

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

**Basic Financial Statements**

**For the Year Ended  
December 31, 2023**



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

BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023

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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, 2023 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 and the supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Julian & Grube, Inc.*

Westerville, Ohio  
March 20, 2024



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

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

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, 2023  
(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 11-16 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 17-25 of this report.

***Supplementary Information***

The Corporation presents a budgetary comparison schedule for the general fund as supplementary information on pages 28-30 of this report.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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, 2023 and 2022.

	<b>Net Position</b>	
	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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

	<b>Change in Net Position</b>	
	Governmental Activities	
	2023	2022
<b>Revenues</b>		
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	552,810	718,539
<b>Expenses:</b>		
General government	981,156	440,652
Total expenses	981,156	440,652
Change in net position	51,503	311,649
Net position at beginning of year	2,113,258	1,801,609
Net position at end of year	\$ 2,164,761	\$ 2,113,258

**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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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 <u>2023</u>	Governmental Activities <u>2022</u>
	Leases payable	\$ 28,217
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  
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 2,026,337
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
<b>Liabilities:</b>	
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
<b>Net position:</b>	
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  
(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:			
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)
	<u>\$ 981,156</u>	<u>\$ 479,849</u>	<u>(501,307)</u>
<b>General revenues:</b>			
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
			<u>552,810</u>
Total general revenues			<u>552,810</u>
Change in net position			51,503
Net position at beginning of year			<u>2,113,258</u>
Net position at end of year			<u>\$ 2,164,761</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>
<b>Assets:</b>	
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
<b>Liabilities:</b>	
Accounts payable	\$ 15,753
Total liabilities	15,753
<b>Deferred inflows of resources:</b>	
Operating grants not available	1,640
Total deferred inflows of resources	1,640
<b>Fund balances:</b>	
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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Total governmental fund balances</b>	\$ 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>
<b>Net position of governmental activities</b>	<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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>General</b>
<b>Revenues:</b>	
Intergovernmental	\$ 384,184
Investment income	45,349
Contributions and donations	122,430
ODOD grant revenue	478,209
Other	847
Total revenues	1,031,019
<b>Expenditures:</b>	
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
<b>Other financing sources:</b>	
Lease transaction	33,366
Total other financing sources	33,366
Net change in fund balances	50,392
<b>Fund balances at beginning of year</b>	<b>2,113,302</b>
<b>Fund balances at end of year</b>	<b>\$ 2,163,694</b>

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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

<b>Net change in fund balances - total governmental funds</b>	\$	50,392
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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	<u>(10,257)</u>	
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	<u>1,640</u>	
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		<u>11</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>51,503</u></u></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, 2023  
(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"). 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 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 component 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

In addition to liabilities, both the government-side 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 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.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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. 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.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

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.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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>
<b>Governmental activities:</b>				
<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>

**NOTE 7 - LONG-TERM OBLIGATIONS**

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

	Balance <u>December 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Outstanding December 31, 2023</u>	Amounts <u>Due in One Year</u>
<b>Governmental activities:</b>					
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>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)**

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 Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment 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>

**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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDING DECEMBER 31, 2023  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**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.

**NOTE 11 - 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 ended in April 2023. The Corporation did not receive any COVID-related funds.

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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  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
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>
<b>Expenditures:</b>				
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>
<b>Other financing sources:</b>				
Sale of assets held for resale	110,000	110,000	126,060	16,060
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
<b>Fund balances at beginning of year</b>	<u>1,960,241</u>	<u>1,960,241</u>	<u>1,960,241</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u><u>\$ 2,016,673</u></u>	<u><u>\$ 1,980,821</u></u>	<u><u>\$ 2,026,337</u></u>	<u><u>\$ 45,516</u></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  
(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, 2023  
(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	\$ 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>