

LICKING COUNTY LAND REUTILIZATION CORPORATION

**LICKING COUNTY, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**



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

Board of Directors
Licking County Land Reutilization Corporation
20 South 2nd Street
Newark, OH 43055

We have reviewed the *Independent Auditor's Report* of the Licking County Land Reutilization Corporation, prepared by Julian & Grube, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Licking County Land Reutilization Corporation is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 07, 2025

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**LICKING COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF LICKING COUNTY)
LICKING COUNTY, OHIO**

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Independent Auditor's Report

Licking County Land Reutilization Corporation
Licking County
20 South 2nd Street
Newark, OH 43055

To the Members of the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Licking County Land Reutilization Corporation, Licking County, Ohio, a component unit of Licking County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Licking County Land Reutilization Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Licking County Land Reutilization Corporation, as of December 31, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with 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 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 Licking County Land Reutilization 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 3 to the financial statements, Licking County Land Reutilization Corporation restated beginning net position due to an error in the recording of donations payable. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Licking County Land Reutilization 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Licking County Land Reutilization 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 Licking County Land Reutilization 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, listed in the table of contents 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.

Licking County Land Reutilization Corporation
Licking County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2025 on our consideration of Licking County Land Reutilization Corporation's internal control over financial reporting and on 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 Licking County Land Reutilization 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 Licking County Land Reutilization Corporation's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 6, 2025

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

The management's discussion and analysis of the Licking 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, 2024. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The Corporation is focused on returning property to productive use, returning property to the tax duplicate and accelerating economic or housing activity in Licking County communities. The Corporation works cooperatively with cities, other units of government and individual property owners to acquire troubled real estate and return it to productive use.
- The total net position of the Corporation increased \$45,250 due to expenses of \$711,172 not exceeding program revenues of \$337,747 and general revenues of \$418,675 during 2024.
- The general fund had revenues of \$469,587 and expenditures of \$661,172. The net decrease in fund balance of the general fund was \$191,585 or (32.32%).

Using this Annual Financial Report

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

The statement of net position and statement of activities provide information about the activities of the Corporation as a whole, presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

While this document contains only one activity used by the Corporation to provide programs and activities, the view of the Corporation as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Corporation's *net position* and changes in that net position. This change in net position is important because it tells the reader that, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

Governmental activities - The Corporation's programs and services are reported here. These services are funded primarily by intergovernmental revenues including state grants and other shared revenues.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Reporting the Corporation's Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the Corporation can be reflected as a governmental fund.

Fund financial reports provide detailed information about the Corporation's major fund. The Corporation uses the general fund to account for a multitude of financial transactions.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Government-Wide Financial Analysis

The statement of net position provides the perspective of the Corporation as a whole. The table below provides a summary of the Corporation's net position at December 31, 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Net Position	
	Governmental Activities	
	2024	Restated 2023
<u>Assets</u>		
Current and other assets	\$ 979,813	\$ 594,479
Total assets	979,813	594,479
<u>Liabilities</u>		
Current and other liabilities	291,735	1,651
Long-term liabilities:		
Due within one year	100,000	-
Due in more than one year	150,000	200,000
Total liabilities	541,735	201,651
<u>Net Position</u>		
Unrestricted	438,078	392,828
Total net position	\$ 438,078	\$ 392,828

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the Corporation's assets exceeded liabilities by \$438,078. The increase in current and other assets is the result of an increase in equity in pooled cash, an increase in properties held for resale, and increase in due from other governments. The increase in liabilities is the result of a donation payable outstanding at year end.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

The table below shows the comparative analysis of changes in net position for 2024 and 2023. The net position as of December 31, 2023, was restated as described in Note 3.

	Change in Net Position	
	Governmental Activities	
	2024	Restated 2023
Revenues		
Program revenues:		
Operating grants and contributions	\$ 337,747	\$ 640,506
Total program revenues	<u>337,747</u>	<u>640,506</u>
General revenues:		
Intergovernmental	199,317	231,975
Property sales	198,437	13,389
Reimbursements	-	4,700
Miscellaneous	<u>20,921</u>	<u>9,308</u>
Total general revenues	<u>418,675</u>	<u>259,372</u>
Total revenues	<u>756,422</u>	<u>899,878</u>
Expenses:		
General government	<u>711,172</u>	<u>957,983</u>
Total expenses	<u>711,172</u>	<u>957,983</u>
Change in net position	45,250	(58,105)
Restatement - error correction	-	(200,000)
Net position at beginning of year	<u>392,828</u>	<u>650,933</u>
Net position at end of year	<u>\$ 438,078</u>	<u>\$ 392,828</u>

Governmental Activities

Governmental activities net position increased \$45,250 during 2024.

Expenses for 2024 totaled \$711,172. The main expense of the Corporation is costs associated with donations given out during the year.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

General revenues totaled \$418,675. The primary sources of general revenues are 3% of all collections of delinquent real property and manufactured and mobile home taxes in Licking County. The decrease in operating grants and contributions were for two projects – Abandoned Gas Station and West Main Street – that the Corporation got grant money from the State of Ohio in 2023.

General Fund

The fund balance of the general fund decreased \$191,585 during 2024. This was the result of the Corporation receiving funding from Licking County. Expenditures for the year were primarily provided to cities and townships.

General Fund Budgeting Highlights

Although not required, the Corporation's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The only budgeted fund is the general fund.

Capital Assets

As of December 31, 2024, the Corporation does not have any capital assets.

Debt Administration

As of December 31, 2024, the Corporation had \$250,000 in donations payable. Of this total, \$100,000 is due within one year and \$150,000 is due in more than one year.

Current Financial Related Activities

The County formed the Licking County Land Reutilization Corporation in July 2015. The Corporation has been designated as the County's agent for the reclamation and reutilization of vacant, abandoned and non-productive properties throughout Licking County. The Corporation can potentially address parcels that have fair market values exceeded by the delinquent tax and assessments due. The purpose of the Corporation is to strengthen neighborhoods throughout Licking County by returning these vacant, abandoned and economically unattractive properties to productive use. The principal operating revenues of the Corporation are derived from contributions from the Licking County delinquent tax and assessment collection fund.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 questions about this report or need additional financial information please contact the Licking County Land Reutilization Corporation, 20 South 2nd Street, Newark, Ohio 43055.

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LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 469,462
Due from other governments	348,744
Prepayments	2,623
Properties held for resale	143,098
Tax lien purchases	15,886
	<hr/>
Total assets	979,813
	<hr/>
Liabilities:	
Accounts payable	4,900
Due to other governments	286,835
Long-term liabilities:	
Due within one year	100,000
Due in more than one year	150,000
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Total liabilities	541,735
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Net position:	
Unrestricted	438,078
	<hr/>
Total net position	\$ 438,078
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Expenses</u>	<u>Program Revenues</u> <u>Operating Grants</u> <u>and Contributions</u>	<u>Net Revenue</u> <u>(Expense) and</u> <u>Changes in</u> <u>Net Position</u> <u>Governmental</u> <u>Activities</u>
Governmental activities:			
Current:			
General government:			
Legal and professional	\$ 80,031	\$ -	\$ (80,031)
Dues and fees	324	-	(324)
Insurance	2,941	-	(2,941)
Management contract	29,000	-	(29,000)
Office expenses	17,495	-	(17,495)
Property costs	50,544	-	(50,544)
Donations	184,742	-	(184,742)
Project expenses	346,095	337,747	(8,348)
Total governmental activities	<u>\$ 711,172</u>	<u>\$ 337,747</u>	<u>(373,425)</u>
General revenues:			
Intergovernmental			199,317
Property sales			198,437
Miscellaneous			<u>20,921</u>
Total general revenues			<u>418,675</u>
Change in net position			45,250
Net position at beginning of year year, as previously reported			592,828
Restatement - error correction			(200,000)
Net position at beginning of year, restated			<u>392,828</u>
Net position at end of year			<u><u>\$ 438,078</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2024

	<u>General</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 469,462
Due from other governments	348,744
Prepayments	2,623
Properties held for resale	143,098
Tax lien purchases	15,886
	<hr/>
Total assets	<u>\$ 979,813</u>
Liabilities:	
Accounts payable	\$ 4,900
Due to other governments	286,835
	<hr/>
Total liabilities	<u>291,735</u>
Deferred inflows of resources:	
Intergovernmental revenue not available	286,835
	<hr/>
Total deferred inflows of resources	<u>286,835</u>
Fund balances:	
Nonspendable:	
Prepayments	2,623
Properties held for resale	143,098
Tax lien purchases	15,886
Unassigned	239,636
	<hr/>
Total fund balances	<u>401,243</u>
Total liabilities and fund balance	<u>\$ 979,813</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2024

Total governmental fund balances	\$	401,243
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Intergovernmental receivable	\$	286,835
Total		286,835
Long-term liabilities, including long-term donations payable, are not due and payable in the current period and therefore are not reported in the funds.		
Donations payable	(250,000)	
Total		(250,000)
Net position of governmental activities	\$	438,078

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General</u>
Revenues:	
Intergovernmental	\$ 199,317
Operating grants	50,912
Property sales	198,437
Miscellaneous	20,921
Total revenues	<u>469,587</u>
Expenditures:	
Current:	
General government:	
Legal and professional	80,031
Dues and fees	324
Insurance	2,941
Management contract	29,000
Office expenses	17,495
Property costs	50,544
Donations	134,742
Project expenses	346,095
Total expenditures	<u>661,172</u>
Net change in fund balances	(191,585)
Fund balances at beginning of year	<u>592,828</u>
Fund balances at end of year	<u><u>\$ 401,243</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds	\$	(191,585)
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*Amounts reported for governmental activities in the
statement of activities are different because:*

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues in
the funds.

Intergovernmental revenues	\$	<u>286,835</u>	
Total			286,835

Some expenses reported in the statement of activities,
such as donations payable, do not require the use
of current financial resources and therefore are not
reported as expenditures in governmental funds.

		<u>(50,000)</u>
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Change in net position of governmental activities	\$	<u><u>45,250</u></u>
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Licking County Land Reutilization Corporation (the "Corporation") is a legally separate not-for-profit organization, created under Ohio Revised Code Section 5722.02 to 5722.15 and Chapter 1724 on July 10, 2015. The purpose of the Corporation is to facilitate the effective reutilization of nonproductive land situated within Licking County's (County) boundaries. The Corporation has been designated as the County's agent for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation will assist and facilitate activities of governmental entities in clearing, assembling and clearing title to land for economic development purposes.

The Corporation is governed by a five member Board of Directors, consisting of two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population (Corporation of Newark), and one representative from a Granville County township (Granville Township). The Board of Directors has the authority to make, prescribe, and enforce all rules and regulations for the conduct of all business and affairs of the Corporation and the management and control of its properties. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two years.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement Number 14, as amended by GASB Statement Number 39, *The Financial Reporting Entity*, and GASB Statement Number 61, *The Financial Reporting Entity: Omnibus*, the County's primary government and basic financial statements include components units, which are defined as 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 impose its will over the organization; or (2) the Corporation is legally entitled to or can otherwise access the organization's resources; or (3) the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the Corporation is obligated for the debt of organization. The Corporation is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The Corporation does not have any component units and does not include any organizations in its presentation. The Corporation's management believes these basic financial statements present all activities for which the Corporation is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

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

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 is self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

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

Fund Accounting

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

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

Governmental Funds

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

General Fund - The general fund accounts for all financial resources that are received from the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund receives 3% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax Assessment and Collection Tax (DTACT) fund. 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. In addition, the fund receives State grant revenues.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, deferred outflows of resources, 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 total net position.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the general fund.

Basis of Accounting

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

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 local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows of resources at December 31, 2024.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 Board of Directors of the Corporation adopts an annual budget prior to the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required. The budgetary process that is followed by the Corporation is for control purposes and is set forth in its Code of Regulations. At least thirty days prior to the end of each fiscal year, the President shall present to the Board of Directors the annual budget of the Corporation for the next succeeding fiscal year. The Board of Directors shall, at a regular or special meeting, conduct a public hearing on such budget and shall, at such meeting or at another meeting called for the purpose, adopt the annual budget which shall govern the expenditures of the Corporation during the fiscal year to which such budget applies. On and after the commencement of a fiscal year, the annual budget adopted for such fiscal year may be amended or supplemented by the Board of Directors as circumstances warrant. No binding monetary obligation of the Corporation shall be entered into unless there exists at the time in the applicable budget line item a balance in an amount no less than lesser of (a) the amount of the monetary obligation to be incurred without either the amendment or supplement of such budget and line item by the Board of Directors and (b) the amount of the monetary obligation that will be due and payable in the fiscal year in which the monetary obligation is incurred. Nothing in this budgetary process shall be construed as prohibiting the President from approving the transfer of a balance from any line item, account, or fund to a line item, account, or fund with respect to which an insufficient balance exists when it is in the best interests of the Corporation to enter into the binding monetary obligation. In the event that due to unforeseen circumstances the annual budget has not been adopted and is not ready for adoption by the last day of the fiscal year immediately preceding the year of which such budget is to be effective, the Board of Directors may adopt a temporary budget governing fiscal matters for the first three months of the new fiscal year.

Federal Income Tax

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

Cash and Cash Equivalents

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

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Properties Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. For donated or forfeited properties, the asset is reported at fair value. The Corporation holds the properties until the home is either sold to a new homeowner, sold to an individual who will rehabilitate the home, or the home on the property is demolished. Properties with demolished homes could be transferred to the Corporation or township they are in after demolition, until those parcels may be merged with adjacent parcels for development or green space projects, or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

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.

Net Position

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. The Corporation did not have any deferred outflow of resources and deferred inflow of resources as of December 31, 2024. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2024.

When applicable, the Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Intergovernmental Revenue

The Corporation receives operating income through Licking County. The Corporation has been authorized by the Licking County Board of Commissioners to receive 3% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's DETAC fund and will be available for appropriation by the Corporation to fund operations. In addition, the Corporation receives state funding for the rehabilitation of properties.

Estimates

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

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 2024.

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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

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

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

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

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

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LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2024, the Corporation has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the Corporation.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve 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 GASB Statement No. 99 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 had an effect on the financial statements of the Corporation.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the Corporation.

Restatement of Net Position

During 2024, there was an error correction related to donations payable for two ongoing projects within the community, to which the Corporation has pledged resources. The effect of an error correction is shown in the table below.

	12/31/2023 As Previously Reported	Error Correction	12/31/2023 As Restated
Net Position			
Governmental Activities	\$ 592,828	\$ (200,000)	\$ 392,828

NOTE 4 - DEPOSITS

At December 31, 2024, the carrying amount of the Corporation's deposits was \$469,462. Based on the criteria described in GASB Statement Number 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2024, \$250,000 of the Corporation's bank balance of \$471,425 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was covered by the Ohio Pooled Collateral System (OPCS).

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 4 - DEPOSITS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation's 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 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. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

NOTE 5 - LONG-TERM OBLIGATIONS

The Corporation has restated donations payable as of December 31, 2023 which is reflected in the schedule below. A schedule of changes in long-term obligations of the Corporation during 2024 follows:

	Restated Balance <u>12/31/2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2024</u>	Amount Due in <u>One Year</u>
Governmental activities:					
<u>Donations payable</u>					
Licking County Foundation - Louis Sullivan Building	\$ -	\$ 150,000	\$ (50,000)	\$ 100,000	\$ 50,000
Newark Development Partners - Arcade	<u>200,000</u>	<u>-</u>	<u>(50,000)</u>	<u>150,000</u>	<u>50,000</u>
Total governmental activities	<u>\$ 200,000</u>	<u>\$ 150,000</u>	<u>\$ (100,000)</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>

The Corporation has a \$150,000 pledge to the Licking County Foundation for the Louis Sullivan building project. The Corporation makes payments of \$50,000 per year and as of December 31, 2024, there was \$100,000 remaining outstanding. The Corporation also has a pledge of \$350,000 to the Newark Development Partners as part of the Newark Arcade project. The Corporation makes payments of \$50,000 per year and as of December 31, 2024, there was \$150,000 remaining outstanding.

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Payment</u>
2025	\$ 100,000
2026	100,000
2027	<u>50,000</u>
Total	<u>\$ 250,000</u>

LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A Component Unit of Licking County)

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 - 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 2024, the Corporation contracted with The Cincinnati Insurance Company for the following types of insurance:

<u>Type</u>	<u>Coverage</u>
Commercial General Liability - Each Occurrence	\$1,000,000
General Aggregate Limit	\$2,000,000
Products - Completed Operations Agg. Limit	\$2,000,000
Personal & Advertising Limit	\$1,000,000
Damage to Premises Rented Limit	\$100,000
Medical Expense Limit	\$5,000

There has been no significant reduction in coverage from the prior year. Settled claims have not exceeded the Corporation's coverage in the past three years.

NOTE 7 - TRANSACTIONS WITH LICKING COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Licking County Board of Commissioners to receive 3% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's DETAC fund and will be available for appropriation by the Corporation to fund operations.

During 2024, the Corporation paid \$29,524 in costs to various Licking County departments.

NOTE 8 - CONTINGENCIES

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claim resulting from such audits could become a liability of the general fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Corporation.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2024, consisted of due from other governments of \$348,744.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Licking County Land Reutilization Corporation
Licking County
20 South 2nd Street
Newark, OH 43055

To the Members of 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, the financial statements of the governmental activities and the major fund of Licking County Land Reutilization Corporation, Licking County, Ohio, a component unit of Licking County, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Licking County Land Reutilization Corporation's basic financial statements, and have issued our report thereon dated June 6, 2025, wherein we noted as discussed in Note 3 to the financial statements, Licking County Land Reutilization Corporation restated beginning net position due to an error in the recording of donations payable.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Licking County Land Reutilization 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 Licking County Land Reutilization Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Licking County Land Reutilization 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 Licking County Land Reutilization Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Licking County Land Reutilization Corporation

Licking County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Licking County Land Reutilization 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*.

Licking County Land Reutilization Corporation's Response to the Finding

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

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 Licking County Land Reutilization 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 Licking County Land Reutilization Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.

June 6, 2025

**LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001

Material Weakness - Financial Statement Presentation:

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. This responsibility remains intact even if management decides to outsource this function for efficiency purposes or any other reason. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Corporation, this could also include comparing the year-end system reports to the draft financial statements and reviewing the compilation workpapers to verify all accrual and modified accrual activity has been properly accounted for.

Certain adjustments were made to the financial statements and notes to properly account for and disclose the following items.

- The “due from other governments” line item and the “operating grants” revenue line item were increased \$286,835 on the government-wide financial statements. The “due from other governments” line item and the “deferred inflows of resources” line item were increased \$286,835 on the fund financial statements. This adjustment was to account for on-behalf grants for the City of Newark and Granville Township where eligibility requirements had been met.
- The “project expenses” line item and the “due to other governments” line item were increased \$286,835 to account for expenses that were incurred by the City of Newark and Granville Township for eligible on-behalf grants as of December 31, 2024. This adjustment was posted to the government-wide financial statements and the fund financial statements.
- The “donations payable” line item was reduced \$100,000 and the “due within one year” and “due in more than one year” line items were each increased by \$50,000 on the government-wide financial statements to reflect the long-term liability for pledged donations to the Licking County Foundation.
- The “donations payable” line item and the “donations expenditure” line item on the fund financial statements were reduced \$100,000 to remove the unmatured portion of the long-term liability, relating to the pledged donations due in 2026 and 2027 to the Licking County Foundation. The full \$150,000 donation pledged was expensed in 2024 but should not be expensed until the expenditures occur in 2026 and 2027.
- The “net position at beginning of year” was decreased \$200,000, the “due within one year” line item was increased \$50,000, the “due in more than one year” line item increased \$100,000, and the “donation expense” line item was decreased \$50,000 on the government-wide financial statements. This was posted to account for pledged donations to Newark Development Partners for seven years (2021 through 2027). The “donation expense” line item was decreased due to the expense for 2024 already posted during the year, but the restatement of net position factored in the 2024 expense as well; the reduction was necessary to not double count the expense.

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Corporation’s activity.

**LICKING COUNTY LAND REUTILIZATION CORPORATION
LICKING COUNTY, OHIO
(A COMPONENT UNIT OF LICKING COUNTY)**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2024-001 – (Continued)

We recommend the Corporation design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Corporation should consider having a member of the County Auditor’s Office or a board member with financial experience, perform a second review of the financial statements and note disclosures prior to filing in the Hinkle System. The Corporation should also review year-end activity to pinpoint potential items that could be receivables or payables on the financial statements.

Client Response: The land bank will closely monitor all transactions to ensure accurate financial reporting in the future.

OHIO AUDITOR OF STATE KEITH FABER



LICKING COUNTY LAND REUTILIZATION CORPORATION

LICKING 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 8/19/2025

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