Mahoning County Land Reutilization Corporation

Mahoning County, Ohio

(A Component Unit of Mahoning County, Ohio)

Basic Financial Statements

For the Year Ended
December 31, 2025

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Table of Contents

The discussion and analysis of the Mahoning County Land Reutilization Corporation's (the "Corporation") financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2025. The intent of this discussion and analysis is to look at the Corporation's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- The Corporation receives 5 percent of the delinquent taxes and assessment collections from Mahoning County. The Corporation reported $683,690 in 2025.

- Net position increased $5,093,056 in 2025. Further details will be discussed in this analysis.

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 assets. 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.

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Reporting 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.

Reporting the Corporation's Most Significant Fund

Fund Financial Statements

The presentation for the Corporation's only fund, the general fund, focuses on how resources flow into and out of it and the balance that is left at year end and available for spending in future periods. The general fund is reported using modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the Corporation's government constituents. The relationship (or difference) between governmental activities (reported on the Statement of Net Position and the Statement of Activities) and the general fund is reconciled in the financial statements.

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The Mahoning County Land Reutilization Corporation as a Whole

Recall that the Statement of Net Position provides the perspective of the Corporation as a whole.

Table 1 provides a summary of the Corporation's net position for 2025 compared to 2024:

Table 1
Net Position

	2025	Restated 2024	Change
Assets			
Current and Other Assets	$ 10,973,967	$ 4,556,893	$ 6,417,074
Capital Assets Being Depreciated/Amortized	120,129	134,014	(13,885)
Total Assets	11,094,096	4,690,907	6,403,189
Liabilities			
Current and Other Liabilities	2,442,217	1,107,123	1,335,094
Long-Term Liabilities			
Due Within One Year	102,522	92,671	9,851
Due in More Than One Year	86,533	121,345	(34,812)
Total Liabilities	2,631,272	1,321,139	1,310,133
Net Position			
Net Investment in Capital Assets	6,481	(10,779)	17,260
Unrestricted	8,456,343	3,380,547	5,075,796
Total Net Position	$ 8,462,824	$ 3,369,768	$ 5,093,056

Current and other assets increased from the prior year. This increase was primarily due to an increase in assets held for resale. The increase in current and other liabilities was primarily due increased accounts payable for demolitions and property purchases which were offset by decreases in unearned revenue and line of credit payable.

Table 2
Change in Net Position

	2025	Restated 2024	Change
Revenues			
Program Revenues:			
Operating Grants	$ 10,106,522	$ 8,481,284	$ 1,625,238
General Revenues:			
Intergovernmental	683,690	628,541	55,149
Interest	9,246	4,536	4,710
Donations	64,260	-	64,260
Sale of Inventoried Assets	1,286,186	56,369	1,229,817
Other	43,436	1,866	41,570
Total General Revenues	2,086,818	691,312	1,395,506
Total Revenues	12,193,340	9,172,596	3,020,744
Program Expenses			
General Government:			
Professional and Contract Services	6,349,264	6,497,687	(148,423)
Administration	731,714	739,611	(7,897)
Interest and Fiscal Charges	19,306	58,962	(39,656)
Total Program Expenses	7,100,284	7,296,260	(195,976)
Increase (Decrease) in Net Position	5,093,056	1,876,336	3,216,720
Net Position Beginning of Year	2,066,299	1,493,432	572,867
Net Position End of Year	$ 7,159,355	$ 3,369,768	$ 3,789,587

Operating grants increased and professional and contract services decreased from the prior year. Operating grants increased primarily due to an increase in brownfield grants received. Professional and contract services decreased due to a reduction of remediation work done on properties where the land bank was the lead entity. Sale of inventoried assets increased due to an increase of properties sold by the Corporation compared to 2024.

The Corporation's Fund

This Corporation's governmental fund is accounted for using the modified accrual basis of accounting.

The Corporation had general fund revenues and other financing sources of $13,829,946 and expenditures of $7,126,653 for an increase of $6,703,293 in fund balance. The largest increase in revenue is from operating grants for ongoing projects. The main expenditures are from professional and contract services primarily resulting from demolition projects which decreased from 2025.

Budgeting

There are no budgetary requirements for the Corporation identified in the Ohio Revised Code. The Corporation's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary process that is followed is for control purposes.

Capital Assets

As of fiscal year-end, the Corporation has $120,129 invested in capital assets. See Note 5 for more information.

Debt

As of fiscal year-end, the Corporation has $113,648 in lease liabilities. Lease liabilities decreased due to principal payments exceeding new leases. See Note 8 for more information.

Current Financial Related Activities

The Corporation has been designated by Mahoning County, Ohio as its agent for the reclamation, rehabilitation and reutilization of vacant, abandoned, tax-foreclosed and other real property in Mahoning County. Principal operating revenues of the Corporation include contributions from Mahoning County's delinquent tax assessment collection fund.

The Ohio Legislature adopted biennial budgets in July 2021 and 2023 that included $150 million per biennium toward demolition of vacant, abandoned, damaged residential and non-brownfield commercial properties, and $350 million per biennium to remediate brownfield properties. The Ohio Department of Development began to receive residential demolition applications in October 2021 and brownfield remediation applications in December 2023 from qualified entities, which include county land banks. Each county is eligible, in designated rounds, for match-free reimbursements of up to $500,000 for residential and non-brownfield commercial properties and up to $1 million for brownfield remediation and demolition. ODOD awarded remaining funds in each program on a competitive basis.

Also in 2025, the Corporation was awarded grants of $2.415 million and $5 million, respectively, through a new state program. Known as Welcome Home Ohio, it is disbursing up to $100 million in grants to help county land banks purchase, rehabilitate, or build qualifying residential properties for income-eligible Ohioans

Furthermore, in 2025, the Corporation sold or signed agreements to sell 102 parcels of vacant land to new owners for economic development and/or neighborhood enhancement projects.

Contacting the Corporation's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Mahoning County Treasurer, Chairman, Mahoning County Land Reutilization Corporation, 100 East Federal Street, Youngstown, Ohio 44503.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 2,398,369
Accounts Receivable	12,453
Intergovernmental Receivable	2,662,464
Prepaid Items	13,316
Assets Held for Resale	5,881,421
Restricted Cash and Cash Equivalents	5,944
Capital Assets Being Depreciated/Amortized (Net)	120,129
Total Assets	11,094,096
Liabilities	
Accounts Payable	2,173,352
Accrued Wages	16,187
Accrued Expenses	33,103
Customer Deposits	5,944
Unearned Revenue	213,631
Long Term Liabilities:	
Due Within One Year	102,522
Due In More Than One Year	86,533
Total Liabilities	2,631,272
Net Position	
Net Investment in Capital Assets	6,481
Unrestricted	8,456,343
Total Net Position	$ 8,462,824

See accompanying notes to the basic financial statements.

No assurance is provided on these financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental Activities			
General Government:			
Professional and Contract Services	$ 6,349,264	$ 10,106,522	$ 3,757,258
Administration	731,714	-	(731,714)
Interest and Fiscal Charges	19,306	-	(19,306)
Total	$ 7,100,284	$ 10,106,522	3,006,238
General Revenues:			
Intergovernmental			683,690
Interest			9,246
Donations			64,260
Sale of Inventoried Assets			1,286,186
Other			43,436
Total General Revenues			2,086,818
Change in Net Position			5,093,056
Net Position Beginning of Year, as previously presented			2,066,299
Error Correction - See Note 10			1,303,469
Net Position Beginning of Year, as ajdusted			3,369,768
Net Position End of Year			$ 8,462,824

See accompanying notes to the basic financial statements.
No assurance is provided on these financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Balance Sheet
Governmental Fund
December 31, 2025

	General Fund
Assets	
Cash and Cash Equivalents	$ 2,398,369
Receivables:	
Accounts	12,453
Intergovernmental	2,662,464
Prepaid Items	13,316
Assets Held for Resale	5,881,421
Restricted Assets:	
Restricted Cash and Cash Equivalents	5,944
Total Assets	$ 10,973,967
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ 2,173,352
Accrued Wages	16,187
Accrued Expenses	33,103
Customer Deposits	5,944
Unearned Revenue	213,631
Total Liabilities	2,442,217
Deferred Inflows of Resources	
Unavailable Revenue	14,443
Fund Balance	
Nonspendable	5,894,737
Unassigned	2,622,570
Total Fund Balance	8,517,307
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 10,973,967

See accompanying notes to the basic financial statements.
No assurance is provided on these financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2025

Total Governmental Fund Balance		$	8,517,307
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 fund.			120,129
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the fund.			
Accounts Receivable	11,543		
Intergovernmental Receivable	2,900		14,443
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences	75,407		
Lease Payable	113,648		(189,055)
Net Position of Governmental Activities		$	8,462,824

See accompanying notes to the basic financial statements.
No assurance is provided on these financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)
Statement of Revenues, Expenditures and Change in Fund Balance
Governmental Fund
For the Year Ended December 31, 2025

	General
Revenues:	
Intergovernmental	$ 683,690
Operating Grants	11,729,127
Donations	64,260
Sales of Inventoried Assets	1,279,109
Other	52,682
Total Revenues	13,808,868
Expenditures:	
Current:	
General Government:	
Professional and Contract Services	6,343,479
Administration	711,644
Debt Service:	
Principal Retirement	52,225
Interest and Fiscal Charges	19,305
Total Expenditures	7,126,653
Other Financing Sources and Uses:	
Inception of Lease	21,078
Net Change in Fund Balance	6,703,293
Fund Balance at Beginning of Year	1,814,014
Fund Balance at End of Year	$ 8,517,307

See accompanying notes to the basic financial statements.
No assurance is provided on these financial statements.

Mahoning County Land Reutilization Corporation
Mahoning County, Ohio
(A Component Unit of Mahoning County, Ohio)

Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Net Change in Fund Balance - Total Governmental Fund		$	6,703,293
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/amortization expense.			
Capital Asset Additions	39,156		
Current Year Depreciation/Amortization	(49,584)		(10,428)
Net effect of transactions involving sale of capital assets are not reflected in the fund.			(3,457)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.			
Sales of Inventoried Assets	7,077		
Operating Grants	(1,628,390)		(1,621,313)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			
Lease			52,225
Inception of lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.			
Inception of Lease			(21,078)
Some expenses reported in the statement of activities do not use the current financial resources and therefore, are not reported as expenditures in governmental fund.			
Compensated Absences			(6,186)
Change in Net Position of Governmental Activities		$	5,093,056

See accompanying notes to the basic financial statements.
No assurance is provided on these financial statements.

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Mahoning County Land Reutilization Corporation (the Corporation) is a not for profit community improvement corporation, organized on Feb. 24, 2011 by the Board of County Commissioners of Mahoning County under the authority of Chapter 1724, Ohio Revised Code.

The Corporation's governing body is a nine member Board of Directors, consisting of the County Treasurer, two representatives of the Board of County Commissioners, a representative of the largest municipality, a representative of a township with 10,000 or more residents, a representative of small cities and villages, a representative of a township with fewer than 10,000 residents, a citizen representative and a real estate representative.

The Corporation is classified as a component unit of Mahoning County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and GASB Statement No. 61.

The Corporation is dedicated to strategically acquiring tax foreclosed property and other foreclosed property from Common Pleas Court proceedings, Sheriff's Sale, Bank Real Estate Owned, County Auditor, 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 include organizations for which the Corporation authorizes the issuance of debt, or the levying of taxes or determines the budget. There are no component units included as part of this report.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 below.

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are considered business-type. The Corporation, however, does not have 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 self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

During the year, the Corporation segregates transactions related to certain Corporation functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Corporation at this more detailed level. The Corporation's general fund is its only governmental fund.

Fund Accounting

The Corporation uses fund accounting to segregate cash and investments that are restricted as to use. A fund is a separate accounting entity with a self-balancing set of accounts recording cash and financial resources, together with all related liabilities and residual equities or balances, and attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the Corporation's fund is classified as governmental.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the Corporation's only governmental fund:

> ***General Fund*** - The general fund accounts for all financial resources that are received from the County Auditor from 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.

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 net position.

Fund Financial Statements

The general fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets 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 manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between government-wide statements and the statements for the general fund.

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. The general fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, 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 resources to be used for a specified purpose, and expenditure requirements, in which the resources 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.

Gift Acceptance

The Corporation will accept stock, structures, land, cash or other negotiable instruments as a vehicle for donors to transfer assets to the Corporation. Donations are recorded at fair market value at the time of the contribution. Transfer and recording the value of the asset shall be done in a consistent manner and in compliance with accounting standards. The Executive Director shall sell any stock given to the Corporation immediately upon receipt by the Corporation.

The Corporation shall accept contributions for goods or services other than cash that are related to the programs and operation of the Corporation. Any other contributions of non-cash items must be reviewed and approved by the Board of Directors before acceptance.

Unearned Revenue

Unearned revenue represents amounts received in advance that are used to maintain properties prior to their sale. Unearned Revenue also includes match money received for Ohio Department of Development grants, for which expenses have not been incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

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 budgetary process that is followed by the Corporation is for control purposes and is set forth in its Control Policies. The annual organizational budget must be completed at least thirty days prior to the end of the preceding fiscal year, and approved by the Board of Directors no later than the end of the preceding fiscal year. In the absence of an annual organizational budget, the Executive Director lacks the authority and the capacity to make any financial decisions for the organization. The budget is compiled by the Finance Committee, the Executive Director and the Fiscal Officer.

The organizational budget must be prepared on an accrual basis according to the organization's chart of accounts:

- Assets: current, fixed and other
- Liabilities: current and long-term
- Net position: restricted and unrestricted
- Revenues
- Expenditures

The budget must be presented to the Board of Directors for approval.

The Board of Directors, the Finance Committee, the Executive Director and/or the Fiscal Officer may request or require organizational budget changes when material changes in plans, transaction amounts, and/or program budgets necessitate. The revised budget must be approved by the Board of Directors before being implemented. Where the budget total does not change, the Executive Director is authorized to transfer monies between line items in the Corporation's operating budget, not to exceed the total dollar amount of $1,500 per line item.

Cash and Cash Equivalents

Cash held by the Corporation is reflected as "Cash and Cash Equivalents."

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. The Corporation had no investments during the year or at the end of the year.

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.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued at the net realizable value. The Corporation holds the properties until the real estate is either sold to a new owner or an individual who will reuse the property.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the assets. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Customer deposits have been restricted because the deposit remains the property of the customer. The restricted asset account is balanced by a customer deposit liability account.

Capital Assets

The Corporation's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the general fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Corporation maintains a capitalization threshold of five hundred dollars.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method for furniture and equipment with a useful life of 5 to 10 years.

The Corporation is reporting intangible right to use assets related to leased buildings and equipment. These intangible 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. The building has a useful life of 5 years.

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 and claims and judgements 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.

Compensated Absences

For the Corporation, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the Corporation, this includes sick and vacation leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). The Corporation uses the LIFO flows assumption.

The amount of compensated absences recognized as expenditures in financial statements prepared using the current financial resources measurement focus should be the amount that normally would be liquidated with expendable available financial resources.

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 interfund loans, 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 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 (ordinance or resolution, as both are equally binding) 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 (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Executive Director, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been committed for use in satisfying those contractual requirements.

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 the general fund, assigned amounts represent intended uses established by the Board or a Corporation official delegated that authority, or by State Statute. The Corporation has, by resolution, authorized the Executive Director to assign fund balance. State statute authorizes the Executive Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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 assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, 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.

Intergovernmental Revenue

The Corporation receives operating income through Mahoning County. This money represents the penalties and interest on current unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are paid to the Corporation upon the Corporation's written request.

Estimates

The preparation of 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.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Corporation Administration and that are either unusual in nature or infrequent in occurrence. The Corporation had no extraordinary or special items during 2025.

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial credit risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it.

Deposits – At December 31, 2025, $500,000 of the Corporation's bank balance of $2,415,614 was covered by the Federal Deposit Insurance Corporation, the remaining $1,915,614 of the Corporation's bank balance was exposed to custodial credit risk. The Corporation's financial institution participates in the Ohio Pooled Collateral System (OPCS).

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:

1. 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 105 percent of the deposits being secured; or

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

NOTE 4 - 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 2025, the Corporation maintained suitable insurance coverage.

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.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets during 2025 follows:

	Balance 12/31/2024	Additions	Disposals	Balance 12/31/2025
Capital Assets Being Depreciated/Amortized:				
Furniture & Equipment	$ 20,022	$ 18,078	$ (3,042)	$ 35,058
Leased Equipment (intangible asset)	18,519	21,078	(18,519)	21,078
Leased Building (intangible asset)	225,769	-	-	225,769
Total Capital Assets Being Depreciated/Amortized	264,310	39,156	(21,561)	281,905
Less Accumulated Depreciation/Amortization:				
Furniture & Equipment	(16,002)	(1,323)	2,634	(14,691)
Leased Equipment (intangible asset)	(12,698)	(3,107)	15,470	(335)
Leased Building (intangible asset)	(101,596)	(45,154)	-	(146,750)
Total Accumulated Depreciation/Amortization	(130,296)	(49,584)	18,104	(161,776)
Capital Assets, Net	$ 134,014	$ (10,428)	$ (3,457)	$ 120,129

Depreciation and amortization expense of $49,584 was charged to administration expense.

NOTE 6 – EMPLOYEE BENEFITS

Compensated Absences

The Corporation employees earn vacation leave at varying rates based upon length of service. Employees earn two to five weeks of vacation per year, depending upon length of service. Annual vacation eligibility is as of the anniversary of employment and unused vacation may be carried over indefinitely.

After one (1) full year of service with Mahoning County Land Reutilization Corporation, an employee will be credited with vacation earned during the first year of employment. New employees with no prior public service are eligible for paid vacation only after one (1) full year of employment. If a new employee with no prior service credit terminates employment before serving one (1) full year of employment, he/she will receive no vacation pay out. Otherwise, when an employee terminates employment, he or she will receive the balance of unused, earned vacation time.

Employees earn sick leave at the rate of 4.6 hours per 80 hours worked with no maximum accumulation. No sick leave is paid out at termination, but upon retirement, employees receive 25 percent of their sick leave balance not to exceed 240 hours.

Overtime compensation will be taken as compensatory time. Time worked over forty (40) hours in a work week will be compensated at 1-1/2 hours for each hour worked. The maximum number of compensatory hours that an employee may accrue is eighty (80) hours within the same calendar year. Any employee who has reached this maximum shall not work any additional overtime until the employee's accrued compensatory time has fallen below the maximum allowed, unless the employee receives advanced written authorization from the Executive Director. An employee is encouraged to use all his/her compensatory time within the same calendar year in which it is earned. However, the employee may carry over a maximum of forty (40) hours of compensatory time beyond the calendar year in which it is earned. Any compensatory time that an employee has accrued that cannot be carried over as a result of the forty-hour (40 hr.) limit, must be paid on December 31 of the calendar year in which it was accrued. At no time will an employee be paid for any compensatory time not utilized during the calendar year in excess of forty (40) hours. Any compensatory time that is not paid at the end of the calendar year or is not carried over shall lapse.

Health Insurance Benefits

The Corporation makes available to all full time employees comprehensive major medical/hospitalization health care insurance. Participating employees may elect coverage (i.e. single, family, etc.) as provided under the offered plan(s). Eligible employees may elect applicable coverage. Employee participation costs, as may be applicable, shall be made through payroll deduction. The employer shall contribute ninety percent (90 percent) and eligible employees shall contribute ten percent (10 percent) for the premium cost of health care coverage. Employees will split the cost of any increase in premium cost on the basis of the same 90 percent expenditure by management and 10 percent expenditure by employees. Eligible employees may opt out from the hospitalization plat at a rate of $150 per month, minus taxes paid on 12 pays.

Retirement Benefits

The Corporation adopted a 401(k) plan for employees ages 21 and older who work 1,000 or more hours of service per year of eligibility. The plan consists of an annual lump sum contribution by the Corporation, based on up to 10 percent of each employee's earned wages, and elective deferrals by employees with matching amounts paid by the Corporation, up to 8 percent per employee. Each qualifying participant's individual account will receive an annual pro rata allocation, based on the qualifying participant's compensation in relation to the total compensation of all qualifying participants. Plan documents are available from the Fiscal Officer.

Social Security

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2025 consisted of accounts receivable from customers and intergovernmental receivables. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for December 31, 2024 are as follows:

	Balance 12/31/2024	Additions	Reductions	Balance 12/31/2025	Due within One Year
Lease Payable	$ 144,795	$ 21,078	$ 52,225	$ 113,648	$ 54,457
Compensated Absences	69,221	6,186 *	-	75,407	48,065
Total	$ 214,016	$ 27,264	$ 52,225	$ 189,055	$ 102,522

* The change in the compensated absences liability is presented as a net change.

A summary of the principal and interest amounts for the remaining leases is as follows:

Year Ending December 31,	Lease Obligations Principal	Interest
2026	$ 54,457	$ 7,155
2027	45,833	2,381
2028	3,975	624
2029	4,195	404
2030	4,427	172
2031	761	5
Total	$ 113,648	$ 10,741

The Corporation has outstanding agreements to lease a building and office space. The building lease was entered into on September 30, 2022 and will continue for a term of five years. The lease for the copier was entered into on December 1, 2025 and will end on November 30, 2031. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the Corporation. 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 amortized over the life of the lease.

The Corporation has a $1,250,000 line of credit with the First National Bank of Pennsylvania with a variable interest rate. The Corporation's line of credit was paid in full as of December 31, 2025.

NOTE 9 – FUND BALANCE

Fund balance can be 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 governmental fund.

Fund Balance		General Fund
Nonspendable:		
Assets Held for Resale	$	5,881,421
Prepaids		13,316
Total Nonspendable		5,894,737
Unassigned		2,622,570
Total Fund Balance	$	8,517,307

NOTE 10 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

Implementation of New Accounting Principles

For the year ended December 31, 2025, the Corporation has implemented GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the Corporation.

Restatement of Net Position

During 2025, it was determined that the remediation liability was incorrectly reported by the Corporation by including properties for which the Corporation had no legal responsibility for pollution remediation. This resulted in an overstatement of the Corporation's Governmental Activities liability and professional and contract services expense. The impact of this restatement on Net Position is reflected in the table below:

		Governmental Activities
December 31, 2024, as previously reported	$	2,066,299
Error correction		1,303,469
December 31, 2024, as adjusted or restated	$	3,369,768