



OHIO AUDITOR OF STATE
KEITH FABER



**CLINTON COUNTY LAND REUTILIZATION CORPORATION
CLINTON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Clinton County Land Reutilization Corporation
Clinton County
46 S. South Street, Suite 205
Wilmington, Ohio 45177

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Clinton County Land Reutilization Corporation, Clinton County, Ohio (the Corporation), a component unit of Clinton County, as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the accounting principles generally accepted in the United States of America. This responsibility includes the designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Basis for Adverse Opinion

As described in Note 2 of the financial statements, the Corporation prepared these financial statements using the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. However, Ohio Revised Code §1724.05 requires the Corporation to follow accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumably material.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Clinton County Land Reutilization Corporation as of December 31, 2017 and 2016, and the respective changes in financial position thereof for the years then ended.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2020, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

April 23, 2020

Clinton County Land Reutilization Corporation

Clinton County

*Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)*

All Governmental Fund Types

For the Year Ended December 31, 2017

	<u>General</u>
Cash Receipts	
Intergovernmental	<u>\$91,342</u>
<i>Total Cash Receipts</i>	<u>91,342</u>
Cash Disbursements	
Current:	
NIP Expenses	54,269
Marketing	202
Computer/Software Costs	256
Contract Services	26,800
Insurance	3,618
Legal Fees	600
Bank Fees	<u>24</u>
<i>Total Cash Disbursements</i>	<u>85,769</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>5,573</u>
Other Financing Receipts (Disbursements)	
Proceeds from Loan	1,600
Proceeds from Line of Credit	<u>150,000</u>
<i>Total Other Financing Receipts (Disbursements)</i>	<u>151,600</u>
<i>Net Change in Fund Cash Balances</i>	157,173
<i>Fund Cash Balances, January 1</i>	<u>27,633</u>
Fund Cash Balances, December 31	
Nonspendable	0
Restricted	150,000
Committed	0
Assigned	0
Unassigned (Deficit)	<u>34,806</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$184,806</u></u>

See accompanying notes to the basic financial statements

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Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 1 - Reporting Entity and Basis of Presentation

The Clinton County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation that was organized in 2016 by the Board of County Commissioners of Clinton County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a five member Board of Directors consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the City of Wilmington, and a representative of the Village of Midland.

The Corporation is classified as a component unit of Clinton 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, Board of Revision 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 Corporation is a legally separate entity and does not have any component units and does not include any organizations in its presentation. The corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

Note 2 - Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United State of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Basis of Presentation

The Corporation's basic financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) which provides a more detailed level of financial information.

Fund Accounting

The Corporation uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of the Corporation is categorized as governmental.

Governmental Funds

The following is the Corporation's only governmental fund:

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

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.

Basis of Accounting

The Corporation's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Corporation's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related cash receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related cash disbursements (such as accounts payable and cash disbursements for goods or services received but not yet paid, and accrued cash disbursements and liabilities) are not recorded in these financial statements.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation must observe constraints imposed upon the use of its governmental-fund resources. 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 are 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.

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

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended 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 Corporation's Board Members or a Corporation official delegated that authority by resolution, 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 amounts not included 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.

Intergovernmental Revenue

The Corporation receives operating income through Clinton 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.

Proceeds From Loan

The Corporation entered into a loan agreement with the Clinton County Port Authority which was secured by short term mortgages. This Loan will be repaid with future grant proceeds received by the Corporation.

Note 3 - Deposits

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

Deposits - At December 31, 2017, the carrying amount of the Corporation's deposits was \$184,806. The Corporation's bank balance of \$185,422 was covered by the Federal Deposit Insurance Corporation.

The Corporation has no investments.

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 2017, the Corporation maintained suitable insurance coverage.

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2017

Note 5 – Line of Credit

During 2016, the Corporation entered into a \$200,000 line of credit with the Ohio Housing Finance Agency Neighborhood Initiative Program. The line of credit could continually be drawn upon through December 1, 2018 with final payment of outstanding balance due no later than June 1, 2019. The proceeds are to be used to fund the acquisition and preparation for the demolition of abandoned or vacant homes and related demolition expenses. The outstanding balance on the line of credit for the Corporation at December 31, 2017 was \$150,000.

Note 6 – Compliance

Ohio Revised Code §1724.05, requires the Corporation to file annual financial reports which are presented using generally accepted accounting principles (GAAP). However, the Corporation prepared its financial statements on a cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Note 7 – Property Held For Resale

The Corporation obtains and holds property until the real estate is either sold to a new owner or an individual who will reuse the property. At December 31, 2017, the Corporation held property in the amount of \$93,303. This Property held for Resale is not reported on the financial statements.

Clinton County Land Reutilization Corporation
Clinton County

*Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016*

	<u>General</u>
Cash Receipts	
Intergovernmental Revenue	\$16,327
Grant Funds	<u>30,000</u>
<i>Total Cash Receipts</i>	<u>46,327</u>
Cash Disbursements	
Current:	
Consulting Fees	5,000
Supplies	295
Contract Services	11,000
Insurance	2,284
NIP Expenses	45
Other Expenses	<u>70</u>
<i>Total Cash Disbursements</i>	<u>18,694</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>27,633</u>
<i>Fund Cash Balances, January 1</i>	<u>0</u>
Fund Cash Balances, December 31	
Unassigned	<u>27,633</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$27,633</u></u>

See accompanying notes to the basic financial statements

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Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Note 1 - Reporting Entity and Basis of Presentation

The Clinton County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation that was organized and incorporated on May 11, 2016 by the Board of County Commissioners of Clinton County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a five member Board of Directors consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the City of Wilmington, and a representative of the Village of Midland.

The Corporation is classified as a component unit of Clinton 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, Board of Revision 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 Corporation is a legally separate entity and does not have any component units and does not include any organizations in its presentation. The corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

Note 2 - Summary of Significant Accounting Policies

As discussed further in the Basis of Accounting section of this Note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United State of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Basis of Presentation

The Corporation's basic financial statement consists of a combined statement of receipts, disbursements and changes in fund balances (cash basis) which provides a more detailed level of financial information.

Fund Accounting

The Corporation uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of the Corporation is categorized as governmental.

Governmental Funds

The following is the Corporation's only governmental fund:

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

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.

Basis of Accounting

The Corporation's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Corporation's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related cash receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related cash disbursements (such as accounts payable and cash disbursements for goods or services received but not yet paid, and accrued cash disbursements and liabilities) are not recorded in these financial statements.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget prior to the beginning of the year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. The Corporation had no investments during the year or at the end of the year.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Corporation must observe constraints imposed upon the use of its governmental-fund resources. 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 are 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.

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

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended 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 Corporation's Board Members or a Corporation official delegated that authority by resolution, 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 amounts not included 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.

Intergovernmental Revenue

The Corporation receives operating income through Clinton 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.

Grant Funds

The Corporation received start-up funds from Clinton County and the Wilmington Community Improvement Corporation. These funds were considered donations and a one-time revenue source.

Note 3 - Deposits

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

Deposits - At December 31, 2016, the carrying amount of the Corporation's deposits was \$27,633. The Corporation's bank balance of \$27,678 was covered by the Federal Deposit Insurance Corporation.

The Corporation has no investments.

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 2016, the Corporation maintained suitable insurance coverage.

Clinton County Land Reutilization Corporation

Clinton County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2016

Note 5 – Line of Credit

The Corporation entered into an agreement for a \$200,000 line of credit with the Ohio Housing Finance Agency Neighborhood Initiative Program. The line of credit could continually be drawn upon through December 1, 2018 with final payment of outstanding balance due no later than June 1, 2019. The proceeds are to be used to fund the acquisition and preparation for demolition of abandoned or vacant homes and related demolition expenses. The Corporation has not drawn on any of the funds available through the line of credit as of December 31, 2016.

Note 6 – Compliance

Ohio Revised Code §1724.05, requires the Corporation to file annual financial reports which are presented using generally accepted accounting principles (GAAP). However, the Corporation prepared its financial statements on a cash basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

OHIO AUDITOR OF STATE KEITH FABER



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Blue Ash, Ohio 45242-1817
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SouthwestRegion@ohioauditor.gov

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

Clinton County Land Reutilization Corporation
Clinton County
46 S. South Street, Suite 205
Wilmington, Ohio 45177

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the Clinton County Land Reutilization Corporation, Clinton County, (the Corporation) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated April 23, 2020, wherein we issued an adverse opinion on the Corporation's financial statements because the Corporation did not follow accounting principles generally accepted in the United States of America as required by Ohio Revised Code Section 1724.05.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2017-002 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Corporation's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2017-001.

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

April 23, 2020

**CLINTON COUNTY LAND REUTILIZATION CORPORATION
CLINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2017-001

Noncompliance

Ohio Rev. Code §117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

Ohio Rev. Code §1724.05 requires County Land Reutilization Corporations to file annual financial reports which are prepared using generally accepted accounting principles (GAAP) within 120 days of their fiscal year end.

The Corporation prepared financial statements in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time. Additionally, the Corporation did not file its annual financial report within 120 days of the fiscal year end. The 2016 annual financial report was not filed until October 8, 2017. The 2017 annual financial report was not filed until May 7, 2018.

Pursuant to Ohio Rev. Code § 117.38, the Corporation may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the Corporation's ability to evaluate and monitor the overall financial condition of the Corporation. To help provide the users with more meaningful financial statements, the Corporation should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response:

We did not receive a response from Officials to this finding

FINDING NUMBER 2017-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Corporation lacked controls to ensure that transactions were reported correctly on the financial statements, and the Corporation made the following errors on the financial statements presented for audit:

**FINDING NUMBER 2017-002
 (Continued)**

Transaction as Recorded on the Financial Statements (incorrect)				Correct Transaction Recorded	
2017				2017	
Account			Amount	Account	Amount
Delinquent Tax Asset Collection			\$91,342	Intergovernmental Revenue	\$91,342
Not Reported				Proceeds from Loan	\$1,600
Not Reported				Proceeds from Line of Credit	\$150,000

Transaction as Recorded on the Financial Statements (incorrect)				Correct Transaction Recorded	
2016				2016	
Account			Amount	Account	Amount
Delinquent Tax Asset Collection			\$16,327	Intergovernmental Revenue	\$16,327

The above adjustments were corrected on the Corporation's financial statements, and accounting records where appropriate.

The Corporation should ensure that all financial transactions are accurately recorded in the accounting system and financial statements.

Officials' Response:

We did not receive a response from Officials to this finding

OHIO AUDITOR OF STATE
KEITH FABER



CLINTON COUNTY LAND REUTILIZATION CORPORATION

CLINTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 12, 2020**