

**CLERMONT COUNTY LAND REUTILIZATION
CORPORATION**

**CLERMONT COUNTY,
OHIO**

BASIC FINANCIAL REPORT

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

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY
BASIC FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

The management's discussion and analysis of the Clermont County Land Reutilization Corporation's (the Corporation) financial performance provides a general overview of the Corporation's financial activities for the year ended December 31, 2023.

The Corporation began operations on November 17, 2021 and is a component unit of Clermont County. The Corporation is focused on facilitating the transition of blighted, foreclosed and abandoned properties into viable, marketable properties by working collaboratively with public and private entities in a financially responsible, transparent manner with a long-term goal of returning these properties to the tax roll.

Overview of Basic Financial Statements

The Corporation is a single purpose enterprise that prepares financial statements in a manner similar to a private sector business as more fully disclosed in Note 2 to the financial statements. The basic financial statements are presented using the accrual basis of accounting. The statement of net position provides information regarding assets and liabilities. Net position is the difference between assets and liabilities. Revenues, expenses and changes in net assets are presented in the statement of activities. Revenues are reported when earned and expenses are reported when incurred. The statement of cash flows provides information concerning cash receipts and cash disbursements which may differ from accrual revenues and accrual expenses.

Financial Highlights

Net Position

	<u>2023</u>	<u>2022</u>
Assets:		
Cash and Cash Equivalents	\$ 432,481	\$ 161,853
Accrued Interest Receivable	9,718	578
Land Held for Resale	<u>259,400</u>	<u>0</u>
Total Assets	<u>701,599</u>	<u>162,431</u>
Liabilities:		
Current liabilities	<u>5,340</u>	<u>28,254</u>
Total Liabilities	<u>5,340</u>	<u>28,254</u>
Unrestricted net position	<u>696,259</u>	<u>(15,824)</u>
Total Net Position	<u>\$ 696,259</u>	<u>\$ (15,824)</u>

In 2023, was a busy year for the Corporation. This is the first year they received 5% of the delinquent property taxes collected for real estate and mobile homes. They received grant funds from the state to help with the demolition of blighted properties.

The Corporation purchased property from Clermont County Developmental Disabilities and sold it to Ohio Valley Goodwill Industries and received donated property in December of 2023 (See Note 3).

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

Changes Net Position

	2023	2022
Operating Revenues:		
Charges for Services	\$ 456,477	\$ 200
Grant Revenue	383,822	21,813
Total Operating Revenues	840,299	22,013
Operating Expenses:		
Development Costs	395,245	0
Administrative and Other	9,133	38,772
Total Operating Expenses	404,378	38,772
Operating Gain/(Loss)	435,921	(16,759)
Nonoperating Revenue:		
Gain on sale of Capital Asset	70,747	0
Inter-entity transfer of capital asset	404,253	0
Purchase of Land Held for Resale	(400,000)	0
Interest Income	16,762	935
Capital Contribution	184,400	0
Total Nonoperating Revenue	276,162	935
Change in net position	712,083	(15,824)
Total net position - beginning of year	(15,824)	0
Total net position - end of year	\$ 696,259	\$ (15,824)

The main revenue sources are from a Grant from the Ohio Department of Development in the amount of \$383,822 in 2023 and from the County Treasurer authorized by the Clermont County Board of Commissioners from 5% percentage of delinquent property taxes collected which \$456,477 was received in 2023.

The Corporation spent over \$395,000 to help with the demolition and development of blighted properties in Clermont County.

In 2023, the Corporation purchased land in the amount of \$400,000 and was donated land in the amount of \$184,400.

Contact Information

Questions about this report or requests for additional information can be forwarded to Desmond Maaytah, Executive Director of Clermont County Land Reutilization Corporation. - located in the Clermont County Office of Community Planning and Economic Development, 101 E. Main Street Batavia, Ohio, 45103.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

ASSETS

Current assets

Cash and cash equivalents	\$ 432,481
Accrued interest receivable	9,718
Total current assets	442,199

Noncurrent assets

Land Held for Resale	259,400
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Total assets	701,599
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LIABILITIES

Current liabilities

Accounts payable	5,340
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Total liabilities	5,340
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NET POSITION

Unrestricted net position	696,259
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Total net position	\$ 696,259
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The notes to the basic financial statements are an integral part of the these statements

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES
IN NET POSITION
FOR THE YEAR ENDING DECEMBER 31, 2023**

OPERATING REVENUES:	
Charges for Services	\$ 456,477
Grant Revenue	383,822
Total Operating Revenue	<u>840,299</u>
 OPERATING EXPENSES:	
Professional Services	3,694
Development Costs	395,245
Insurance	3,245
Other Expenses	2,194
Total Operating Expenses	<u>404,378</u>
 Operating Income	 435,921
 NONOPERATING REVENUES (EXPENSES):	
Gain on sale of Capital Asset	75,000
Capital Contribution	184,400
Interest Income	16,762
Total Nonoperating Revenue (Expenses)	<u>276,162</u>
 Change in net position	 712,083
Total net position - beginning of year	<u>(15,824)</u>
Total net position - end of year	<u><u>\$ 696,259</u></u>

The notes to the basic financial statements are an integral part of the these statements

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers	\$ 456,477
Grant Revenue	383,822
Payments to suppliers	<u>(427,293)</u>
Net cash (used) for operating activities	<u>413,006</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Earnings	<u>7,623</u>
Net cash provided by investing activities	<u>7,623</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Loan from Clermont County Port Authority	<u>(150,000)</u>
Net cash (used) for financing activities	<u>(150,000)</u>

Net increase in cash and cash equivalents 270,629

Cash and cash equivalents at January 1 161,852

Cash and cash equivalents at December 31 **\$ 432,481**

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contributions from Capital and Related Financing Activities **\$ 259,400**

Reconciliation of operating income to net cash provided (used) by operating activities

Operating Income \$ 435,921

Adjustments to reconcile net loss to net cash used by operating activities:

Increase/(Decrease) in Accounts Payable	<u>(22,915)</u>
Total Adjustments	<u>(22,915)</u>
Net cash provided by operations	<u><u>\$ 413,006</u></u>

The notes to the basic financial statements are an integral part of the these statements

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

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

1. NATURE OF ORGANIZATION AND REPORTING ENTITY

The Clermont County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Clermont County on October 6, 2021 and incorporated on November 17, 2021 under Chapter 1724 of the Ohio Revised Code.

The Corporation's governing body is a five-member Board of Directors, consisting of the County Treasurer, two County Commissioners, a member representative for municipalities, and a member representative for townships.

The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is classified as a component unit of Clermont County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and 61.

The reporting entity is comprised of the primary government. The Corporation has no component units or other organizations to be included in the financial statements.

Income Taxes

The Corporation is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Corporation is not considered a private foundation. Accordingly, no provision for income taxes is necessary in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net position and revenues, expenses, gains and losses are classified based on the existence or absence of imposed restrictions. Accordingly, net position of the Corporation is classified as unrestricted net position because it is not subject to imposed stipulations.

Cash and Cash Equivalents: The County Treasurer is the custodian for the Corporation's cash and cash equivalents. The County's cash pool holds the Council's cash and cash equivalents, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Clermont County Auditor, Linda L. Fraley, 101 E. Main St., 2nd Floor, Batavia, Ohio, 45103, www.clermontauditor.org, (513) 732-7150.

Significant Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or at estimated fair market value at date of gift, if donated. The Corporation has no capital assets.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

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

3. CAPITAL ASSETS – LAND HELD FOR RESALE

The Corporation capital asset activity for the year ended December 31, 2023, was as follows:

Class	Beginning Balance 1/1/2023	Additions	Deletions	Ending Balance 12/31/2023
Land Held for Resale	\$ 0	\$ 659,400	\$ (400,000)	\$ 259,400

The Corporation purchased land from the Clermont County Developmental Disabilities in the amount of \$400,000. The Corporation sold part of the land to Ohio Valley Goodwill Industries for \$400,000. The Corporation was donated land within Wayne Township for \$184,400.

4. LONG-TERM DEBT

Long-term debt and other obligation of the Clermont County Land Reutilization Corporation at December 31, 2023 were as follows:

	Beginning Balance 1/1/2023	Additions	Deletions	Ending Balance 12/31/2023
Loan Payable	\$ 150,000	\$ 0	\$ (150,000)	\$ 0

The Port Authority and the Clermont County Land Reutilization Corporation entered into a Loan Agreement. Payments are to be paid monthly at \$12,500 per month at a 0% interest rate commencing August 1, 2023 for twelve months. The Corporation paid the Port Authority the full amount in October 2023.

5. TRANSACTIONS WITH CLERMONT COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Clermont County Board of Commissioners to receive 5% of all collections of delinquent real property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax and Assessment Collection (DTAC) Fund and will be available for appropriation by the Land Reutilization Corporation to fund operations. The Corporation received \$456,477 of DTAC revenue in 2023.

6. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.