



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MAHONING COUNTY LAND REUTILIZATION CORPORATION  
MAHONING COUNTY  
DECEMBER 31, 2023 AND 2022**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis FYE 12/31/2023 .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position FYE 12/31/2023 .....	11
Statement of Activities FYE 12/31/2023 .....	12
Fund Financial Statements:	
Balance Sheet	
Governmental Fund FYE 12/31/2023 .....	13
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities FYE 12/31/2023 .....	14
Statement of Revenues, Expenditures and Change in Fund Balance Governmental Fund FYE 12/31/2023 .....	15
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities FYE 12/31/2023 .....	16
Notes to the Basic Financial Statements FYE 12/31/2023 .....	17
Management's Discussion and Analysis FYE 12/31/2022 .....	31
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position FYE 12/31/2022 .....	37
Statement of Activities FYE 12/31/2022 .....	38
Fund Financial Statements:	
Balance Sheet	
Governmental Fund FYE 12/31/2022 .....	39
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities FYE 12/31/2022 .....	40
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund FYE 12/31/2022 .....	41
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities FYE 12/31/2022 .....	42

**MAHONING COUNTY LAND REUTILIZATION CORPORATION  
MAHONING COUNTY  
DECEMBER 31, 2023 AND 2022**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Notes to the Basic Financial Statements FYE 12/31/2022 .....	43
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	57

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

Mahoning County Land Reutilization Corporation  
Mahoning County  
100 East Commerce Street  
Suite 300  
Youngstown, Ohio 44503

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 major fund of the Mahoning County Land Reutilization Corporation, Mahoning County, Ohio (the Corporation), a component unit of Mahoning County, as of and for the years ended December 31, 2023 and 2022, 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 major fund of the Mahoning County Land Reutilization Corporation, Mahoning County, Ohio as of December 31, 2023 and 2022, and the respective changes in financial position for the years 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.

#### **Emphasis of Matter**

As discussed in Note 10 and 11 of the 2023 and 2022 financial statements, the Corporation has reported a pollution remediation liability for several parcels in which the Corporation is the main entity for remediation. In addition, as discussed in Note 10 to the financial statements, during 2022, 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 these matters.

***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.

***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 June 25, 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

June 25, 2024

**This page intentionally left blank.**



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

---

The discussion and analysis of the Mahoning County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

***Financial Highlights***

Key financial highlights for 2023 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation reported \$616,766 in 2023.
- Net position increased \$4,490,344 in 2023. Further details will be discussed in this analysis.

***Using this Annual Financial Report***

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation, presenting both an aggregate view of the Corporation's finances and a longer-term view of those assets. The Statement of Activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

*This space intentionally left blank*

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

---

***Reporting the Corporation as a Whole***

*Statement of Net Position and the Statement of Activities*

The Statement of Net Position and Statement of Activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

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

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

*Fund Financial Statements*

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

*This space intentionally left blank*

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

**The Mahoning County Land Reutilization Corporation as a Whole**

Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2023 compared to 2022:

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

	2023	2022	Change
<b>Assets</b>			
Current and Other Assets	\$ 4,300,071	\$ 3,624,715	\$ 675,356
Capital Assets Being Depreciated/Amortized	182,684	231,175	(48,491)
<i>Total Assets</i>	4,482,755	3,855,890	626,865
<b>Liabilities</b>			
Current and Other Liabilities	2,738,077	6,571,281	(3,833,204)
Long-Term Liabilities			
Due Within One Year	82,203	69,378	12,825
Due in More Than One Year	169,043	212,143	(43,100)
<i>Total Liabilities</i>	2,989,323	6,852,802	(3,863,479)
<b>Net Position</b>			
Net Investment in Capital Assets	(6,158)	4,222	(10,380)
Unrestricted	1,499,590	(3,001,134)	4,500,724
<i>Total Net Position</i>	\$ 1,493,432	\$ (2,996,912)	\$ 4,490,344

Current and other assets increased significantly from the prior year. This increase was primarily due to an increase in intergovernmental receivable as well as assets held for resale. The decrease in current and other liabilities was primarily due to a decrease in pollution remediation liability. This decrease was due to various remediation and cleanup costs associated with properties in which the Corporation is the lead entity. This liability is funded primarily through the Brownfield Remediation Program grants awarded by the Ohio Department of Development.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

**Table 2**  
**Change in Net Position**

	2023	2022	Change
<b>Revenues</b>			
<i>Program Revenues:</i>			
Operating Grants	\$ 7,239,690	\$ 513,783	\$ 6,725,907
<i>General Revenues:</i>			
Intergovernmental	616,766	612,524	4,242
Interest	26,140	13,544	12,596
Sale of Inventoried Assets	213,739	137,008	76,731
Other	2,730	31,626	(28,896)
<i>Total General Revenues</i>	<u>859,375</u>	<u>794,702</u>	<u>64,673</u>
<i>Total Revenues</i>	<u>8,099,065</u>	<u>1,308,485</u>	<u>6,790,580</u>
<b>Program Expenses</b>			
<i>General Government:</i>			
Professional and Contract Services	2,913,419	7,158,461	(4,245,042)
Administration	677,264	595,831	81,433
Interest and Fiscal Charges	18,038	1,813	16,225
<i>Total Program Expenses</i>	<u>3,608,721</u>	<u>7,756,105</u>	<u>(4,147,384)</u>
<i>Increase (Decrease) in Net Position</i>	4,490,344	(6,447,620)	10,937,964
<i>Net Position Beginning of Year</i>	<u>(2,996,912)</u>	<u>3,450,708</u>	<u>(6,447,620)</u>
<i>Net Position End of Year</i>	<u>\$ 1,493,432</u>	<u>\$ (2,996,912)</u>	<u>\$ 4,490,344</u>

Operating grants increased, and professional and contract services decreased significantly from the prior year. Both of these were primarily due to grants received, and remediation work done on properties where the land bank was the lead entity.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

---

**The Corporation's Fund**

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

The Corporation had general fund revenues of \$7,164,814 and expenditures of \$7,093,605. The largest increase in revenue is from operating grants in 2023. The main decrease in expenditures is from professional and contract services. Fund balance in the general fund increased \$71,209 from 2022.

**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 fiscal year-end, the Corporation has \$182,684 invested in capital assets. See Note 5 for more information.

**Debt**

As of fiscal year-end, the Corporation has \$251,246 in long-term obligations. See Note 8 for more information.

**Current Financial Related Activities**

The Corporation has been designated by Mahoning County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Mahoning County. Principal operating revenues of the Corporation include contributions from Mahoning County's delinquent tax assessment collection fund.

The Ohio Legislature adopted a biennial budget in July 2021 that included \$150 million toward demolition of vacant, abandoned, damaged residential and non-brownfield commercial properties, and \$350 million to remediate brownfield properties. The Ohio Department of Development began to receive residential demolition applications in October 2021 and brownfield remediation applications in December 2023 from qualified entities, which include county land banks. Each county is eligible for match-free reimbursements of up to \$500,000 for residential and non-brownfield commercial properties and up to \$1 million for brownfield remediation and demolition. ODOD awarded remaining funds in each program on a competitive basis.

Also in 2023, the Corporation sold or signed agreements to sell 4 residential structures to buyers, and 227 parcels of vacant land to new owners for economic development and/or neighborhood enhancement projects.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2023*  
*(Unaudited)*

---

**Contacting the Corporation's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mahoning County Treasurer, Chairman, Mahoning County Land Reutilization Corporation, 100 East Federal Street, Suite 300, Youngstown, Ohio 44503.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Statement of Net Position*  
*December 31, 2023*

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,234,146
Accounts Receivable	158,137
Intergovernmental Receivable	936,755
Prepaid Items	14,421
Assets Held for Resale	1,909,629
Restricted Cash and Cash Equivalents	46,983
Capital Assets Being Depreciated/Amortized (Net)	182,684
<i>Total Assets</i>	4,482,755
<b>Liabilities</b>	
Accounts Payable	123,793
Accrued Wages	12,783
Intergovernmental Payable	128
Accrued Expenses	29,259
Customer Deposits	46,983
Pollution Remediation Liability	2,525,131
Long Term Liabilities:	
Due Within One Year	82,203
Due In More Than One Year	169,043
<i>Total Liabilities</i>	2,989,323
<b>Net Position</b>	
Net Investment in Capital Assets	(6,158)
Unrestricted	1,499,590
<i>Total Net Position</i>	\$ 1,493,432

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Statement of Activities*  
*For the Year Ended December 31, 2023*

	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>			
General Government:			
Professional and Contract Services	\$ 2,913,419	\$ 7,239,690	\$ 4,326,271
Administration	677,264	-	(677,264)
Interest and Fiscal Charges	18,038	-	(18,038)
<i>Total</i>	<u>\$ 3,608,721</u>	<u>\$ 7,239,690</u>	<u>3,630,969</u>
<b>General Revenues:</b>			
			616,766
			26,140
			213,739
			<u>2,730</u>
<i>Total General Revenues</i>			<u>859,375</u>
<i>Change in Net Position</i>			4,490,344
<i>Net Position Beginning of Year</i>			<u>(2,996,912)</u>
<i>Net Position End of Year</i>			<u>\$ 1,493,432</u>

See accompanying notes to the basic financial statements.



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**

*Balance Sheet*  
*Governmental Fund*  
*December 31, 2023*

	General Fund
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,234,146
Receivables:	
Accounts	158,137
Intergovernmental	936,755
Prepaid Items	14,421
Assets Held for Resale	1,909,629
Restricted Assets:	
Restricted Cash and Cash Equivalents	46,983
<i>Total Assets</i>	\$ 4,300,071
<b>Liabilities</b>	
Accounts Payable	\$ 123,793
Accrued Wages	12,783
Intergovernmental Payable	128
Accrued Expenses	29,259
Customer Deposits	46,983
<i>Total Liabilities</i>	212,946
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue	953,464
<b>Fund Balance</b>	
Nonspendable	1,924,050
Unassigned	1,209,611
<i>Total Fund Balance</i>	3,133,661
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 4,300,071

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Reconciliation of Total Governmental Fund Balance to*  
*Net Position of Governmental Activities*  
*December 31, 2023*

Total Governmental Fund Balance	\$	3,133,661
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund.		182,684
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.		
Accounts Receivable	20,493	
Intergovernmental Receivable	932,971	953,464
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	62,404	
Pollution Remediation Liability	2,525,131	
Lease Payable	188,842	(2,776,377)
 Net Position of Governmental Activities	 \$	 <u>1,493,432</u>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Statement of Revenues, Expenditures and Change in Fund Balance*  
*Governmental Fund*  
*For the Year Ended December 31, 2023*

	General
<b>Revenues:</b>	
Intergovernmental	\$ 616,766
Operating Grants	6,321,053
Sales of Inventoried Assets	198,125
Other	28,870
<i>Total Revenues</i>	<i>7,164,814</i>
<b>Expenditures:</b>	
Current:	
General Government:	
Professional and Contract Services	6,855,322
Administration	180,797
Debt Service:	
Principal Retirement	39,448
Interest and Fiscal Charges	18,038
<i>Total Expenditures</i>	<i>7,093,605</i>
<i>Net Change in Fund Balance</i>	<i>71,209</i>
<i>Fund Balance at Beginning of Year</i>	<i>3,062,452</i>
<i>Fund Balance at End of Year</i>	<i>\$ 3,133,661</i>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Reconciliation of the Statement of Revenues, Expenditures and Change  
in Fund Balance of the Governmental Fund to the Statement of Activities  
For the Year Ended December 31, 2023*

Net Change in Fund Balance - Total Governmental Fund	\$	71,209
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	1,766	
Current Year Depreciation/Amortization	(50,257)	(48,491)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Sales of Inventoried Assets	15,614	
Operating Grants	478,694	494,308
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Lease		39,448
 Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental fund.		
Pollution Remediation		3,943,043
Compensated Absences		(9,173)
Change in Net Position of Governmental Activities	\$	4,490,344

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

Mahoning County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on Feb. 24, 2011 by the Board of County Commissioners of Mahoning County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a nine member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, a representative of a township with 10,000 or more residents, a representative of small cities and villages, a representative of a township with fewer than 10,000 residents, a citizen representative and a real estate representative.

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

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriff's Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statements of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

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

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

***Basis of Presentation***

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

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, does not have business-type activities.

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

**Fund Financial Statements**

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

***Fund Accounting***

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

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

Governmental Funds

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

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

***Measurement Focus***

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for the general fund.

***Basis of Accounting***

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

***Revenues - Exchange and Nonexchange Transactions***

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

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

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

***Gift Acceptance***

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Donations are recorded at fair market value at the time of the contribution. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the Corporation immediately upon receipt by the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

***Unearned Revenue***

Unearned revenue represents amounts received in advance that are used to maintain properties prior to their sale. Unearned Revenue also includes match money received for Ohio Department of Development grants, for which expenses have not been incurred.

***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.



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

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.

***Expenses/Expenditures***

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***Budgetary Process***

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

The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decisions for the organization. The budget is compiled by the Finance Committee, the Executive Director and the Fiscal Officer.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed and other
- Liabilities: current and long-term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

The Board of Directors, the Finance Committee, the Executive Director and/or the Fiscal Officer may request or require organizational budget changes when material changes in plans, transaction amounts, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. Where the budget total does not change, the Executive Director is authorized to transfer monies between line items in the Corporation's operating budget, not to exceed the total dollar amount of \$1,500 per line item.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

***Cash and Cash Equivalents***

Cash held by the Corporation is reflected as “Cash and Cash Equivalents.”

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. The Corporation had no investments during the year or at the end of the year.

***Prepaid Items***

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

***Assets Held for Resale***

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued at the net realizable value. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposit liability account.

***Capital Assets***

The Corporation’s only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Corporation maintains a capitalization threshold of five hundred dollars.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for furniture and equipment with a useful life of 5 to 10 years.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

The Corporation is reporting intangible right to use assets related to leased buildings and equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The building has a useful life of 5 years.

***Accrued Liabilities and Long-Term Obligations***

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences and claims and judgements are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements.

***Compensated Absences***

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

***Fund Balance***

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Executive Director, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance. State statute authorizes the Executive Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***Intergovernmental Revenue***

The Corporation receives operating income through Mahoning County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

***Estimates***

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

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2023.

***Implementation of New Accounting Principles***

For the year ended December 31, 2023, the Corporation has implemented GASB Statement No. 93, paragraphs 13 and 14, Replacement of Interbank Offered Rates, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Available Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the Corporation.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Corporation

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Corporation.

### **NOTE 3 - DEPOSITS AND INVESTMENTS**

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

***Cash on Hand*** - At December 31, 2023 the Corporation had \$101 in undeposited cash on hand, which is included in the balance sheet of the Corporation as part of "Cash and Cash Equivalents."

***Deposits*** – At December 31, 2023, \$250,000 of the Corporation's bank balance of \$2,071,445 was covered by the Federal Deposit Insurance Corporation, the remaining \$1,821,445 of the Corporation's bank balance was exposed to custodial credit risk. The Corporation's financial institution participates in the Ohio Pooled Collateral System (OPCS).

The Corporation has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**NOTE 4 - RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Corporation maintained suitable insurance coverage.

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

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets during 2023 follows:

	<u>Balance</u>			<u>Balance</u>
	12/31/22	<u>Additions</u>	<u>Disposals</u>	12/31/23
Capital Assets Being Depreciated/Amortized:				
Furniture & Equipment	\$ 16,468	\$ 1,766	\$ -	\$ 18,234
Leased Equipment (intangible asset)	18,519	-	-	18,519
Leased Building (intangible asset)	<u>225,769</u>	<u>-</u>	<u>-</u>	<u>225,769</u>
Total Capital Assets Being Depreciated/Amortized	<u>260,756</u>	<u>1,766</u>	<u>-</u>	<u>262,522</u>
Less Accumulated Depreciation/Amortization:				
Furniture & Equipment	(12,249)	(1,776)	-	(14,025)
Leased Equipment (intangible asset)	(6,044)	(3,327)	-	(9,371)
Leased Building (intangible asset)	<u>(11,288)</u>	<u>(45,154)</u>	<u>-</u>	<u>(56,442)</u>
Total Accumulated Depreciation/Amortization	<u>(29,581)</u>	<u>(50,257)</u>	<u>-</u>	<u>(79,838)</u>
Capital Assets, Net	<u>\$ 231,175</u>	<u>\$ (48,491)</u>	<u>\$ -</u>	<u>\$ 182,684</u>

Depreciation and amortization expense of \$50,257 was charged to administration expense.

**NOTE 6 – EMPLOYEE BENEFITS**

***Compensated Absences***

The Corporation employees earn vacation leave at varying rates based upon length of service. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of the anniversary of employment and unused vacation may be carried over indefinitely.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

After one (1) full year of service with Mahoning County Land Reutilization Corporation, an employee will be credited with vacation earned during the first year of employment. New employees with no prior public service are eligible for paid vacation only after one (1) full year of employment. If a new employee with no prior service credit terminates employment before serving one (1) full year of employment, he/she will receive no vacation pay out. Otherwise, when an employee terminates employment, he or she will receive the balance of unused, earned vacation time.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 25 percent of their sick leave balance not to exceed 240 hours.

Overtime compensation will be taken as compensatory time. Time worked over forty (40) hours in a work week will be compensated at 1-1/2 hours for each hour worked. The maximum number of compensatory hours that an employee may accrue is eighty (80) hours within the same calendar year. Any employee who has reached this maximum shall not work any additional overtime until the employee's accrued compensatory time has fallen below the maximum allowed, unless the employee receives advanced written authorization from the Executive Director. An employee is encouraged to use all his/her compensatory time within the same calendar year in which it is earned. However, the employee may carry over a maximum of forty (40) hours of compensatory time beyond the calendar year in which it is earned. Any compensatory time that an employee has accrued that cannot be carried over as a result of the forty-hour (40 hr.) limit, must be paid on December 31 of the calendar year in which it was accrued. At no time will an employee be paid for any compensatory time not utilized during the calendar year in excess of forty (40) hours. Any compensatory time that is not paid at the end of the calendar year or is not carried over shall lapse.

#### ***Health Insurance Benefits***

The Corporation makes available to all full time employees comprehensive major medical/hospitalization health care insurance. Participating employees may elect coverage (i.e. single, family, etc.) as provided under the offered plan(s). Eligible employees may elect applicable coverage. Employee participation costs, as may be applicable, shall be made through payroll deduction. The employer shall contribute ninety percent (90 percent) and eligible employees shall contribute ten percent (10 percent) for the premium cost of health care coverage. Employees will split the cost of any increase in premium cost on the basis of the same 90 percent expenditure by management and 10 percent expenditure by employees. Eligible employees may opt out from the hospitalization plan at a rate of \$150 per month, minus taxes paid on 12 pays.

#### ***Retirement Benefits***

The Corporation adopted a 401(k) plan for employees ages 21 and older who work 1,000 or more hours of service per year of eligibility. The plan consists of an annual lump sum contribution by the Corporation, based on up to 10 percent of each employee's earned wages, and elective deferrals by employees with matching amounts paid by the Corporation, up to 8 percent per employee. Each qualifying participant's individual account will receive an annual pro rata allocation, based on the qualifying participant's compensation in relation to the total compensation of all qualifying participants. Plan documents are available from the Fiscal Officer.



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

**Social Security**

All employees pay into Social Security. The Corporation's liability is 6.2 percent of wages.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2023 consisted of accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

**NOTE 8 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations for December 31, 2023 are as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due within One Year
Lease Payable	\$ 228,290	\$ -	\$ 39,448	\$ 188,842	\$ 44,047
Compensated Absences	53,231	39,103	29,930	62,404	38,156
Total	<u>\$ 281,521</u>	<u>\$ 39,103</u>	<u>\$ 69,378</u>	<u>\$ 251,246</u>	<u>\$ 82,203</u>

A summary of the principal and interest amounts for the remaining leases is as follows:

Year Ending December 31,	Lease Obligations	
	Principal	Interest
2024	\$ 44,047	\$ 14,513
2025	49,082	10,575
2026	53,647	6,187
2027	42,066	1,548
Total	<u>\$ 188,842</u>	<u>\$ 32,823</u>

The Corporation has outstanding agreements to lease a building and office space. The building lease was entered into on September 30, 2022 and will continue for a term of five years. The lease for the copier was entered into on January 1, 2022 and will end on September 30, 2026. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the Corporation. The future lease payments were discounted based on the interest rate implicit in the lease or using the Corporation's incremental borrowing rate. This discount is being amortized over the life of the lease.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County, Ohio)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2023*

---

**NOTE 9 – FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental fund.

Fund Balance	General Fund
Nonspendable:	
Assets Held for Resale	\$ 1,909,629
Prepays	14,421
Total Nonspendable	1,924,050
Unassigned	1,209,611
<i>Total Fund Balance</i>	\$ 3,133,661

**NOTE 10 – POLLUTION REMEDIATION OBLIGATION**

The Corporation has reported a pollution remediation liability for several parcels in which the Corporation is the main entity for remediation. The liability is made up of various remediation and cleanup costs. This liability will be funded primarily through the Brownfield Remediation Program grants awarded by the Ohio Department of Development. The balance not covered by these grants will be funded by matching requirements to be paid by other local governments within Mahoning County, Ohio.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

---

The discussion and analysis of the Mahoning County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

***Financial Highlights***

Key financial highlights for 2022 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation reported \$612,524 in 2022.
- The Corporation entered into a lease for office space in 2022.
- Net position decreased \$6,447,620 in 2022. Further details will be discussed in this analysis.

***Using this Annual Financial Report***

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation, presenting both an aggregate view of the Corporation's finances and a longer-term view of those assets. The Statement of Activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

*This space intentionally left blank*

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

---

---

***Reporting the Corporation as a Whole***

*Statement of Net Position and the Statement of Activities*

The Statement of Net Position and Statement of Activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

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

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

*Fund Financial Statements*

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

*This space intentionally left blank*

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

**The Mahoning County Land Reutilization Corporation as a Whole**

Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2022 compared to 2021:

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

	2022	2021	Change
<b>Assets</b>			
Current and Other Assets	\$ 3,624,715	\$ 3,692,258	\$ (67,543)
Depreciable Capital Assets	231,175	24,351	206,824
<i>Total Assets</i>	<u>3,855,890</u>	<u>3,716,609</u>	<u>139,281</u>
<b>Liabilities</b>			
Current and Other Liabilities	6,571,281	200,419	6,370,862
Long-Term Liabilities			
Due Within One Year	69,378	29,663	39,715
Due in More Than One Year	212,143	35,819	176,324
<i>Total Liabilities</i>	<u>6,852,802</u>	<u>265,901</u>	<u>6,586,901</u>
<b>Net Position</b>			
Net Investment in Capital Assets	4,222	6,449	(2,227)
Unrestricted	(3,001,134)	3,444,259	(6,445,393)
<i>Total Net Position</i>	<u>\$ (2,996,912)</u>	<u>\$ 3,450,708</u>	<u>\$ (6,447,620)</u>

Depreciable capital assets increased due to entering into a lease agreement in 2022 for office space. A decrease in unearned maintenance revenue accounts for most of the decrease in current and other liabilities from the prior year. The pollution remediation liability increased in current and other liabilities. This increase was due to various remediation and cleanup costs associated with properties owned by the Corporation. This liability will be funded primarily through the Brownfield Remediation Program grants awarded by the Ohio Department of Development. The increase in long-term liabilities is attributable to the Corporation entering into leases in 2022.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

**Table 2**  
**Change in Net Position**

	2022	2021	Change
<b>Revenues</b>			
<i>Program Revenues:</i>			
Operating Grants	\$ 513,783	\$ 210,183	\$ 303,600
<i>General Revenues:</i>			
Intergovernmental	612,524	620,841	(8,317)
Sale of Inventoried Assets	137,008	330,147	(193,139)
Other	45,170	14,789	30,381
<i>Total General Revenues</i>	<u>794,702</u>	<u>965,777</u>	<u>(171,075)</u>
<i>Total Revenues</i>	<u>1,308,485</u>	<u>1,175,960</u>	<u>132,525</u>
<b>Program Expenses</b>			
<i>General Government:</i>			
Professional and Contract Services	7,158,461	595,865	6,562,596
Administration	595,831	547,875	47,956
Interest and Fiscal Charges	1,813	108	1,705
<i>Total Program Expenses</i>	<u>7,756,105</u>	<u>1,143,848</u>	<u>6,612,257</u>
<i>Increase (Decrease) in Net Position</i>	(6,447,620)	32,112	(6,479,732)
<i>Net Position Beginning of Year</i>	<u>3,450,708</u>	<u>3,418,596</u>	<u>32,112</u>
<i>Net Position End of Year</i>	<u>\$ (2,996,912)</u>	<u>\$ 3,450,708</u>	<u>\$ (6,447,620)</u>

Intergovernmental revenues mainly consist of revenue from Mahoning County for 5 percent of delinquent taxes and assessments. The largest portion of operating grants are from the Ohio Department of Development for the demolition of buildings. Operating grants increased significantly in 2022 due to this grant. Other revenues increased due to an increase in interest income. Sale of inventoried assets decreased due to the fact fewer houses were sold in 2022 compared to 2021.

Interest expense increased due to new lease payments from the leasing of office space. The increase in professional and contract services is due to the increase in demolition expense. Pollution remediation expense also increased in professional and contract services. This increase was due to various remediation and cleanup costs associated with properties owned by the Corporation. This expense will be funded primarily through the Brownfield Remediation Program grants awarded by the Ohio Department of Development.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

---

---

### **The Corporation's Fund**

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

The Corporation had general fund revenues of \$869,019 and expenditures of \$1,487,650. The largest decrease in revenue is from sales of inventoried assets in 2022. The main increase in expenditures is from administration building rent. This increase is due to the Corporation leasing office space. Fund balance in the general fund decreased \$397,339 from 2021. Interest expenditures also increased due to additional lease payments in 2022 compared to 2021.

### **Budgeting**

There are no budgetary requirements for the Corporation identified in the Ohio Revised Code. The Corporation's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary process that is followed is for control purposes.

### **Capital Assets**

The Corporation entered into a new lease for office space, which increased capital assets in 2022. See Note 5 for details.

### **Debt**

The Corporation entered into a new lease for office space, which increased debt in 2022. See Note 8 for details.

### **Current Financial Related Activities**

The Corporation has been designated by Mahoning County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Mahoning County. Principal operating revenues of the Corporation include contributions from Mahoning County's delinquent tax assessment collection fund.

The Ohio Legislature adopted a biennial budget in July 2021 that included \$150 million toward demolition of vacant, abandoned, damaged residential and non-brownfield commercial properties, and \$350 million to remediate brownfield properties. The Ohio Department of Development began to receive applications in December 2021 from qualified entities, which include county land banks. Each county is eligible for match-free reimbursements of up to \$500,000 for residential and non-brownfield commercial properties and up to \$1 million for brownfield remediation and demolition. ODOD awarded remaining funds in each program on a competitive basis. Concerning Mahoning County Land Reutilization Corporation, ODOD granted an additional \$7.7 million in June 2022 for brownfield cleanup projects and an additional \$6.3 million in December 2022 to demolish up to 596 residential and commercial buildings.

Also in 2022, the Corporation sold or signed agreements to sell 2 residential structures to buyers, 1 commercial structure to an investor, and sold 225 parcels of vacant land to new owners for economic development and/or neighborhood enhancement projects.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*(Unaudited)*

---

**Contacting the Corporation's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mahoning County Treasurer, Chairman, Mahoning County Land Reutilization Corporation, 100 East Federal Street, Suite 300, Youngstown, Ohio 44503.



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Statement of Net Position*  
*December 31, 2022*

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,601,550
Accounts Receivable	16,532
Intergovernmental Receivable	459,356
Prepaid Items	7,439
Assets Held for Resale	1,493,210
Restricted Cash and Cash Equivalents	46,628
Depreciable Capital Assets (Net)	231,175
<i>Total Assets</i>	3,855,890
<b>Liabilities</b>	
Accounts Payable	13,639
Accrued Wages	10,002
Intergovernmental Payable	179
Accrued Expenses	28,398
Customer Deposits	46,628
Pollution Remediation Liability	6,468,174
Unearned Revenue	4,261
Long Term Liabilities:	
Due Within One Year	69,378
Due In More Than One Year	212,143
<i>Total Liabilities</i>	6,852,802
<b>Net Position</b>	
Net Investment in Capital Assets	4,222
Unrestricted	(3,001,134)
<b>Total Net Position</b>	<b>\$ (2,996,912)</b>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Statement of Activities*  
For the Year Ended December 31, 2022

		Program Revenues	Net (Expense) Revenue and Change in Net Position
<b>Governmental Activities</b>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>General Government:</b>			
Professional and Contract Services	\$ 7,158,461	\$ 513,783	\$ (6,644,678)
Administration	595,831	-	(595,831)
Interest and Fiscal Charges	1,813	-	(1,813)
<i>Total</i>	<u>\$ 7,756,105</u>	<u>\$ 513,783</u>	<u>(7,242,322)</u>
<b>General Revenues:</b>			
			612,524
			13,544
			137,008
			<u>31,626</u>
<i>Total General Revenues</i>			<u>794,702</u>
<i>Increase (Decrease) in Net Position</i>			(6,447,620)
<i>Net Position Beginning of Year</i>			<u>3,450,708</u>
<i>Net Position End of Year</i>			<u>\$ (2,996,912)</u>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**

*Balance Sheet*  
*Governmental Fund*  
*December 31, 2022*

	General Fund
<b>Assets</b>	
Cash and Cash Equivalents	\$ 1,601,550
Receivables:	
Accounts	16,532
Intergovernmental	459,356
Prepaid Items	7,439
Assets Held for Resale	1,493,210
Restricted Assets:	
Restricted Cash and Cash Equivalents	46,628
<i>Total Assets</i>	\$ 3,624,715
<b>Liabilities</b>	
Accounts Payable	\$ 13,639
Accrued Wages	10,002
Intergovernmental Payable	179
Accrued Expenses	28,398
Customer Deposits	46,628
Unearned Revenue	4,261
<i>Total Liabilities</i>	103,107
<b>Deferred Inflows of Resources</b>	
Unavailable Revenue	459,156
<b>Fund Balance</b>	
Nonspendable	1,500,649
Unassigned	1,561,803
<i>Total Fund Balance</i>	3,062,452
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 3,624,715

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Reconciliation of Total Governmental Fund Balance to*  
*Net Position of Governmental Activities*  
*December 31, 2022*

Total Governmental Fund Balance	\$	3,062,452
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund.		231,175
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.		
Sales of Inventoried Assets	\$ 4,879	
Operating Grants	454,277	459,156
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated Absences	53,231	
Pollution Remediation Liability	6,468,174	
Lease Payable	228,290	(6,749,695)
 Net Position of Governmental Activities	 \$	 <u>(2,996,912)</u>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Statement of Revenues, Expenditures and Change in Fund Balance*  
*Governmental Fund*  
*For the Year Ended December 31, 2022*

	General
<b>Revenues:</b>	
Intergovernmental	\$ 612,524
Operating Grants	74,981
Sales of Inventoried Assets	136,344
Other	45,170
<i>Total Revenues</i>	869,019
<b>Expenditures:</b>	
Current:	
General Government:	
Professional and Contract Services	677,927
Administration	795,194
Debt Service:	
Principal Retirement	10,904
Interest and Fiscal Charges	3,625
<i>Total Expenditures</i>	1,487,650
<b>Other Financing Sources and Uses:</b>	
Inception of Capital Lease	221,292
<i>Net Change in Fund Balance</i>	(397,339)
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,459,791
<i>Fund Balance (Deficit) at End of Year</i>	\$ 3,062,452

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Reconciliation of the Statement of Revenues, Expenditures and Change  
in Fund Balance of the Governmental Fund to the Statement of Activities  
For the Year Ended December 31, 2022*

Net Change in Fund Balance - Total Governmental Fund	\$	(397,339)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	\$ 225,769	
Current Year Depreciation	<u>(18,943)</u>	206,826
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Sales of Inventoried Assets	664	
Operating Grants	<u>426,442</u>	427,106
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Lease		10,904
 Inception of lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		
Inception of Lease		(221,292)
 Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental fund.		
Pollution Remediation		(6,468,174)
Compensated Absences		<u>(5,651)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(6,447,620)</u></u>

See accompanying notes to the basic financial statements.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

Mahoning County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on Feb. 24, 2011 by the Board of County Commissioners of Mahoning County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a nine member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, a representative of a township with 10,000 or more residents, a representative of small cities and villages, a representative of a township with fewer than 10,000 residents, a citizen representative and a real estate representative.

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

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriff's Sale, Bank Real Estate Owned, County Auditor, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Corporation and any other organizations that would need to be included to ensure the financial statements of the Corporation are not misleading.

Component units are legally separate organizations for which the Corporation is financially accountable. The Corporation is financially accountable for an organization if the Corporation appoints a voting majority of the organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Corporation is obligated for the debt of the organization. Component units may also include organizations include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

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

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Basis of Presentation***

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

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, does not have business-type activities.

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

**Fund Financial Statements**

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

***Fund Accounting***

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

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



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

Governmental Funds

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

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

***Measurement Focus***

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for the general fund.

***Basis of Accounting***

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

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Revenues - Exchange and Nonexchange Transactions***

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

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

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

***Gift Acceptance***

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Donations are recorded at fair market value at the time of the contribution. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the Corporation immediately upon receipt by the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

***Unearned Revenue***

Unearned revenue represents amounts received in advance that are used to maintain properties prior to their sale.

***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.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

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.

***Expenses/Expenditures***

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***Budgetary Process***

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

The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decisions for the organization. The budget is compiled by the Finance Committee, the Executive Director and the Fiscal Officer.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed and other
- Liabilities: current and long-term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

The Board of Directors, the Finance Committee, the Executive Director and/or the Fiscal Officer may request or require organizational budget changes when material changes in plans, transaction amounts, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. Where the budget total does not change, the Executive Director is authorized to transfer monies between line items in the Corporation's operating budget, not to exceed the total dollar amount of \$1,500 per line item.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Cash and Cash Equivalents***

Cash held by the Corporation is reflected as “Cash and Cash Equivalents.”

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. The Corporation had no investments during the year or at the end of the year.

***Prepaid Items***

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

***Assets Held for Resale***

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued at the net realizable value. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

***Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposit liability account.

***Capital Assets***

The Corporation’s only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Corporation maintains a capitalization threshold of five hundred dollars.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for furniture and equipment with a useful life of 5 to 10 years.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

The Corporation is reporting an intangible right to use assets related to leased buildings and equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The building has a useful life of 5 years.

***Accrued Liabilities and Long-Term Obligations***

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, compensated absences and claims and judgements are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements.

***Compensated Absences***

The Corporation reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Corporation has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rate at year end, taking into consideration any limits specified in the Corporation's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account matured compensated absences payable in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, loans receivable, as well as property acquired for resale, unless

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Executive Director, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance. State statute authorizes the Executive Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

***Intergovernmental Revenue***

The Corporation receives operating income through Mahoning County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

***Estimates***

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

***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2022.

***Implementation of New Accounting Principles***

For the year ended December 31, 2022, the Corporation has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 92, Omnibus 2020, certain provisions of GASB Statement No. 97, Component Unit Criteria and Deferred Compensation Plans, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Corporation's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Corporation.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the Corporation.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Corporation.

### **NOTE 3 - DEPOSITS AND INVESTMENTS**

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

***Cash on Hand*** - At December 31, 2022 the Corporation had \$95 in undeposited cash on hand, which is included in the balance sheet of the Corporation as part of "Cash and Cash Equivalents."

***Deposits*** - \$250,000 of the Corporation's bank balance of \$1,652,351 was covered by the Federal Deposit Insurance Corporations, the remaining \$1,402,351 was exposed to custodial credit risk. The Corporation's financial institution participates in the Ohio Pooled Collateral System (OPCS).

The Corporation has no deposit policy for custodial risk beyond the requirements of State Statute. Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

### **NOTE 4 - RISK MANAGEMENT**

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Corporation maintained suitable insurance coverage.

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



**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

**NOTE 5 - CAPITAL ASSETS**

A summary of changes in capital assets during 2022 follows:

	<u>Balance</u> 12/31/21	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> 12/31/22
Capital Assets Being Depreciated/Amortized:				
Furniture & Equipment	\$ 34,987	\$ -	\$ (18,519)	\$ 16,468
Leased Equipment (intangible asset)	-	18,519	-	18,519
Leased Buidling (intangible asset)	-	225,769	-	225,769
Total Capital Assets Being Depreciated/Amortized	<u>34,987</u>	<u>244,288</u>	<u>(18,519)</u>	<u>260,756</u>
Less Accumulated Depreciation/Amortization:				
Furniture & Equipment	(10,636)	(2,230)	617	(12,249)
Leased Equipment (intangible asset)	-	(6,044)	-	(6,044)
Leased Buidling (intangible asset)	-	(11,288)	-	(11,288)
Total Accumulated Depreciation/Amortization	<u>(10,636)</u>	<u>(19,562)</u>	<u>617</u>	<u>(29,581)</u>
Capital Assets, Net	<u>\$ 24,351</u>	<u>\$ 224,726</u>	<u>\$ (17,902)</u>	<u>\$ 231,175</u>

Depreciation and amortization expense of \$18,945 was charged to administration expense.

**NOTE 6 – EMPLOYEE BENEFITS**

***Compensated Absences***

The Corporation employees earn vacation leave at varying rates based upon length of service. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of the anniversary of employment and unused vacation may be carried over indefinitely.

After one (1) full year of service with Mahoning County Land Reutilization Corporation, an employee will be credited with vacation earned during the first year of employment. New employees with no prior public service are eligible for paid vacation only after one (1) full year of employment. If a new employee with no prior service credit terminates employment before serving one (1) full year of employment, he/she will receive no vacation pay out. Otherwise, when an employee terminates employment, he or she will receive the balance of unused, earned vacation time.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 25 percent of their sick leave balance not to exceed 240 hours.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

Overtime compensation will be taken as compensatory time. Time worked over forty (40) hours in a work week will be compensated at 1-1/2 hours for each hour worked. The maximum number of compensatory hours that an employee may accrue is eighty (80) hours within the same calendar year. Any employee who has reached this maximum shall not work any additional overtime until the employee's accrued compensatory time has fallen below the maximum allowed, unless the employee receives advanced written authorization from the Executive Director. An employee is encouraged to use all his/her compensatory time within the same calendar year in which it is earned. However, the employee may carry over a maximum of forty (40) hours of compensatory time beyond the calendar year in which it is earned. Any compensatory time that an employee has accrued that cannot be carried over as a result of the forty-hour (40 hr.) limit, must be paid on December 31 of the calendar year in which it was accrued. At no time will an employee be paid for any compensatory time not utilized during the calendar year in excess of forty (40) hours. Any compensatory time that is not paid at the end of the calendar year or is not carried over shall lapse.

***Health Insurance Benefits***

The Corporation makes available to all full time employees comprehensive major medical/hospitalization health care insurance. Participating employees may elect coverage (i.e. single, family, etc.) as provided under the offered plan(s). Eligible employees may elect applicable coverage. Employee participation costs, as may be applicable, shall be made through payroll deduction. The employer shall contribute ninety percent (90 percent) and eligible employees shall contribute ten percent (10 percent) for the premium cost of health care coverage. Employees will split the cost of any increase in premium cost on the basis of the same 90 percent expenditure by management and 10 percent expenditure by employees. Eligible employees may opt out from the hospitalization plat at a rate of \$150 per month, minus taxes paid on 12 pays.

***Retirement Benefits***

The Corporation adopted a 401(k) plan for employees ages 21 and older who work 1,000 or more hours of service per year of eligibility. The plan consists of an annual lump sum contribution by the Corporation, based on up to 10 percent of each employee's earned wages, and elective deferrals by employees with matching amounts paid by the Corporation, up to 8 percent per employee. Each qualifying participant's individual account will receive an annual pro rata allocation, based on the qualifying participant's compensation in relation to the total compensation of all qualifying participants. Plan documents are available from the Fiscal Officer.

***Social Security***

All employees pay into Social Security. The Corporation's liability is 6.2 percent of wages.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2022 consisted of accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

**NOTE 8 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations for December 31, 2022 are as follows:

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due within One Year
Lease Payable	\$ 17,902	\$ 221,292	\$ 10,904	\$ 228,290	\$ 39,448
Compensated Absences	47,580	31,610	25,959	53,231	29,930
Total	<u>\$ 65,482</u>	<u>\$ 252,902</u>	<u>\$ 36,863</u>	<u>\$ 281,521</u>	<u>\$ 69,378</u>

A summary of the principal and interest amounts for the remaining leases is as follows:

Year Ending December 31,	Lease Obligations	
	Principal	Interest
2023	\$ 39,448	\$ 18,038
2024	44,047	14,513
2025	49,082	10,575
2026	53,647	6,187
2027	42,066	1,548
Total	<u>\$ 228,290</u>	<u>\$ 50,861</u>

The Corporation has outstanding agreements to lease a building and office space. The building lease was entered into on September 30, 2022 and will continue for a term of five years. The lease for the copier was entered into on January 1, 2022 and will end on September 30, 2026. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the Corporation. The future lease payments were discounted based on the interest rate implicit in the lease or using the Corporation's incremental borrowing rate. This discount is being amortized over the life of the lease.

**Mahoning County Land Reutilization Corporation**  
**Mahoning County, Ohio**  
**(A Component Unit of Mahoning County)**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

---

**NOTE 9 – FUND BALANCE**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the governmental fund.

Fund Balance	General Fund
Nonspendable:	
Assets Held for Resale	\$ 1,493,210
Prepays	7,439
Total Nonspendable	1,500,649
Unassigned	1,561,803
<i>Total Fund Balance</i>	\$ 3,062,452

**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. Ohio’s state of emergency ended in June of 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 funding, either federal or state, cannot be estimated.

The Corporation did not receive any Coronavirus Aid Relief and Economic Security (CARES) Act funding during 2022.

**NOTE 11– POLLUTION REMEDIATION OBLIGATION**

The Corporation has reported a pollution remediation liability for several parcels owned by the Corporation. The liability is made up of various remediation and cleanup costs. This liability will be funded primarily through the Brownfield Remediation Program grants awarded by the Ohio Department of Development. The balance not covered by these grants will be funded by matching requirements to be paid by other local governments within Mahoning County, Ohio.

# OHIO AUDITOR OF STATE KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Mahoning County Land Reutilization Corporation  
Mahoning County  
100 East Commerce Street  
Suite 300  
Youngstown, Ohio 44503

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 major fund of the Mahoning County Land Reutilization Corporation, Mahoning County, (the Corporation), a component unit of Mahoning County, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated June 25, 2024. We noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Corporation, and a pollution remediation liability reported on the financial statements for several parcels in which the Corporation is the main entity for remediation.

### ***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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

June 25, 2024

# OHIO AUDITOR OF STATE KEITH FABER



**MAHONING COUNTY LAND REUTILIZATION CORPORATION**

**MAHONING 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 7/11/2024**

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](http://www.ohioauditor.gov)