

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

**Basic Financial Statements**

**For the Year Ended  
December 31, 2020**



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

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020**

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Accountant's Compilation Report

To the Board of Directors  
Portage County, Ohio

Management is responsible for the accompanying basic financial statements of the Portage County Land Reutilization Corporation, which comprise the statements listed in the table of contents as of December 31, 2020 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 3 through 7 and the supplementary information on pages 22 through 24 be presented to supplement the basic financial statements. Although this information is not a part of the basic financial statements, the Governmental Accounting Standards Board considers it essential to placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Julian & Grube, Inc.*

Westerville, Ohio  
March 12, 2021



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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, 2020. 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, 2020 are as follows:

- The total net position of the Corporation increased \$339,740 due to general revenues of \$594,753, program revenues of \$55,672 and expenses of \$310,685 during the year ended December 31, 2020.
- The general fund of the Corporation had \$458,842 in revenues, \$310,685 in expenditures and \$191,583 in other financing sources. For the year ended December 31, 2020, the general fund balance increased \$339,740.

**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 2020, 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 2020?" 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.

The Corporation's statement of net position and statement of activities can be found on pages 9-10 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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. The analysis of the Corporation's general fund begins on page 6.

***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. The basic governmental fund financial statements can be found on pages 11-12 of this report.

***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. These notes to the basic financial statements can be found on pages 13-20 of this report.

***Supplementary Information***

The Corporation presents a budgetary comparison schedule for the general fund as supplementary information on pages 22-24 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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, 2020 and 2019.

	<b>Net Position</b>	
	Governmental Activities	
	2020	2019
<u>Assets</u>		
Current and other assets	\$ 1,594,374	\$ 1,257,522
Total assets	<u>1,594,374</u>	<u>1,257,522</u>
<u>Liabilities</u>		
Current and other liabilities	<u>10,264</u>	<u>13,152</u>
Total liabilities	<u>10,264</u>	<u>13,152</u>
<u>Net Position</u>		
Unrestricted	<u>1,584,110</u>	<u>1,244,370</u>
Total net position	<u>\$ 1,584,110</u>	<u>\$ 1,244,370</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the Corporation's assets exceeded liabilities by \$1,584,110.

The assets of the Corporation increased \$336,852 or 26.79%. 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 2020 which accounted for this increase.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the comparative analysis of changes in net position for the year ended December 31, 2020 and 2019.

	<b>Change in Net Position</b>	
	Governmental Activities	
	2020	2019
<b>Revenues</b>		
Program revenues:		
Operating grants and contributions	\$ 55,672	\$ 238,288
General revenues:		
Grants and entitlements	315,365	285,748
Contributions and donations	82,070	34,530
Investment income	4,032	10,162
Sale of assets held for resale	191,583	-
Oil and gas lease	1,247	-
Miscellaneous	456	383
Total general revenues	<u>594,753</u>	<u>330,823</u>
<b>Expenses:</b>		
General government	<u>310,685</u>	<u>639,935</u>
Total expenses	<u>310,685</u>	<u>639,935</u>
Change in net position	339,740	(70,824)
Net position at beginning of year	<u>1,244,370</u>	<u>1,315,194</u>
Net position at end of year	<u>\$ 1,584,110</u>	<u>\$ 1,244,370</u>

**Governmental Activities**

Governmental activities net position increased \$339,740 for the year ended December 31, 2020. Expenses consisting primarily of professional services and demolition reimbursements totaled \$310,685 during the year. The Corporation received \$55,672 in Neighborhood Initiative Program (NIP) grant money, \$82,070 in donations, \$191,583 in sale of assets held for resale and \$315,365 in funding from Portage County which was Delinquent Tax Assessment and Collection (DTAC) funding.

**General Fund**

The general fund had \$650,425 in revenues and other financing sources for the year ended December 31, 2020. The general fund had \$310,685 in expenditures for the year ended December 31, 2020. The fund balance of the general fund increased \$339,740 for the year ended December 31, 2020.

**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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

During the course of 2020, the Corporation amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$568,600 and final budgeted revenues and other financing sources totaled \$618,600. Actual revenues and other financing sources for 2020 were \$659,171. This represents a \$40,571 decrease from original and final budgeted revenues. This is due to less than expected amounts from the donations.

General fund original appropriations totaled \$519,935 but were increased to \$596,275 in the final budget. The actual budget basis expenditures for 2020 totaled \$344,466, which is lower than the final budget appropriations by \$251,809. This decrease was the result of decreased money spent on professional services.

***Capital Assets***

As of December 31, 2020, the Corporation does not have any capital assets.

***Debt Administration***

As of December 31, 2020, the Corporation does not have any debt.

***Current Financial Related Activities***

The County formed the Portage County Land Reutilization Corporation with the purpose of reclaiming, rehabilitating or reutilizing economically non-productive land throughout Portage County. The Corporation can potentially address parcels where the fair market value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing a land bank program the County can begin to address dilapidated housing issues in communities located in Portage County and also return properties to productive use.

The County Land Bank was successful in obtaining demolition grants from the Ohio Housing Finance Agency's Neighborhood Initiative Program grant to assist in addressing demolitions of residential structures throughout Portage County.

**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, 449 South Meridian Street, Ravenna, Ohio 44266.

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

STATEMENT OF NET POSITION  
DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . .	\$ 1,253,733
Receivables:	
Accrued interest . . . . .	83
Due from other governments. . . . .	2,441
Notes . . . . .	34,612
Prepayments . . . . .	1,995
Assets held for resale . . . . .	301,510
Total assets . . . . .	1,594,374
<b>Liabilities:</b>	
Accounts payable. . . . .	10,264
Total liabilities . . . . .	10,264
<b>Net position:</b>	
Unrestricted . . . . .	1,584,110
Total net position . . . . .	\$ 1,584,110

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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net Revenue (Expense) and Changes in Net Position Governmental Activities</u>
<b>Governmental activities:</b>			
General government:			
OHFA NIP demolition program . . .	\$ 63,810	\$ 55,672	\$ (8,138)
Insurance . . . . .	8,650	-	(8,650)
Professional services. . . . .	221,012	-	(221,012)
Advertising . . . . .	4,934	-	(4,934)
Other . . . . .	12,279	-	(12,279)
	<hr/>	<hr/>	<hr/>
Total governmental activities . . . . .	\$ 310,685	\$ 55,672	(255,013)
	<hr/>	<hr/>	<hr/>
<b>General revenues:</b>			
Grants and entitlements not restricted to specific programs. . . . .			315,365
Contributions and donations not restricted to specific programs . . .			82,070
Investment income. . . . .			4,032
Sale of assets held for resale. . . . .			191,583
Oil and gas lease . . . . .			1,247
Miscellaneous. . . . .			456
			<hr/>
Total general revenues. . . . .			594,753
			<hr/>
Change in net position. . . . .			339,740
			<hr/>
<b>Net position at beginning of year . .</b>			1,244,370
			<hr/>
<b>Net position at end of year. . . . .</b>			<u>\$ 1,584,110</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . .	\$ 1,253,733
Receivables:	
Accrued interest . . . . .	83
Due from other governments. . . . .	2,441
Notes . . . . .	34,612
Prepayments . . . . .	1,995
Assets held for resale . . . . .	301,510
Total assets . . . . .	\$ 1,594,374
<b>Liabilities:</b>	
Accounts payable. . . . .	\$ 10,264
Total liabilities . . . . .	10,264
<b>Fund balances:</b>	
Nonspendable:	
Notes receivable . . . . .	34,612
Prepayments . . . . .	1,995
Assets held for resale . . . . .	301,510
Unassigned . . . . .	1,245,993
Total fund balances . . . . .	1,584,110
Total liabilities and fund balances . . . . .	\$ 1,594,374

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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>
<b>Revenues:</b>	
Intergovernmental . . . . .	\$ 315,365
Investment income . . . . .	4,032
Contributions and donations . . . . .	82,070
OHFA NIP reimbursement . . . . .	55,672
Oil and gas lease . . . . .	1,247
Other . . . . .	456
Total revenues . . . . .	458,842
<b>Expenditures:</b>	
Current:	
General government:	
OHFA NIP demolition program . . . . .	63,810
Insurance . . . . .	8,650
Professional services . . . . .	221,012
Advertising . . . . .	4,934
Other . . . . .	12,279
Total expenditures . . . . .	310,685
Excess of revenues over expenditures . . . . .	148,157
<b>Other financing sources:</b>	
Sale of assets held for resale . . . . .	191,583
Total other financing sources . . . . .	191,583
Net change in fund balances . . . . .	339,740
<b>Fund balances at beginning of year . . . . .</b>	<b>1,244,370</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 1,584,110</b>

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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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"). The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. 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, 2020.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

The Corporation's significant accounting policies are described below.

*Basis of Presentation*

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

*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. As of December 31, 2020, no reconciling items were necessary.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 inflow or outflow of resources at December 31, 2020.

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 under Section 115(1) of the Internal Revenue Code.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

*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.

*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. 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, 2020.

*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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

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

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

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

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

*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 2020.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

For 2020, the Corporation has implemented GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*." GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

Certain provisions contained in the following pronouncements were scheduled to be implemented for the fiscal year ended December 31, 2020. Due to the implementation of GASB Statement No. 95, the effective dates of certain provisions contained in these pronouncements are postponed.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The following pronouncement is postponed by one year and the Corporation has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the Corporation has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**NOTE 4 - DEPOSITS**

*Deposits with Financial Institutions*

At December 31, 2020, the carrying amount of all Corporation deposits was \$1,253,733, including \$1,014,802 in nonnegotiable certificates of deposit. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, all of the Corporations bank balance of \$1,273,199 was covered by the Federal Deposit Insurance Corporation (FDIC).

**NOTE 5 - RECEIVABLES**

Receivables at December 31, 2020, consisted of accrued interest receivable of \$83, amounts due from the Ohio Housing Finance Agency (OHFA) of \$2,441 and notes receivable of \$34,612. The accrued interest receivable and due from other governments are expected to be collected in the subsequent year. The notes receivable is part of the Corporation's Revolving Loan Fund Program in which builders can purchase parcel of land from the Corporation and construct a single-family dwelling financed under a construction loan provided by the Corporation. These loans carry an interest of 2.25% and will be paid back over the course of the agreement once all of the disbursements are made to the builder.

**NOTE 6 - 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 2020, the Corporation contracted with Central Insurance Company for commercial general 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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 7 - 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, 2020, the Corporation had revenues of \$315,365 for these fees that were collected by the County in 2020. During 2020, the Corporation paid \$45,109 to various County departments for services.

**NOTE 8 - CONTINGENCIES**

The Corporation received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed 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.

**NOTE 9 - OPERATING LEASE**

The Corporation entered into lease agreements for office space located at 449 South Meridian Street with Portage County for the period of November 1, 2019 through October 31, 2020 and November 1, 2020 through October 31, 2021. Rent is \$247 each month based on the County current cost allocation plan. During 2020, the Corporation made \$3,234 in lease payments.

**NOTE 10 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. 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.

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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 285,000	\$ 285,000	\$ 315,365	30,365
Investment income . . . . .	7,500	7,500	4,259	(3,241)
Contributions and donations . . . . .	120,000	120,000	-	(120,000)
OHFA NIP reimbursement . . . . .	-	50,000	53,231	3,231
Oil and gas lease . . . . .	500	500	1,247	747
Other . . . . .	600	600	456	(144)
<b>Total revenues . . . . .</b>	<u>413,600</u>	<u>463,600</u>	<u>374,558</u>	<u>(89,042)</u>
<b>Expenditures:</b>				
Current:				
General government:				
OHFA NIP demolition program . . . . .	15,000	70,000	63,810	6,190
Insurance . . . . .	12,000	12,000	7,493	4,507
Professional services . . . . .	467,925	487,425	257,652	229,773
Administrative . . . . .	1,000	1,000	290	710
Advertising . . . . .	6,860	8,500	4,934	3,566
Other . . . . .	17,150	17,350	10,287	7,063
<b>Total expenditures . . . . .</b>	<u>519,935</u>	<u>596,275</u>	<u>344,466</u>	<u>251,809</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(106,335)</u>	<u>(132,675)</u>	<u>30,092</u>	<u>162,767</u>
<b>Other financing sources:</b>				
Sale of assets held for resale . . . . .	155,000	155,000	284,613	129,613
<b>Total other financing sources . . . . .</b>	<u>155,000</u>	<u>155,000</u>	<u>284,613</u>	<u>129,613</u>
Net change in fund balances . . . . .	48,665	22,325	314,705	292,380
<b>Fund balances at beginning of year . . . . .</b>	939,028	939,028	939,028	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 987,693</u>	<u>\$ 961,353</u>	<u>\$ 1,253,733</u>	<u>\$ 292,380</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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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	\$ 314,705
Net adjustment for revenue accruals	84,284
Net adjustment for expenditure accruals	33,781
Net adjustment for other sources/uses	<u>(93,030)</u>
GAAP basis	<u>\$ 339,740</u>