



**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

**CUYAHOGA COUNTY LAND REUTILIZATION CORPORATION
CUYAHOGA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Cuyahoga County Land Reutilization Corporation
Cuyahoga County
812 Huron Road East, Suite 800
Cleveland, Ohio 44115

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the General 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, 2018, 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 such 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, the General Fund, and the aggregate remaining fund information of the Cuyahoga County Land Reutilization Corporation, Cuyahoga County, Ohio, as of December 31, 2018, 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the Corporation restated its governmental activities' net position and General Fund fund balance at December 31, 2017 due to an accounting change related to assets held for resale. We did not modify our opinion regarding this matter.

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*, 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 schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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, this information is 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 22, 2019, 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.



Keith Faber
Auditor of State

Columbus, Ohio

August 22, 2019

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Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2018

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, 2018. 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 2018 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 an increase in revenues from 2017 to 2018 due to increased grant monies. During 2018, the Corporation's net position increased by \$3,005,699.

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, 2018

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 Fund

Governmental Fund

The presentation for the Corporation's only governmental 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.

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 2018 and 2017.

Table 1
Net Position

	2018	2017
Assets		
Current and Other Assets	\$17,974,905	\$16,067,275
Capital Assets	228,702	80,332
<i>Total Assets</i>	<u>18,203,607</u>	<u>16,147,607</u>
Liabilities		
Current and Other Liabilities	3,534,832	4,484,531
Net Position		
Investment in Capital Assets	228,702	80,332
Unrestricted	14,440,073	11,582,744
<i>Net Position</i>	<u>\$14,668,775</u>	<u>\$11,663,076</u>

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2018

Unaudited

Cash collected by the Corporation is deposited into a checking account for operating purposes. During 2018, cash and cash equivalents had an increase of \$2,679,859 from 2017 due primarily to an increase in operating grants and contributions.

Assets held for resale showed an \$80,716 decrease from 2017.

Receivables at December 31, 2018, consisted of funds due from the Ohio Housing Finance Agency (OHFA) Neighborhood and various other sources. Intergovernmental receivables decreased due to grant receipts at from OHFA and other sources collected prior to year end. Allowance for doubtful accounts were not recorded because all receivables are expected to be collected.

The decrease in liabilities was primarily due to a decrease in accounts payable and intergovernmental payable. The unearned revenue represents monies received from the Hardest Hit Fund (HHF) program of the OHFA, but not yet earned.

Further details of the changes in net position between 2018 and 2017 can be observed in Table 2.

Table 2
Changes in Net Position

	2018	2017
Revenues		
Program Revenues:		
Charges for Services	\$0	\$7,500
Operating Grants and Contributions	19,583,438	16,360,099
Total Program Revenues	19,583,438	16,367,599
General Revenues:		
Intergovernmental	7,000,000	7,000,000
Investment Income	188,117	27,340
Gain on Sale of Assets Held for Resale	1,152,733	0
Other	988,123	2,617,367
Total General Revenues	9,328,973	9,644,707
Total Revenues	28,912,411	26,012,306
Program Expenses		
Professional and Contract Services	21,012,736	23,036,746
Indirect Salaries	3,621,606	2,840,445
Administration	1,272,370	1,391,835
Total Program Expenses	25,906,712	27,269,026
Change in Net Position	3,005,699	(1,256,720)
Net Position Beginning of Year	11,663,076	12,919,796
Net Position End of Year	\$14,668,775	\$11,663,076

Cuyahoga County Land Reutilization Corporation
Management's Discussion and Analysis
For the Year Ended December 31, 2018
Unaudited

Governmental Activities

Revenues increased by \$2,900,105, primarily due to a gain on assets held for resale and the receipt of more grant monies which was offset by a decrease in demolition fee reimbursements in 2018 over 2017.

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's expenses decreased due to careful monitoring and prudent spending.

The Corporation's Fund

Information about the Corporation's governmental fund begins on page 14. This fund is accounted for using the modified accrual basis of accounting. The Corporation had governmental revenues and other financing sources of \$28,912,411 and expenditures of \$26,078,616.

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.

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 \$24,733,500 and the actual revenue was \$29,196,955. The major factor contributing to the increase of actual revenues as compared to original and final budgeted revenues was an increase in operating grants from the Corporation's estimates. Actual expenditures were \$2,896,893 more than the final budget estimates due primarily to higher than expected costs of professional and contract services. This budgetary information can be found on page 31 under Supplementary Information.

Capital Assets

Capital Assets at December 31
(Net of Depreciation)

Table 3

	2018	2017
Furniture and Equipment	\$205,936	\$50,880
Computer Software	22,766	29,452
Total Capital Assets	\$228,702	\$80,332

Cuyahoga County Land Reutilization Corporation

Management's Discussion and Analysis

For the Year Ended December 31, 2018

Unaudited

During 2018, the Corporation had \$228,702 of furniture and equipment and an intangible asset for internally generated software. During 2018, the corporation replaced much of its outdated equipment, resulting in an increase in capital assets. See Note 6 of the basic financial statements for additional information on capital assets.

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 Ronald Pavlovich, Director of Finance, Cuyahoga County Land Reutilization Corporation, 812 Huron Road E, Suite 800, Cleveland, Ohio 44115.

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Cuyahoga County Land Reutilization Corporation

Statement of Net Position

December 31, 2018

	Primary Government	
	Governmental Activities	Component Unit
Assets		
Equity in Pooled Cash and Cash Equivalents	\$12,459,351	\$162,083
Accounts Receivable	24,835	37
Intergovernmental Receivable	2,454,146	16,640
Accrued Interest Receivable	14,351	0
Prepaid Items	140,145	6,742
Due from Component Unit	115,265	0
Due from Primary Government	0	33,540
Loans Receivable	367,267	0
Assets Held for Resale	2,399,545	0
Depreciable Capital Assets, Net	228,702	19,952
<i>Total Assets</i>	<u>18,203,607</u>	<u>238,994</u>
Liabilities		
Accounts Payable	1,795,994	7,043
Due to Component Unit	33,540	0
Due to Primary Government	0	115,265
Vacation Benefits Payable	73,362	2,940
Intergovernmental Payable	10,196	0
Unearned Revenue	1,621,740	0
<i>Total Liabilities</i>	<u>3,534,832</u>	<u>125,248</u>
Net Position		
Investment in Capital Assets	228,702	19,952
Unrestricted	14,440,073	93,794
<i>Total Net Position</i>	<u>\$14,668,775</u>	<u>\$113,746</u>

See accompanying notes to the basic financial statements

Cuyahoga County Land Reutilization Corporation

Statement of Activities

For the Year Ended December 31, 2018

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities			
Professional and Contract Services	\$21,012,736	\$0	\$15,793,526
Indirect Salaries	3,621,606	0	2,722,060
Administration	1,272,370	0	1,067,852
<i>Total Primary Government</i>	25,906,712	0	19,583,438
Component Unit			
CLB Services	566,243	629,030	0
<i>Total</i>	\$26,472,955	\$629,030	\$19,583,438

General Revenues

Grants and Entitlements not Restricted
to Specific Programs
Investment Earnings
Gain on Sale of Assets Held for Resale
Other

Total General Revenues

Change in Net Position

*Net Position Beginning of Year -
Restated - See Note 10*

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Changes in Net Position

Primary Government	Component Unit	Total
(\$5,219,210)	\$0	(\$5,219,210)
(899,546)	0	(899,546)
(204,518)	0	(204,518)
(6,323,274)	0	(6,323,274)
0	62,787	62,787
(6,323,274)	62,787	(6,260,487)
7,000,000	0	7,000,000
188,117	0	188,117
1,152,733	0	1,152,733
988,123	116	988,239
9,328,973	116	9,329,089
3,005,699	62,903	3,068,602
11,663,076	50,843	11,713,919
\$14,668,775	\$113,746	\$14,782,521

Cuyahoga County Land Reutilization Corporation

Balance Sheet
Governmental Fund
December 31, 2018

	<u>General Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,459,351
Accounts Receivable	24,835
Intergovernmental Receivable	2,454,146
Accrued Interest Receivable	14,351
Prepaid Items	140,145
Loans Receivable	367,267
Due from Component Unit	115,265
Assets Held for Resale	<u>2,399,545</u>
<i>Total Assets</i>	<u><u>\$17,974,905</u></u>
Liabilities and Fund Balance	
<i>Liabilities:</i>	
Accounts Payable	\$1,795,994
Intergovernmental Payable	10,196
Due to Component Unit	33,540
Unearned Revenue	<u>1,621,740</u>
<i>Total Liabilities</i>	<u>3,461,470</u>
Fund Balance	
Nonspendable	2,902,766
Unassigned	<u>11,610,669</u>
<i>Total Fund Balance</i>	<u>14,513,435</u>
<i>Total Liabilities and Fund Balance</i>	<u><u>\$17,974,905</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, 2018*

Total Governmental Fund Balance	\$14,513,435
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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.	228,702
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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.	<u>(73,362)</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$14,668,775</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, 2018

	General Fund
Revenues	
Intergovernmental	\$7,000,000
Operating Grants	19,583,438
Interest	188,117
Other	988,123
	27,759,678
Expenditures	
Professional and Contract Services	21,012,736
Indirect Salaries	3,645,140
Administration	1,420,740
	26,078,616
<i>Excess of Revenues Over Expenditures</i>	1,681,062
Other Financing Sources	
Excess from Sale of Assets Held for Resale	1,152,733
<i>Net Change in Fund Balances</i>	2,833,795
<i>Fund Balance Beginning of Year - Restated - See Note 10</i>	11,679,640
<i>Fund Balance End of Year</i>	\$14,513,435

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, 2018*

Net Change in Fund Balance -Total Governmental Fund \$2,833,795

*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 in the current period.

Capital Asset Additions	250,382	
Current Year Depreciation	(76,808)	
Total		173,574

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. (25,204)

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. 23,534

Change in Net Position of Governmental Activities \$3,005,699

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, 2018

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, 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.

The component unit column in the basic financial statements identifies the financial data of the blended component unit, CLB Services. It is reported separately to emphasize that it is legally separate from the Corporation.

CLB Services CLB Services is a legally separate entity, statutorily created under Chapter 17 of the Ohio Revised Code, served by three managing members appointed by the President of the Corporation. They are Gus Frangos, CCLRC President, Bill Whitney, CCLRC COO, and Dennis Roberts, CCLRC Director of Programs and Property Management. Charged with the responsibility of conducting asbestos surveys for the Corporation, CLB Services is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. CLB Services is fiscally dependent on the Corporation and is therefore presented as a component unit of the Corporation. On July 21, 2014, CLB Services received a loan in the amount of \$111,900 from the Corporation to finance its initial operations. The loan has an interest rate of 2.5 percent payable annually. The loan is repayable by July 21, 2019. Financial statements can be obtained from Ronald Pavlovich, Cuyahoga County Land Reutilization Corporation, 812 Huron Road E, Suite 800, Cleveland, Ohio, 44115.

Cuyahoga County Land Reutilization Corporation

Notes To The Basic Financial Statements

For The Year Ended December 31, 2018

Land Bank Charities Land Bank Charities (LBC) is a legally separate, non-profit organization, which provides supportive services to vulnerable populations, communities and the organizations who serve them. The Corporation appoints the entirety of LBC's Board of Directors. Because the Corporation appoints a voting majority of the LBC's Board of Directors, the Corporation is able to impose its will on the operation of LBC. As a result, LBC will be reported as a discretely presented 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 LBC. LBC is newly formed and no significant financial activity has occurred. As a result, no financial information is presented in the discretely presented component unit column.

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, except for fiduciary funds. 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. The Corporation's general fund is its only governmental fund.