



OHIO AUDITOR OF STATE  
**KEITH FABER**





**LOGAN COUNTY LAND REUTILIZATION CORPORATION  
LOGAN COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Logan County Land Reutilization Corporation  
Logan County  
100 South Madriver Street  
Bellefontaine, Ohio 43311

To the Board of Directors:

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

We have audited the accompanying financial statements of the governmental activities and the major fund of the Logan County Land Reutilization Corporation, Logan County, Ohio, a component unit of Logan County (the Corporation), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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

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

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

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing 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 the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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Efficient • Effective • Transparent

**Opinion**

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 major fund of the Corporation, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. We did not modify our opinion regarding this matter.

As discussed in Note 2.M of the year ended 2019 financial statements, the Corporation changed accounting principles from cash basis to GAAP basis. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, 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

December 9, 2021

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)

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The following Management's Discussion and Analysis (MD&A) of the Logan County Land Reutilization Corporation's (the Corporation) financial performance provides an introduction to the financial statements for the year ended December 31, 2020. The Corporation began operations on August 9, 2016. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- At December 31, 2020 the Statement of Net Position assets of the corporation exceeded the liabilities by \$393,240.
- Total net position for 2020 increased by \$55,150, which is lower than the increase of \$92,948 in 2019. Further details will be discussed in this analysis.
- The Corporation had \$41,589 in total expenses in 2020 compared to \$20,718 in 2019.
- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Logan County. The Corporation reported \$91,585 in 2020.

**Overview of the Financial Statements**

The annual report consists of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation's financial activities. The statements then proceed to provide a detailed look at the Corporation's specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire Corporation and present a longer-term view of the Corporation's finances. The Statement of Activities shows changes to net position of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending. The Corporation has no long term assets or liabilities.

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**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)  
(Continued)

**Reporting the Corporation's Financial Activities**

***Statement of Net Position and 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 of accounting takes into account all of current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

**Reporting the Corporation's Most Significant Funds**

***Governmental Funds***

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



**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)  
(Continued)

**The Logan 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, below, provides a summary of Corporation's net position for 2020 compared to 2019:

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

|                           | <b>2020</b>          | <b>2019</b>          | <b>Change</b>       |
|---------------------------|----------------------|----------------------|---------------------|
| <b>Assets</b>             |                      |                      |                     |
| Cash and Cash Equivalents | \$ 386,837.00        | \$ 303,839.00        | \$ 82,998.00        |
| Accounts Receivable       | \$ -                 | \$ 500.00            | \$ (500.00)         |
| Assets Held for Resale    | \$ 6,403.00          | \$ 33,751.00         | \$ (27,348.00)      |
| <b>Total Assets</b>       | <b>\$ 393,240.00</b> | <b>\$ 338,090.00</b> | <b>\$ 55,150.00</b> |
| <b>Net Position</b>       |                      |                      |                     |
| Unrestricted              | \$ 393,240.00        | \$ 338,090.00        | \$ 55,150.00        |
| <b>Total Net Position</b> | <b>\$ 393,240.00</b> | <b>\$ 338,090.00</b> | <b>\$ 55,150.00</b> |

Cash and Cash Equivalents increased significantly in 2020 from 2019 due to overall increase in cash operating receipts over expenditures. Assets Held for Resale decreased in 2020 as one property was sold from the Corporation and another property was donated to the Habitat for Humanity. There were no current liabilities as of December 31, 2019 or December 31, 2020 for the Corporation.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)  
(Continued)

In order to further understand what makes up the changes in net position for the current year, the following table gives readers details regarding the results of activities for 2020 and 2019.

**Table 2**  
**Changes in Net Position**

| Changes in Net Position            | 2020                 | 2019                 | Change                |
|------------------------------------|----------------------|----------------------|-----------------------|
| <b>PROGRAM REVENUES</b>            |                      |                      |                       |
| Charges for Services               | \$ 5,000.00          | \$ 13,727.00         | \$ (8,727.00)         |
| <b>Total Program Revenues</b>      | <b>\$ 5,000.00</b>   | <b>\$ 13,727.00</b>  | <b>\$ (8,727.00)</b>  |
| <b>GENERAL REVENUES</b>            |                      |                      |                       |
| Intergovernmental                  | \$ 91,585.00         | \$ 99,779.00         | \$ (8,194.00)         |
| Interest                           | \$ 154.00            | \$ 102.00            | \$ 52.00              |
| Other                              | \$ -                 | \$ 58.00             | \$ (58.00)            |
| <b>Total General Revenues</b>      | <b>\$ 91,739.00</b>  | <b>\$ 99,939.00</b>  | <b>\$ (8,200.00)</b>  |
| <b>TOTAL REVENUES</b>              | <b>\$ 96,739.00</b>  | <b>\$ 113,666.00</b> | <b>\$ (16,927.00)</b> |
| <b>PROGRAM EXPENSES</b>            |                      |                      |                       |
| Economic Development               | \$ 34,421.00         | \$ 9,740.00          | \$ 24,681.00          |
| Professional and Contract Services | \$ 6,868.00          | \$ 8,015.00          | \$ (1,147.00)         |
| Administration                     | \$ 300.00            | \$ 2,963.00          | \$ (2,663.00)         |
| <b>TOTAL PROGRAM EXPENSES</b>      | <b>\$ 41,589.00</b>  | <b>\$ 20,718.00</b>  | <b>\$ 20,871.00</b>   |
| <i>Increase in Net Position</i>    | \$ 55,150.00         | \$ 92,948.00         | \$ (37,798.00)        |
| Net Position, Beginning of Year    | \$ 338,090.00        | \$ 245,142.00        | \$ 92,948.00          |
| Net Position, End of Year          | <b>\$ 393,240.00</b> | <b>\$ 338,090.00</b> | <b>\$ 55,150.00</b>   |

From 2019 to 2020, DETAC funding decreased slightly, down \$8,194. Charges for services decreased \$8,727 from 2019 to 2020 due to limited activity within the Corporation because of Covid-19. Administration and professional and contract services expenses decreased in 2020 due to Covid-19. Economic Development – Land Reutilization increased in 2020 due to changes in properties held for resale.

**Logan County Land Reutilization Corporation  
Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)  
(Continued)

**The Corporation's General Fund**

This fund is accounted for using the modified accrual basis of accounting. At December 31, 2020 the ending fund balance of the general fund was \$393,240 which was an increase of \$55,150 from the balance reported at the beginning of the year. This increase was the result of Intergovernmental monies exceeding expenditures.

**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**

As of December 31, 2020, the Corporation does not have any capital assets.

**Property Held for Sale**

As of December 31, 2020, the Corporation owns the properties listed below. The properties held for resale are carried at net realizable value.

| <b>STREET</b> | <b>ADDRESS</b> | <b>CITY</b>   | <b>PARCEL NO.</b>    | <b>TYPE</b> | <b>VALUE</b>       |
|---------------|----------------|---------------|----------------------|-------------|--------------------|
| Elm           | 520            | Bellefontaine | 17-091-08-20-003-000 | Vacant Lot  | \$ 2,663.00        |
| S. Madriver   | 525            | Bellefontaine | 17-091-16-15-006-000 | Vacant Lot  | \$ 1,270.00        |
| S. Madriver   |                | Bellefontaine | 17-091-16-15-007-000 | Vacant Lot  | \$ 250.00          |
| Clark Ave.    | 432            | Bellefontaine | 17-091-15-05-003-000 | Vacant Lot  | \$ 900.00          |
| Church St.    | 111            | DeGraff       | 26-117-06-13-010-000 | Vacant Lot  | \$ 870.00          |
| Miami St.     | 228            | DeGraff       | 26-117-06-06-006-000 | Vacant Lot  | \$ 450.00          |
| <b>TOTAL</b>  |                |               |                      |             | <b>\$ 6,403.00</b> |

**Debt**

As of December 31, 2020, the Corporation does not have any debt. The Corporation does not maintain a line of credit with any local financial institutions.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(Unaudited)  
(Continued)

**Current Financial Related Activities**

The Corporation began operations on August 9, 2016. The Corporation is Logan County, Ohio's agent to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in Logan County. The purpose of the Corporation is to strengthen neighborhoods in Logan County by returning vacant and abandoned properties to productive use. By strategically acquiring properties, the Corporation works to reduce blight, promote economic development, increase property values, and thereby improve the quality of life of all Logan County residents. The principal operating revenues of the Corporation is revenue from property dispositions, grants and contributions from Logan County's delinquent tax and assessment collection fund.

**Request for Information**

This financial report is designed to provide users of the financial statements with a general overview of the Corporation's finances and show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information contact the Logan County Treasurer, Rhonda Stafford, at 100 S. Madriver Street, Bellefontaine, Ohio 43311.

**Logan County Land Reutilization Corporation**  
**Logan County, Ohio**  
**(A Component Unit of Logan County)**  
**Statement of Net Position**  
**December 31, 2020**

|                                  | <b>Governmental<br/>Activities</b> |
|----------------------------------|------------------------------------|
| <b>Assets</b>                    |                                    |
| Cash and Cash Equivalents        | \$ 386,837.00                      |
| Assets Held for Resale           | \$ 6,403.00                        |
| <b><i>Total Assets</i></b>       | <b>\$ 393,240.00</b>               |
| <b><i>Net Position</i></b>       |                                    |
| Unrestricted                     | \$ 393,240.00                      |
| <b><i>Total Net Position</i></b> | <b>\$ 393,240.00</b>               |

*See accompanying notes to the basic financial statements.*

**Logan County Land Reutilization Corporation**  
**Logan County, Ohio**  
**(A Component Unit of Logan County)**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

|   |                     | <u>Program Revenues</u>             | <u>Net (Expense)<br/>Revenue and Change<br/>in Net Position</u> |
|---|---------------------|-------------------------------------|---|
|   | <u>Expenses</u>     | <u>CFS - Land<br/>Reutilization</u> | <u>Governmental<br/>Activities</u>                              |
| <b>Governmental Activities</b>            |                     |                                     |   |
| Economic Development - Land Reutilization | \$ 34,421.00        | \$ 5,000.00                         | \$ (29,421.00)  |
| Professional and Contract Services        | \$ 6,868.00         | \$ -                                | \$ (6,868.00)   |
| Administration                            | \$ 300.00           | \$ -                                | \$ (300.00)   |
| <i>Total</i>                              | <u>\$ 41,589.00</u> | <u>\$ 5,000.00</u>                  | <u>\$ (36,589.00)</u>   |
| <b>General Revenues</b>                   |                     |                                     |   |
| Intergovernmental                         |                     |                                     | \$ 91,585.00  |
| Interest Income                           |                     |                                     | \$ 154.00   |
| <i>Total General Revenues</i>             |                     |                                     | <u>\$ 91,739.00</u>   |
| <i>Increase in Net Position</i>           |                     |                                     | \$ 55,150.00  |
| <i>Net Position, Beginning of Year</i>    |                     |                                     | \$ 338,090.00   |
| <i>Net Position End of Year</i>           |                     |                                     | <u><u>\$ 393,240.00</u></u>                                     |

*See accompanying notes to the basic financial statements.*

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| <p><b>Logan County Land Reutilization Corporation</b><br/> <b>Logan County, Ohio</b><br/> <b>(A Component Unit of Logan County)</b><br/> <b>Balance Sheet</b><br/> <b>General Fund</b><br/> <b>December 31, 2020</b></p> |
|--|

|  | <b>General Fund</b>  |
|--|----------------------|
| <b>Assets</b>                                    |                      |
| Cash and Cash Equivalents                        | \$ 386,837.00        |
| Assets Held for Resale                           | \$ 6,403.00          |
| <b><i>Total Assets</i></b>                       | <b>\$ 393,240.00</b> |
| <b><i>Net Position</i></b>                       |                      |
| Nonspendable:                                    |                      |
| Assets Held For Resale                           | \$ 6,403.00          |
| Unassigned                                       | \$ 386,837.00        |
| <b><i>Total Fund Balance</i></b>                 | <b>\$ 393,240.00</b> |
| <b><i>Total Liabilities and Fund Balance</i></b> | <b>\$ 393,240.00</b> |

*See accompanying notes to the basic financial statements.*

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|--|
| <p><b>Logan County Land Reutilization Corporation</b><br/> <b>Logan County, Ohio</b><br/> <b>(A Component Unit of Logan County)</b><br/> <b>Statement of Revenues, Expenditures and Change in Fund Balance</b><br/> <b>General Fund</b><br/> <b>For the Year Ended December 31, 2020</b></p> |
|--|

|  | <b>General Fund</b>      |
|--|--------------------------|
| <b>Revenues:</b>                             |                          |
| Intergovernmental                            | \$ 91,585.00             |
| Property Sales                               | \$ 5,000.00              |
| Interest Income                              | \$ 154.00                |
|  | <b>\$ 96,739.00</b>      |
| <br><b>Expenditures</b>                      |                          |
| Economic Development - Land Reutilization    | \$ 34,421.00             |
| Professional and Contract Services           | \$ 6,868.00              |
| Administration                               | \$ 300.00                |
|  | <b>\$ 41,589.00</b>      |
| <br><i>Net Change in Fund Balance</i>        | <br>\$ 55,150.00         |
| <br><i>Fund Balance at Beginning of Year</i> | <br>\$ 338,090.00        |
| <br><i>Fund Balance at End of Year</i>       | <br><b>\$ 393,240.00</b> |

*See accompanying notes to the basic financial statements.*



**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**NOTE 1 – DESCRIPTION OF THE REPORTING ENTITY**

The Logan County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on August 9, 2016. The purpose of the Corporation is to strengthen neighborhoods in Logan County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designed as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

The Corporation is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

***Government-Wide Financial Statements*** – The statement of net position and the statement of activities display information about the Corporation as a whole. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expense 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.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**A. Basis of Presentation (continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

***Fund Financial Statements*** – Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation’s general fund is its only governmental fund.

**B. Fund Accounting**

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

For financial statement presentation purposes, the Corporation’s funds are classified as governmental.

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

***General Fund*** – The general fund accounts for all financial resources that are not required to be separately accounted for. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**C. Measurement Focus**

**Government-Wide Financial Statements** – The government-wide financial statements are prepared using a *flow of economic resources* measurement focus. All assets and all liabilities associated with the operation of the Corporation are included on the Statement of Net Position. The Statement of Activities presents increases (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 current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and change in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

**D. Basis of Accounting**

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

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

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**D. Basis of Accounting (continued)**

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

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

**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.

For the year ended December 31, 2020 the Corporation reported no amounts which are classified as deferred inflows or outflows of resources.

**Expenses/Expenditures** – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses.

Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgetary Process**

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

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**F. Federal Income Tax**

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

**G. Cash and Cash Equivalents**

All monies received by the Corporation are deposited in a demand deposit account. The Corporation did open a new Certificate of Deposit account and deposited \$150,000 on December 15, 2020.

**H. Net Position**

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. Net position is reported 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 had no restricted net position at December 31, 2020.

**I. Estimates**

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

**J. Extraordinary and Special Items**

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

**K. 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 classification are as follows:

**Logan County Land Reutilization Corporation**  
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Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**K. Fund Balance (continued)**

**1. Non-spendable**

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**2. Restricted**

The restricted classification is used when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**3. Committed**

The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation’s Board of Directors.

**4. Assigned**

Assigned fund balance includes amounts that are constrained by the Corporation’s intent to be used for specific purposes, but are neither restricted nor committed.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**L. Assets Held for Resale**

Assets held for resale represents properties held by the Corporation that the Corporation intends to sell to a third party. These assets are valued at net realizable value. Most properties are foreclosed on by Logan County for delinquent real estate taxes and signed over to the Corporation.

**NOTE 3 - LITIGATION**

The Corporation is not currently a party to any legal proceeding which would have a material impact on the financial statements.

**NOTE 4 – DEPOSITS**

At December 31, 2020, the Corporation's bank balance was \$239,842 and the Corporation's Certificate of Deposit balance was \$150,037 for a total of \$389,879 of cash and cash equivalents held by the Corporation.

1. The \$239,842 in the bank is covered by Federal Depository Insurance Corporation.
2. On December 15, 2020, the Corporation opened a Certificate of Deposit with Citizens Federal Savings and Loan Association, depositing \$150,000.00. As of December 31, 2020, the balance of the C.D. was \$150,037. Of this amount, only \$10,158 was covered by the Federal Depository Insurance Corporation for total insured coverage of \$250,000.00.
3. The remaining cash in Citizens Federal Saving and Loan of \$139,879 is uninsured and uncollateralized as of December 31, 2020 and therefore is exposed to custodial credit risk.
4. Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk.

**NOTE 5 – RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation has obtained commercial insurance from private carriers for 2020. The Corporation maintained suitable insurance coverage.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2020  
(Continued)

**NOTE 5 – RISK MANAGEMENT (continued)**

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

**NOTE 6 - RECEIVABLES**

The Corporation has no receivables as of December 31, 2020.

**NOTE 7 – LIABILITIES**

The Corporation has no liabilities as of December 31, 2020.

**NOTE 8 – INTERGOVERNMENTAL REVENUE**

The Corporation is a component unit of Logan County. During 2020, Logan County provided the Corporation a \$91,585 operating contribution. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263 these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

**NOTE 9 – SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through the date of this report and there are no material transactions requiring disclosure.

**NOTE 10 – COVID-19**

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



**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)

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The following Management's Discussion and Analysis (MD&A) of the Logan County Land Reutilization Corporation's (the Corporation) financial performance provides an introduction to the financial statements for the year ended December 31, 2019. The Corporation began operations on August 9, 2016. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- At December 31, 2019 the Statement of Net Position assets of the corporation exceeded the liabilities by \$338,090.
- Total net position for 2019 increased by \$92,948, which is lower than the increase of \$147,226 in 2018. Further details will be discussed in this analysis.
- The Corporation had \$20,718 in total expenses in 2019 compared to \$64,488 in 2018.

**Overview of the Financial Statements**

The annual report consists of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation's financial activities. The statements then proceed to provide a detailed look at the Corporation's specific financial condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire Corporation and present a longer-term view of the Corporation's finances. The Statement of Activities shows changes to net position of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending. The Corporation has no long term assets or liabilities.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)  
(Continued)

**Reporting the Corporation's Financial Activities**

***Statement of Net Position and 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 of accounting takes into account all of current year's revenues and expenses regardless of when cash was received or paid.

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

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

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

**Reporting the Corporation's Most Significant Funds**

***Governmental Funds***

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

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)  
(Continued)

**The Logan 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, below, provides a summary of Corporation's net position for 2019 and 2018.

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

|                           | <b>2018 Restated</b> | <b>2019</b>          | <b>Change</b>       |
|---------------------------|----------------------|----------------------|---------------------|
| <b>Assets</b>             |                      |                      |                     |
| Cash                      | \$ 208,464.00        | \$ 303,839.00        | \$ 95,375.00        |
| Accounts Receivable       | \$ -                 | \$ 500.00            | \$ 500.00           |
| Assets Held for Resale    | \$ 36,678.00         | \$ 33,751.00         | \$ (2,927.00)       |
|                           |                      |                      |                     |
| <b>Total Assets</b>       | <b>\$ 245,142.00</b> | <b>\$ 338,090.00</b> | <b>\$ 92,948.00</b> |
|                           |                      |                      |                     |
| <b>Net Position</b>       |                      |                      |                     |
|                           |                      |                      |                     |
| Unrestricted              | \$ 245,142.00        | \$ 338,090.00        | \$ 92,948.00        |
|                           |                      |                      |                     |
| <b>Total Net Position</b> | <b>\$ 245,142.00</b> | <b>\$ 338,090.00</b> | <b>\$ 92,948.00</b> |
|                           |                      |                      |                     |

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019 the Corporation's net position was \$338,090. Cash increased due to less expenditures in 2019.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)  
(Continued)

Table 2, below, shows the changes in net position for the years ending December 31, 2019 and 2018. This will enable the reader to draw further conclusion about the Corporation's financial status.

**Table 2**  
**Changes in Net Position**

| Changes in Net Position            | 2018 Restated        | 2019                 | Change                |
|------------------------------------|----------------------|----------------------|-----------------------|
| <b>PROGRAM REVENUES</b>            |                      |                      |                       |
| Charges for Services               | \$ 9,720.00          | \$ 13,727.00         | \$ 4,007.00           |
| Operating Grants and Contributions | \$ 79,267.00         | \$ -                 | \$ (79,267.00)        |
| <b>Total Program Revenues</b>      | <b>\$ 88,987.00</b>  | <b>\$ 13,727.00</b>  | <b>\$ (75,260.00)</b> |
| <b>GENERAL REVENUES</b>            |                      |                      |                       |
| Intergovernmental                  | \$ 122,640.00        | \$ 99,779.00         | \$ (22,861.00)        |
| Interest                           | \$ 87.00             | \$ 102.00            | \$ 15.00              |
| Other                              | \$ -                 | \$ 58.00             | \$ 58.00              |
| <b>Total General Revenues</b>      | <b>\$ 122,727.00</b> | <b>\$ 99,939.00</b>  | <b>\$ (22,788.00)</b> |
| <b>TOTAL REVENUES</b>              | <b>\$ 211,714.00</b> | <b>\$ 113,666.00</b> | <b>\$ (98,048.00)</b> |
| <b>PROGRAM EXPENSES</b>            |                      |                      |                       |
| Economic Development               | \$ 55,756.00         | \$ 9,740.00          | \$ (46,016.00)        |
| Professional and Contract Services | \$ 5,160.00          | \$ 8,015.00          | \$ 2,855.00           |
| Administration                     | \$ 3,572.00          | \$ 2,963.00          | \$ (609.00)           |
| <b>TOTAL PROGRAM EXPENSES</b>      | <b>\$ 64,488.00</b>  | <b>\$ 20,718.00</b>  | <b>\$ (43,770.00)</b> |
| <i>Increase in Net Position</i>    | \$ 147,226.00        | \$ 92,948.00         | \$ (54,278.00)        |
| Net Position, Beginning of Year    | \$ 97,916.00         | \$ 245,142.00        | \$ 147,226.00         |
| Net Position, End of Year          | <b>\$ 245,142.00</b> | <b>\$ 338,090.00</b> | <b>\$ 92,948.00</b>   |

Revenue consists primarily from DETAC, Delinquent Tax and Assessment Collection Funds, which is sent to the Logan County Auditor's office and dispersed to the Corporation. The Corporation receives 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes and assessments. The Corporation received \$99,779 from DETAC for funding for 2019. The Corporation also sold properties in 2019, which contributed \$13,727 in revenue. Expenses decreased due to less property expenses.

**Logan County Land Reutilization Corporation  
Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)  
(Continued)

**The Corporation's General Fund**

This fund is accounted for using the modified accrual basis of accounting. At December 31, 2019 the ending fund balance of the general fund was \$338,090 which was an increase of \$92,948 from the balance reported at the beginning of the year. This increase was the result of Intergovernmental monies exceeding expenditures.

**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**

As of December 31, 2019, the Corporation does not have any capital assets.

**Property Held for Sale**

As of December 31, 2019, the Corporation owns the properties listed below. The properties held for resale are carried at net realizable value.

| <b>STREET</b> | <b>ADDRESS</b> | <b>CITY</b>    | <b>PARCEL NO.</b>    | <b>TYPE</b> | <b>VALUE</b> |
|---------------|----------------|----------------|----------------------|-------------|--------------|
| Elm           | 520            | Bellefontaine  | 17-091-08-20-003-000 | Vacant Lot  | \$ 2,663.00  |
| S. Madriver   | 525            | Bellefontaine  | 17-091-16-15-006-000 | Vacant Lot  | \$ 1,270.00  |
| S. Madriver   |                | Bellefontaine  | 17-091-16-15-007-000 | Vacant Lot  | \$ 250.00    |
| Clark Ave.    | 432            | Bellefontaine  | 17-091-15-05-003-000 | Vacant Lot  | \$ 900.00    |
| W. Columbus   | 527            | Bellefontaine  | 17-091-11-21-020-000 | Vacant Lot  | \$ 25,725.00 |
| Church St.    | 111            | DeGraff        | 26-117-06-13-010-000 | Vacant Lot  | \$ 870.00    |
| Miami St.     | 228            | DeGraff        | 26-117-06-06-006-000 | Vacant Lot  | \$ 450.00    |
| Westview St.  | 441            | Russells Point | 52-032-05-02-006-000 | Vacant Lot  | \$ 1,623.00  |

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Management's Discussion and Analysis  
For the Year Ended December 31, 2019  
(Unaudited)  
(Continued)

**Debt**

As of December 31, 2019, the Corporation does not have any debt. The Corporation does not maintain a line of credit with any local financial institutions.

**Current Financial Related Activities**

The Corporation began operations on August 9, 2016. The Corporation is Logan County, Ohio's agent to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in Logan County. The purpose of the Corporation is to strengthen neighborhoods in Logan County by returning vacant and abandoned properties to productive use. By strategically acquiring properties, the Corporation works to reduce blight, promote economic development, increase property values, and thereby improve the quality of life of all Logan County residents. The principal operating revenues of the Corporation is revenue from property dispositions and grants and contributions from Logan County's delinquent tax and assessment collection fund.

**Request for Information**

This financial report is designed to provide users of the financial statements with a general overview of the Corporation's finances and show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information contact the Logan County Treasurer, Rhonda Stafford, at 100 S. Madriver Street, Bellefontaine, Ohio 43311.

|   |
|---|
| <p><b>Logan County Land Reutilization Corporation</b><br/> <b>Logan County, Ohio</b><br/> <b>(A Component Unit of Logan County)</b><br/> <b>Statement of Net Position</b><br/> <b>December 31, 2019</b></p> |
|---|

|                           | <u>Governmental<br/>Activities</u> |
|---------------------------|------------------------------------|
| <b>Assets</b>             |                                    |
| Cash                      | \$ 303,839.00                      |
| Accounts Receivable       | \$ 500.00                          |
| Assets Held for Resale    | <u>\$ 33,751.00</u>                |
| <b>Total Assets</b>       | <u><b>\$ 338,090.00</b></u>        |
| <b>Net Position</b>       |                                    |
| Unrestricted              | <u>\$ 338,090.00</u>               |
| <b>Total Net Position</b> | <u><b>\$ 338,090.00</b></u>        |

*See accompanying notes to the basic financial statements.*

**Logan County Land Reutilization Corporation**  
**Logan County, Ohio**  
**(A Component Unit of Logan County)**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

|   |              | Program Revenues            | Net (Expense)<br>Revenue and Change<br>in Net Position |
|---|--------------|-----------------------------|--|
|   | Expenses     | CFS - Land<br>Reutilization | Governmental<br>Activities                             |
| <b>Governmental Activities</b>                    |              |                             |  |
| Economic Development - Land Reutilization         | \$ 9,740.00  | \$ 13,727.00                | \$ 3,987.00  |
| Professional and Contract Services                | \$ 8,015.00  | \$ -                        | \$ (8,015.00)  |
| Administration                                    | \$ 2,963.00  | \$ -                        | \$ (2,963.00)  |
| <i>Total</i>                                      | \$ 20,718.00 | \$ 13,727.00                | \$ (6,991.00)  |
| <b>General Revenues</b>                           |              |                             |  |
| Intergovernmental                                 |              |                             | \$ 99,779.00   |
| Interest Income                                   |              |                             | \$ 102.00  |
| Other Income                                      |              |                             | \$ 58.00   |
| <i>Total General Revenues</i>                     |              |                             | \$ 99,939.00   |
| <i>Increase (Decrease) in Net Position</i>        |              |                             | \$ 92,948.00   |
| <i>Net Position, Beginning of Year - Restated</i> |              |                             | \$ 245,142.00  |
| <i>Net Position End of Year</i>                   |              |                             | \$ 338,090.00  |

*See accompanying notes to the basic financial statements.*



|  |
|--|
| <p><b>Logan County Land Reutilization Corporation</b><br/> <b>Logan County, Ohio</b><br/> <b>(A Component Unit of Logan County)</b><br/> <b>Balance Sheet</b><br/> <b>General Fund</b><br/> <b>December 31, 2019</b></p> |
|--|

|  | <b>General Fund</b>  |
|--|----------------------|
| <b>Assets</b>                                    |                      |
| Cash   | \$ 303,839.00        |
| Accounts Receivable                              | \$ 500.00            |
| Assets Held for Resale                           | \$ 33,751.00         |
| <b><i>Total Assets</i></b>                       | <b>\$ 338,090.00</b> |
| <b><i>Net Position</i></b>                       |                      |
| Nonspendable:                                    |                      |
| Assets Held For Resale                           | \$ 33,751.00         |
| Unassigned                                       | \$ 304,339.00        |
| <b><i>Total Fund Balance</i></b>                 | <b>\$ 338,090.00</b> |
| <b><i>Total Liabilities and Fund Balance</i></b> | <b>\$ 338,090.00</b> |

*See accompanying notes to the basic financial statements.*

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|--|
| <p><b>Logan County Land Reutilization Corporation</b><br/> <b>Logan County, Ohio</b><br/> <b>(A Component Unit of Logan County)</b><br/> <b>Statement of Revenues, Expenditures and Change in Fund Balance</b><br/> <b>General Fund</b><br/> <b>For the Year Ended December 31, 2019</b></p> |
|--|

|   | <b>General Fund</b>      |
|---|--------------------------|
| <b>Revenues:</b>  |                          |
| Intergovernmental                                       | \$ 99,779.00             |
| Other   | \$ 58.00                 |
| Property Sales  | \$ 13,727.00             |
| Interest Income   | \$ 102.00                |
|   | <u>113,666.00</u>        |
| <i>Total Revenues</i>                                   | <i>\$ 113,666.00</i>     |
| <br><b>Expenditures</b>                                 |                          |
| Current:  |                          |
| Economic Development - Land Reutilization               | \$ 9,740.00              |
| Professional and Contract Services                      | \$ 8,015.00              |
| Administration  | \$ 2,963.00              |
|   | <u>20,718.00</u>         |
| <i>Total Expenditures</i>                               | <i>\$ 20,718.00</i>      |
| <br><i>Net Change in Fund Balance</i>                   | <br><i>\$ 92,948.00</i>  |
| <br><i>Fund Balance at Beginning of Year - Restated</i> | <br><i>\$ 245,142.00</i> |
| <br><i>Fund Balance at End of Year</i>                  | <br><i>\$ 338,090.00</i> |
|   | <u>338,090.00</u>        |

*See accompanying notes to the basic financial statements.*

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**NOTE 1 – DESCRIPTION OF THE REPORTING ENTITY**

The Logan County Land Reutilization Corporation (the Corporation) is a county land reutilization corporation that was formed on August 9, 2016. The purpose of the Corporation is to strengthen neighborhoods in Logan County (the County) by returning vacant and abandoned properties to productive use. The Corporation has been designed as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

The Corporation is a legally separate entity and is reported by the County as a discretely presented component unit in the County’s basic financial statements. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation’s management believes these basic financial statements present all activities for which the Corporation is financially accountable.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Corporation’s significant accounting policies are described below.

**A. Basis of Presentation**

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

***Government-Wide Financial Statements*** – The statement of net position and the statement of activities display information about the Corporation as a whole. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities.

The statement of net position presents the financial condition of the governmental activities of the Corporation at year-end. The statement of activities presents a comparison between direct expense and program revenues for each program or function of the Corporation’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Corporation, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the Corporation.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**Fund Financial Statements** – Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation’s general fund is its only governmental fund.

**B. Fund Accounting**

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

For financial statement presentation purposes, the Corporation’s funds are classified as governmental.

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

**General Fund** – The general fund accounts for all financial resources that are not required to be separately accounted for. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

**C. Measurement Focus**

**Government-Wide Financial Statements** – The government-wide financial statements are prepared using a *flow of economic resources* measurement focus. All assets and all liabilities associated with the operation of the Corporation are included on the Statement of Net Position. The Statement of Activities presents increases (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 current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and change 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.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**D. Basis of Accounting**

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

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

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

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

**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.

For the year ended December 31, 2019, the Corporation reported no amounts which are classified as deferred inflows or outflows of resources.

**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.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**E. Budgetary Process**

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

**F. Federal Income Tax**

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

**G. Cash**

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

**H. Net Position**

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. The Corporation did not have any deferred outflow of resources and deferred inflow of resources as of December 31, 2019. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board of Directors or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2019.

**I. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

**J. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2019.

**K. 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 classification are as follows:

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**1. Non-spendable**

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**2. Restricted**

The restricted classification is used when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**3. Committed**

The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation’s Board of Directors.

**4. Assigned**

Assigned fund balance includes amounts that are constrained by the Corporation’s intent to be used for specific purposes, but are neither restricted nor committed.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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.

**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**L. Assets Held for Resale**

Assets held for resale represents properties held by the Corporation that the Corporation intends to sell to a third party. These assets are valued at net realizable value. Most properties are foreclosed on by Logan County for delinquent real estate taxes and signed over to the Corporation.

**M. Change in Accounting Principles**

For 2019, the Corporation changed accounting principles from cash basis to GAAP basis. The change resulted in a restatement of December 31, 2018 fund balance and net position from \$208,464 to \$245,142.

**NOTE 3 - LITIGATION**

The Corporation is not currently a party to any legal proceeding which would have a material impact on the financial statements.

**NOTE 4 – DEPOSITS**

At December 31, 2019, the carrying amount of the Corporation's deposits was \$303,839 and the bank balance was \$303,839.

1. \$250,000 was covered by Federal Deposit Insurance Corporation, and;
2. \$53,839 was uninsured and uncollateralized and therefore exposed to custodial credit risk. Custodial credit risk is the risk that in the event of bank failure the Corporation's deposits may not be returned to it. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute.

**NOTE 5 – RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Corporation has obtained commercial insurance from private carriers for 2019. The Corporation maintained suitable insurance coverage.

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



**Logan County Land Reutilization Corporation**  
**Logan County, OH**

Notes to the Financial Statements  
For the Year Ended December 31, 2019  
(Continued)

**NOTE 6 - RECEIVABLES**

The Corporation had receivables of \$500 for a property sale as of December 31, 2019.

**NOTE 7 – LIABILITIES**

The Corporation has no liabilities as of December 31, 2019.

**NOTE 8 – INTERGOVERNMENTAL REVENUE**

The Corporation is a component unit of Logan County. During 2019, Logan County provided the Corporation a \$99,779 operating contribution. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263 these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

**NOTE 9 – SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through the date of this report and there are no material transactions requiring disclosure.

**NOTE 10 – COVID-19**

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

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

Logan County Land Reutilization Corporation  
Logan County  
100 South Madriver Street  
Bellefontaine, Ohio 43311

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 governmental activities and the major fund of the Logan County Land Reutilization Corporation, Logan County, a component unit of Logan County (the Corporation) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated December 9, 2021, wherein we noted the Corporation changed accounting principles from cash basis to GAAP basis and the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Corporation.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 2020-001 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Corporation's Response to Finding***

The Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not subject the Corporation's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

***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

December 9, 2021

**LOGAN COUNTY LAND REUTILIZATION CORPORATION  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2020-001**

**Material Weakness – Financial Reporting**

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. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The following misstatements were identified and adjusted on the Corporation's December 31, 2020, financial statements:

- Beginning fund balance/net position was overstated by \$33,804
- Assets held for resale and Nonspendable fund balance were overstated by \$43,227
- Revenues and expenditures/expenses were incorrectly reported due to the misstatements above.

The following misstatements were identified and adjusted on the Corporation's December 31, 2019, financial statements:

- Beginning fund balance/net position was understated by \$36,678
- Assets held for resale and Nonspendable fund balance were overstated by \$34,299
- Accounts Receivable was understated by \$500
- Capital contributions of \$68,050 were originally reported to account for assets held for resale
- Revenues and expenditures/expenses were incorrectly reported due to the misstatements above.

The above misstatements were due to the improper restatement from cash to GAAP as well as utilizing the incorrect valuation method for assets held for resale. The failure to correctly classify financial activity in the accounting records and financial statements may impact the users' understanding of the financial operations and the Board's and management's ability to make sound financial decisions.

The Corporation should implement policies and procedures to provide assurance over the completeness and accuracy of information reported within the financial statements. The misstatements should be reviewed by management to ensure that similar errors are not reported on the financial statements in subsequent years.

**Officials' Response:**

The change from cash to GAAP seems to be the problem and the way we were valuing our properties. I feel we are working to correct both and these shouldn't be an issue going forward.

# OHIO AUDITOR OF STATE KEITH FABER



**LOGAN COUNTY LAND REUTILIZATION CORPORATION**

**LOGAN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/28/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)