



OHIO AUDITOR OF STATE
KEITH FABER



**ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Land Reutilization Corporation
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, and the General fund of the Ashtabula County Land Reutilization Corporation, Ashtabula County, Ohio (Corporation), a component unit of Ashtabula County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the General fund, of the Ashtabula County Land Reutilization Corporation, Ashtabula County, Ohio as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Efficient • Effective • Transparent

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2024, 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

August 23, 2024

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ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The following Management's Discussion and Analysis (MD&A) of the Ashtabula County Land Reutilization Corporation's (the Corporation) financial performance provides an introduction to the financial statements for the year ended December 31, 2023. The information contained in this MD&A should be considered in conjunction with the information contained in the Corporation's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights are as follows:

At December 31, 2023, Net Position increased by \$386,724, which represents an 39.6% increase due to an increase in cash and cash equivalents.

Total assets increased \$287,845, which represents a 26.8% increase from 2022. Total liabilities decreased \$98,879 due to the timing of operating receipts and expenditures.

Total cash and cash equivalents increased \$287,822 or 26.8% due to the timing of operating receipts and expenditures.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Corporation as a financial whole.

The Statement of Net Position and Statement of Revenues, Expenditures and Changes in Fund Balance provide information about the activities of the Corporation presenting both an aggregated view of the Corporation's finances and a longer-term view of those assets.

REPORTING THE CORPORATION AS A WHOLE

Statement of Net Position and Statement of Revenues, Expenditures and Changes in Fund Balance

These government-wide statements answer the question "How did the Corporation as a whole do financially during 2023?" They are prepared on the accrual basis of accounting, including all assets and liabilities, much the same way as for a private enterprise. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The two statements below report the Corporation's net position and the changes in the net position. This change in net position is important as it tells the reader that, 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: This statement (page 9) reports all assets and liabilities of the Corporation as of December 31, 2023. The difference between total assets and total liabilities is reported as net position. Increases in net position generally indicate an improvement in financial positions, while decreases may indicate a deterioration of financial position.

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The Statement of Activities: This statement (page 10) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Corporation for the year ended December 31, 2023. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expenses of the Corporation's various programs net of related revenues, as well as the separate presentation of revenues available for general purposes.

In the Statement of Net Position and the Statement of Activities, the Corporation has one kind of activity:

Governmental Activities. All of the Corporation's programs are reported here. These programs will be funded primarily by delinquent property taxes collected and intergovernmental revenue, including Federal grants.

REPORTING THE CORPORATION'S MOST SIGNIFICANT FUNDS

Fund Financial Statements:

These statements provide financial position and results of the Corporation's major funds. The Corporation's only major governmental fund is the General Fund. A fund is an accounting entity created to account for a specific activity or purpose. The creation of some funds is mandated by law and others are created by management to demonstrate financial compliance with budgetary or legal requirements. Funds are classified into three broad categories: governmental funds, proprietary funds, and fiduciary funds. The Corporation has only governmental funds.

Governmental Funds. Governmental funds are used to account for "Government Type" activities. However, unlike the government-wide financial statements, governmental fund statements use a "flow of financial resources" measurement focus. The governmental fund statements provide a detailed short-term view of the Corporation's general government operations and the basic services it provides. Increases in spendable resources are reported in the operating statements as "revenues" or "other financing sources". Decreases in spendable resources are reported as "expenditures" or "other financing uses". State and federal grants finance most of those activities.

The Basic Governmental Fund Financial Statements start on page 11 of this report.

OTHER INFORMATION

Notes to the Basic Financial Statements:

The notes provide additional and explanatory data. They are an integral part of the basic financial statements. Notes to the Basic Financial Statements can be found starting on page 13 of this report.

The Corporation as a Whole:

Recall the Statement of Net Position looks at the Corporation as a whole. Table 1 provides a summary of the Corporation's net position for 2023 and 2022.

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

(TABLE 1)

NET POSITION

ASSETS	2023	2022	Change
Cash and cash equivalents	\$ 1,362,866	\$ 1,075,044	\$ 287,822
Prepaid Expenses	231	208	23
Total Assets	<u>1,363,097</u>	<u>1,075,252</u>	<u>287,845</u>
LIABILITIES			
Current and Other Liabilities	-	98,879	(98,879)
Total Liabilities	<u>-</u>	<u>98,879</u>	<u>(98,879)</u>
NET POSITION			
Unrestricted	<u>1,363,097</u>	<u>976,373</u>	<u>386,724</u>
Total Net Position	<u>\$ 1,363,097</u>	<u>\$ 976,373</u>	<u>\$ 386,724</u>

Total assets increased \$287,845. Equity in pooled cash and cash equivalents increased \$287,822, due to the timing of receipts and expenditures.

Net position increased \$386,724 which is itemized in Table 2.

Table 2 shows the changes in net position for the year ended December 31, 2023, compared to the year ended December 31, 2022.

(TABLE 2)

CHANGES IN NET POSITION

PROGRAM REVENUES	2023	2022	Change
Operating Grants	\$ 277,540	\$ 98,879	\$ 178,661
Intergovernmental	207,399	137,819	69,580
Program Income	104,354	118,071	(13,717)
Total Program Revenues	<u>589,293</u>	<u>354,769</u>	<u>234,524</u>
GENERAL REVENUES			
Other	151,883	-	151,883
Interest	47,528	8,800	38,728
Total General Revenues	<u>199,411</u>	<u>8,800</u>	<u>190,611</u>
Total Revenues	<u>788,704</u>	<u>363,569</u>	<u>425,135</u>
PROGRAM EXPENSES			
Professional and Contract Services	393,741	282,030	111,711
Program Administration	8,239	5,423	2,816
Total Program Expenses	<u>401,980</u>	<u>287,453</u>	<u>114,527</u>
Change in Net Position	<u>386,724</u>	<u>76,116</u>	<u>310,608</u>
Net Position Beginning of Year	<u>976,373</u>	<u>900,257</u>	<u>76,116</u>
Net Position End of Year	<u>\$ 1,363,097</u>	<u>\$ 976,373</u>	<u>\$ 386,724</u>

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

The Corporation's revenues were \$788,704 and its expenses were \$401,980 for 2023. The main revenue sources are from property sales and from the Ohio Department of Development Building Demolition and Site Revitalization Program reimbursements. Also, the County Treasurer authorized by the Ashtabula County Board of Commissioners funds a percentage of delinquent property taxes collected to the Corporation.

DEBT

At December 31, 2023 the Corporation had no outstanding obligations.

REQUEST FOR INFORMATION

This financial report is designed to provide the board with a general overview of the Ashtabula County Land Reutilization Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Alex Iarocci, Executive Director, 25 West Jefferson Street, Jefferson, Ohio 44047, 440-576-1450, or e-mail at landbank@ashtabulacounty.us.

Ashtabula County Land Reutilization Corporation
Ashtabula County
Statement of Net Position
December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,362,866
Prepaid Expenses	231
<i>Total Assets</i>	<u>1,363,097</u>
Net Position	
Unrestricted (Deficit)	1,363,097
<i>Total Net Position</i>	<u>\$ 1,363,097</u>

See accompanying notes to the basic financial statements

Ashtabula County Land Reutilization Corporation
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Intergovernmental	Primary Government Governmental Activities	
Governmental Activities:					
Professional and Contract Services	\$ 393,741	\$ 104,354	\$ 277,540	\$ 207,399	\$ 195,552
Program Administration	8,239				(8,239)
<i>Total Governmental Activities</i>	\$ 401,980	\$ 104,354	\$ 277,540	\$ 207,399	\$ 187,313
General Revenues					
					47,528
					151,883
					199,411
					386,724
					976,373
					\$ 1,363,097

See accompanying notes to the basic financial statements

Ashtabula County Land Reutilization Corporation
Balance Sheet
Governmental Fund
December 31, 2023

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,362,866
Prepaid Expenses	<u>231</u>
<i>Total Assets</i>	<u>\$ 1,363,097</u>
Fund Balance	
Unassigned	<u>\$ 1,363,097</u>
<i>Total Fund Balance</i>	<u>\$ 1,363,097</u>

See accompanying notes to the basic financial statements

Ashtabula County Land Reutilization Corporation
Ashtabula County
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2023

		General
Revenues		
Intergovernmental	\$	207,399
Operating Grants		277,540
Program Income		104,354
Interest		47,528
Other		151,883
<i>Total Revenues</i>		788,704
Expenditures		
Professional and Contract Services		393,741
Program Administration		8,239
<i>Total Expenditures</i>		401,980
<i>Net Change in Fund Balance</i>		386,724
<i>Fund Balance Beginning of Year</i>		976,373
<i>Fund Balance End of Year</i>	\$	1,363,097

See accompanying notes to the basic financial statements

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

1. DESCRIPTION OF THE REPORTING ENTITY

The Ashtabula County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Ashtabula County on May 7, 2013 and incorporated on May 22, 2013 under Chapter 1724 of the Ohio Revised Code.

The Corporation's governing body is a seven-member Board of Directors, consisting of the County Treasurer, three County Commissioners, one city manager in the county, one realtor representative, and one member representing the townships of Ashtabula County.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities.

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

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

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 liabilities is reported as fund balance. The following is the Corporation's only governmental fund:

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

C. Measurement of 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 changes in fund balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. No reconciliations were required between the government-wide statements and the statements for the general fund.

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. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows 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 sixty days of year-end.

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

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 the 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, if any, 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 taxing 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 and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account. Investments with original maturities of three months or less at the time they are purchased by the Corporation are included on the financial statements as cash equivalents.

During 2023, the Corporation invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 "Certain External Investment Pools and Pool Participants." The Corporation measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

H. Prepaid Items

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

I. Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. The transfer fees paid to the Ashtabula County Auditor for these abandoned properties are expensed in the year paid. The Corporation holds the properties until they are either sold or transferred to a private purchaser, non-profit, or public end-user. Properties may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

J. Accrued Liabilities

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

K. Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources as of December 31, 2023. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations 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, 2023.

L. Intergovernmental Revenue

The Corporation received operating income through Ashtabula County. This money represents the penalties and interest on current unpaid and delinquent property taxes once the 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.

M. Government Grants

Support funded by grants is recognized as the Corporation performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant Activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

N. 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.

O. Fund Balance

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

Non-Spendable Fund Balance – The non-spendable fund balance classification includes (a) amounts that cannot be spent because they are 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.

Restricted Fund Balance – The restricted fund balance 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.

Committed Fund Balance – 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.

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Assigned Fund Balance – 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.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been purposed within the general fund.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted funds are needed.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when unrestricted expenditures classifications could be used.

3. DEPOSITS AND INVESTMENTS

Deposits

As of December 31, 2023, all of the Corporation’s bank balance of \$231,007 is covered by Federal Deposit Insurance Corporation (FDIC).

Investments

Investments are reported at fair value. As of December 31, 2023, the Corporation had the following investments:

Measurement/ Investment Type	Measurement Value	Investment Maturities		
		12 Months or Less	1-3 Years	3-5 Years
Amortized Cost:				
STAR Ohio	\$ 1,131,859	\$ 1,131,859	\$ -	\$ -
Total Investments	\$ 1,131,859	\$ 1,131,859	\$ -	\$ -

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and cash equivalents as reported on the statement of net position as of December 31, 2023:

<u>Cash and Investments per Note Disclosure</u>	<u>Cash and Investments per Statement of Net Position</u>
Carrying amounts of deposits	
Investments	Governmental Activities
Total	Total
\$ 231,007	\$ 1,362,866
1,131,859	\$ 1,362,866
\$ 1,362,866	\$ 1,362,866

ASHTABULA COUNTY LAND REUTILIZATION CORPORATION
ASHTABULA COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

4. RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Corporation contracted with CORSA (County Risk Staring Authority) for Various Types of insurance as follows:

Type	Coverage
General Liability	\$ 1,000,000
Automobile Liability	1,000,000
Errors & Omissions Liability	1,000,000
Ohio Stop Gap Employers' Liability	1,000,000
Employee Benefits Liability	1,000,000
Attorney Disciplinary Proceedings	25,000
Declaratory, Injunctive or Equitable Relief	25,000

During 2023 the settled claims did not exceed commercial coverage.

5. TRANSACTIONS WITH ASHTABULA COUNTY

Pursuant and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Ashtabula County Board of Commissioners to receive 3.0% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the county's Delinquent Tax and Assessment Collection (DTAC) fund and will be available for appropriation by the Corporation to fund operations. For December 31, 2023 this amount totaled \$207,399.

Pursuant to a Contract for Services Agreement approved by the Board of Directors, for December 31, 2023, the Corporation incurred \$73,196 of personnel and related charges to the Ashtabula County Treasurer's office.

6. LITIGATION

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

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 23, 2024, the date on which the financial statements were available to be issued.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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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*

Ashtabula County Land Reutilization Corporation
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, and the General fund of the Ashtabula County Land Reutilization Corporation, Ashtabula County, (the Corporation), a component unit of Ashtabula County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated August 23, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

August 23, 2024

OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA COUNTY LAND REUTILIZATION CORPORATION

ASHTABULA 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 9/5/2024

65 East State 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