

**CUYAHOGA COUNTY LAND
REUTILIZATION CORPORATION
CUYAHOGA COUNTY, OHIO**

SINGLE AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2024**





65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Directors
Cuyahoga County Land Reutilization Corporation
812 Huron Rd E, STE 800
Cleveland, OH 44115

We have reviewed the *Independent Auditor's Report* of the Cuyahoga County Land Reutilization Corporation, Cuyahoga County, prepared by Rea & Associates, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Cuyahoga County Land Reutilization Corporation is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

January 09, 2026

This page intentionally left blank.

Cuyahoga County Land Reutilization Corporation
Cuyahoga County, Ohio

Table of Contents

	<i>Page</i>
Independent Auditor's Report	1
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances	
to Net Position of Governmental Activities.....	13
Statement of Revenues, Expenditures and Change in	
Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and	
Change in Fund Balances of Governmental Funds	
to the Statement of Activities	15
Statement of Fiduciary Net Position – Custodial Funds	16
Statement of Changes in Fiduciary Net Position – Custodial Funds	17
Notes to the Basic Financial Statements	18
Independent Auditor's Report on Internal Control over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements	
Performed in Accordance with <i>Governmental Auditing Standards</i>	33
Independent Auditor's Report on Compliance for Each Major Federal Program and	
Report on Internal Control over Compliance Required by the Uniform Guidance.....	35
Schedule of Expenditures of Federal Awards	38
Notes to the Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40
Corrective Action Plan	43

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
Cuyahoga County Land Reutilization Corporation
Cuyahoga County, Ohio
812 Huron Road, Suite #800
Cleveland, Ohio 44115

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuyahoga County Land Reutilization Corporation, Cuyahoga County, Ohio (the Corporation), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Corporation, as of December 31, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* be presented to supplement the basic financial statements. Such information is the responsibility of management 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cuyahoga County Land Reutilization Corporation

Independent Auditor's Report

Page 3 of 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corporation's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 09, 2025 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.

New Philadelphia, Ohio

September 09, 2025

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2024

Unaudited

The discussion and analysis of Cuyahoga 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, 2024. 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 notes to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- The Corporation is focused on three interrelated principles: returning property to productive use, returning property to the tax duplicate, and accelerating economic or housing activity in Cuyahoga County communities. The Corporation works cooperatively with cities, other units of government, lenders, and individual property owners, to acquire troubled real estate and return it to productive use.
- The Corporation saw decreases in both revenues and expenses from 2023 to 2024. Revenues outpaced expenses resulting in the Corporation's net position increasing by \$1.3 million.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Corporation as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole Corporation, presenting both an aggregate view of the Corporation's finances and a longer-term view of those finances. The statement of activities shows changes to net position related to each department of the Corporation. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting on the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Corporation's net position and the changes in net position. The change in net position is important because it tells the reader whether, for the Corporation as a whole, the financial position of the Corporation has improved or diminished. However, in evaluating the overall position of the Corporation, non-financial information such as the condition of the Corporation's capital assets will also need to be evaluated.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2024

Unaudited

The statement of net position and the statement of activities are divided into the following categories:

- Assets and Deferred Outflows of Resources
- Liabilities and Deferred Inflows of Resources
- Net Position (Assets and Deferred Outflows of Resources minus Liabilities and Deferred Inflows of Resources)
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

Reporting on the Corporation's Most Significant Funds

The analysis of the Corporation's major funds begins on page 8. Fund financial reports provide detailed information about the Corporation's major funds. The Corporation uses three funds to account for their financial transactions. However, these fund financial statements focus on the Corporation's most significant funds. The Corporation's only major governmental fund is the general fund.

Governmental Funds Most of the Corporation's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to provide to the Corporation's constituents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Custodial Funds Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Corporation's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The Cuyahoga County Land Reutilization Corporation as a Whole

The statement of net position looks at the Corporation as a whole. Table 1 provides a summary of the Corporation's net position for 2024 and 2023.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis *For the Year Ended December 31, 2024* *Unaudited*

Table 1
Net Position

	2024	2023
Assets		
Current and Other Assets	\$34,551,347	\$37,591,607
Nondepreciable Capital Assets	1,596,376	1,331,943
Depreciable Capital Assets, Net	<u>10,502,983</u>	<u>5,598,280</u>
<i>Total Assets</i>	<u>46,650,706</u>	<u>44,521,830</u>
Liabilities		
Current and Other Liabilities	8,284,413	7,950,023
Long-Term Liabilities:		
Due Within One Year	172,066	159,273
Due In More Than One Year	<u>1,990,102</u>	<u>1,179,142</u>
<i>Total Liabilities</i>	<u>10,446,581</u>	<u>9,288,438</u>
Deferred Inflows of Resources		
Leases	<u>5,722,558</u>	<u>6,016,408</u>
Net Position		
Net Investment in Capital Assets	11,437,191	6,091,808
Restricted for:		
Cuyahoga County Housing Program	16,562,599	12,813,522
Cuyahoga Land Bank Charities	1,648,166	1,291,804
Cuyahoga Realty Reimagined	77,129	-
Unrestricted	<u>756,482</u>	<u>9,019,850</u>
<i>Net Position</i>	<u>\$30,481,567</u>	<u>\$29,216,984</u>

Current and other assets decreased during 2024 as intergovernmental receivables decreased due to the timing of receipt of grant funds. The Corporation commenced implementing the Cuyahoga County Housing Program in 2020. The program funding is derived from three sources; the Cuyahoga County Community Development Fund (CCCDF), an allocated portion of current Delinquent Tax and Assessment Collection (DTAC) funds the Corporation receives from Cuyahoga County and Cash Reserves held by the Corporation from prior year CCCDF and DTAC funds received. The purpose of the program is to invest in home owner assistance, in the renovation of properties and in new construction projects in the County. The Corporation performs asbestos removal prior to demolition or rehabilitation of structures. The Corporation is reimbursed by the County for a portion of these costs.

Assets held for resale showed a decrease from 2023 and resulted from reclassification of properties from assets held for resale to capital assets which increased in 2024, as additions exceeded disposals and depreciation/amortization.

The increase in liabilities was primarily due to an increase in unearned revenue due to the timing of grant receipts.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis For the Year Ended December 31, 2024 Unaudited

Further details of the changes in net position between 2024 and 2023 can be observed in Table 2.

Table 2
Changes in Net Position

	2024	2023
Revenues		
Program Revenues:		
Charges for Services	\$1,463,309	\$1,203,716
Operating Grants and Contributions	<u>6,765,095</u>	<u>13,973,383</u>
Total Program Revenues	<u>8,228,404</u>	<u>15,177,099</u>
General Revenues:		
Intergovernmental	5,908,560	4,000,000
Unrestricted Contribution and Donations	480,000	-
Investment Earnings/Income	975,334	1,118,878
Gain on Sale of Assets Held for Resale	189,765	227,413
Other	<u>276,804</u>	<u>1,111,188</u>
Total General Revenues	<u>7,830,463</u>	<u>6,457,479</u>
Total Revenues	<u>16,058,867</u>	<u>21,634,578</u>
Program Expenses		
Professional and Contract Services	8,598,816	10,838,539
Indirect Salaries	4,904,310	4,317,002
Administration	1,234,133	2,805,376
Interest	<u>57,025</u>	<u>26,095</u>
<i>Total Program Expenses</i>	<u>14,794,284</u>	<u>17,987,012</u>
<i>Change in Net Position</i>	<u>1,264,583</u>	<u>3,647,566</u>
<i>Net Position Beginning of Year</i>	<u>29,216,984</u>	<u>25,569,418</u>
<i>Net Position End of Year</i>	<u>\$30,481,567</u>	<u>\$29,216,984</u>

Program Revenues decreased primarily due to a decrease in operating grants recognized. General revenues increased in 2024 primarily due to increased contributions from the County treasurer.

The Corporation's main revenue sources are State and County grants and a portion of penalties on late paid delinquent property taxes and interest on those delinquencies collected and distributed to the Corporation by the County Treasurer.

The Corporation's expenses decreased due to decreases in demolition project volume. The Corporation continues to utilize careful monitoring and prudent spending.

The Corporation's Funds

Information about the Corporation's governmental funds can be found in the basic financial statements. These funds are accounted for using the modified accrual basis of accounting.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2024

Unaudited

Capital Assets

During 2024, the Corporation had additions of land, building and intangible right to use software. The increase in capital assets was attributable to additions exceeding depreciation expense and disposals. See Note 6 of the basic financial statements for additional information on capital assets.

Debt

At December 31, 2024, the Corporation had long-term obligations for lease payables and loan payables, which will be paid from the general fund. More detailed information is presented in Note 10 to the basic financial statements.

Current Financial Related Activities

The Corporation, in its continuing efforts to keep its operational and administrative costs down, has developed an operational policy to provide its staff with the best possible technologically advanced equipment and software available at a reasonable cost in order to assist their efforts in providing the most effective and cost efficient means of operation to meet the Corporation's goals and mission.

Contacting the Corporation's Financial Office

This financial report is designed to provide the citizens, taxpayers, investors, and creditors of the Corporation with a general overview of the Corporation's finances and to reflect the Corporation's accountability for the monies it receives. Questions concerning any of this information in this report or requests for additional information should be directed to Cuyahoga County Land Reutilization Corporation, 812 Huron Road E, Suite 800, Cleveland, Ohio 44115.

Cuyahoga County Land Reutilization Corporation

Statement of Net Position

December 31, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 21,814,834
Investments	3,000,000
Accounts Receivable	861,761
Intergovernmental Receivable	579,999
Prepaid Items	160,226
Lease Receivable	88,133
Loans Receivable	719,258
Economic Development Properties	2,231,200
Assets Held for Resale	5,095,936
Nondepreciable Capital Assets	1,596,376
Depreciable Capital Assets, Net	<u>10,502,983</u>
<i>Total Assets</i>	<u>46,650,706</u>
Liabilities	
Accounts Payable	495,785
Accrued Wages	12,554
Pollution Remediation Payable	57,030
Vacation Benefits Payable	193,671
Intergovernmental Payable	59,544
Unearned Revenue	7,465,829
Long-Term Liabilities:	
Due Within One Year	172,066
Due In More Than One Year	<u>1,990,102</u>
<i>Total Liabilities</i>	<u>10,446,581</u>
Deferred Inflows of Resources	
Leases	<u>5,722,558</u>
<i>Total Deferred Inflows of Resources</i>	<u>5,722,558</u>
Net Position	
Net Investment in Capital Assets	11,437,191
Restricted for:	
Cuyahoga County Housing Program	16,562,599
Cuyahoga Land Bank Charities	1,648,166
Cuyahoga Realty Reimagined	77,129
Unrestricted	<u>756,482</u>
<i>Total Net Position</i>	<u>\$ 30,481,567</u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Statement of Activities
For the Year Ended December 31, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Professional and Contract Services	\$ 8,598,816	\$ 1,463,309	\$ 5,622,282	\$ (1,513,225)
Indirect Salaries	4,904,310	-	939,040	(3,965,270)
Administration	1,234,133	-	203,773	(1,030,360)
Interest	57,025	-	-	(57,025)
<i>Total</i>	<u>14,794,284</u>	<u>1,463,309</u>	<u>6,765,095</u>	<u>(6,565,880)</u>
General Revenues				
Grants and Entitlements not Restricted to Specific Programs				5,908,560
Unrestricted Contribution and Donations				480,000
Investment Earnings/Interest				975,334
Gain on Sale of Assets Held for Resale				189,765
Other				<u>276,804</u>
<i>Total General Revenues</i>				<u>7,830,463</u>
<i>Change in Net Position</i>				1,264,583
<i>Net Position Beginning of Year</i>				<u>29,216,984</u>
<i>Net Position End of Year</i>				<u>\$ 30,481,567</u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

*Balance Sheet
Governmental Funds
December 31, 2024*

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 7,189,905	\$ 1,762,329	\$ 8,952,234
Accounts Receivable	819,761	42,000	861,761
Prepaid Items	160,226	-	160,226
Loans Receivable	619,258	-	619,258
Lease Receivable	88,133	-	88,133
Interfund Receivable	62,995	-	62,995
Assets Held for Resale	5,075,936	-	5,075,936
Restricted Assets:			
Cash Equivalents and Cash Equivalents	12,862,600	-	12,862,600
Investments	3,000,000	-	3,000,000
Intergovernmental Receivable	579,999	-	579,999
Loans Receivable	100,000	-	100,000
Assets Held for Resale	20,000	-	20,000
<i>Total Assets</i>	<u>\$ 30,578,813</u>	<u>\$ 1,804,329</u>	<u>\$ 32,383,142</u>
Liabilities			
Accounts Payable	\$ 492,300	\$ 3,485	\$ 495,785
Accrued Wages and Benefits	-	12,554	12,554
Intergovernmental Payable	59,544	-	59,544
Interfund Payable	-	62,995	62,995
Unearned Revenue	7,465,829	-	7,465,829
<i>Total Liabilities</i>	<u>8,017,673</u>	<u>79,034</u>	<u>8,096,707</u>
Deferred Inflows of Resources			
Leases	5,722,558	-	5,722,558
Unavailable Revenue	849,659	-	849,659
<i>Total Deferred Inflows of Resources</i>	<u>6,572,217</u>	<u>-</u>	<u>6,572,217</u>
Fund Balances			
Nonspendable	5,236,162	-	5,236,162
Restricted	16,562,599	1,725,295	18,287,894
Unassigned	(5,809,838)	-	(5,809,838)
<i>Total Fund Balances</i>	<u>15,988,923</u>	<u>1,725,295</u>	<u>17,714,218</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$ 30,578,813</u></u>	<u><u>\$ 1,804,329</u></u>	<u><u>\$ 32,383,142</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2024

Total Governmental Fund Balances \$ 17,714,218

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 12,099,359

Economic development properties are not financial resources and therefore are not reported in the funds. 2,231,200

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

Intergovernmental 849,659

Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds. (193,671)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Loan Payable	\$ (1,500,000)
Lease Payable	(662,168)
Pollution Remediation Payable	(57,030)
Total	<u>(2,219,198)</u>

Net Position of Governmental Activities \$ 30,481,567

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Intergovernmental	\$ 5,908,560	\$ -	\$ 5,908,560
Operating Grants	6,178,054	1,491,913	7,669,967
Investment Earnings/Interest	916,655	58,679	975,334
Charges for Services	633,720	506,454	1,140,174
Rentals	300,300	-	300,300
Contributions and Donations	480,000	35,987	515,987
Other	<u>205,089</u>	<u>73,304</u>	<u>278,393</u>
<i>Total Revenues</i>	<u>14,622,378</u>	<u>2,166,337</u>	<u>16,788,715</u>
Expenditures			
Professional and Contract Services	7,015,884	1,339,324	8,355,208
Indirect Salaries	4,553,878	313,518	4,867,396
Administration	988,200	54,932	1,043,132
Capital Outlay	5,548,304	-	5,548,304
Debt Service:			
Principal Retirement	676,247	-	676,247
Interest	<u>57,025</u>	<u>-</u>	<u>57,025</u>
<i>Total Expenditures</i>	<u>18,839,538</u>	<u>1,707,774</u>	<u>20,547,312</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,217,160)</u>	<u>458,563</u>	<u>(3,758,597)</u>
Other Financing Sources			
Excess from Sale of Assets Held for Resale	189,765	-	189,765
Loan Issuance	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
<i>Total Other Financing Sources</i>	<u>1,689,765</u>	<u>-</u>	<u>1,689,765</u>
<i>Net Change in Fund Balances</i>	<u>(2,527,395)</u>	<u>458,563</u>	<u>(2,068,832)</u>
<i>Fund Balances Beginning of Year</i>	<u>18,516,318</u>	<u>1,266,732</u>	<u>19,783,050</u>
<i>Fund Balances End of Year</i>	<u><u>\$ 15,988,923</u></u>	<u><u>\$ 1,725,295</u></u>	<u><u>\$ 17,714,218</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation
*Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2024*

Net Change in Fund Balance -Total Governmental Funds \$ (2,068,832)

***Amounts reported for governmental activities in the
 statement of activities are different because:***

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 depreciation expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Asset Additions	\$ 5,562,830
Current Year Depreciation/Amortization	<u>(371,620)</u>
Total	5,191,210

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.

(22,073)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Intergovernmental	(918,025)
-------------------	-----------

Other financing sources in the governmental funds increases long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.

Loan Issuance	(1,500,000)
---------------	-------------

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Loan Payable	\$ 500,000
Lease Payable	<u>176,247</u>
Total	676,247

Some expenses reported in the statement of activities, such as vacation benefits payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Vacation Benefits Payable	(36,914)
Pollution Remediation Payable	<u>(57,030)</u>
Total	<u>(93,944)</u>

Change in Net Position of Governmental Activities **\$ 1,264,583**

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Statement of Fiduciary Net Position

Custodial Fund

December 31, 2024

	<u>Custodial Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 15,190,398</u>
<i>Total Assets</i>	<u>15,190,398</u>
Liabilities	
Accounts Payable	<u>334,872</u>
<i>Total Liabilities</i>	<u>334,872</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u>14,855,526</u>
<i>Total Net Position</i>	<u>\$ 14,855,526</u>

See accompanying notes and accountant's compilation report.

Cuyahoga County Land Reutilization Corporation*Statement of Changes in Fiduciary Net Position**Custodial Fund**For the Year Ended December 31, 2024*

	Custodial Fund
Additions	
Amounts Received as Fiscal Agent	<u>\$ 15,812,212</u>
<i>Total Additions</i>	<u>15,812,212</u>
Deductions	
Distributions as Fiscal Agent	<u>956,686</u>
<i>Total Deductions</i>	<u>956,686</u>
<i>Change in Net Position</i>	14,855,526
<i>Net Position Beginning of Year</i>	<u>-</u>
<i>Net Position End of Year</i>	<u>\$ 14,855,526</u>

See accompanying notes and accountant's compilation report.

Cuyahoga County Land Reutilization Corporation

*Notes To The Basic Financial Statements
For The Year Ended December 31, 2024*

Note 1 - Reporting Entity and Basis of Presentation

Cuyahoga County Land Reutilization Corporation (the Corporation) is a body corporate and politic organized on April 16, 2009, by the Board of County Commissioners of Cuyahoga County (BOCC), under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is the Board of Directors, made up of nine members, including the County Treasurer, the County Executive, a member of the County Council and two representatives of the City of Cleveland or their designees, referred to as the Statutory Directors. The remaining four members are selected unanimously by the Statutory Directors. The Corporation is classified as a related organization of Cuyahoga County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB).

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 separate from the Corporation and any 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 organization's governing board; and 1) the Corporation is able to significantly influence the programs or services performed or provided by the organization; 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 provide financial support to, the organization; 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.

The following component units meet the blended component unit criteria of Governmental Accounting Standards Board (GASB) Statement numbers 14, 39, and 61 and is reported as part of the primary government in both the fund financial statements and government-wide financial statements:

Cuyahoga Land Bank Charities Cuyahoga Land Bank Charities (CLBC) is a legally separate, non-profit organization, which provides supportive services to vulnerable populations, communities and the organizations who serve them and provides services in the areas of neighborhood stabilization, safety, community development and housing rehabilitation. The Corporation appoints the entirety of CLBC's Board of Directors. Because the Corporation appoints a voting majority of the CLBC's Board of Directors, the Corporation is able to impose its will on the operation of CLBC. As a result, CLBC will be reported as a blended component unit of the Corporation in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39. The Corporation provides financial support to CLBC. Financial statements can be obtained from the Cuyahoga County Land Reutilization Corporation, 812 Huron Road E, Suite 800, Cleveland, Ohio, 44115.

Realty Reimagined Realty Reimagined (RR) is a legally separate, non-profit organization, to function as a real estate brokerage specializing in serving low-to-moderate income home buyers and sellers to make homeownership affordable and available. The Corporation appoints the entirety of RR's Board of Directors. Because the Corporation appoints a voting majority of RR's Board of Directors, the Corporation

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

is able to impose its will on the operation of RR. As a result, RR will be reported as a blended component unit of the Corporation in accordance with Governmental Accounting Standards Board (GASB). The Corporation provides financial support to RR. Financial statements can be obtained from the Cuyahoga County Land Reutilization Corporation, 812 Huron Road E, Suite 800, Cleveland, Ohio, 44115.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Corporation have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described as follows.

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. The statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, has no business-type activities.

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 focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Cuyahoga County Land Reutilization Corporation

*Notes To The Basic Financial Statements
For The Year Ended December 31, 2024*

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.

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 and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only major governmental fund:

General Fund The general fund accounts for all financial resources that are received from the County Treasurer from a portion of penalties collected on delinquent property taxes and interest on those delinquencies. 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.

The other governmental funds of the Corporation account for grants and other sources whose use is restricted, committed or assigned to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The three types of trust funds are used to report resources held and administered by the Corporation when it is acting in a fiduciary capacity for individuals, private organizations or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. The Corporation has one custodial fund which are used to account for funds related to site readiness.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and 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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and 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

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

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 governmental funds.

The custodial fund is reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred inflows/outflows 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, interest and grants revenue sources are considered to be both measurable and available at year-end.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The Corporation recognizes unearned revenue for charges for services from title fees and intergovernmental revenue from grants received before the eligibility requirements have been met.

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position 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 until that time. For the Corporation, deferred inflows of resources include leases and unavailable revenues. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet, and

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

represents receivables which will not be collected within the available period. For the Corporation, unavailable revenue includes reimbursable grants and pollution remediation recoveries. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities.

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 year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

Cash and Cash Equivalents

To improve cash management, cash received by the Corporation is pooled. Individual fund integrity is maintained through the Corporation's records.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Corporation measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2024 amounted to \$916,655 which includes \$0 assigned from other governmental funds.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Prepaid Items

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.

Economic Development Properties

The Corporation has acquired property from the Western Reserve Land Conservancy at no cost to make improvements for repurposing it as a viable and productive property within the community. The property is reported as economic development properties and are valued at fair market value at the time acquired. Since these properties are expected to be donated back to the Western Reserve Land Conservancy, they are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

Assets Held for Resale

Assets held for resale represent properties purchased, acquired through foreclosure, donated to the Corporation and costs of rehabilitation and new construction in progress. These properties are recorded and reported at cost, based upon the purchase price plus rehabilitation and construction costs. Vacant lots are either held for assembly for future sale, or sold or transferred to end users or municipalities.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or law of the other governments or imposed by law through constitutional provisions. Restricted assets in the general fund represent assets set aside for the County Housing Program (CHP) and economic development.

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.

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed below) 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.

All capital assets, except for land, are depreciated or amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization is computed using the straight-line method for furniture and equipment and vehicles over useful lives of five to fifteen years.

The Corporation is reporting intangible right to use assets related to lease assets and subscription assets. The lease assets include buildings and equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. Subscription assets represent intangible right to use assets related to the use of another party's IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are classified as “interfund receivables/payables.” Interfund balance amounts are eliminated in the governmental activities column of the statement of net position.

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. However, compensated absences are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements. Leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Corporation will compensate the employees for the benefits through paid time off or some other means. The Corporation records a liability for all accumulated unused vacation time when earned for all employees. Since the Corporation's employee policy limits the use of unused vacation time to twelve months from the employee's anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

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 The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or 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 is reported as restricted 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 is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board 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.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Assigned Amounts in the assigned fund balance classification are intended to be used by the Corporation for specific purposes but do 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 the Board or a Corporation official delegated that authority, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications.

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Corporation applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Leases and SBITAs

The Corporation serves as both lessee and lessor in various noncancelable leases which are accounted for as follows:

Lessee At the commencement of a lease, the Corporation initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the Corporation initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Corporation is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancelable IT software contracts. At the commencement of the subscription term, the Corporation initially measures the subscription liability at the present value of payments expected to be made during the subscription

Cuyahoga County Land Reutilization Corporation

*Notes To The Basic Financial Statements
For The Year Ended December 31, 2024*

term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

Intergovernmental Revenue

The Corporation receives operating income through Cuyahoga County. This money represents a portion of the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid and are known as DTAC funds. 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 financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Note 3 –Deposits and Investments

Monies held by the Corporation are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Corporation treasury. Active monies must be maintained either as cash in the Corporation treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Corporation has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Corporation can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the Corporation, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

At December 31, 2024, the Corporation had \$15,781,838 invested in STAR Ohio with a weighted average maturity of 27 days and carries a rating of AAA by S&P Global Ratings. At December 31, 2024, the Corporation also had \$19,312,060 invested in various money market funds. Additionally, the Corporation's component units had \$906,559 invested in STAR Ohio and \$580,037 invested in various money market funds.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. The Corporation has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to the Corporation and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least one hundred five percent of the deposits being secured. At year end, \$2,253,280 of the Corporation's bank balance of \$3,064,327 was uninsured and uncollateralized. Additionally,

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

none of the Corporation's units bank balances of \$266,393 were uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and 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.

Note 4 – Employee Benefits

Compensated Absences

The Corporation employees earn vacation leave at varying rates based upon length of service. All employees may carry over accrued vacation time including any unused amounts resulting from the first year's employment, but all unused vacation time carried over from one calendar year must be used by the end of the following year, or it will be forfeited. Eligible employees hired prior to July 1, 2009, and eligible employees hired thereafter but who have worked continuously for at least six months may, conversely, ask that any unused vacation time be "cashed out" and paid to the employee. To "cash out", any unused carryover vacation time may be paid to the eligible employee if requested in writing no later than the end of the month following the anniversary date of their employment.

Health Insurance Benefits

The Corporation provides employee medical and prescription drug insurance through United Healthcare. Full-time employees and regular part-time employees working at least 25 hours per week are entitled to group health insurance. These employees pay 10 percent of the annual premium for these benefits. The insurance plans include deductibles ranging from \$500 to \$3,000 for single and \$500 to \$6,000 for family.

Social Security

All employees pay into Social Security. The Corporation's liability is 6.2 percent of wages.

Note 5 - 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; injuries to employees; and natural disasters. During 2024, the Corporation contracted with Risk Strategy Company for various types of insurance as follows:

Type	Coverage
General Aggregate	\$6,000,000/\$7,000,000
Liability Property	1,000,000
Commercial General Liability	2,000,000
Business Personal Property	350,000
Ohio Employers Liability	6,000,000
Directors/Officers Liability	2,000,000
Employment Practices Liability	1,000,000
Employee Dishonesty	250,000
Employee Benefits Liability	6,000,000
Cyber Liability	1,000,000

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Note 6 - Capital Assets

A summary of changes in capital assets during 2024 follows:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Governmental Activities:				
<i>Nondepreciable Capital Assets</i>				
Land	\$ 1,331,943	\$ 264,433	\$ -	\$ 1,596,376
<i>Depreciable/Amortized Capital Assets</i>				
<i>Tangible Assets</i>				
Buildings	4,968,058	5,283,871	-	10,251,929
Furniture and Equipment	276,829	-	(1,800)	275,029
Computer Software	6,285	-	(6,285)	-
Total Tangible Assets	5,251,172	5,283,871	(8,085)	10,526,958
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Buildings	800,793	-	-	800,793
Intangible Right to Use - Equipment	109,149	-	(22,326)	86,823
Total Lease Assets	909,942	-	(22,326)	887,616
<i>Subscription Assets</i>				
Intangible Right to Use - Software	14,170	14,526	(6,282)	22,414
Total Intangible Assets	924,112	14,526	(28,608)	910,030
Total Depreciable/Amortized Capital Assets	6,175,284	5,298,397	(36,693)	11,436,988
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Buildings	(266,825)	(178,474)	-	(445,299)
Furniture and Equipment	(213,592)	(9,366)	280	(222,678)
Computer Software	(6,285)	-	6,285	-
Total Depreciation	(486,702)	(187,840)	6,565	(667,977)
<i>Amortization</i>				
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Building	(53,386)	(160,159)	-	(213,545)
Equipment	(30,713)	(16,538)	1,772	(45,479)
Total Lease Assets	(84,099)	(176,697)	1,772	(259,024)
<i>Subscription Assets</i>				
Software	(6,203)	(7,083)	6,282	(7,004)
Total Intangible Assets	(90,302)	(183,780)	8,054	(266,028)
Total Accumulated Depreciation/Amortization	(577,004)	(371,620)	14,619	(934,005)
Total Depreciable/Amortized Capital Assets, Net	5,598,280	4,926,777	(22,074)	10,502,983
Governmental Activities Capital Assets, Net	6,930,223	5,191,210	(22,074)	12,099,359

The current year depreciation/amortization total of \$371,620 is presented as administration expense on the Statement of Activities.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Note 7 - Receivables

Receivables at December 31, 2024, consisted of leases, funds due from Cuyahoga County, grants and loans to various governments and reimbursements due from various organizations. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

The Corporation is reporting leases receivable of \$88,133 in the general fund at December 31, 2024. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. The Corporation is reporting a deferred inflow-leases in the amount of \$5,722,558 for lease receivable payments that have been prepaid in the general fund at December 31, 2024. A description of the Corporation's leasing arrangements is as follows:

Building Leases – The Corporation has entered into various lease agreements for office space with multiple companies at varying years and terms as follows:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
Euclid Beach Mobile Home Co, LLC	2023	3	2026	Monthly
Superior LLC	2023	2	2025	Monthly

A summary of future lease amounts receivable is as follows:

<u>General</u>		
Year	Principal	Interest
2025	\$ 79,323	\$ 3,166
2026	<u>8,810</u>	<u>356</u>
	<u><u>\$88,133</u></u>	<u><u>\$3,522</u></u>

Note 8 – Pollution Remediation

For 2024, the Corporation is reporting a liability for pollution remediation of \$57,030. The EPA required the Corporation to remediate any asbestos found in any of their properties or projects. The Corporation estimates the liability based on the current value of outlays using the expected cash flow technique.

As part of the Corporation's efforts to put properties back to productive use, certain acquired properties are found to contain asbestos. The cost of remediation estimated by the Corporation is \$57,030 as of 2024 with the potential for additional costs in the future based on survey results.

Note 9 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the government fund. The constraints placed on fund balance for the general fund and other governmental funds is presented as follows:

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

Fund Balance	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Assets Held for Resale	\$ 5,075,936	\$ -	\$ 5,075,936
Prepays	160,226	-	160,226
Total Nonspendable	5,236,162	-	5,236,162
Restricted:			
Cuyahoga County Housing Program	16,562,599	-	16,562,599
Cuyahoga Land Bank Charities	-	1,648,166	1,648,166
Cuyahoga Realty Reimagined	-	77,129	77,129
Total Restricted	16,562,599	1,725,295	18,287,894
Unassigned	(5,809,838)	-	(5,809,838)
Total Fund Balance	\$ 15,988,923	\$ 1,725,295	\$ 17,714,218

Note 10 – Long-Term Liabilities

	Amount Outstanding 12/31/2023	Additions	Deletions	Amount Outstanding 12/31/2024	Amounts Due in One Year
	Governmental Activities:	12/31/2023	12/31/2024	12/31/2024	
Loan Payable	\$ 500,000	\$ 1,500,000	\$(500,000)	\$ 1,500,000	\$ -
Leases Payable	838,415	-	(176,247)	662,168	172,066
Total Governmental Activities	\$ 1,338,415	\$ 1,500,000	\$(676,247)	\$ 2,162,168	\$ 172,066

During 2023, the Corporation issued a loan through direct borrowing for the purpose of reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed properties throughout Cuyahoga County. The loan is interest free and repayment and matures on March 3, 2026. The loans contain provisions that if certain requirements are met, 100 percent of the loan will be forgiven. In the event, the requirements are not met and repayment is required. If the Corporation is in default of repayment, the loan will bear a 5 percent interest per annum until default has been cured.

The Corporation has established lines of credit in the amount of \$1,500,000 and \$950,000 with Cuyahoga County for reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed properties and for the acquisition, construction and project expenses related to the renovation of the Mickey's building in East Cleveland. The balances of the loans were \$1,500,000 and \$0, respectively. Since the loan repayment schedules have not been finalized, a repayment schedule is not included in the schedule of debt service requirements. The loans will be paid from the general fund.

The Corporation has an open line of credit with Huntington Bank up to \$2,000,000. The line of credit is considered a direct borrowing. There was no activity on the line of credit during 2024.

During 2023, the Corporation signed leases for buildings and equipment. The Corporation also has outstanding agreements to lease office space and copiers. The future lease payments were discounted based on the interest rate implicit in the lease or using the Corporation's incremental borrowing rate. This discount is being

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2024

amortized using the interest method over the life of the lease. The lease will be paid from the general fund. A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest
2025	\$ 172,066	\$ 47,068
2026	185,897	33,238
2027	191,065	18,409
2028	113,140	3,923
	<u>\$662,168</u>	<u>\$102,638</u>

Note 11 – Interfund Transactions

Interfund receivables and payables are due to the timing of the receipts of grant monies by the nonmajor funds. All interfund balances will be repaid within one year. Interfund balances at December 31, 2024 consist of interfund receivables/payables between the general fund and the Cuyahoga Land Bank Charities and Realty Reimagined special revenue funds in the amounts of \$36,164 and \$26,831, respectively.

Note 12 – Change in Accounting Principles

Change in Accounting Principles

For the year ended December 31, 2024, the Corporation has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Corporation.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 was incorporated into the financial statements of the Corporation.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Board of Directors and Management
Cuyahoga County Land Reutilization Corporation
Cuyahoga County, Ohio
812 Huron Road, Suite #800
Cleveland, Ohio 44115

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cuyahoga County Land Reutilization Corporation, Cuyahoga County, Ohio (the Corporation), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 9, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Cuyahoga County Land Reutilization Corporation
Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*
Page 2 of 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Corporation's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Corporation's responses to the findings identified in our audit and described in the accompanying corrective action plan. The Corporation's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
September 09, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors and Management
Cuyahoga County Land Reutilization Corporation
Cuyahoga County, Ohio
812 Huron Road, Suite #800
Cleveland, Ohio 44115

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cuyahoga County Land Reutilization Corporation's, Cuyahoga County, Ohio (the "Corporation") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Corporation's major federal program for the year ended December 31, 2024. The Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Cuyahoga County Land Reutilization Corporation
Independent Auditor's Report on Compliance for Each Major
Federal Program And Report on Internal Control Over Compliance
Required by the Uniform Guidance
Page 3 of 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
New Philadelphia, Ohio
September 09, 2025

Cuyahoga County Land Reutilization Corporation
Cuyahoga County, Ohio

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

FEDERAL GRANTOR <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	Federal AL Number	Pass Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through the City of East Cleveland</i>				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	26-4753241	\$ -	\$ 1,621,670
Total U.S. Department of Treasury				1,621,670
Total Expenditures of Federal Awards			\$ -	\$ 1,621,670

The accompanying notes are an integral part of this schedule.

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY, OHIO

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Cuyahoga County Land Reutilization Corporation (the Corporation) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position or changes in net position of the Corporation.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance

CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR §200.515
DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d) (1) (ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No
(d) (1) (vii)	Major Programs (list): COVID-19: Coronavirus State and Local Fiscal Recovery Funds	ALN #21.027
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: > all others
(d) (1) (ix)	Low-Risk Auditee under 2 CFR 200.520	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number: 2024-001
Material Weakness – Internal Controls Over Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the auditor to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
2 CFR §200.515
DECEMBER 31, 2024**

Finding Number: 2024-001 (continued)

Condition: There were material audit adjustments and reclassifications made to the financial statements presented for audit.

Context: The following audit adjustments were made to properly state the accounts as of year end.

- Gain on Sale of Assets Held for Resale and Professional Contract Services expense were overstated by \$4,904,927 for government wide activity and the General Fund.
- Intergovernmental Revenues in the General Fund were overstated and Operating Grant Revenues in the General Fund were understated by \$1,000,000.
- Pollution Remediation Liabilities and Professional Contract Services expense were overstated by \$8,399,808 in government wide activities.
- Operating Grants Revenues and Intergovernmental Receivables were overstated by \$8,399,808 in government wide activities and the General Fund.
- Accounts Receivable and Amounts Received as Fiscal Agent were overstated in custodial funds by \$3,497,936.

Cause: The Corporation had a new financial statement preparer in 2024, as well as turnover in key financial management positions. These changes led to misunderstandings in the preparation process between the financial statement preparer and management. As a result, misstatements and misclassifications were not identified and corrected prior to the submission of the financial statements into the Hinkle filing system.

Effect: Audit adjustments described above were necessary to properly present the financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation: The Corporation should implement and strengthen processes to review financial transactions and to ensure that transactions are recorded in accordance with GAAP.

Views of Responsible Officials and Corrective Action Plan: See Corrective Action Plan.

**Finding Number: 2024-002
Significant Deficiency – Internal Controls over Journal Entries**

Criteria: Internal controls should be in place to ensure all journal entries are reviewed and approved prior to being posted as well as ensure that all entries are appropriately recorded and have adequate supporting documentation.

Condition: In gaining an understanding of internal controls it was noted the Corporation did not maintain review and approval documentation for certain journal entries. It was also noted that there was an opportunity for improvement in the supporting documentation maintained to support journal entries.

Cause: Internal controls over manual journal entries were not properly designed and implemented.

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
2 CFR §200.515
DECEMBER 31, 2024

Finding Number: 2024-002 (continued)

Effect: The lack of internal controls over the manual journal entry process increases the risk of misstatements, fraud or errors not being detected and corrected in a timely manner.

Recommendation: The Corporation should review the internal control procedures over journal procedures to ensure there is proper review and approval of all entries and supporting documentation is maintained.

Views of Responsible Officials and Corrective Action Plan: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE



Cuyahoga County Land Reutilization Corporation

Cuyahoga County, Ohio

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

For the Year Ended December 31, 2024

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	Management takes the accuracy of the financial statements very seriously and has taken several steps in 2025 to strengthen internal controls. The Corporation has promoted several high performing members of its accounting team as well as hired two financial consultants, an interim Finance Director and an interim CFO to assist the finance team in improving overall financial reporting. Management has also implemented more frequent internal accounting meetings to increase communication and better respond to reporting risks. In addition, the Corporation is implementing a new accounting software designed to automate processes and improve financial reporting.	12/31/2025	Ricardo Leon, President & CEO
2024-002	The Corporation is currently reviewing journal entry procedures and will implement additional internal controls to ensure all entries are properly approved. In addition, management is implementing additional controls to ensure supporting documentation is maintained for all journal entries.	12/31/2025	Ricardo Leon, President & CEO

OHIO AUDITOR OF STATE KEITH FABER



CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 1/22/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov