



**ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2021-2020

**ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Erie County Land Reutilization Corporation
Erie County
2900 Columbus Avenue
Sandusky, Ohio 44870-5554

To the Board of Directors:

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the financial statements of the cash balances, receipts and disbursements of Erie County Land Reutilization Corporation, Erie County, Ohio (the Corporation), as of and for the years ended December 31, 2021 and 2020, and related notes to the financial statements.

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on the Financial Statements as a Whole* section of our report, the accompanying 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 Corporation, as of December 31, 2021 and 2020, or the changes in financial position thereof for the years then ended.

Basis for Adverse Opinion on the Financial Statements as a Whole

As described in Note 2 of the financial statements, the financial statements are prepared by the Corporation on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. However, Ohio Revised Code Section 1724.05 requires these statements 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 and pervasive.

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

Emphasis of Matter

As discussed in Note 6 to the 2021 financial statements and Note 7 to the 2020 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2022

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Erie County Land Reutilization Corporation
Erie County
Statement of Receipts, Disbursements, and
Change in Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2021

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Cash Receipts	
Intergovernmental	\$ 22,145
	<hr/>
Cash Disbursements	
Current:	
Accounting and Legal	3,480
Bank Fees	11
General Insurance	2,454
Miscellaneous Property Expense	564
Office Expense	164
Property Maintenance Expense	17,280
Wages	5,381
Taxes and Licenses	25
	<hr/>
<i>Total Cash Disbursements</i>	<i>29,359</i>
	<hr/>
<i>Net Change in Fund Cash Balance</i>	<i>(7,214)</i>
<i>Fund Cash Balance, January 1</i>	<i>50,342</i>
	<hr/>
Fund Cash Balance, December 31	
Unassigned	43,128
<i>Fund Cash Balance, December 31</i>	<i>\$ 43,128</i>
	<hr/> <hr/>

See accompanying notes to the financial statement

**ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

Erie County Land Reutilization Corporation, Erie County, Ohio (the Corporation) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Corporation was organized as a not-for profit community improvement corporation by the Board of County Commissioners of Erie County October 20, 2011, under the authority granted under Chapter 1724 of the Ohio Revised Code. The Corporation's purpose is to promote and facilitate the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed or other real property in Erie County. By strategically acquiring properties and returning them to productive use, the Corporation works to reduce blight, increase property values, strengthen neighborhoods, and improve the quality of life for all Erie County residents.

Pursuant to Section 1724.03(B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board.

The Corporation's management believes this financial statement presents all activities for which the Corporation is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statement consists of a statement of receipts, disbursements, and change in fund balance (regulatory cash basis) for the General Fund.

Fund Accounting

The Corporation uses one fund and classifies it as the General Fund. The General Fund accounts for and reports all financial resources of the Corporation.

Basis of Accounting

Although required by Ohio Rev. Code Section 1724.05 to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the Corporation chooses to prepare its financial statement and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting.

Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when 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 revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in this financial statement.

ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

Capital Assets

The Corporation records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

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 Corporation classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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 Board of Directors can *commit* amounts via formal action (resolution). The Corporation must adhere to these commitments unless the Board of Directors amends the resolution. Committed fund 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 Corporation's Board of Directors or a Corporation official delegated that authority by resolution, or by state statute.

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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

NOTE 3 - COMPLIANCE

Ohio Rev. Code Section 1724.05 requires the Corporation to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the Corporation prepared its financial statement on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statement omits assets, liabilities, net assets/fund balance, and disclosures that, while material, cannot be determined at this time.

ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(CONTINUED)

NOTE 4 - DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2021
Demand Deposits	<u>\$ 43,128</u>

Deposits are insured by the Federal Deposit Insurance Corporation.

NOTE 5 - RISK MANAGEMENT

Commercial Insurance

The Corporation is subject to certain types of risk in the performance of its normal functions. The Corporation has obtained commercial insurance covering comprehensive property, general liability, vehicles, and errors and omissions.

NOTE 6 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. 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 additional recovery from emergency funding, either federal or state, cannot be estimated.

Erie County Land Reutilization Corporation
Erie County
Statement of Receipts, Disbursements, and
Change in Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2020

Cash Receipts	
Intergovernmental	\$ 64,310
Grants	74,439
Property Sales	16,600
<i>Total Cash Receipts</i>	155,349
 Cash Disbursements	
Current:	
Accounting and Legal	14,821
Audit Expense	4,223
Demolition Expense	6,453
Dues and Subscriptions	1,635
Miscellaneous Property Expense	3,509
Postage	30
Property Maintenance Expense	5,400
Seminars	75
Office Expense	194
Vehicle Expense	42
Debt Service:	
Principal Retirement	91,584
<i>Total Cash Disbursements</i>	127,966
 <i>Net Change in Fund Cash Balance</i>	 27,383
 <i>Fund Cash Balance, January 1</i>	 22,959
 Fund Cash Balance, December 31	
Unassigned	50,342
<i>Fund Cash Balance, December 31</i>	\$ 50,342

See accompanying notes to the financial statement

ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

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Pursuant to Section 1724.03(B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board.

The Corporation's management believes this financial statement presents all activities for which the Corporation is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Corporation's financial statement consists of a statement of receipts, disbursements, and change in fund balance (regulatory cash basis) for the General Fund.

Fund Accounting

The Corporation uses one fund and classifies it as the General Fund. The General Fund accounts for and reports all financial resources of the Corporation.

Basis of Accounting

Although required by Ohio Rev. Code Section 1724.05 to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America, the Corporation chooses to prepare its financial statement and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting.

Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when 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 revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in this financial statement.

ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

Capital Assets

The Corporation records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

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 Corporation classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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 Board of Directors can *commit* amounts via formal action (resolution). The Corporation must adhere to these commitments unless the Board of Directors amends the resolution. Committed fund 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 Corporation's Board of Directors or a Corporation official delegated that authority by resolution, or by state statute.

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 restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

NOTE 3 - COMPLIANCE

Ohio Rev. Code Section 1724.05 requires the Corporation to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, the Corporation prepared its financial statement on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statement omits assets, liabilities, net assets/fund balance, and disclosures that, while material, cannot be determined at this time.

ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2020
(CONTINUED)

NOTE 4 - DEPOSITS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2020
Demand Deposits	<u>\$ 50,342</u>

Deposits are insured by the Federal Deposit Insurance Corporation.

NOTE 5 - RISK MANAGEMENT

Commercial Insurance

The Corporation is subject to certain types of risk in the performance of its normal functions. The Corporation has obtained commercial insurance covering comprehensive property, general liability, vehicles, and errors and omissions.

NOTE 6 - CONTINGENT LIABILITIES

Amounts grantor agencies pay to the Corporation are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 7 - 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 additional 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**

Erie County Land Reutilization Corporation
Erie County
2900 Columbus Avenue
Sandusky, Ohio 44870-5554

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Erie County Land Reutilization Corporation, Erie County, Ohio, (the Corporation) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated September 22, 2022, 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. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Corporation.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2021-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2021-001.

Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Corporation's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 22, 2022

**ERIE COUNTY LAND REUTILIZATION CORPORATION
ERIE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2021 AND 2020**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2021-001

Noncompliance Citation

Ohio Rev. Code § 1724.05 provides, in part, that the Corporation shall prepare an annual financial report according to generally accepted accounting principles (GAAP) and shall be filed with the Auditor of State within one hundred twenty days following the last day of the Corporation's fiscal year.

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.

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:

The Corporation has a limited funding sources. Further, there is not a large cash reserve available to the organization, as the Corporation does not generate a significant number of financial transactions in any given calendar year to fund a reserve. Therefore, the Corporation has determined that continuing to file on a regulatory basis for the audited time period provides the most cost effective alternative while still providing sufficient information regarding the Corporation's activities. The Corporation understands this requirement, but feels the need to be fiscally responsible with its limited funds outweighs the requirement to filing according to generally accepted accounting principles.

FINDING NUMBER 2021-002

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.

Accounting and legal disbursements in the amount of \$11,878 were incorrectly classified as wages disbursements for the year ended December 31, 2020.

This error was not identified and corrected prior to the Corporation preparing its financial statements due to deficiencies in the Corporation's internal controls over financial statement monitoring. The failure to adequately monitor financial statements could allow for misstatements to occur and go undetected. The accompanying financial statements have been adjusted to reflect this change. In addition to the adjustment noted above, we also identified an additional misstatement in the amount of \$1,008 that we have brought to the Corporation's attention.

**FINDING NUMBER 2021-002
(CONTINUED)**

To help ensure the Corporation's financial statements are complete and accurate, the Corporation should adopt policies and procedures, including a final review of the statements and notes to the financial statements by the Executive Director and Board of Directors, to help identify and correct errors and omissions.

Officials' Response:

The Corporation is aware of this error and will review all policies and procedures regarding accounting and the preparation of its financial statements as suggested by the Auditor of State.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER, 2021 AND 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Rev. Code § 1724.05 for reporting on a basis other than generally accepted accounting principles, initially reported as Finding 2013-001.	Not corrected and reissued as Finding 2021-001 in this report.	The Corporation has determined that continuing to file on a regulatory basis provides the most cost effective alternative while still providing sufficient information regarding the Corporation's activities.
2019-002	Material weakness for errors in financial reporting, initially reported as Finding 2015-002.	Not corrected and reissued as Finding 2021-002 in this report.	These issues of financial reporting were due to omitting amounts from the financial statements. These have been brought to the attention of the Corporation's contracted Accounting firm. They have made note of the reporting requirement and will fully comply in the future.

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OHIO AUDITOR OF STATE KEITH FABER



ERIE COUNTY LAND REUTILIZATION CORPORATION

ERIE 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 10/4/2022

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

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