



**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2013



Dave Yost • Auditor of State

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Cuyahoga County Land Reutilization Corporation
Cuyahoga County
323 West Lakeside Avenue, Suite 160
Cleveland, Ohio 44113

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Cuyahoga County Land Reutilization Corporation, Cuyahoga County, Ohio (the Corporation), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Corporation's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Cuyahoga County Land Reutilization Corporation, Cuyahoga County, Ohio, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Corporation's basic financial statements taken as a whole.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund presents additional analysis and is not a required part of the basic financial statements.

The Federal Awards Expenditures Schedule also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2014, on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State
Columbus, Ohio

August 6, 2014

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Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2013

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, 2013. 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 2013 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.
- Effective August 1, 2012, and presently running through May 31, 2014, the State of Ohio Attorney General's Office granted the Corporation as the lead entity, \$11,850,744 in grant monies. The money was to be used for residential demolition in Cuyahoga County. There are matching funds commitments by the Corporation and the Cuyahoga County Prosecutor's Office in order to obtain this money, which total to \$23,201,488. From these funds there was the obligation of the Corporation to reimburse/match the City of Cleveland's related demolition work with a total of \$8 million over this period of time. As of the end of 2013, the majority of this grant money had been received by the Corporation and the reimbursement/ match money to the City of Cleveland had been disbursed.

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.

Cuyahoga County Land Reutilization Corporation
Management's Discussion and Analysis
For the Year Ended December 31, 2013
Unaudited

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 those assets. 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.

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 Fund

Governmental Fund

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.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

The Cuyahoga County Land Reutilization Corporation as a Whole

Recall that the Statement of Net Position looks at the Corporation as a whole. Table 1 provides a summary of the Corporation's net position for 2013 and 2012.

Table 1
Net Position

	2013	2012
Assets		
Current and Other Assets	\$40,823,177	\$29,620,019
Depreciable Capital Assets	86,678	96,919
<i>Total Assets</i>	<u>40,909,855</u>	<u>29,716,938</u>
Liabilities		
Current and Other Liabilities	1,498,142	3,642,977
Long-Term Liabilities:		
Due Within One Year	1,280,000	1,237,008
Due In More Than One Year	4,145,000	5,425,000
<i>Total Liabilities</i>	<u>6,923,142</u>	<u>10,304,985</u>
Net Position		
Net Investment in Capital Assets	86,678	94,911
Unrestricted	33,900,035	19,317,042
<i>Net Position</i>	<u>\$33,986,713</u>	<u>\$19,411,953</u>

Cash collected by the Corporation is deposited into a checking account for operating purposes along with the majority of the funds kept in savings accounts currently paying interest at 0.15 percent to maximize the Corporation's funds. During 2013, cash and cash equivalents had a small decrease of \$13,058 from 2012.

Assets held for resale showed a \$11,611,412 increase over 2012.

Receivables at December 31, 2013, consisted of funds due from the County Fiscal Officer, funds due from the Neighborhood Stabilization Program-III (NSP-III), Environmental Protection Agency, and the Ohio Attorney General Demolition grants and loans. Intergovernmental receivables decreased due to the NSP-III and Ohio Attorney General grants winding down during 2012. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

The decrease in liabilities was the result of the Corporation paying match money to the City of Cleveland before year end in 2013, as well as the paydown of the outstanding general obligation bonds.

Further details of the changes in net position between 2013 and 2012 can be observed in Table 2.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

Table 2
Changes in Net Position

	<u>2013</u>	<u>2012</u>
Revenues		
General Revenues		
Intergovernmental	\$7,000,000	\$7,000,000
Operating Grants	15,024,732	25,823,602
Interest	21,492	20,024
Miscellaneous	1,104,300	1,171,912
<i>Total General Revenues</i>	<u>23,150,524</u>	<u>34,015,538</u>
Program Expenses		
Professional and Contract Services	4,860,777	23,909,986
Indirect Salaries	2,104,975	2,236,383
Administration	1,359,931	751,128
Interest and Fiscal Charges	250,081	298,978
<i>Total Program Expenses</i>	<u>8,575,764</u>	<u>27,196,475</u>
<i>Increase in Net Position</i>	14,574,760	6,819,063
<i>Net Position Beginning of Year</i>	<u>19,411,953</u>	<u>12,592,890</u>
<i>Net Position End of Year</i>	<u>\$33,986,713</u>	<u>\$19,411,953</u>

Revenues decreased due to decreased operating grants remaining from the County and Federal grants related to the Consortium, as well as the Ohio Attorney General's Moving Ohio Forward grants. Professional and contract services decreased due to fewer properties acquired during 2013 and fewer expenses related to the Federal grants received and used by the Consortium mentioned previously.

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

The Corporation expenses decreased due to lower disbursements related to lower grant partner revenues, decreased accounts, accrued wages and intergovernmental payables, as well as an increase in assets being held for resale.

The Corporation's Fund

Information about the Corporation's governmental fund begins on page 13. This fund is accounted for using the modified accrual basis of accounting. The Corporation had governmental revenues of \$23,150,524 and expenditures of \$9,803,016.

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2013

Unaudited

Budgeting Highlights

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

During the course of 2013, the Corporation amended its general fund budget. All recommendations for a budget change come from the Corporation's Director of Finance to the Board of Directors for resolution enactment on the change. The general fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

Original and final budgeted revenues for the general fund were \$25,174,880, and the actual revenue was \$23,464,022. The major factor contributing to the decrease of actual revenues as compared to original and final budgeted revenues was an decrease in grant income from the County from the Corporation's estimates. Actual expenditures were \$1,004,140 less than the final budget estimates due to conservative budgeting.

Capital Assets

During 2013, the Corporation had \$86,678 of furniture and equipment. See Note 6 of the basic financial statements for additional information on capital assets.

Debt

At the end of 2013, the Corporation had \$5,425,000 in bonds, with \$1,280,000 due within one year. See Note 9 of the basic financial statements for additional information on debt.

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 Michael DiMartino, Director of Finance, Cuyahoga County Land Reutilization Corporation, 323 West Lakeside Avenue, Suite 160, Cleveland, Ohio 44113.

Basic Financial Statements

Cuyahoga County Land Reutilization Corporation

Statement of Net Position

For the Year Ended December 31, 2013

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$11,123,922
Cash Equivalents Held by Trustee	2,395,348
Accounts Receivable	3,679
Intergovernmental Receivable	106,301
Prepaid Items	52,361
Loans Receivable	546,675
Assets Held for Resale	26,594,891
Depreciable Capital Assets, Net	86,678
<i>Total Assets</i>	<u>40,909,855</u>
Liabilities	
Accounts Payable	1,221,226
Accrued Wages	93,357
Vacation Benefits Payable	64,394
Intergovernmental Payable	101,534
Accrued Interest Payable	17,631
Long-Term Liabilities:	
Due Within One Year	1,280,000
Due In More Than One Year	4,145,000
<i>Total Liabilities</i>	<u>6,923,142</u>
Net Position	
Net Investment in Capital Assets	86,678
Unrestricted	33,900,035
<i>Total Net Position</i>	<u><u>\$33,986,713</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Statement of Activities

For the Year Ended December 31, 2013

	<u>Governmental Activities</u>
Expenses:	
Land Reutilization	
Professional and Contract Services	\$4,860,777
Indirect Salaries	2,104,975
Administration	1,359,931
Interest and Fiscal Charges	<u>250,081</u>
<i>Total Program Expenses</i>	<u>8,575,764</u>
General Revenue:	
Intergovernmental	7,000,000
Operating Grants	15,024,732
Interest	21,492
Miscellaneous	<u>1,104,300</u>
<i>Total General Revenues</i>	<u>23,150,524</u>
<i>Increase in Net Position</i>	14,574,760
<i>Net Position Beginning of Year</i>	<u>19,411,953</u>
<i>Net Position End of Year</i>	<u><u>\$33,986,713</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Balance Sheet

Governmental Fund

December 31, 2013

	<u>General Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,123,922
Accounts Receivable	3,679
Intergovernmental Receivable	106,301
Prepaid Items	52,361
Loans Receivable	546,675
Assets Held for Resale	26,594,891
Restricted Assets:	
Cash Equivalents Held by Trustee	<u>2,395,348</u>
<i>Total Assets</i>	<u><u>\$40,823,177</u></u>
Liabilities and Fund Balance	
<i>Liabilities:</i>	
Accounts Payable	\$1,221,226
Accrued Wages	93,357
Intergovernmental Payable	<u>101,534</u>
<i>Total Liabilities</i>	<u>1,416,117</u>
Fund Balance	
Nonspendable	27,193,927
Restricted	2,395,348
Unassigned	<u>9,817,785</u>
<i>Total Fund Balance</i>	<u>39,407,060</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$40,823,177</u></u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2013

Total Governmental Fund Balances	\$39,407,060
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*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.	86,678
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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.	(64,394)
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Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(17,631)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	<u>(5,425,000)</u>

<i>Net Position of Governmental Activities</i>	<u><u>\$33,986,713</u></u>
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See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2013

	General Fund
Revenues	
Intergovernmental	\$7,000,000
Operating Grants	15,024,732
Interest	21,492
Other	1,104,300
<i>Total Revenues</i>	<i>23,150,524</i>
Expenditures	
Professional and Contract Services	4,860,777
Indirect Salaries	2,101,446
Administration	1,349,690
Debt Service:	
Principal Retirement	1,237,008
Interest and Fiscal Charges	254,095
<i>Total Expenditures</i>	<i>9,803,016</i>
<i>Net Change in Fund Balances</i>	<i>13,347,508</i>
<i>Fund Balance Beginning of Year</i>	<i>26,059,552</i>
<i>Fund Balance End of Year</i>	<i>\$39,407,060</i>

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 Fund to the Statement of Activities
For the Year Ended December 31, 2013*

Net Change in Fund Balance -Total Governmental Fund	\$13,347,508
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*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 depreciation exceeded capital outlay in the current period.

Capital Asset Additions	15,497	
Current Year Depreciation	<u>(20,535)</u>	
Total		(5,038)

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.	(5,203)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,014
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,237,008
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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.	<u>(3,529)</u>
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<i>Change in Net Position of Governmental Activities</i>	<u><u>\$14,574,760</u></u>
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See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2013

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 a seven member Board of Directors, consisting of the County Fiscal Officer, the County Executive or their designee, a member of the County Council, two representatives of the City of Cleveland, and the remaining members selected by the County Executive, County Treasurer, and County Council representative. The Corporation is classified as a related organization of Cuyahoga County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39. The Board resolved to expand its membership to nine on October 28, 2011.

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. 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.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2013

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Corporation as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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 is self-financing or draws from the general revenues of the Corporation.

Fund Financial Statements

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

Fund Accounting

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

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

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be repaid. The difference between governmental fund assets 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 Fiscal Officer 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.