

Hamilton County
Landbank

Hamilton County Land Reutilization Corporation

Hamilton County, Ohio

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

Board of Directors
Hamilton County Land Reutilization Corporation
221 East Fourth Street, Suite 220
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditor's Report* of Hamilton County Land Reutilization Corporation, Hamilton County, prepared by Rea & Associates, Inc., for the audit period January 1, 2025 through December 31, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

August 13, 2026

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Hamilton County Land Reutilization Corporation
Hamilton County, Ohio
December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hamilton County Land Reutilization Corporation
Hamilton County, Ohio
221 East Fourth Street, Suite 200
Cincinnati, Ohio 45202

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and general fund of the Hamilton County Land Reutilization Corporation (Corporation), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Corporation as of December 31, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
June 22, 2026

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Hamilton County Land Reutilization Corporation

Management's Discussion and Analysis

Years Ended December 31, 2025, 2024 and 2023

Our discussion and analysis of Hamilton County Land Reutilization Corporation's (the Corporation) financial performance provides an overview of the Corporation's financial activities for the fiscal years ended December 31, 2025, 2024 and 2023. Please read it in conjunction with the Corporation's financial statements and accompanying notes.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2025:

- Total revenues were $37.0 million, an increase of $25.9 million or 234% from the prior year end, primarily due to an increase in state and local grants, primarily related to subrecipients.

- Total expenses were $32.8 million, an increase of $22.7 million or 225% from the prior year end, primarily due to an increase in program expenditures, specifically in subrecipient, demolition and stabilization expenditures.

- The Corporation received $2.1 million from the sale of approximately 51 properties during the year. The related cost of sales was $3.3 million for a net loss $1.2 million.

- Cash and cash equivalents increased $1.8 million to $3.4 million at year end, primarily due to the timing of the collection of accounts receivable.

- Accounts receivable increased $5.1 million or 890% from the prior year, primarily due to increased grants receivable for unreimbursed project expenses.

- Assets held for sale increased $3.9 million or 23% from the prior year because of the Corporation's investment of Ohio Department of Development grants.

- Accounts payable increased $6.9 million or 498% from the prior year, primarily due to increased project expenses and amounts owed to subrecipients not yet received from the Ohio Department of Development.

Using this Annual Report

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

The statement of net position and the statement of activities provide information about the activities of the Corporation as a whole, presenting both an aggregate view of the Corporation's finances and a longer-term view of those assets. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

Reporting on the Corporation as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and the statement of activities include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting method used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Corporation's net position and changes in that net position. This change in net position is important because it tells the reader that, for the Corporation as a whole, whether the financial position of the Corporation has improved or diminished. The causes of this change may be the result of many factors, some of which are financial. Non-financial factors include current property tax laws in Ohio, facility conditions, required community programs, and other factors.

The Corporation's statements of net position and statements of activities can be found on pages 10-11 and 12-13, respectively, of this report.

Reporting on the Corporation's Most Significant Fund

Fund financial statements provide detailed information about the Corporation's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation uses one fund, the general fund, to account for all of its financial transactions.

Governmental Fund

The presentation for the Corporation's general fund focuses on how resources flow into and out of it and the year-end balance 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.

The relationship between governmental activities and governmental funds is described in a reconciliation that is a part of the fund's financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 14-22 of this report.

Analysis of the Basic Financial Statements

Our analysis below focuses on the net position and changes in net position of the Corporation for the years ended December 31, 2025, 2024 and 2023.

Net Position
Governmental Activities

	2025	2024	2023
Assets			
Current and other assets	$ 30,213,138	$ 19,384,338	$ 22,068,613
Total assets	30,213,138	19,384,338	22,068,613
Liabilities			
Current liabilities	11,196,619	4,593,554	8,278,101
Total liabilities	11,196,619	4,593,554	8,278,101
Net Position			
Unrestricted	19,016,519	14,790,784	13,780,512
Total net position	$ 19,016,519	$ 14,790,784	$ 13,790,512

Net Position

The net position of all governmental activities increased $4.2 million, or 29%, from the prior year end resulting in a net position of $19 million at December 31, 2025. In comparison, net position in 2024 increased by $1.0 million or 7% from 2023.

Assets

Current and other assets at December 31, 2025 increased $10.8 million, or 56%, from the prior year end. The increase results primarily from a $5.1 million increase in receivables, and a $3.9 million increase in assets held for sale.

In comparison, current and other assets at December 31, 2024 decreased $2.7 million, or 12%, from the prior year end. The decrease results from a $5.7 million decrease in receivables, offset by a $2.8 million increase in assets held for sale.

Liabilities

Liabilities consist of accounts payable to vendors, notes payable, line of credit payable and unearned revenue. As of December 31, 2025, the Corporation had liabilities totaling $11.2 million, which was an increase of $6.6 million or 144% from the prior year end. The increase results primarily from an $6.9

million increase in accounts payable, offset by a $0.5 million decrease in line of credit payable. The increase in accounts payable is mainly due to an increase in ODOD grant activity and timing of grant reimbursements as well as the Corporation utilizing line of credit financing to help provide necessary cash flows for project expenses awaiting reimbursement.

For the prior year, liabilities decreased $3.7 million or 45% from the prior period. The decrease resulted primarily from a $4.2 million decrease in accounts payable, offset by a $1.0 million increase in line of credit payable.

Changes in Net Position
Governmental Activities

	2025	2024	2023
Revenues			
Program Revenues			
Intergovernmental	$ 3,318,493	$ 2,979,796	$ 3,000,887
Operating grants	33,509,323	7,985,180	15,015,639
Gain on property sales	-	-	210,063
Interest and other	184,039	123,002	332,457
Total revenues	37,011,855	11,087,978	18,559,046
Expenses			
Program Expenses			
Professional and contract services	29,670,706	8,191,212	14,260,016
Loss on Property Sales	1,170,866	-	-
Administration and other	1,944,548	1,896,494	1,774,498
Total expenses	32,786,120	10,087,706	16,034,514
Change in Net Position	4,225,735	1,000,272	2,524,532
Net Position, Beginning of Year	14,790,784	13,790,512	11,265,980
Net Position, End of Year	$ 19,016,519	$ 14,790,784	$ 13,790,512

Program Revenues

Program revenues for 2025 were $37.0 million, an increase of $25.9 million or 234% from the prior year. The increase in revenue was primarily due to a $25.5 million increase in operating grants, which was driven by an increase in grant revenues for demolition and remediation projects funded by ODOD.

In comparison, program revenues for 2024 were $11.1 million, a decrease of $7.5 million or 40% from the prior year. The decrease in revenue was primarily due to a $7.0 million decrease in operating grants for demolition and remediation projects funded by ODOD.

Program and Administration Expenses

Total expenses in 2025 were $32.8 million, an increase of $22.7 million or 225% from the prior year. Program expenses increased $21.5 million due to an increase in subrecipient, demolition and stabilization expenditures.

In comparison, total expenses for 2024 were $10.1 million, a decrease of $5.9 million or 37% from the prior year. Program expenses decreased $6.1 million due to a decrease in subrecipient and demolition expenditures.

The Corporation has no expense for salaries and related benefits due to all administrative activities being provided by a management company as explained in Note 1 to the financial statements.

Debt

As of the fiscal year end for both 2024 and 2025, the Corporation has only short-term debt obligations. See Note 6 for more information.

Economic Factors and Next Year's Budgets and Rates

The Corporation will continue to be funded by Hamilton County's delinquent tax and assessment collection fund (DTAC), which by nature varies in amount from year to year. The 2026 budget includes $3.15 million in DTAC funds reflected under intergovernmental revenues.

The City of Cincinnati is expected to provide grant revenue of $5.4 million in 2026 for stabilization, demolition and subsidy on home sales in certain City neighborhoods, including: Sedamsville, Avondale, and Millcreek.

The Ohio Department of Development (ODOD) is expected to provide grant revenue of $30.8 million in 2026 towards the demolition and remediation of commercial and industrial properties in Hamilton County, of which $20.4 million is classified as subrecipient grant funds.

Contacting the Corporation's Management

This financial report is intended to provide our stakeholders with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Corporation's management company, the Port of Greater Cincinnati Development Authority (dba "The Port"), specifically Nikki Boehmker, Executive Vice President & Chief Financial Officer, at 513-475-5262.

Hamilton County Land Reutilization Corporation

Governmental Fund Balance Sheet and Statement of Net Position

December 31, 2025

Assets	General Fund	Adjustments	Governmental Activities
Cash and cash equivalents	$ 3,374,653	$ -	$ 3,374,653
Accounts receivable	5,675,821	-	5,675,821
Assets held for sale	21,045,497	-	21,045,497
Prepaid and other	117,167	-	117,167
Total assets	$ 30,213,138	$ -	$ 30,213,138
Liabilities			
Accounts payable	$ 8,278,766	$ -	$ 8,278,766
Unearned revenue	426,053	-	426,053
Revolving Loan	491,800	-	491,800
Notes payable	2,000,000	-	2,000,000
Total liabilities	11,196,619	-	11,196,619
Deferred Inflows of Resources - Grant Revenue	(165,741)	165,741	-
Fund Balance			
Nonspendable	21,162,665	(21,162,665)	-
Unassigned	(1,980,406)	1,980,406	-
Total fund balance	19,182,260	(19,182,260)	-
Total liabilities, deferred inflows of resources and fund balance	$ 30,213,138		
Net Position			
Unrestricted		19,016,519	19,016,519
Total net position		$ 19,016,519	$ 19,016,519

Hamilton County Land Reutilization Corporation

Governmental Fund Balance Sheet and Statement of Net Position

December 31, 2024

Assets	General Fund	Adjustments	Governmental Activities
Cash and cash equivalents	$ 1,527,100	$ -	$ 1,527,100
Accounts receivable	573,212	-	573,212
Assets held for sale	17,156,396	-	17,156,396
Prepaid and other	127,630	-	127,630
Total assets	$ 19,384,338	$ -	$ 19,384,338
Liabilities			
Accounts payable	$ 1,383,255	$ -	$ 1,383,255
Unearned revenue	210,299	-	210,299
Line of credit	1,000,000	-	1,000,000
Notes payable	2,000,000	-	2,000,000
Total liabilities	4,593,554	-	4,593,554
Deferred Inflows of Resources - Grant Revenue	189,259	(189,259)	-
Fund Balance			
Nonspendable	17,284,026	(17,284,026)	-
Unassigned	(2,682,501)	2,682,501	-
Total fund balance	14,601,525	(14,601,525)	-
Total liabilities, deferred inflows of resources and fund balance	$ 19,384,338		
Net Position			
Unrestricted		14,790,784	14,790,784
Total net position		$ 14,790,784	$ 14,790,784

Hamilton County Land Reutilization Corporation

Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities

Year Ended December 31, 2025

	General Fund	Adjustments	Governmental Activities
Revenues			
Intergovernmental revenue	$ 3,318,493	$ -	$ 3,318,493
Operating grants	33,864,323	(355,000)	33,509,323
Interest and other revenue	184,039	-	184,039
Total revenues	37,366,855	(355,000)	37,011,855
Expenditures/Expense			
Program expenditures/expenses -			
Professional and contract services	29,670,706	-	29,670,706
Administration	1,071,574	-	1,071,574
Loss on Property Sales	1,170,866	-	1,170,866
Other charges	872,974	-	872,974
Total expenditures/expenses	32,786,120	-	32,786,120
Change in Fund Balance/Net Position	4,580,735	(355,000)	4,225,735
Fund Balance/Net Position, Beginning of Year	14,601,525	189,259	14,790,784
Fund Balance/Net Position, End of Year	$ 19,182,260	$ (165,741)	$ 19,016,519

Hamilton County Land Reutilization Corporation

Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities

Year Ended December 31, 2024

	General Fund	Adjustments	Governmental Activities
Revenues			
Intergovernmental revenue	$ 2,979,796	$ -	$ 2,979,796
Operating grants	13,552,003	(5,566,823)	7,985,180
Gain on property sales	-	-	-
Interest and other revenue	123,002	-	123,002
Total revenues	16,654,801	(5,566,823)	11,087,978
Expenditures/Expense			
Program expenditures/expenses -			
Professional and contract services	8,191,212	-	8,191,212
Administration	1,074,120	-	1,074,120
Other charges	822,374	-	822,374
Total expenditures/expenses	10,087,706	-	10,087,706
Change in Fund Balance/Net Position	6,567,095	(5,566,823)	1,000,272
Fund Balance/Net Position, Beginning of Year	8,034,430	5,756,082	13,790,512
Fund Balance/Net Position, End of Year	$ 14,601,525	$ 189,259	$ 14,790,784

Hamilton County Land Reutilization Corporation

Notes to Basic Financial Statements

December 31, 2025 and 2024

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hamilton County Land Reutilization Corporation (the Corporation) was organized on September 14, 2011, by resolution of the Board of Hamilton County Commissioners as a community improvement corporation, in particular, a county land reutilization corporation, under Chapter 1724 of the Ohio Revised Code (the "Community Improvement Corporation Law") and Chapter 1702 of the Ohio Revised Code (the "Nonprofit Corporation Law"). The Corporation's mission is to promote economic and housing development in Hamilton County (the County) by acquiring vacant, blighted properties and returning them to productive community assets.

Under Ohio law, a county land reutilization corporation (CLRC) has broad powers that make it an effective vehicle for community development and revitalization. As a CLRC, the Corporation can acquire, own and dispose of real property using the following tools:

- Purchase properties from individuals
- Initiate foreclosure on tax-delinquent properties
- Accept properties as gifts or donations
- Negotiate with banks to acquire real estate owned (REO) properties
- Remove defects on title to a property
- Hold title to properties on a property-tax exempt basis
- Stabilize, rehabilitate or demolish homes
- Resell to responsible qualified buyer or hold for strategic assembly
- Convert land to green space that can be donated to municipalities
- Apply for local, state and federal grant funds that support local revitalization efforts

The Corporation's revenues and other support are derived principally from a portion of the County Treasurer's annual collection of delinquent property tax and assessments. In addition, the Corporation actively seeks out available government and private grants to carry out its mission.

The Corporation's governing body is a nine-member Board of Directors, consisting of the county treasurer, three county commissioners (ex officio members), two municipal representatives, two township representatives, and a private citizen with private sector or nonprofit experience in rehabilitation or real estate acquisitions. The Port of Greater Cincinnati Development Authority (dba "The Port") serves as the management company to conduct the day-to-day business and affairs for the Corporation and the management and control of its properties.

The Corporation's significant accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and statement of activities report information about the Corporation as a whole. These statements include the financial activities of the primary government, except for any fiduciary funds. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any business-type activities or fiduciary funds.

The statement of net position represents 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 the government-wide activities of the Corporation and for each function of the Corporation's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund's financial statements provide information about the Corporation's funds. The emphasis on fund financial statements is on major 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 liabilities is reported as fund balance. The Corporation's activities are accounted for in only one fund, the general fund.

Deferred inflows of resources are reported in the fund financial statements for receivables that are not considered available at year end.

General Fund

The general fund is the main operating fund of the Corporation and accounts for all financial transactions. 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 and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Corporation gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

The adjustments on the statement of net position and statement of activities show the reconciliation between the current financial resource's measurement focus on the fund financial statements and the position and activity of the Corporation as a whole.

Cash and Cash Equivalents

The Corporation considers all investments with original maturities of three months or less at the time they are purchased to be cash equivalents. At December 31, 2025, and 2024 cash equivalents consisted solely of investments in STAR Ohio (the State Treasury Asset Reserve of Ohio).

Prepayments

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. At December 31, 2025, and 2024, all net assets of the Corporation were unrestricted.

Fund Balance

The fund balances for the Corporation's funds are displayed in five components:

Nonspendable - Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted - Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed - Committed fund balances may be used only for the specific purposes determined by resolution of the Board of Directors. Commitments may be changed or lifted only by issuance of a resolution by the Board of Directors.

Assigned - Assigned fund balances are intended to be used by the Corporation for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

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

The Corporation considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Corporation applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Intergovernmental Revenue

The Corporation receives operating income through Hamilton County. This money represents 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's Delinquent Tax and Assessment Collection (DTAC) Fund. These monies are then paid to the Corporation by the county treasurer upon the Corporation's written request.

Government Grants

Support funded by grants is recognized as the Corporation performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Budgetary Process

The Corporation is not bound by the budgetary laws prescribed by the Ohio Revised Code for purely governmental entities. The Board of Directors of the Corporation adopts an annual budget at the beginning of the fiscal year. Appropriations and subsequent amendments are approved by the Board of Directors during the year as required.

Federal Income Tax

The Corporation is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

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.

Note 2: Deposits and Investments

Deposits

The Corporation maintains demand deposit and money market accounts with two banks. Below are details related to these deposits, including coverage by the Federal Deposit Insurance Corporation (FDIC) as of December 31, 2025 and 2024.

	2025	2024
Carrying amount	$ 1,243,786	$ 521,782
Bank balance	1,700,413	782,438
Insured by FDIC	250,000	250,000

Custodial credit risk is the risk that, in the event of bank failure, the Corporation's deposits may not be returned. The Corporation has no deposit policy for custodial credit risk beyond the requirements of state statute.

According to state law, public depositories must give security for all public funds on deposit. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Corporation.

Investments

The Corporation maintains STAR Ohio investment accounts for interim deposits, which held investments totaling $2,130,867 and $1,005,318 with an average maturity of 28 days and 27 days, respectively, as of December 31, 2025 and 2024. STAR Ohio investments are valued at net asset value (NAV) per share, which is calculated on an amortized cost basis that approximates fair value and carries a AAAm credit rating by Standard and Poor's. Investments made by the Corporation are limited to the provisions in Ohio Revised Code, and the Corporation has no investment policy that would further limit its investment choices.

Note 3: Receivables

The table below summarizes the Corporation's account receivables as of December 31, 2025 and 2024. Receivables from the state relate to the demolition and remediation of primarily commercial and industrial sites. Local government receivables relate to City of Cincinnati and other local government grant funds on demolition, stabilization, and acquisition projects. Other includes receivables from businesses for project grants. The Corporation had no bad debt in 2025 or 2024. Since all other receivables are expected to be collected, no allowance for doubtful accounts is recorded.

	2025	2024
State of Ohio and state agencies	$ 5,477,851	$ 191,447
Local government	63,153	248,035
Other	134,817	133,730
Total accounts receivable	$ 5,675,821	$ 573,212

Note 4: Assets Held for Sale

The Corporation actively pursues vacant and abandoned properties in Hamilton County, primarily in distressed neighborhoods. Most properties are acquired from the County auditor through donations, tax foreclosure or the board of revisions process.

Assets held for sale represent properties acquired by the Corporation which will be marketed for resale. All significant costs incurred to acquire and improve or rehabilitate the property are capitalized. All real estate held for sale is recorded at the lower of cost or net realizable value.

In 2025, the Corporation recorded program expense of $417,312 to adjust the value of certain properties to their net realizable values.

In 2024, the Corporation recorded program expense of $355,319 to adjust the value of certain properties to their net realizable values.

As of December 31, 2025 and 2024, the Corporation held title to approximately 1,514 and 1,285 properties, respectively. In 2025, the Corporation filed one nuisance abatement liens against a property totaling $1,279,503. In 2024, the Corporation filed four nuisance abatement liens against properties totaling $936,259 to recover stabilization cost previously incurred.

Note 5: Risk Management

The Corporation is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded insurance coverage since the Corporation's inception. The limitations of coverage as of December 31, 2025 are as follows:

Insurance Type	Coverage
General Liability	$2,000,000
Personal Injury	2,000,000
Umbrella Policy	6,000,000
Crime Policy	250,000
Auto Liability (Hired & Non-Owned)	1,000,000
Business Personal Property	212,000
Directors/Officers Liability	10,000,000
Employment Practices Liability	4,000,000
Builders Risk Policy (per location)	225,000
Real Estate Developers and Owners Liability	$1,000,000
Cyber Policy	$2,000,000

Note 6: Notes Payable and Line of Credit

In 2022, the Corporation obtained a $4.0 million commitment from a local bank for the purpose of constructing residential housing in the City's Avondale neighborhood. The interest rate on the notes is equal to one-month SOFR (Secured Overnight Financing Rate) plus 305 basis points with a 30 basis points one-month SORF floor. Note interest is paid monthly, notes are secured by property liens, and mature on April 28, 2027. As of December 31, 2025 and 2024, the Corporation had $2.0 million and $2.0 million outstanding amounts on the notes at an interest rate of 6.925% and 8.425% respectively.

In 2025, the Corporation renewed a $1.75 million line of credit for the purpose of managing cash flow. The line is collateralized by substantially all the Corporation's assets. The interest rate is equal to one-month SOFR plus 255 basis points with a 20 basis points one-month SOFR floor. Interest is paid monthly, and the outstanding principal balance and any accrued but unpaid interest is due on the expiration date. At December 31, 2025 and 2024, the Corporation had $0 and $1,000,000 outstanding amounts on the line of credit and the interest rate was .02% and 7.175%, respectively.

In 2025, the Corporation entered into a $.5 million revolving loan agreement with Cincinnati Development Fund to finance the development of affordable housing. The stated interest rate is 0% per annum for the first loan year and 3.0% per annum for the second loan year. The loan matures on September 23, 2027. At December 31, 2025, the Corporation had $.5 million outstanding on the revolving loan fund.

Note 7: Contingent Liability

In the normal course of operations, the Corporation may be subject to litigation, claims, and unasserted possible claims.

Case No. A 2400655 and Case A 2300762 were awaiting dismissal at the end of 2024 and were dismissed on April 17, 2025.

As of December 31, 2025 the Corporation is a party to the following litigation matters:

1. The Corporation was appointed receiver in the City of Cincinnati's public nuisance case (Case No. A 2400980) on September 25, 2025. At this time, the case and the Corporation's involvement is active.
2. The Corporation is seeking to enforce its reversionary rights in the Property located at and commonly known as 2001 Auburn Ave. through active litigation captioned *Green City Demolition LLC v. Neyer Holdings Corp., et al.* (Case No. A2503930 in the Hamilton County Court of Common Pleas). The case was initiated by Plaintiff Green City as a foreclosure on a mechanic's lien against 2001 Auburn (and other parcels under common control), but the Corporation intervened to protect and enforce its priority property interest. The Corporation expects the litigation to settle before the end of 2026.
3. The Corporation was named as a defendant in the tax foreclosure case captioned Treasurer of Hamilton County, Ohio v. Twang, LLC (Case No. A2600009 in the Hamilton County Court of Common Pleas) because of its recorded affidavit that memorialized and secured costs of a nuisance abatement that the Corporation performed on Defendant Twang's property. Defendant Twang has disputed those costs, but has not made any claim against the Corporation in this litigation. The costs represented in the affidavit were assessed to the property's taxes, which are now delinquent and subject to the tax foreclosure.

   The Corporation remains a nominal party in an action arising from the transfer of rights initially held by the City of Cincinnati in *City of Cincinnati v. John Klosterman* (Hamilton County, Case No. A 1905588). With only collateral claims between other parties remaining, all issues and claims involving the Corporation as substitute plaintiff have been resolved or dismissed.

Note 8: Subsequent Event

Subsequent to December 31, 2025, and prior to the issuance of these financial statements, the Corporation identified a cybersecurity incident affecting certain information technology systems. The Corporation has determined that the incident did not result in a material adverse effect on its financial condition as of December 31, 2025.

The Corporation has incurred costs related to the investigation, remediation, and misappropriation of assets resulting from the incident. Any such costs incurred after December 31, 2025 will be

recognized in the period in which they are incurred. The Corporation maintains both crime and cyber liability insurance, and a portion of the costs associated with the incident will be covered. The remaining estimated loss after insurance proceeds is not material to the financial statements.

Management has implemented additional security measures to mitigate the risk of future incidents.

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

Hamilton County Land Reutilization Corporation
Hamilton County, Ohio
221 East Fourth Street, Suite 200
Cincinnati, Ohio 45202

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and general fund of the Hamilton County Land Reutilization Corporation, (Corporation) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 22, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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



Rea & Associates, Inc.
Dublin, Ohio
June 22, 2026

OHIO AUDITOR OF STATE
KEITH FABER

HAMILTON COUNTY LAND REUTILIZATION CORPORATION

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 8/25/2026

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

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