

**CLERMONT COUNTY LAND REUTILIZATION
CORPORATION**

**CLERMONT COUNTY,
OHIO**

BASIC FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY
BASIC FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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, 2022.

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

Key financial for 2022 are as follows:

- As of December 31, 2022 total liabilities were greater than total assets by \$15,824.
- Total revenues for 2022 amounted to \$22,948.
- Total expenditures for 2022 were \$38,772.
- The Corporation received a loan from the Clermont County Port Authority for \$150,000.

Reporting the Corporation as a Whole

Statement of Net Position and Statement of Activities

These government-wide statements answer the question, "How did the Corporation as a whole do financially during 2022?" They are prepared on the accrual basis of accounting, including all assets and liabilities, much the same way as for a private enterprise. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Corporation's net position and the changes in the net position. This change in net position is important as it tells the reader that, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, nonfinancial information such as the condition of the Corporation's needs will also need to be evaluated.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

The Statement of Net Position. This Statement (page 5) reports all assets and liabilities of the Corporation as of December 31, 2022. The difference between total assets and total liabilities is reported as net position. Increases in net position generally indicate an improvement in financial position while decreases may indicate a deterioration of financial position.

The Statement of Activities. This Statement (page 6) serves the purpose of the traditional income statement. It provides consolidated reporting of the results of all activities of the Corporation for the period January 1, 2022 through December 31, 2022. Changes in net position are recorded in the period in which the underlying event takes place, which may differ from the period in which cash is received or disbursed. The Statement of Activities displays the expenses of the Corporation's various programs net of related revenues, as well as the separate presentation of revenues available for general purposes.

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

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

The Corporation as a Whole

Recall the Statement of Net Position looks at the Corporation as a whole. Table 1 provides a summary of the Corporation's net position for 2022. Comparative information will be presented in future years as information becomes available.

Table 1

**Clermont County Land Reutilization Corporation
Net Position**

ASSETS	
Current assets	
Cash and cash equivalents	\$ 161,853
Accrued interest receivable	578
Total current assets	162,431
Total assets	162,431
 LIABILITIES	
Current liabilities	
Accounts payable	28,254
Long term liabilities	150,000
Total liabilities	178,254
 NET POSITION	
Unrestricted net position	(15,824)
Total net position	\$ (15,824)

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

2022 was the first year of operations for the Corporation. A loan in the amount of \$150,000 from the Clermont County Port Authority.

During 2022, the Corporation's overall financial position decreased by \$15,824.

The following represents the Corporation's summary of changes in net position:

Table 2

**Clermont County Land Reutilization Corporation
Net Position**

OPERATING REVENUES:	
Charges for Services	\$ 200
Grant Revenue	\$ 21,813
Total Operating Revenue	22,013
 OPERATING EXPENSES:	
Professional Services	35,435
Insurance	3,337
Total Operating Expenses	38,772
Operating Income	(16,759)
 NONOPERATING REVENUES:	
Interest Income	935
Total Nonoperating Revenue	935
Change in net position	(15,824)
Total net position - beginning of year	0
Total net position - end of year	\$ (15,824)

The Corporation's revenues were \$22,948 and its expenses were \$38,772 for 2022. Since this is the Corporation's first year of operation, there were no revenues or expenses prior to June 29, 2022.

The main revenue sources are from a Grant from the Ohio Department of Development and from the County Treasurer authorized by the Clermont County Board of Commissioners from 5% percentage of delinquent property taxes collected; receipts from delinquent taxes should begin in fiscal year 2023.

There is little known information regarding facts, decisions, conditions expected to significantly affect equity or results of operations, based on objective information.

Capital Assets

As of December 31, 2022, the Corporation did not have any capital assets.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Unaudited)**

Debt

As of December 31, 2022, the Corporation had \$150,000 due to the Clermont County Port Authority. Payments are to be paid monthly at \$12,500 per month at a 0% interest rate commencing August 1, 2023 for twelve months.

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, 2022**

ASSETS

Current assets

Cash and cash equivalents	\$ 161,853
Accrued interest receivable	578
Total current assets	162,431

Total assets	162,431
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LIABILITIES

Current liabilities

Accounts payable	28,254
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Long term liabilities

Due within one year	62,500
Due in more than one year	87,500

Total long-term liabilities	150,000
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Total liabilities	178,254
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NET POSITION

Unrestricted net position	(15,824)
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Total net position	\$ (15,824)
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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, 2022**

OPERATING REVENUES:	
Charges for Services	\$ 200
Grant Revenue	\$ 21,813
Total Operating Revenue	<u>22,013</u>
 OPERATING EXPENSES:	
Professional Services	35,435
Insurance	3,337
Total Operating Expenses	<u>38,772</u>
 Operating Income	 (16,759)
 NONOPERATING REVENUES:	
Interest Income	<u>935</u>
Total Nonoperating Revenue	<u>935</u>
 Change in net position	 (15,824)
Total net position - beginning of year	<u>0</u>
Total net position - end of year	<u><u>\$ (15,824)</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, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers	\$ 200
Grant Revenue	21,813
Payments to suppliers	(10,517)
Net cash (used) for operating activities	<u>11,496</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Investment Earnings	<u>357</u>
Net cash provided by investing activities	<u>357</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 161,853

Cash and cash equivalents at January 1 0
Cash and cash equivalents at December 31 **\$ 161,853**

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

Operating Income	\$ (172,013)
Adjustments to reconcile net loss to net cash used by operating activities:	
Increase/(Decrease) in Accounts Payable	<u>28,254</u>
Total Adjustments	<u>28,254</u>
Net cash provided by operations	<u><u>\$ (143,759)</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, 2022**

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 financial statements include all agencies, divisions, and operations for which the Corporation is financially accountable. Financial accountability exists if a primary government / component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefits to, or impose financial burdens on, the primary government component unit. On this basis, no governmental organization other than the Corporation itself is included in the financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Land Reutilization Corporation basic financial statements consist of a statement of net position, statement of activities, and a statement of cash flows. The Corporation reports its operations in an enterprise fund. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fund Accounting: The Land Reutilization Corporation uses a fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary; however, the Land Reutilization Corporation is a proprietary fund.

Proprietary Funds: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds: Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The Land Reutilization Corporation is a single enterprise fund.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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 Land Reutilization 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 did, however, adopt an annual budget for the fiscal year and program appropriations were approved by the Board of Directors during the year as required. The Board did approve, in 2021 a budget for 2022.

Federal Income Tax: The Land Reutilization Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Cash and Cash Equivalents: The County Treasurer is the custodian for the Clermont County Land Reutilization 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.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intergovernmental Revenue: The Land Reutilization Corporation receives operating income through Clermont County. This money represents the penalties and interest on 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 transferred to the Corporation.

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 or deferred inflow of resources as of December 31, 2022. 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, 2022.

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 Fund. The classifications are as follows:

Non-spendable Fund Balance: The non-spendable 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 Land Reutilization Corporation has not adopted a formal fund balance policy.

The Land Reutilization Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**CLERMONT COUNTY LAND REUTILIZATION CORPORATION
CLERMONT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

3. LONG-TERM DEBT

Long-term debt and other obligation of the Clermont County Land Reutilization Corporation at December 31, 2022 were as follows:

	<u>Interest Rate %</u>	<u>Maturity</u>	<u>Balance 12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2022</u>	<u>Amounts Due in One Year</u>
Port Authority Loan Agreement	0.00%	2024	\$ 0	\$ 150,000	\$ 0	\$ 150,000	\$ 62,500

Year	Principal	Interest
2023	\$ 62,500	\$0
2024	87,500	0
Total	\$ 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.

4. LITIGATION

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

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, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax and Assessment Collection (DTAC) Fund and will be available for appropriation by the Land Reutilization Corporation to fund operations. The Corporation received \$0 of DTAC revenue in 2022.

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.