

**RICHLAND COUNTY LAND
REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

Basic Financial Statements

**For the Year Ended
December 31, 2025**

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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Accountant's Compilation Report

To the Board of Directors
Richland County, Ohio

Management is responsible for the accompanying basic financial statements of the Richland County Land Reutilization Corporation, which comprise the statements listed in the table of contents as of December 31, 2025 and for the 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 a 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 these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information is 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 27, 2026

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of the Richland County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2025. 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 2025 are as follows:

- The total net position of the Corporation decreased \$244,541 due to expenses of \$2,973,081, general revenues of \$299,807 and program revenues of \$2,428,733.
- The general fund had revenues of \$2,745,110 and expenditures of \$2,973,081. The net decrease in fund balance of the general fund was \$227,971 or 3.05%.

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, 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 those finances. 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.

Reporting the Corporation as a Whole

Statement of Net Position and the Statement of Activities

While this document contains only one activity used by the Corporation to provide programs and activities, the view of the Corporation as a whole looks at all financial transactions and asks the question, "How did we do financially during 2025?" 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 of 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.

Governmental activities - The Corporation's programs and services are reported here. These services are funded primarily by intergovernmental revenues including state grants and other shared revenues.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

Reporting the Corporation's Most Significant Funds

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 can be reflected as a governmental fund.

Fund financial reports provide detailed information about the Corporation's major fund. The Corporation uses the general fund to account for a multitude of financial transactions.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions.

The Corporation maintains a general fund.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(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, 2025 and 2024.

	Net Position	
	Governmental Activities	
	2025	2024
<u>Assets</u>		
Current and other assets	\$ 1,132,821	\$ 1,110,690
Total assets	1,132,821	1,110,690
<u>Liabilities</u>		
Current and other liabilities	441,489	122,752
Total liabilities	441,489	122,752
Deferred Inflows		
Loans	67,305	119,370
Total deferred inflows	67,305	119,370
<u>Net Position</u>		
Unrestricted	624,027	868,568
Total net position	\$ 624,027	\$ 868,568

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2025, the Corporation's assets exceeded liabilities by \$624,027.

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RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the comparative analysis of changes in net position for 2025 and 2024.

	Change in Net Position	
	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Charges for services	\$ 112,876	\$ 27,622
Operating grants and contributions	2,315,857	3,709,748
General revenues:		
Intergovernmental	285,589	519,198
Contributions and donations	4,179	1,592
Investment income	10,039	7,783
Miscellaneous	-	4
Total revenues	2,728,540	4,265,947
Expenses:		
General government:		
Professional and contract services	2,926,295	3,586,223
Administration	46,786	35,907
Total expenses	2,973,081	3,622,130
Change in net position	(244,541)	643,817
Net position at beginning of year	868,568	224,751
Net position at end of year	\$ 624,027	\$ 868,568

Governmental Activities

Governmental activities net position decreased \$244,541 during 2025.

Expenses for 2025 totaled \$2,973,081. The main expenses of the Corporation are professional services and reimbursements to cities and townships in Richland County for demolition costs.

General revenues totaled \$299,807 or 10.99% of total governmental revenues. The primary sources of general revenues is intergovernmental revenue amounting to \$285,589 or 10.47%. Operating grants and contributions decreased by \$1,393,891 due to a decrease in grant revenue during the year.

General Fund

The fund balance of the general fund increased \$227,971 during 2025. This was the result of increased expenditures exceeding the lowered revenues in the current year. Expenditures for the year were primarily professional services, acquisition costs and demolition reimbursements to cities and townships.

**RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Capital Assets

As of December 31, 2025, the Corporation does not have any capital assets.

Debt Administration

As of December 31, 2025, the Corporation does not have any debt.

Current Financial Related Activities

The Corporation, established on November 7, 2013, has been designated by Richland County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Richland County. Principal operating revenues of the Corporation include contributions from Richland County's delinquent tax and assessment collection fund. The Corporation currently is participating Brownfield Remediation and Demolition and Site Revitalization Programs. As of December 31, 2025, the Corporation has owned and rehabilitated over 150 properties throughout the 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. Bart Hamilton, Chair of the Board of Directors, Richland County Land Reutilization Corporation, 50 Park Avenue East, Mansfield, Ohio 44906.

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RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 906,278
Receivables:	
Intergovernmental	133,729
Loans	67,305
Prepayments	3,818
Inventory held for resale	21,691
Total assets	1,132,821
Liabilities:	
Accounts payable	150,797
Intergovernmental payable	82,333
Unearned revenue	208,359
Total liabilities	441,489
Deferred inflows of resources:	
Loans	67,305
Total deferred inflows of resources	67,305
Net position:	
Unrestricted	624,027
Total net position	\$ 624,027

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General
Assets:	
Equity in pooled cash and cash equivalents	\$ 906,278
Receivables:	
Intergovernmental	133,729
Loans	67,305
Prepayments	3,818
Inventory held for resale	21,691
Total assets	\$ 1,132,821
Liabilities:	
Accounts payable	\$ 150,797
Due to other governments	82,333
Unearned revenue	208,359
Total liabilities	441,489
Deferred inflows of resources:	
Loans	67,305
Intergovernmental revenue not available	103,732
Total deferred inflows of resources	171,037
Fund balances:	
Nonspendable:	
Prepayments	3,818
Inventory held for resale	21,691
Unassigned	494,786
Total fund balances	520,295
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,132,821

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances	\$ 520,295
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Receivables are not available to pay for current- period expenditures and therefore are deferred inflows in the funds.	<u>103,732</u>
Net position of governmental activities	<u><u>\$ 624,027</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General
Revenues:	
Charges for services	\$ 112,876
Intergovernmental - DTAC	285,589
Investment income	10,039
Contributions and donations	4,179
Grant revenue	2,332,427
Total revenues	2,745,110
Expenditures:	
Current:	
General government:	
Professional and contract services	2,926,295
Administration	46,786
Total expenditures	2,973,081
Net change in fund balances	(227,971)
Fund balances at beginning of year	748,266
Fund balances at end of year	\$ 520,295

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds	\$ (227,971)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(16,570)</u>
Change in net position of governmental activities	<u><u>\$ (244,541)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Richland County Land Reutilization Corporation (the "Corporation") is a county land reutilization corporation that was formed on November 7, 2013, when Richland County Council authorized the incorporation of the Corporation under Chapter 1724 of the Ohio Revised Code through resolution number 2012-214 as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the Corporation is to strengthen neighborhoods in Richland County (the County) by returning vacant and abandoned 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 power 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 five to nine members including two County Commissioners, the County Treasurer, one representative from the municipal corporation with the largest population (City of Mansfield), one representative from a township with the largest population (Madison Township), one representative from the local banking industry, and one local realtor.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from the Board of Revision, Sheriff's Sale, Bank Real Estate Owned, County Fiscal Officer, third parties, and through donations. The Corporation then strives to put the properties back to productive use.

The reporting entity for the Corporation is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separated from the Corporation and other organizations that would need to be included to ensure the financial statements of the Corporation are not misleading.

Component units are 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 organizations governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organizations; or 2) the Corporation is legally entitled to or can otherwise access the organization's resources; the Corporation is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provided financial support to, the organizations; or the Corporation is obligated for the debt of the organization. Component units may also include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes, or determines the budget. There are no component units included as part of this report.

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.

Government-Wide Financial Statements

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

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. 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 Richland County Fiscal Officer from penalties collected on delinquent property taxes and interest on those delinquencies, as well as grants, contributions, and various charges for services. 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.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 would 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 Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. There were no deferred outflows of resources at December 31, 2025.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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.

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. The Corporation had no investments during the year or at the end of the year.

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

Prepayments

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory Held for Resale

Inventory held for resale represent properties purchased by or donated to the Corporation. These properties are valued based upon the purchase price plus any costs of maintenance, rehabilitation, or demolition of homes on the properties. 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, 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. The Corporation had no long-term obligations at December 31, 2025.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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, 2025. The Corporation applies restricted resources first when an expense is incurred for which restricted and unrestricted amounts are available.

Intergovernmental Revenue

The Corporation receives operating income through Richland 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 upon the Corporation's written request.

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 2025.

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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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 (resolution) of the Corporation's Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Assigned Fund Balance - The assigned fund balance classification is intended to be used by the Corporation for specific purposes but does not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Corporation's Board of Directors. The Board of Directors has by resolution authorized the Executive Director to assign fund balance. The Board of Directors may also assign fund balance as it does when appropriating the fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2025, the Corporation has implemented GASB Statement No. 102, "Certain Risk Disclosures".

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the Corporation.

NOTE 4 - DEPOSITS

Deposits with Financial Institutions

At December 31, 2025, the carrying amount of all Corporation deposits was \$906,278 and the bank balance of all deposits was \$900,512. \$790,618 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was subject to custodial credit risk as described below.

Custodial credit risk is the risk that, in the event of bank failure, the Corporation will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Corporation to a successful claim by the FDIC.

RICHLAND COUNTY LAND REUTILIZATION CORPORATION
RICHLAND COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(SEE ACCOUNTANT’S COMPILATION REPORT)

NOTE 5 - TRANSACTIONS WITH RICHLAND COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Richland County Board of Commissioners to receive 5% of all collections of delinquent real property and manufactured and mobile home taxes that are deposited into the County’s Delinquent Tax Assessment and Collection Tax (DTACT) fund and will be available for appropriation by the Corporation to fund operations.

Pursuant to a contract for services agreement by the Board of Directors, the Corporation paid the Richland County Treasurer’s office \$18972 for personnel related costs during 2025.

NOTE 6 - RISK MANAGEMENT

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The Corporation maintains comprehensive insurance coverage with independent third parties for real property, building, vehicle, general liability and professional liability insurance. There were no settled claims from these risks that have exceeded commercial insurance coverage for the past three years, nor has insurance coverage been significantly reduced from the prior year.

NOTE 7 - RECEIVABLES

Receivables at December 31, 2025, consisted of grants receivable waiting for reimbursement from funds due from the Ohio Department of Development. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

Loans receivable represents loans to an individuals for \$67,305 related to the demolition of buildings and renovations. The loans bear a zero interest rate. The loans and maturity dates are listed as follows:

<u>Loan</u>	<u>Outstanding</u> <u>12/31/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding</u> <u>12/31/2025</u>	<u>Maturity</u> <u>Date</u>
2015 Shelby Demolition	\$ 47,250	\$ -	\$ (47,250)	\$ -	10/15/2026
2020 Mansfield Renovation	15,120	-	(1,215)	13,905	3/30/2035
2020 Plymouth Demolition	<u>57,000</u>	<u>-</u>	<u>(3,600)</u>	<u>53,400</u>	8/29/2040
Total loans receivable	<u>\$ 119,370</u>	<u>\$ -</u>	<u>\$ (52,065)</u>	<u>\$ 67,305</u>	

NOTE 8 - CONTINGENCIES

Grants

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.