

**DELAWARE COUNTY LAND
REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

Basic Financial Statements

**For the Year Ended
December 31, 2021**

DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO

BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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Accountant's Compilation Report

To the Board of Directors
Delaware County, Ohio

Management is responsible for the accompanying basic financial statements of the Delaware County Land Reutilization Corporation, which comprise the statements listed in the table of contents as of December 31, 2021 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 schedules of net pension and other post-employment benefit assets and liabilities, and pension and other post-employment contributions 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
April 4, 2022

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The management's discussion and analysis of the Delaware 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, 2021. 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 2021 are as follows:

- The total net position of the Corporation decreased \$253,003 due to expenses of \$361,932 exceeding general revenues of \$108,929 during 2021.
- The general fund had revenues of \$51,000 and expenditures of \$361,932. The net decrease in fund balance of the general fund was \$310,932.

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 2021?" 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.

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

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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. 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 11-14 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 15-22 of this report.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 and 2020.

	Net Position	
	Governmental Activities	
	2021	2020
<u>Assets</u>		
Current and other assets	\$ 122,910	\$ 372,344
Total assets	122,910	372,344
<u>Liabilities</u>		
Current and other liabilities	3,569	-
Total liabilities	3,569	-
<u>Net Position</u>		
Restricted for:		
Other purposes	-	299,000
Unrestricted	119,341	73,344
Total net position	\$ 119,341	\$ 372,344

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the Corporation's assets exceeded liabilities by \$119,341. The largest asset is equity in pooled cash which amounted to \$64,117 at December 31, 2021.

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**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the comparative analysis of changes in net position for 2021 and 2020.

	Change in Net Position	
	Governmental Activities	
	2021	2020
<u>Revenues</u>		
General revenues:		
Grants and entitlements	\$ 57,929	\$ 57,402
Contributions and donations	-	299,000
Gain on sale of historic jail	<u>51,000</u>	<u>-</u>
Total general revenues	<u>108,929</u>	<u>356,402</u>
Total revenues	<u>108,929</u>	<u>356,402</u>
<u>Expenses:</u>		
General government	<u>361,932</u>	<u>6,759</u>
Total expenses	<u>361,932</u>	<u>6,759</u>
Change in net position	(253,003)	349,643
Net position at beginning of year	<u>372,344</u>	<u>22,701</u>
Net position at end of year	<u>\$ 119,341</u>	<u>\$ 372,344</u>

Governmental Activities

Governmental activities net position decreased \$253,003 during 2021.

Expenses for 2021 totaled \$361,932. The expenses were for closing costs, insurance, professional services for legal fees, membership fees, software subscriptions and payments to Delaware County for the proceeds from the jail.

General revenues totaled \$108,929. This amount includes 0.50% of all collections of delinquent real property and manufactured and mobile home taxes in Delaware County as well as the gain on the sale of the historic jail from a carrying value of \$299,000 compared to the sale price of \$350,000.

General Fund

The fund balance of the general fund decreased \$310,932 during 2021. This is the result of expenditures, primarily payments to Delaware County, exceeding revenues.

Capital Assets

As of December 31, 2021, the Corporation does not have any capital assets.

Debt Administration

As of December 31, 2021, the Corporation does not have any debt.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Current Financial Related Activities

The County formed the Delaware County Land Reutilization Corporation on January 26, 2018 and operations began during 2019. The Corporation is Delaware County's agent to help local County political subdivisions reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed, and other real property in Delaware County. The purpose of the Corporation is to help the County's political subdivisions strengthen neighborhoods in Delaware County by returning vacant and abandoned properties to productive use.

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: Karen First, Fiscal Manager, 91 N. Sandusky St., Delaware, Ohio 43015.

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**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 64,117
Receivables:	
Due from other governments	57,929
Prepayments	<u>864</u>
Total assets	<u>122,910</u>
Liabilities:	
Accounts payable	<u>3,569</u>
Total liabilities	<u>3,569</u>
Net position:	
Unrestricted	<u>119,341</u>
Total net position	<u><u>\$ 119,341</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Expenses
Governmental activities:	
General government:	
Closing costs	\$ 21,255
Insurance	8,837
Professional services	11,328
Membership fees	500
Software subscription	8,966
County proceeds from historic jail	311,046
Total governmental activities	\$ 361,932
 General revenues:	
Grants and entitlements not restricted to specific programs	57,929
Gain on sale of historic jail	51,000
Total general revenues	108,929
Change in net position	(253,003)
Net position at beginning of year	372,344
Net position at end of year	\$ 119,341

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General
Assets:	
Equity in pooled cash and cash equivalents	\$ 64,117
Receivables:	
Due from other governments	57,929
Prepayments	864
Total assets	\$ 122,910
Liabilities:	
Accounts payable	\$ 3,569
Total liabilities	3,569
Deferred inflows of resources:	
Intergovernmental	57,929
Total deferred inflows of resources	57,929
Fund balances:	
Nonspendable:	
Prepayments	864
Unassigned	60,548
Total fund balances	61,412
Total liabilities, deferred inflows of resources and fund balances	\$ 122,910

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances	\$ 61,412
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred inflows in the funds.	<u>57,929</u>
Net position of governmental activities	<u><u>\$ 119,341</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General
Revenues:	
Gain on sale of historic jail	\$ 51,000
Total revenues	51,000
 Expenditures:	
Current:	
General government:	
Closing costs	21,255
Insurance	8,837
Professional services	11,328
Membership fees	500
Software subscription	8,966
County proceeds from historic jail	311,046
Total expenditures	361,932
 Net change in fund balances	 (310,932)
 Fund balances at beginning of year	 372,344
Fund balances at end of year	\$ 61,412

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE 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, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds	\$ (310,932)
<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>57,929</u>
Change in net position of governmental activities	<u><u>\$ (253,003)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Delaware County Land Reutilization Corporation (the "Corporation") is a county land reutilization corporation that was formed on January 26, 2018 when the Delaware 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 Delaware County (the "County"). The Corporation can potentially address parcels where the fair value of the property has been greatly exceeded by the delinquent taxes and assessed liens and are therefore not economically feasible to initiate foreclosure actions upon. By establishing the Corporation, the County can begin to address dilapidated housing issues in communities located in the County and also return properties to productive use. The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the Corporation shall be composed of five members and no more than nine 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 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.

DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

The Corporation's significant accounting policies are described below.

Basis of Presentation

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

Government-Wide Financial Statements

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

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.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 County Treasurer from penalties collected on delinquent property taxes and interest on those delinquencies. The general fund is eligible to receive 0.50% 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. The general fund balance is available to the Corporation for any purpose provided it is expended or transferred according to the general laws of Ohio.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, all deferred outflows of resources, all liabilities and all deferred inflows of resources associated with the operation of the Corporation are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current deferred outflows of resources, current liabilities and current deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the general fund.

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.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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 position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, there were no deferred outflows of resources.

In addition to liabilities, the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position 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.

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.

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.

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 a demand deposit account.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At year end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. All properties are recorded at the estimated net realizable value. The Corporation holds the properties until the home is either sold to a new owner, sold to an individual who will rehabilitate or the structure on the property is demolished. Properties with demolished structures could be transferred to the city or township they are in after demolition; parcels may be merged with adjacent parcels for development or green space projects; or the Corporation may sell other lots to the owners of adjacent parcels for a nominal cost.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. There were no liabilities at December 31, 2021.

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, 2021.

Intergovernmental Revenue

The Corporation receives operating income through Delaware County. This money represents 0.50% of all collections 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. The Corporation did not receive any money from Delaware County in 2021.

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, prepaid amounts and property acquired for resale, unless the use of the proceeds from the collection of the sale of those properties is restricted, committed or assigned.

**DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

Committed Fund Balance - The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors remove 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.

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. In the general fund, assigned amounts represent intended uses established by policies of the Board of Directors. The Board of Directors have by resolution authorized the Treasurer to assign fund balance. The Board of Directors may also assign fund balance as it does when appropriating 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. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2021.

DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2021, the Corporation has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Corporation.

For 2021, the Corporation has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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

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

NOTE 4 - DEPOSITS

Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all Corporation deposits was \$64,117 and the bank balance of all deposits was \$64,117. All of the bank balance was covered by FDIC.

DELAWARE COUNTY LAND REUTILIZATION CORPORATION
DELAWARE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5 - RISK MANAGEMENT

Nonprofit Organization Directors and Officers Liability Insurance

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 2021, the Corporation contracted with Cincinnati Insurance Company for Nonprofit Organization Directors and Officers Liability Insurance.

The limitations of coverages are as follows:

General Liability:

Limits of Insurance - each occurrence	\$1,000,000
Damage to rented premises	\$100,000
Medical expense	\$5,000
Personal & adverse injury	\$1,000,000
General aggregate	\$2,000,000
Products	\$2,000,000

Vehicles:

Combined Single Limit	\$1,000,000
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Excess Liability:

Umbrella - each occurrence	\$1,000,000
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NOTE 6 - TRANSACTIONS WITH DELAWARE COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Delaware County Board of Commissioners to receive 0.50% 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. During 2021, the Corporation had revenues of \$57,929 related to the DTACT fund.

During 2021, the Corporation gave \$311,046 in proceeds from the sale of the Delaware County historic jail to Delaware County. This amount was net of closing costs, administrative fees, insurance, attorney fees and reimbursements.

NOTE 7 - RECEIVABLES

At December 31, 2021, the Corporation had a receivable of \$57,929 due from Delaware County for DTACT funds owed to the Corporation. This amount is reported as "due from other governments" on the basic financial statements.

NOTE 8 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Corporation. The impact on the Corporation's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.