation to the total compensation of all qualifying participants. Plan documents are available from the Fiscal Officer.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Social Security

All employees pay into Social Security. The Corporation's liability is 6.2 percent of wages.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2021 consisted of accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for December 31, 2021 are as follows:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2021</u>	<u>Due within</u> <u>One Year</u>
Direct Borrowing:					
PPP Loan	\$ 63,000	\$ -	\$ 63,000	\$ -	\$ -
Capital Lease	5,158	18,519	5,775	17,902	3,704
Compensated Absences	<u>43,394</u>	<u>30,190</u>	<u>26,004</u>	<u>47,580</u>	<u>25,959</u>
Total	<u>\$ 111,552</u>	<u>\$ 48,709</u>	<u>\$ 94,779</u>	<u>\$ 65,482</u>	<u>\$ 29,663</u>

The Paycheck Protection Program (PPP) was formed as part of the CARES Act. The PPP allows certain entities to apply for aid through forgivable loans. The Corporation entered into a loan payable agreement with a bank under PPP. The loan was forgiven on March 25, 2021.

NOTE 9 – CAPITAL LEASE

The Corporation is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities.

During 2021, the Corporation entered into a lease agreement for copiers. This is a long-term agreement lease, which meets the criteria of a capital lease. The Corporation will make monthly lease payments. Assets acquired by the lease have been capitalized as furniture and equipment in the amount of \$18,519 with accumulated depreciation at December 31, 2021 of \$617.

The future minimum lease payments required under capital leases are as follows:

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Year Ending December 31,	Amount
2022	\$ 3,978
2023	3,978
2024	3,978
2025	3,978
2026	3,316
Minimum Lease Payments	19,227
Less Amount Representing Interest	1,325
Present Value of Net Lease Payments	<u>\$ 17,902</u>

NOTE 10 – FUND BALANCE

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

Fund Balance	General Fund
Nonspendable:	
Assets Held for Resale	\$ 1,324,550
Prepays	12,036
Workers' Compensation Deposit	86
Total Nonspendable	<u>1,336,672</u>
Unassigned	<u>2,123,119</u>
<i>Total Fund Balance</i>	<u>\$ 3,459,791</u>

NOTE 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 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.

The Corporation did not receive any Coronavirus Aid Relief and Economic Security (CARES) Act funding during 2021.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The discussion and analysis of the Mahoning 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, 2020. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation reported \$552,342 in 2020.
- The Corporation completed the Neighborhood Initiative Program (NIP) in 2020 and reported \$320,715 in reimbursement awards.
- The Corporation received \$63,000 from the Paycheck Protection Program in 2020. This loan was forgiven in March 2021.
- Net position increased \$107,823 in 2020. Further details will be discussed in this analysis.

Using this Annual Financial Report

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

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

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Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

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

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

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

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Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

The Mahoning County Land Reutilization Corporation as a Whole

Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2020 compared to 2019:

	2020	2019	Change
Assets			
Current and Other Assets	\$ 3,911,153	\$ 4,106,781	\$ (195,628)
Depreciable Capital Assets	22,870	21,236	1,634
<i>Total Assets</i>	3,934,023	4,128,017	(193,994)
Liabilities			
Current and Other Liabilities	403,875	770,848	(366,973)
Long-Term Liabilities			
Due Within One Year	93,180	24,208	68,972
Due in More Than One Year	18,372	22,188	(3,816)
<i>Total Liabilities</i>	515,427	817,244	(301,817)
Net Position			
Net Investment in Capital Assets	17,712	11,902	5,810
Unrestricted	3,400,884	3,298,871	102,013
<i>Total Net Position</i>	\$ 3,418,596	\$ 3,310,773	\$ 107,823

Current and other assets decreased from 2019, mainly through intergovernmental receivables with the completion of the NIP Grant Program. A decrease in unearned maintenance revenue accounts for most of the decrease in current and other liabilities from the prior year. The increase in long-term liabilities is attributable to the PPP loan received by the Corporation during the year.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Table 2
Change in Net Position

	2020	2019	Change
Revenues			
<i>Program Revenues:</i>			
Operating Grants	\$ 366,233	\$ 3,948,408	\$ (3,582,175)
<i>General Revenues:</i>			
Intergovernmental	562,339	521,989	40,350
Sale of Inventoried Assets	289,893	123,610	166,283
Other	50,924	33,821	17,103
<i>Total General Revenues</i>	<u>903,156</u>	<u>679,420</u>	<u>223,736</u>
<i>Total Revenues</i>	<u>1,269,389</u>	<u>4,627,828</u>	<u>(3,358,439)</u>
Program Expenses			
<i>General Government:</i>			
Professional and Contract Services	609,914	3,147,896	(2,537,982)
Administration	551,570	557,776	(6,206)
Interest and Fiscal Charges	82	514	(432)
<i>Total Program Expenses</i>	<u>1,161,566</u>	<u>3,706,186</u>	<u>(2,544,620)</u>
<i>Increase (Decrease) in Net Position</i>	107,823	921,642	(813,819)
<i>Net Position Beginning of Year</i>	<u>3,310,773</u>	<u>2,389,131</u>	<u>921,642</u>
<i>Net Position End of Year</i>	<u>\$ 3,418,596</u>	<u>\$ 3,310,773</u>	<u>\$ 107,823</u>

Intergovernmental revenues mainly consist of revenue from Mahoning County for 5 percent of delinquent taxes and assessments. The largest portion of operating grants are from the Corporation's Neighborhood Initiative Program which began in 2014, with a final grant deadline of December 31, 2019. Both operating grants and professional and contract services expenses decreased significantly in 2020 due to the completion of the Program with only the remaining activity occurring in current year.

The Corporation's Fund

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

The Corporation had general fund revenues of \$1,262,391 and expenditures of \$1,155,739. The completion of the Neighborhood Initiative Program revenue contributed to the decrease in revenue from 2020 while expenditures for professional and contract services decreased proportionately. Fund balance in the general fund increased \$169,652 from 2019.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2020
(Unaudited)

Budgeting

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

Capital Assets

The Corporation had \$22,870 in capital assets in 2020. See Note 5 for details.

Debt

At December 31, 2020, the Corporation had a capital lease balance of \$5,158. The Payroll Protection Program loan had a balance of \$63,000. See Notes 8 and 9 for details.

Current Financial Related Activities

The Corporation has been designated by Mahoning County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Mahoning County. Principal operating revenues of the Corporation include contributions from Mahoning County's delinquent tax assessment collection fund. The Corporation completed the Neighborhood Initiative Program which was administered by the Ohio Housing Finance Agency. This award provided funds on a reimbursement basis to demolish abandoned, vacant and blighted residential properties. By the end of 2020, the Corporation had demolished 1,106 blighted, empty houses and landscaped all 1,106 lots after demolition. The Corporation received an initial award of up to \$4.26 million in reimbursements in February 2014. The award has been increased five times, as follows: \$500,000 in November 2015 after the Corporation exceeded performance goals as established by OHFA; \$6.89 million in July 2016 as part of the fifth round of the Hardest Hit Fund Program funding; \$3.15 million in October 2016 as part of the sixth round; \$587,954 in reimbursements for 47 projects completed in 2019; and \$153,296 in 2020 after completing 13 more projects, for a cumulative total of \$15,387,964 in reimbursements.

Also in 2020, the Corporation sold or signed agreements to sell 8 houses/structures to buyers, and sold 181 parcels of vacant land to new owners for economic development and/or neighborhood enhancement projects.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mahoning County Treasurer, Chairman, Mahoning County Land Reutilization Corporation, 20 W. Federal Street, Suite 202, Youngstown, Ohio 44503.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Statement of Net Position
December 31, 2020

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 2,495,104
Accounts Receivable	18,260
Intergovernmental Receivable	10,705
Prepaid Items	14,171
Assets Held for Resale	1,328,283
Deposits	86
Restricted Cash and Cash Equivalents	44,544
Depreciable Capital Assets (Net)	22,870
<i>Total Assets</i>	3,934,023
Liabilities	
Accounts Payable	21,320
Accrued Wages	8,484
Intergovernmental Payable	354
Accrued Expenses	29,665
Customer Deposits	44,544
Unearned Revenue	299,508
Long Term Liabilities:	
Due Within One Year	93,180
Due In More Than One Year	18,372
<i>Total Liabilities</i>	515,427
Net Position	
Net Investment in Capital Assets	17,712
Unrestricted	3,400,884
<i>Total Net Position</i>	\$ 3,418,596

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Statement of Activities
For the Year Ended December 31, 2020

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Governmental Activities
Governmental Activities			
General Government:			
Professional and Contract Services	\$ 609,914	\$ 361,601	\$ (248,313)
Administration	551,570	4,632	(546,938)
Interest and Fiscal Charges	82	-	(82)
<i>Total</i>	<u>\$ 1,161,566</u>	<u>\$ 366,233</u>	<u>\$ (795,333)</u>
General Revenues:			
			562,339
Intergovernmental			289,893
Sale of Inventoried Assets			50,924
Other			<u>903,156</u>
<i>Total General Revenues</i>			<u>903,156</u>
<i>Increase (Decrease) in Net Position</i>			107,823
<i>Net Position Beginning of Year</i>			<u>3,310,773</u>
<i>Net Position End of Year</i>			<u>\$ 3,418,596</u>

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Balance Sheet
Governmental Fund
December 31, 2020

	General Fund
Assets	
Cash and Cash Equivalents	\$ 2,495,104
Receivables:	
Accounts	18,260
Intergovernmental	10,705
Prepaid Items	14,171
Assets Held for Resale	1,328,283
Deposits	86
Restricted Assets:	
Restricted Cash and Cash Equivalents	44,544
<i>Total Assets</i>	\$ 3,911,153
Liabilities	
Accounts Payable	\$ 21,320
Accrued Wages	8,484
Intergovernmental Payable	354
Accrued Expenses	29,665
Customer Deposits	44,544
Unearned Revenue	299,508
<i>Total Liabilities</i>	403,875
Deferred Inflows of Resources	
Unavailable Revenue	18,958
Fund Balance	
Nonspendable	1,342,540
Unassigned	2,145,780
<i>Total Fund Balance</i>	3,488,320
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 3,911,153

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2020

Total Governmental Fund Balance	\$	3,488,320
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund.		22,870
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.		
Sales of Inventoried Assets	\$ 8,993	
Operating Grants	9,965	18,958
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	43,394	
Paycheck Protection Program Loan Payable	63,000	
Capital Lease Payable	5,158	(111,552)
 Net Position of Governmental Activities	 \$	 <u><u>3,418,596</u></u>

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
For the Year Ended December 31, 2020

	General
Revenues:	
Intergovernmental	\$ 562,339
Operating Grants	320,715
Donations	45,520
Sales of Inventoried Assets	282,893
Other	50,924
<i>Total Revenues</i>	1,262,391
Expenditures:	
Current:	
General Government:	
Professional and Contract Services	604,609
Administration	546,872
Debt Service:	
Principal Retirement	4,176
Interest and Fiscal Charges	82
<i>Total Expenditures</i>	1,155,739
Other Financing Sources and Uses:	
Proceeds from PPP Loan	63,000
<i>Net Change in Fund Balance</i>	169,652
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,318,668
<i>Fund Balance (Deficit) at End of Year</i>	\$ 3,488,320

See accompanying notes to the basic financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Change
in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2020*

Net Change in Fund Balance - Total Governmental Fund	\$	169,652
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 7,605	
Current Year Depreciation	<u>(5,304)</u>	2,301
 Net effect of transactions involving sale of capital assets are not reflected in the fund.		
		(667)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Sales of Inventoried Assets	7,000	
Operating Grants	<u>(5,307)</u>	1,693
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Capital Lease		4,176
 Debt proceeds issued in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Paycheck Protection Program Loan Payable		(63,000)
 Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental fund.		
Compensated Absences		<u>(6,332)</u>
Change in Net Position of Governmental Activities	\$	<u><u>107,823</u></u>

See accompanying notes to the basic financial statements.

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Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 1 - Reporting Entity and Basis of Presentation

Mahoning County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on Feb. 24, 2011 by the Board of County Commissioners of Mahoning County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a nine member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, a representative of a township with 10,000 or more residents, a representative of small cities and villages, a representative of a township with fewer than 10,000 residents, a citizen representative and a real estate representative.

The Corporation is classified as a component unit of Mahoning County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriff's Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statements of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, does not have business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Corporation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund:

General Fund - The general fund accounts for all financial resources that are received from the County Auditor from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for the general fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Nonexchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide resources to be used for a specified purpose, and expenditure requirements, in which the resources provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Donations are recorded at fair market value at the time of the contribution. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the Corporation immediately upon receipt by the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Unearned Revenue

Unearned revenue represents amounts received in advance that are used to maintain properties prior to their sale.

Deferred Outflows/Inflows of Resources

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

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

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

The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decisions for the organization. The budget is compiled by the Finance Committee, the Executive Director and the Fiscal Officer.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed and other
- Liabilities: current and long-term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

The Board of Directors, the Finance Committee, the Executive Director and/or the Fiscal Officer may request or require organizational budget changes when material changes in plans, transaction amounts, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. Where the budget total does not change, the Executive Director is authorized to transfer monies between line items in the Corporation's operating budget, not to exceed the total dollar amount of \$1,500 per line item.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Cash and Cash Equivalents

Cash held by the Corporation is reflected as “Cash and Cash Equivalents.”

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 year or at the end of the year.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price or estimated fair market value at the date of donation plus any costs of maintenance, rehabilitation, or demolition of structures on the properties for an amount not to exceed the net realizable value of each property. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposit liability account.

Capital Assets

The Corporation’s only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Corporation maintains a capitalization threshold of five hundred dollars.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for furniture and equipment with a useful life of 5 to 10 years.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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. However, compensated absences and claims and judgements are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements.

Compensated Absences

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Intergovernmental Revenue

The Corporation receives operating income through Mahoning 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.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Operating Grants

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2020.

Note 3 - Deposits and Investments

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

Cash on Hand - At December 31, 2020 the Corporation had \$74 in undeposited cash on hand, which is included in the balance sheet of the Corporation as part of "Cash and Cash Equivalents."

Deposits - At December 31, 2020, the carrying amount of the Corporation's deposits was \$2,539,574. \$250,000 of the Corporation's bank balance of \$2,600,416 was covered by the Federal Deposit Insurance Corporation, the remaining \$2,350,416 was exposed to custodial credit risk. The Corporation's financial institution participates in the Ohio Pooled Collateral System (OPCS).

The Corporation has no investments.

The Corporation has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the Corporation 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 Ohio Pooled Collateral System (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.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 4 - 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 2020, the Corporation maintained suitable insurance coverage.

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

Note 5 - Capital Assets

A summary of changes in capital assets during 2020 follows:

	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/2020</u>
Furniture & Equipment	\$ 34,704	\$ 7,605	\$ (5,371)	\$ 36,938
Accumulated Depreciation	<u>(13,468)</u>	<u>(5,304)</u>	<u>4,704</u>	<u>(14,068)</u>
Capital Assets, Net	<u>\$ 21,236</u>	<u>\$ 2,301</u>	<u>\$ (667)</u>	<u>\$ 22,870</u>

Depreciation expense of \$5,304 was charged to administration expense.

Note 6 – Employee Benefits

Compensated Absences

The Corporation employees earn vacation leave at varying rates based upon length of service. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of the anniversary of employment and unused vacation may be carried over indefinitely.

After one (1) full year of service with Mahoning County Land Reutilization Corporation, an employee will be credited with vacation earned during the first year of employment. New employees with no prior public service are eligible for paid vacation only after one (1) full year of employment. If a new employee with no prior service credit terminates employment before serving one (1) full year of employment, he/she will receive no vacation pay out. Otherwise, when an employee terminates employment, he or she will receive the balance of unused, earned vacation time.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 25 percent of their sick leave balance not to exceed 240 hours.

Overtime compensation will be taken as compensatory time. Time worked over forty (40) hours in a work week will be compensated at 1-1/2 hours for each hour worked. The maximum number of compensatory hours that an employee may accrue is eighty (80) hours within the same calendar year. Any employee who has reached this maximum shall not work any additional overtime until the employee's

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

accrued compensatory time has fallen below the maximum allowed, unless the employee receives advanced written authorization from the Executive Director. An employee is encouraged to use all his/her compensatory time within the same calendar year in which it is earned. However, the employee may carry over a maximum of forty (40) hours of compensatory time beyond the calendar year in which it is earned. Any compensatory time that an employee has accrued that cannot be carried over as a result of the forty-hour (40 hr.) limit, must be paid on December 31 of the calendar year in which it was accrued. At no time will an employee be paid for any compensatory time not utilized during the calendar year in excess of forty (40) hours. Any compensatory time that is not paid at the end of the calendar year or is not carried over shall lapse.

Health Insurance Benefits

The Corporation makes available to all full time employees comprehensive major medical/hospitalization health care insurance. Participating employees may elect coverage (i.e. single, family, etc.) as provided under the offered plan(s). Eligible employees may elect applicable coverage. Employee participation costs, as may be applicable, shall be made through payroll deduction. The employer shall contribute ninety percent (90 percent) and eligible employees shall contribute ten percent (10 percent) for the premium cost of health care coverage. Employees will split the cost of any increase in premium cost on the basis of the same 90 percent expenditure by management and 10 percent expenditure by employees. Eligible employees may opt out from the hospitalization plat at a rate of \$150 per month, minus taxes paid on 12 pays.

Retirement Benefits

The Corporation adopted a 401(k) plan for employees ages 21 and older who work 1,000 or more hours of service per year of eligibility. The plan consists of an annual lump sum contribution by the Corporation, based on up to 10 percent of each employee's earned wages, and elective deferrals by employees with matching amounts paid by the Corporation, up to 8 percent per employee. Each qualifying participant's individual account will receive an annual pro rata allocation, based on the qualifying participant's compensation in relation to the total compensation of all qualifying participants. Plan documents are available from the Fiscal Officer.

Social Security

All employees pay into Social Security. The Corporation's liability is 6.2 percent of wages.

Note 7 - Receivables

Receivables at December 31, 2020 consisted accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Note 8 - Long-Term Obligations

Long term obligations consist of accrued compensated absences and a capital lease. Changes in long-term obligations for December 31, 2020 are as follows:

	<u>Balance</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due within</u> <u>One Year</u>
Direct Borrowing:					
PPP Loan	\$ -	\$ 63,000	\$ -	\$ 63,000	\$ 63,000
Capital Lease	9,334	-	4,176	5,158	4,176
Compensated Absences	<u>37,062</u>	<u>26,364</u>	<u>20,032</u>	<u>43,394</u>	<u>26,004</u>
Total	<u>\$ 46,396</u>	<u>\$ 89,364</u>	<u>\$ 24,208</u>	<u>\$ 111,552</u>	<u>\$ 93,180</u>

The Paycheck Protection Program (PPP) was formed as part of the CARES Act. The PPP allows certain entities to apply for aid through forgivable loans. The Corporation entered into a note payable agreement with a bank under PPP. The unsecured note has a principal amount of \$63,000 with an interest rate of one percent maturing on May 1, 2022. The PPP loan was forgiven on March 25, 2021.

The future minimum payments required for the PPP loan are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 45,317	\$ 775
2022	<u>17,683</u>	<u>44</u>
	<u>\$ 63,000</u>	<u>\$ 819</u>

Note 9 – Capital Lease

The Corporation is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the capital assets and the long-term debt liabilities.

During 2017, the Corporation entered into a lease agreement for copiers. This is a long-term agreement lease, which meets the criteria of a capital lease as it transfers benefits and risks of ownership to the lessee. The Corporation will make monthly lease payments. Assets acquired by the lease have been capitalized as furniture and equipment in the amount of \$20,470 with accumulated depreciation at December 31, 2020 of \$6,824.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The future minimum lease payments required under capital leases are as follows:

Year Ending December 31,	Amount
2021	\$ 4,258
2022	1,009
Minimum Lease Payments	5,267
Less Amount Representing Interest	109
Present Value of Net Lease Payments	<u>\$ 5,158</u>

Note 10 – Fund Balance

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

Fund Balance	General Fund
Nonspendable:	
Assets Held for Resale	\$ 1,328,283
Prepays	14,171
Workers' Compensation Deposit	86
Total Nonspendable	<u>1,342,540</u>
Unassigned	<u>2,145,780</u>
<i>Total Fund Balance</i>	<u>\$ 3,488,320</u>

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Corporation received \$9,997 as an on-behalf of grant from another government.

Note 12 – Subsequent Event

In March 2021, the Corporation's entire loan amount under the Paycheck Protection Program was forgiven.

In October 2021, the Corporation entered into a lease agreement for copiers in the amount of \$18,519.

Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the Corporation received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. 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.

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OHIO AUDITOR OF STATE KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

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

Mahoning County Land Reutilization Corporation
Mahoning County
20 West Federal Street
Youngstown, Ohio 44503

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 Mahoning County Land Reutilization Corporation, Mahoning County, (the Corporation) as of and for the years ended December 31, 2021 and 2020, 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 3, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures 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 3, 2022

OHIO AUDITOR OF STATE KEITH FABER



MAHONING COUNTY LAND REUTILIZATION CORPORATION

MAHONING 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