

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

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**



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

Board of Directors
Portage County Land Reutilization Corporation
149 North Prospect Street, Suite 5
Ravenna, Ohio 44266

We have reviewed the *Independent Auditor's Report* of the Portage County Land Reutilization Corporation, Portage County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 Portage County Land Reutilization Corporation is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

July 09, 2024

This page intentionally left blank.

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

TABLE OF CONTENTS

Independent Auditor’s Report	1 - 3
Management’s Discussion and Analysis	4 - 9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	12
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	13
Statement of revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Notes to the Basic Financial Statements.....	16 - 24
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....	27
Notes to the Supplemental Information.....	28 - 29
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 <i>Government Auditing Standards</i>	30 - 31

This page intentionally left blank.

Independent Auditor's Report

Portage County Land Reutilization Corporation
Portage County
149 N. Prospect Street, Suite 5
Ravenna, Ohio 44266

To 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 the Portage County Land Reutilization Corporation, Portage County, Ohio, a component unit of Portage County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Portage 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 the Portage County Land Reutilization Corporation, as of December 31, 2023, 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 the Portage 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.

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 Portage 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 the Portage 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 the Portage 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Portage County Land Reutilization Corporation's basic financial statements. The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)- General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the Portage 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 the Portage 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 Portage County Land Reutilization Corporation's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
May 20, 2024

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The management's discussion and analysis of the Portage County 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 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 the year ended December 31, 2023 are as follows:

- The total net position of the Corporation increased \$51,503 due to general revenues of \$552,810, program revenues of \$479,849 and expenses of \$981,156 during the year ended December 31, 2023.
- The general fund of the Corporation had \$1,031,019 in revenues, \$1,013,993 in expenditures and \$33,366 in other financing sources. For the year ended December 31, 2023, the general fund balance increased \$50,392.

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 or 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 that net position. 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. The fund financial statements also look at the Corporation's most significant funds with all other nonmajor funds presented in total in one column. During 2023, the Corporation only had a general fund.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The view of the Corporation as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" 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 or 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. Non-financial factors include the Corporation's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

Governmental activities - The Corporation's programs and services are reported here. These services are funded primarily by intergovernmental revenues including federal and state grants and other shared revenues. The statement of net position and the statement of activities are divided into the following categories: assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (assets/deferred outflows minus liabilities/deferred inflows), program expenses and revenues, general revenues and net position beginning and end of year.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Reporting the Corporation's Most Significant Fund

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 is considered a governmental fund.

Fund financial reports provide detailed information about the Corporation's major funds. 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Corporation maintains a general fund.

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.

Supplementary Information

The Corporation presents a budgetary comparison schedule for the general fund as supplementary information.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022.

	Net Position	
	Governmental Activities	
	2023	2022
<u>Assets</u>		
Current and other assets	\$ 2,181,087	\$ 2,162,098
Capital assets, net	<u>27,644</u>	<u>4,535</u>
Total assets	<u>2,208,731</u>	<u>2,166,633</u>
<u>Liabilities</u>		
Current and other liabilities	15,753	48,807
Long-term liabilities:		
Due within one year	11,993	944
Due in more than one year	<u>16,224</u>	<u>3,624</u>
Total liabilities	<u>43,970</u>	<u>53,375</u>
<u>Net Position</u>		
Net investment in capital assets	(573)	(33)
Unrestricted	<u>2,165,334</u>	<u>2,113,291</u>
Total net position	<u>\$ 2,164,761</u>	<u>\$ 2,113,258</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2023, the Corporation's assets exceeded liabilities by \$2,164,761.

The assets of the Corporation increased \$42,098 or 1.94%. This increase was the result of an increase in equity in pooled cash and cash equivalents. The Corporation sold parcels of land it had in its inventory during the year and decreased costs during 2023 which accounted for this decrease.

Capital assets reported on the government-wide statements represent a portion of the Corporation's net position. At year-end, capital assets represented 1.25% of total assets. Capital assets include intangible right to use assets. Net investment in capital assets at December 31, 2023 was (\$573) in the governmental activities. These capital assets are used to provide services to citizens and are not available for future spending. Although the Corporation's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

The table below shows the comparative analysis of changes in net position for the year ended December 31, 2023 and 2022.

	Change in Net Position	
	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Operating grants and contributions	\$ 479,849	\$ 33,762
General revenues:		
Grants and entitlements	384,184	336,161
Contributions and donations	122,430	88,310
Investment income	45,349	6,855
Sale of assets held for resale	-	285,126
Miscellaneous	847	2,087
Total general revenues	<u>552,810</u>	<u>718,539</u>
Expenses:		
General government	<u>981,156</u>	<u>440,652</u>
Total expenses	<u>981,156</u>	<u>440,652</u>
Change in net position	51,503	311,649
Net position at beginning of year	<u>2,113,258</u>	<u>1,801,609</u>
Net position at end of year	<u><u>\$ 2,164,761</u></u>	<u><u>\$ 2,113,258</u></u>

Governmental Activities

Governmental activities net position increased \$51,503 for the year ended December 31, 2023. Expenses consisting primarily of professional services and ODOD project costs which totaled \$300,670 and 483,037 respectively during the year. The Corporation received \$122,430 in donations, and \$384,184 in funding from Portage County which was Delinquent Tax Assessment and Collection (DTAC) funding.

General Fund

The general fund had \$1,064,385 in revenues and other financing sources for the year ended December 31, 2023. The general fund had \$1,013,993 in expenditures for the year ended December 31, 2023. The fund balance of the general fund increased \$50,392 for the year ended December 31, 2023.

General Fund Budgeting Highlights

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.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

For the general fund, original budgeted revenues and other financing sources were \$1,229,592. Actual revenues and other financing sources for 2023 were \$1,035,921. This represents a \$193,671 and \$212,114 decrease from original and final budgeted revenues, respectively. This is due to less than expected amounts from the Ohio Department of Development (ODOD) grant revenue and contributions/donations.

General fund original appropriations totaled \$1,173,160 but were increased to \$1,227,455 in the final budget. The actual budget basis expenditures for 2023 totaled \$969,825, which is lower than the final budget appropriations by \$257,630. This decrease was the result of decrease money spent on professional services.

Capital Assets

The following table shows December 31, 2023 balances compared to December 31, 2022:

**Capital Assets at December 31
(Net of Amortization)**

	Governmental Activities	
	2023	2022
Intangible right to use assets	\$ 27,644	\$ 4,535
Total	\$ 27,644	\$ 4,535

During 2023, the Corporation had \$33,366 in additions and \$10,257 in accumulated amortization. The increase in capital assets was attributable to additions exceeding amortization expense. See Note 6 of the basic financial statements for additional information on capital assets.

Debt Administration

At December 31, 2023, the Corporation had \$28,217 in leases outstanding. Of this total, \$11,993 is due within one year and \$16,224 is due in greater than one year. The following table summarizes the lease outstanding:

Outstanding Debt, at Year End

	Governmental Activities 2023	Governmental Activities 2022
	2023	2022
Leases payable	\$ 28,217	\$ 4,568
Total	\$ 28,217	\$ 4,568

See Note 7 of the basic financial statements for additional information on debt.

Current Financial Related Activities

The purposes of the Corporation are to (1) facilitate the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed, or other real property within Portage County; (2) efficiently hold and manage such property pending reclamation, rehabilitation, and reutilization; (3) assist governmental entities and other nonprofit or for-profit persons to assemble, clear, and clear the title of vacant, abandoned, tax-foreclosed real property in a coordinated manner; or (4) promote economic and housing development in Portage County as set forth in Ohio R.C. 1724.01(B)

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

For such purposes, the Corporation shall have the powers enumerated in Ohio R.C. 1724.02, which include the powers enumerated under R.C. Chapter 5722 on behalf of Portage County, and hire private counsel to advise it regarding such matters. The Corporation has been designated as an agent of Portage County for the purposes described in Ohio R.C. 1724.10(A) and Ohio R.C. 5722.

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: Mr. Dan Morganti, Executive Director, Portage County Land Reutilization Corporation, 149 N Prospect St, Suite 5, Ravenna, Ohio 44266.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,026,337
Receivables:	
Accrued interest	3,202
Due from other governments	1,640
Prepayments	3,348
Assets held for resale	146,560
Capital assets:	
Amortized capital assets, net	27,644
Total capital assets, net	27,644
 Total assets	 2,208,731
Liabilities:	
Accounts payable	15,753
Long-term liabilities:	
Due within one year	11,993
Due in more than one year	16,224
 Total liabilities	 43,970
Net position:	
Net investment in capital assets	(573)
Unrestricted	2,165,334
 Total net position	 \$ 2,164,761

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenues Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position Governmental Activities
Governmental activities:			
General government:			
Marketing	\$ 3,993	\$ -	\$ (3,993)
Insurance	7,068	-	(7,068)
Professional services	322,775	-	(322,775)
Advertising	7,699	-	(7,699)
Amortization	10,257	-	(10,257)
Other	20,534	-	(20,534)
ODOD project costs	483,037	479,849	(3,188)
Disposal of assets held for resale	124,455	-	(124,455)
Interest and fiscal charges	1,338	-	(1,338)
Total governmental activities	\$ 981,156	\$ 479,849	(501,307)
General revenues:			
Grants and entitlements not restricted to specific programs			384,184
Contributions and donations not restricted to specific programs			122,430
Investment income			45,349
Miscellaneous			847
Total general revenues			552,810
Change in net position			51,503
Net position at beginning of year			2,113,258
Net position at end of year			\$ 2,164,761

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General
Assets:	
Equity in pooled cash and cash equivalents	\$ 2,026,337
Receivables:	
Accrued interest	3,202
Due from other governments	1,640
Prepayments	3,348
Assets held for resale	146,560
Total assets	\$ 2,181,087
Liabilities:	
Accounts payable	\$ 15,753
Total liabilities	15,753
Deferred inflows of resources:	
Operating grants not available	1,640
Total deferred inflows of resources	1,640
Fund balances:	
Nonspendable:	
Prepayments	3,348
Assets held for resale	146,560
Unassigned	2,013,786
Total fund balances	2,163,694
Total liabilities and fund balances	\$ 2,181,087

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023

Total governmental fund balances	\$ 2,163,694
<i>Amounts reported for governmental activities on 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 funds.	27,644
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds. Intergovernmental receivable	1,640
Long-term liabilities, including leases payable, are not due and payable in the current period and therefore are not reported in the funds. Leases payable	<u>(28,217)</u>
Net position of governmental activities	<u><u>\$ 2,164,761</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General
Revenues:	
Intergovernmental	\$ 384,184
Investment income	45,349
Contributions and donations	122,430
ODOD grant revenue	478,209
Other	847
Total revenues	1,031,019
Expenditures:	
Current:	
General government:	
Marketing	3,993
Insurance	7,068
Professional services	322,775
Advertising	7,699
Other	20,534
Capital outlay	33,366
ODOD project costs	483,037
Disposal of assets held for resale	124,455
Debt service:	
Principal retirement	9,717
Interest and fiscal charges	1,349
Total expenditures	1,013,993
Excess of revenues over expenditures	17,026
Other financing sources:	
Lease transaction	33,366
Total other financing sources	33,366
Net change in fund balances	50,392
Fund balances at beginning of year	2,113,302
Fund balances at end of year	\$ 2,163,694

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

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, 2023

Net change in fund balances - total governmental funds \$ 50,392

*Amounts reported for governmental activities in the
statement of activities are different because:*

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
amortization expense.

Capital asset additions	\$	33,366	
Current year amortization		(10,257)	
Total			23,109

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

Intergovernmental revenues		1,640	
Total			1,640

Repayment of leases payable principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities on the statement of net position.

9,717

Issuance of leases payable are recorded as other financing
sources in the funds; however, in the statement of activities, they are
not reported as other financing sources as they increase liabilities
on the statement of net position

(33,366)

In the statement of activities, interest is accrued on outstanding
bonds and loans, whereas in governmental funds, an interest
expenditure is reported when due.

Change in accrued interest payable		11	

Change in net position of governmental activities \$ 51,503

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023**

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Portage County Land Reutilization Corporation (the “Corporation”) is a county land reutilization corporation that was formed when the Portage County Board of Commissioners authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is for reclaiming, rehabilitating or reutilizing economically non-productive land throughout Portage County (the “County”). By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County’s agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of at least five members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in the County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the Corporation board. The 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 Board of Directors was comprised of five members at December 31, 2023. The Corporation is a component unit of Portage County.

The Corporation is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organization Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus”, the Corporation’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 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.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

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

Government-Wide Financial Statements

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

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 as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets plus deferred outflows of resources less liabilities plus 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 Ohio Housing Finance Authority and the County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund receives 5% 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.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

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

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all 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.

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, current deferred outflows of resources, current liabilities and current 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 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 inflow 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, intergovernmental revenue and operating grant sources are considered to be both measurable and available at year-end.

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the Corporation that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the Corporation that is applicable to a future reporting period. The Corporation had no deferred outflow of resources at December 31, 2023.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

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

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. For the Corporation, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period.

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. See supplementary information.

Federal Income Tax

The Corporation is exempt from federal income tax as they are a 501(c)(3) Tax-Exempt Organization.

Cash and Cash Equivalents

All monies received by the Corporation are deposited in demand deposit accounts and a nonnegotiable certificate of deposit.

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

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.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. Properties are valued based upon the purchase price or, for donated properties or properties received via foreclosure by the County Prosecutor's office, the asset is reported at fair value which is based on the assessed value as determined by the County Auditor. 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; 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.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

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

Capital Assets

General capital assets are those assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

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 acquisition value as of the date received.

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

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 outflows of resources, liabilities and deferred inflows of resources. The net position component "Net investment in capital assets," consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. 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, 2023.

Intergovernmental Revenue

The Corporation receives operating income through Portage 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.

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.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

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

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.

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 2023.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2023, the Corporation has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Corporation.

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 the financial statements of the Corporation.

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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.

NOTE 4 - DEPOSITS

Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all Corporation deposits was \$2,026,337, including \$1,674,448 in nonnegotiable certificates of deposit. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, all of the Corporations bank balance of \$2,065,273 was covered by the Federal Deposit Insurance Corporation (FDIC).

NOTE 5 - RECEIVABLES

Receivables at December 31, 2023, consisted of accrued interest receivable of \$3,202 and amounts due from the Ohio Department of Development (ODOD) of \$1,640. The accrued interest receivable and due from other governments are expected to be collected in the subsequent year.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2023, was as follows:

	Balance <u>December 31, 2022</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>December 31, 2023</u>
Governmental activities:				
<i>Capital assets, being amortized:</i>				
Intangible right to use:				
Leased equipment	\$ 5,195	\$ -	\$ -	\$ 5,195
Leased building	-	33,366	-	33,366
Total amortizable capital assets	<u>5,195</u>	<u>33,366</u>	<u>-</u>	<u>38,561</u>
<i>Less: accumulated amortization:</i>				
Intangible right to use:				
Leased equipment	(660)	(989)	-	(1,649)
Leased building	-	(9,268)	-	(9,268)
Total accumulated amortization	<u>(660)</u>	<u>(10,257)</u>	<u>-</u>	<u>(10,917)</u>
Governmental activities capital assets, net	<u>\$ 4,535</u>	<u>\$ 23,109</u>	<u>\$ -</u>	<u>\$ 27,644</u>

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

NOTE 7 - LONG-TERM OBLIGATIONS

During the fiscal year, the following activity occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>December 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Outstanding</u> <u>December 31, 2023</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
Leases payable	\$ 4,568	\$ 33,366	\$ (9,717)	\$ 28,217	\$ 11,993
Total governmental activities					
Long-term obligations	<u>\$ 4,568</u>	<u>\$ 33,366</u>	<u>\$ (9,717)</u>	<u>\$ 28,217</u>	<u>\$ 11,993</u>

Leases payable: The Corporation entered into lease agreements for the right to use equipment and office space. Due to the implementation of GASB Statement No. 87, the Corporation will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The Corporation has entered into lease agreements for copier equipment at varying years and terms as follows:

<u>Lease</u>	<u>Lease</u> <u>Commencement</u> <u>Date</u>	<u>Years</u>	<u>Lease</u> <u>End</u> <u>Date</u>	<u>Payment</u> <u>Method</u>
Copier	2022	5	2027	Monthly
Office Space	2023	3	2026	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,993	\$ 1,075	\$ 13,068
2025	12,587	481	13,068
2026	3,020	48	3,068
2027	<u>617</u>	<u>6</u>	<u>623</u>
Total	<u>\$ 28,217</u>	<u>\$ 1,610</u>	<u>\$ 29,827</u>

THIS SPACE INTENTIONALLY LEFT BLANK

PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

NOTE 8 - RISK MANAGEMENT

Public Officials Management & Employment Practices Liability

The Corporation is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the Corporation contracted with Central Insurance Company for commercial general liability insurance and Great American Insurance Group for Directors & Officers Liability insurance. The limitations of coverages are as follows:

Commercial General Liability	\$1,000,000
Damage to Rented Premises	\$300,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Comp/OP Aggregate	\$2,000,000
Automobile Liability	\$1,000,000
Umbrella Liability - each occurrence	\$1,000,000
Umbrella Liability - aggregate	\$1,000,000
Directors & Officers Liability	\$1,000,000

There has been no reduction in coverage from the prior year and settled claims have not exceeded the Corporation's coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

NOTE 9 - TRANSACTIONS WITH PORTAGE COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Portage County Board of Commissioners to receive 5% 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 and will be available for appropriation by the Corporation to fund operations. At December 31, 2023, the Corporation had revenues of \$384,184 for these fees that were collected by the County in 2023. During 2023, the Corporation paid \$42,888 to various County departments for services.

The Corporation rented office space located at 449 South Meridian Street from Portage County for the period of January 1, 2023, to May 5, 2023. Rent was \$258 each month. During 2023, the Corporation made \$808 in rent payments.

NOTE 10 - 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 claims 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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

SUPPLEMENTARY INFORMATION

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 315,000	\$ 315,000	\$ 384,184	69,184
Investment income	7,000	7,000	42,686	35,686
Contributions and donations	150,000	150,000	500	(149,500)
ODOD grant revenue	646,392	664,835	481,644	(183,191)
Other	1,200	1,200	847	(353)
Total revenues	<u>1,119,592</u>	<u>1,138,035</u>	<u>909,861</u>	<u>(228,174)</u>
Expenditures:				
Current:				
General government:				
Insurance	12,000	12,000	7,535	4,465
Professional services	489,500	489,500	448,864	40,636
Marketing	7,500	7,500	4,043	3,457
Administrative	1,000	1,000	-	1,000
Advertising	6,000	6,000	7,699	(1,699)
ODOD project costs	637,910	692,205	483,037	209,168
Other	19,250	19,250	18,647	603
Total expenditures	<u>1,173,160</u>	<u>1,227,455</u>	<u>969,825</u>	<u>257,630</u>
Excess of expenditures over revenues	<u>(53,568)</u>	<u>(89,420)</u>	<u>(59,964)</u>	<u>29,456</u>
Other financing sources:				
Sale of assets held for resale	<u>110,000</u>	<u>110,000</u>	<u>126,060</u>	<u>16,060</u>
Total other financing sources	<u>110,000</u>	<u>110,000</u>	<u>126,060</u>	<u>16,060</u>
Net change in fund balances	56,432	20,580	66,096	45,516
Fund balances at beginning of year	<u>1,960,241</u>	<u>1,960,241</u>	<u>1,960,241</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,016,673</u>	<u>\$ 1,980,821</u>	<u>\$ 2,026,337</u>	<u>\$ 45,516</u>

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

Budgetary Process

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 Chairman 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 an unencumbered 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 Chairman from approving the transfer of an unencumbered balance from any line item, account, or fund to a line item, account, or fund with respect to which an insufficient unencumbered 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.

Budgetary Basis of Accounting

While the Corporation is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles general accepted in the United States of America (GAAP), the budgetary basis is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (non-GAAP budgetary basis) as opposed to when susceptible to accrual (GAAP basis), and
- (b) Expenditures and other financing uses are recorded when paid in cash (non-GAAP budgetary basis) as opposed to when the liability is incurred (GAAP basis).

**PORTAGE COUNTY LAND REUTILIZATION CORPORATION
PORTAGE COUNTY, OHIO**

NOTES TO SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements (as reported in the fund financial statements) to the budgetary basis statements for all governmental funds for which a budgetary basis statement is presented:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 66,096
Net adjustment for revenue accruals	121,158
Net adjustment for expenditure accruals	(236,286)
Net adjustment for other sources/uses	<u>99,424</u>
GAAP basis	<u>\$ 50,392</u>

**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***

Portage County Land Reutilization Corporation
Portage County
149 N. Prospect Street, Suite 5
Ravenna, Ohio 44266

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, the financial statements of the governmental activities and the major fund of the Portage County Land Reutilization Corporation, Portage County, Ohio, a component unit of Portage County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Portage County Land Reutilization Corporation’s basic financial statements, and have issued our report thereon dated May 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Portage 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 the Portage County Land Reutilization Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Portage 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 the Portage 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. 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

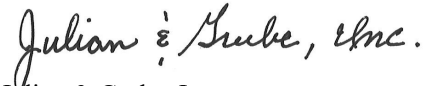
As part of obtaining reasonable assurance about whether the Portage County Land Reutilization Corporation’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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*.

Portage County Land Reutilization Corporation
Portage 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*

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



Julian & Grube, Inc.
May 20, 2024

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



PORTAGE COUNTY LAND REUTILIZATION CORPORATION

PORTAGE 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 7/23/2024

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