

**Mahoning County Land Reutilization  
Corporation**  
**Mahoning County, Ohio**

*Audited Financial Statements*

For the Year Ended December 31, 2015





# Dave Yost • Auditor of State

Board of Directors  
Mahoning County Land Reutilization Corporation  
20 West Federal Street, Ste M-5A  
Youngstown, Ohio 44503

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

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

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

Dave Yost  
Auditor of State

July 11, 2016

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**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

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June 8, 2016

Board of Directors and Management  
Mahoning County Land Reutilization Corp  
20 West Federal Street, Ste M-5A  
Youngstown, Ohio 44503

### **Independent Auditor's Report**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activates and the General Fund of the Mahoning County Land Reutilization Corporation (the Corporation), a component unit of Mahoning County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Mahoning County Land Reutilization Corporation  
Independent Auditor's Report  
Page 2

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Mahoning County Land Reutilization Corporation, a component unit of Mahoning County, as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, 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 8, 2016 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Corporation's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Medina, Ohio

# **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2015*

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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, 2015. 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 2015 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation received \$516,703 in 2015.
- The Corporation participated in the Neighborhood Initiative Program (NIP) in 2015 and received \$1,301,213 in grant money.
- Net position decreased \$169,587 in 2015. 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.

# **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2015*

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## ***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, 2015*

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**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 2015 compared to 2014:

**Table 1**  
**Net Position**

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Current and Other Assets	\$ 1,747,193	\$ 1,517,517
Depreciable Capital Assets	<u>2,402</u>	<u>3,366</u>
<i>Total Assets</i>	<u>1,749,595</u>	<u>1,520,883</u>
<b>Liabilities</b>		
Current and Other Liabilities	484,769	91,326
Long-Term Liabilities		
Due Within One Year	9,526	6,461
Due in More Than One Year	<u>11,753</u>	<u>9,962</u>
<i>Total Liabilities</i>	<u>506,048</u>	<u>107,749</u>
<b>Net Position</b>		
Net Investment in Capital Assets	2,402	3,366
Restricted	608,293	291,690
Unrestricted	<u>632,852</u>	<u>1,118,078</u>
<i>Total Net Position</i>	<u>\$ 1,243,547</u>	<u>\$ 1,413,134</u>

Current and other assets increased \$229,676 over 2014. Cash decreased \$711,819 while assets held for resale increased \$300,422 over 2014 mainly due to the continued increase in operations. Intergovernmental receivable increased \$624,526 from NIP grant money owed to the Corporation. Current liabilities increased \$93,443 over 2014, partly due to increases in accounts payable and unearned revenue which consists of maintenance monies received, not yet earned. Long term liabilities increased \$304,856 over 2014 due to a \$300,000 line of credit.

# Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2015*

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	2015	2014
<b><i>Revenues</i></b>		
<i>General Revenues:</i>		
Intergovernmental	\$ 596,511	\$ 485,693
Operating Grants	1,301,312	438,569
Donations	70,000	85,436
Sales of Inventoried Assets	243,789	214,676
Other	<u>8,228</u>	<u>5,975</u>
<i>Total General Revenues</i>	<u>2,219,840</u>	<u>1,230,349</u>
<b><i>Program Expenses</i></b>		
Professional and Contract Services	1,993,800	588,351
Administration	<u>395,627</u>	<u>352,823</u>
<i>Total Program Expenses</i>	<u>2,389,427</u>	<u>941,174</u>
<i>Increase (Decrease) in Net Position</i>	(169,587)	289,175
<i>Net Position Beginning of Year</i>	<u>1,413,134</u>	<u>1,123,959</u>
<i>Net Position End of Year</i>	<u>\$ 1,243,547</u>	<u>\$ 1,413,134</u>

Intergovernmental revenues mainly consist of revenue from the County for 5 percent of delinquent taxes and assessments. The Corporation began participating in the Neighborhood Initiative Program in 2015 accounting for the increase in operating grants.

Expenses increased proportionately with the increase in revenues from 2014, primarily due to the increase in grant activity.

## The Corporation's Fund

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

Information about the governmental fund starts on page 10. The Corporation had general fund revenues of \$1,849,171 and expenditures of \$2,383,607. The participation of the Neighborhood Initiative Program contributed to the \$612,398 increase in revenue from 2014. Demolition and abatement costs increased substantially with the increased activity in the Corporation accounting for most of the \$1,321,536 increase in expenditures over 2014. Fund balance in the general fund decreased \$234,436 from 2014.

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Management's Discussion and Analysis*

*For the Year Ended December 31, 2015*

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### ***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 \$2,402 in capital assets in 2015. See Note 5 for details.

### **Debt**

At December 31, 2015, the Corporation has a line of credit in the amount of \$300,000 at an interest rate of prime plus .50 percent. 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 and assessment collection fund. The Corporation participates in the Neighborhood Initiative Program which is being administered by the Ohio Housing Finance Agency. This award provides funds on a reimbursement basis to demolish abandoned, vacant and blighted residential properties. By the end of 2015, the Corporation had demolished 134 blighted, empty houses in five communities; landscaped 126 lots after demolition; and acquired an additional 110 houses to be prepared for demolition. The Corporation received an initial award of up to \$4.26 million in reimbursements in February 2014. The award was increased by \$500,000 in November 2015 after the Corporation exceeded performance goals as established by OHFA.

Also in 2015, the Corporation sold or signed agreements to sell 14 renovated, code-compliant houses to buyers, and sold 218 parcels of vacant land to new owners for various 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, 120 Market Street, Youngstown, Ohio 44503.

**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Statement of Net Position*

*December 31, 2015*

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	<b>Governmental Activities</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 491,058
Accounts Receivable	29,759
Intergovernmental Receivable	664,891
Prepaid Items	4,083
Assets Held for Resale	557,316
Deposits	86
Depreciable Capital Assets (Net)	<u>2,402</u>
<i>Total Assets</i>	<u>1,749,595</u>
<b>Liabilities</b>	
Accounts Payable	62,317
Accrued Wages	10,555
Intergovernmental Payable	1,519
Accrued Expenses	19,170
Customer Deposits	46,808
Unearned Revenue	44,400
Line of Credit Payable	300,000
Long Term Liabilities:	
Due Within One Year	9,526
Due In More Than One Year	<u>11,753</u>
<i>Total Liabilities</i>	<u>506,048</u>
<b>Net Position</b>	
Net Investment in Capital Assets	2,402
Restricted for Other Purposes	608,293
Unrestricted	<u>632,852</u>
<i>Total Net Position</i>	<u>\$ 1,243,547</u>

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, 2015*

	<u>Governmental Activities</u>
<b>Expenses:</b>	
Professional and Contract Services	\$ 1,993,800
Administration	<u>395,627</u>
<i>Total Program Expenses</i>	<u>2,389,427</u>
<b>General Revenues:</b>	
Intergovernmental	596,511
Operating Grants	1,301,312
Donations	70,000
Sale of Inventoried Assets	243,789
Other	<u>8,228</u>
<i>Total General Revenues</i>	<u>2,219,840</u>
<i>(Decrease) Increase in Net Position</i>	(169,587)
<i>Net Position Beginning of Year</i>	<u>1,413,134</u>
<i>Net Position End of Year</i>	<u>\$ 1,243,547</u>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Balance Sheet*

*Governmental Fund*

*December 31, 2015*

	<b>General Fund</b>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 491,058
Accounts Receivable	29,759
Intergovernmental Receivable	664,891
Prepaid Items	4,083
Assets Held for Resale	557,316
Deposits	<u>86</u>
<i>Total Assets</i>	<u>\$ 1,747,193</u>
<b>Liabilities</b>	
Accounts Payable	\$ 62,317
Accrued Wages	10,555
Intergovernmental Payable	1,519
Accrued Expenses	19,170
Customer Deposits	46,808
Unearned Revenue	44,400
Line of Credit Payable	<u>300,000</u>
<i>Total Liabilities</i>	<u>484,769</u>
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue	<u>376,562</u>
<b>Fund Balance</b>	
Nonspendable	561,485
Restricted	46,808
Unassigned	<u>277,569</u>
<i>Total Fund Balance</i>	<u>885,862</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 1,747,193</u>

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, 2015*

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Total Governmental Fund Balance	\$ 885,862
<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.	2,402
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.	
Sales of Inventoried Assets	18,319
Operating Grants	<u>358,243</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	<u>(21,279)</u>
Net Position of Governmental Activities	<u>\$ 1,243,547</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, 2015*

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	<u>General</u>
<b>Revenues:</b>	
Intergovernmental	\$ 596,511
Operating Grants	943,069
Donations	70,000
Sales of Inventoried Assets	231,363
Other	<u>8,228</u>
<i>Total Revenues</i>	<u>1,849,171</u>
<b>Expenditures:</b>	
Professional and Contract Services	1,993,800
Administration	<u>389,807</u>
<i>Total Expenditures</i>	<u>2,383,607</u>
<i>Net Change in Fund Balance</i>	(534,436)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>1,420,298</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 885,862</u>

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, 2015*

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Net Change in Fund Balance - Total Governmental Fund	\$ (534,436)
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***Amounts reported for governmental activities in the  
statement of activities are different because:***

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.

Current Year Depreciation	(964)
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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	12,426
Operating Grants	<u>358,243</u>
	370,669

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>(4,856)</u>
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Change in Net Position of Governmental Activities	<u>\$ (169,587)</u>
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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, 2015*

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### **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 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, 2015*

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### *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. The Corporation has no program revenues in 2015. 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, 2015*

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### **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 total net position.

#### **Fund Financial Statements**

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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, 2015*

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***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. 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.

In 2015, the Corporation received donations of \$70,000 in cash.

***Deferred Outflows/Inflows of Resources***

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

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

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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### ***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.

### ***Cash and Cash Equivalents***

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained through the Corporation's records. The Corporation had no investments during the year or at the end of the year.

**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

***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.

***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 fair market values 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.

***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.

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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### ***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.

***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.

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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**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.

### ***Operating Grants***

The Corporation currently participates 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.

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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### ***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 2015.

### **Note 3 - Deposits and Investments**

Monies held by the Corporation are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the Corporation treasury. Active monies must be maintained either as cash in the Corporation treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Corporation's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Monies held by the Corporation, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the Corporation;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;

**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio and STAR Plus);
8. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and,
9. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

**Deposits**

**Custodial credit risk** is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. Protection of the Corporation's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of Corporation's fund shall be required to pledge security for repayment of all public moneys. The Corporation has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Treasurer or an agent designated by the Treasurer.

**Cash on Hand** - At December 31, 2015 the Corporation had \$100 in undeposited cash on hand, which is included in the balance sheet of the Corporation as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits** - At December 31, 2015, the carrying amount of the Corporation's deposits was \$490,958 and the bank balance was \$647,103.

1. \$250,000 was covered by Federal depository insurance, by collateral held by the Corporation, or by collateral held by the Corporation's agent in the name of the Corporation; and
2. \$397,103 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department in the Corporation's name and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

**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 2015, 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.

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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### **Note 5 - Capital Assets**

A summary of changes in capital assets during 2015 follows:

	<u>Balance 12/31/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2015</u>
Furniture & Equipment	\$ 4,815	\$ 0	\$ 0	\$ 4,815
Accumulated Depreciation	(1,449)	(964)	0	(2,413)
Capital Assets, Net	<u>\$ 3,366</u>	<u>\$ (964)</u>	<u>\$ 0</u>	<u>\$ 2,402</u>

### **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. Compensatory time must be used within the same calendar year in which it is earned. Otherwise, the employee will be paid on or before December 31 of that year. During calendar year 2015, the Board of Directors made a one-time exception to allow employees to accrue up to 40 hours of compensatory time if they were unable to use all compensatory time by December 31.

#### *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

## **Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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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 \$150.00 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.

### **Note 7 - Receivables**

Receivables at December 31, 2015 consisted accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

### **Note 8 – Line of Credit**

The Corporation entered into a \$300,000 revolving line of credit with a variable interest rate of the prime rate plus 0.50 percent. The line of credit is due on demand. The proceeds are used to fund the cycle of new residential demolition and Ohio Housing Finance Agency funding. The outstanding balance at December 31, 2015 was \$300,000.

### **Note 9 - Long-Term Obligations**

Long term obligations consist of accrued compensated absences. Changes in long-term obligations for December 31, 2015 are as follows:

	<u>12/31/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2015</u>	<u>Due within One Year</u>
Compensated Absences	\$ 16,423	\$ 11,317	\$ 6,461	\$ 21,279	\$ 9,526

**Mahoning County Land Reutilization Corporation**

**Mahoning County, Ohio**

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2015*

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**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 governmental funds.

Fund Balance	General Fund
Nonspendable:	
Assets Held for Resale	\$ 557,316
Prepays	4,083
Workers' Compensation Deposit	<u>86</u>
	<u><u>561,485</u></u>
Restricted for:	
Customer Deposits	46,808
Unassigned	<u>277,569</u>
	<u><u>\$ 885,862</u></u>

June 8, 2016

Board of Directors and Management  
Mahoning County Land Reutilization Corp  
20 West Federal Street, Ste M-5A  
Youngstown, Ohio 44503

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

We have audited, in accordance with the 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 General Fund of the Mahoning County Land Reutilization Corporation (the Corporation), a component unit of Mahoning County, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 8, 2016.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose 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 may exist that have not been identified.

Mahoning County Land Reutilization Corporation  
Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*  
Page 2 of 2

### **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 determination of financial statement amounts. 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.

*Rea & Associates, Inc.*

Medina, Ohio

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# Dave Yost • Auditor of State

## MAHONING COUNTY LAND REUTILIZATION CORPORATION

### MAHONING COUNTY

#### CLERK'S CERTIFICATION

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

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
JULY 21, 2016