MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION
(A COMPONENT UNIT OF MONTGOMERY COUNTY)

MONTGOMERY COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2025

Montgomery County Land Reutilization Corporation
Montgomery County, Ohio

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Montgomery County Land Reutilization Corporation
Montgomery County, Ohio
130 W. Second Street, Suite 1425
Dayton, Ohio 45402

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Montgomery County Land Reutilization Corporation, Montgomery County, Ohio (Corporation), a component unit of Montgomery County, 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 as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 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.
Dublin, Ohio
June 23, 2026

MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION
MONTGOMERY COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Unaudited)

The management's discussion and analysis of the Montgomery County Land Reutilization Corporation's (the Corporation) financial performance provides an overall review of the Corporation's financial activities for the year ended December 31, 2025. The Corporation began operations on August 26, 2011 and is a component unit of Montgomery County. The Corporation is focused on facilitating the transition of blighted, foreclosed and abandoned properties into viable, marketable properties by working collaboratively with public and private entities in a financially responsible, transparent manner with a long-term goal of returning these properties to the tax roll. The intent of this discussion and analysis is to look at the Corporation's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Corporation's financial performance.

Financial and Administrative Highlights

Key financial and administrative highlights for 2025 are as follows:

- Mission progress continued to be hindered in 2025 by a slower than expected acquisition process, most notably in the Board of Revisions or Expedited Foreclosure method. Due to this funnel, funding with expiration or use by dates were prioritized for acquisition. In 2025, the Corporation continued utilizing additional methods for acquisition, most notably an increase in market purchases, auctions, and the receivership method. Due to strong partnerships throughout the region, the Corporation was successful in acquiring and utilizing multiple Federal, state, and local sources of money to continue its mission in revitalizing communities. 2025 saw the development of a new long-term strategic plan, continued training of current staff, and the development of exciting new programmatic potential.
- The Corporation completed a Fiscal Year 2022 U.S. Environmental Protection Agency (EPA) Brownfield Assessment grant at targeted sites throughout the County. This work, which concluded on September 30, included the completion of 3 environmental assessments. Overall, we spent $491,757 out of $500,000 available grant funds. The Corporation was awarded a $1.2 million USEPA Brownfield Assessment Coalition grant (Fiscal Year 2025) that began Oct. 1 with funding available through 2029. Staff used funding in 2025 for procurement of environmental consultants.
- The Corporation acquired 1,225 properties as a part of the ownership requirement of the NIP program. The total award as of December 31, 2021, was approximately $21.3 million. Through December 31, 2025 1,196 of the 1,225 properties have been transferred to other ownership. The funding for this program ended in 2021, but 29 vacant lots are still held by the Corporation that the Corporation will retain for other projects.
- The Ohio Department of Development Demolition 2021 Program completed the following:
    - Completed demolition on 30 projects
    - Received an extension into 2026 for 1 remaining remediation project to bill out remaining grant funds
- The Ohio Department of Development Demolition 2023 Program completed the following:
    - Added 65 replacement projects to approved projects list.
    - Completed demolition on 109 nuisance properties in partnership with Dayton, Trotwood, Harrison Township, Perry Township, and Riverside.

- The Corporation was awarded $230,000 in a third round of ODOD Demo funding to demolish 12 additional properties in Montgomery County.
- The Corporation awarded one $50,000 planning grant in 2025 to the Downtown Dayton Partnership to complete a planning study for Courthouse Square in Downtown Dayton. The project is underway and will conclude in 2026, when reimbursement for their project expenses will be issued. The City of Brookville's strategic plan, funded with a 2024 planning grant in February 2026 and as such will not be reimbursed until Q2 2026.
- Again in 2025, no additional renovations of structures were advanced as part of our Thriving Neighborhoods Initiative in 2025. As part of our strategic planning process, the Corporation conducted an analysis of the Thriving Neighborhoods program and began restructuring our activities under this program in 2025. We established the Vacant Side Lot Transfer Program as part of this restructuring and transferred three (3) properties to private residents in the Huffman neighborhood. Demolition, community engagement, and assessment of 103 Centre Street continued in 2025. Outside of Huffman, no other neighborhoods are a focus of the TNI program initiative.
- The Tax Foreclosure Acquisition Program (TFAP) transferred 16 properties in 2025. Additionally, 25 applications were processed.
- The Corporation disposed of one property in the Commercial Redevelopment program this year. We completed research on 15 properties with one in the process of being acquired. We acquired two commercial properties for future development. The Corporation continued to maintain 34 N. Main and 3636 N. Dixie.
- The Do It Yourself (DIY) program only had 1 active property under renovation by the end of 2025. The lack of timely acquisition mechanisms continues to impact reduced DIY inventory for the remainder of the calendar year, and the focus is now heavily on other housing grants.
- There were no Community Loans awarded in 2025.
- In previous years, the Corporation had utilized another local non-profit, County Corp, to provide HR and Payroll services. In 2025 County Corp requested that the Corporation move away from this model. In December of 2025 the Corporation successfully split from County Corp and is now utilizing Paychex to provide Payroll and HR services. All employees are no longer affiliated with County Corp and are hired directly by the Corporation.
- The Corporation continues to utilize the ARPA grant from the City of Dayton to renovate homes in prioritized and eligible targeted neighborhoods. As part of this grant and bidding process, the Corporation successfully had a reduced package of 8 properties bid by Greater Dayton Construction Group. This construction partner meets the prevailing wage reporting requirements. The project needed to be reduced from 11 to 8 properties since the initial renovation estimates from one year to the next have increased due to influence of tariffs, market fluctuations in materials, labor, etc. The package of 8 properties completed permitting, demolition, structural repairs, remodeled floor layouts, and began rough-in of electrical, mechanical, and water utilities by end of 2025. The architect and engineering firm, RDA, is project managing alongside the Corporation, while Greater Dayton Construction Group is

tracking contingency costs in the overall project. All properties once completed will be sold on the open market. The project is projected to be completed by end of Q3 in 2026.

- In mid-February 2023, the ARPA Acquisition program was allocated $850,000 from the City of Dayton. These funds are being used to acquire vacant and underutilized properties along commercial corridors and in residential neighborhoods. $500,000 will be used for the acquisition of commercial property as the $350,000 has been depleted. An amendment was signed to extend this program through December 31, 2026. The Corporation continues to monitor and explore acquisition opportunities along major commercial corridors. Acquiring these properties is often a multi-year quest; we meet regularly with partners to ensure the remaining funds are judicially utilized.
- The reforestation program is a partnership with the Ohio Department of Natural Resources and the Corporation. The goal of the partnership is to distribute free trees to eligible homeowners or land that provide a community benefit. The program focuses on the establishment of tree canopy in low canopied communities in Dayton and its surrounding communities. Trees are an asset to any community for the establishment of tree canopy, while providing economic, health and environmental benefits. American Forests defines tree equity as having enough trees in an area so that everyone can experience the health, climate, and economic benefits that trees provide. The Corporation has allocated $25,000 to this program. In 2025, the landbank planted 75 trees.
- The Corporation managed the completion of six Fiscal Year 2023 ODOD Brownfield grants with one grant ongoing. We were awarded $3.4 million toward five FY 2025 ODOD Brownfield grants. One of these was completed in 2025 with the remaining four currently being managed.
- The Corporation continued work with its Nuisance Receivership partners, legal counsel, Beyke Law, LLC, and receiver, Prodigy Properties. In 2025, the Corporation completed acquisition of four (4) properties utilizing this method as part of our DIY program. After transferring the title it was discovered that work needed correction by the receiver, Prodigy, and our working relationship with them on these structures was extended. Properties transferred but not completed in 2025 include 901 Harvard Blvd, 701 Clegg St, 929-931 Harvard Blvd, and 804-806 Harvard Blvd. One (1) property was remediated by the owner upon the Corporation's action to assign a receiver; this case was dismissed. Two additional properties on Harvard Blvd were under contract for stabilization and are expected to transfer in 2026. All properties will be offered for resale to a private renovation partner through our DIY program.
- The Corporation is a subrecipient of the Dayton-Montgomery County Port Authority's federally funded acquisition and development contract for three million dollars. ($3,000,000) in support of economic development on the City of Dayton's west side. The Corporation is the land acquisition partner on the project, entitled Project Plymouth, and is working to acquire over three-hundred properties (333 total parcels, 103 of which were under GDPM ownership and were previously counted as one (1) property). In 2025, the Corporation acquired one-hundred two (102) properties; seventy-one (71) were acquired via the Board of Revisions process, five (5) via Judicial Foreclosure, and twenty-six (26) via private market transactions. Private market purchases were affected utilizing three separate LLCs created for this purpose. An additional

one-million dollar grant allocation was requested in 2025 but not awarded until February 2026; funds are expected to be under contract in 2027-28.

- The Corporation continues to implement the awarded Welcome Home Ohio grant of $6.9 million ($6,240,000 for purchasing and $720,000 for rehabilitation) by the Ohio Department of Development. The goal remains to purchase the remaining 30 of 40 total newly built residential units. By end of 2025, 10 new homes had been completed or substantially completed in 2 of the 3 targeted Dayton neighborhoods. Request for Qualifications was issued in Q2 for the rehab/renovation component of 24 properties. The negotiations resulted in onboarding 3 different general contractors splitting up the property portfolio to work simultaneously. The current rehab inventory by the end of 2025 was 19 vacant properties, wrapping up expending funds from one component of the grant by way of various acquisition mechanisms (auction, foreclosure, market purchase). The Corporation had sold 3 new homes to 1st time homebuyers by December 31, 2025 and January 15, 2026. The renovation/rehab properties had project estimates much higher than expected, so the goal of 24 existing vacant rehabs had been reduced to 19; while at the same time, further investigation of these residential structures deemed them to be demolition candidates. The Corporation's formal partners – the Home Ownership Center have been integral to reviewing income-qualified individuals and getting them mortgage-ready. The budget amendment in 2025 to include formal and professional marketing services to promote the new program to interested homebuyers has resulted in strong promotions, advertisements, and targeted recruiting campaign.
- Urban Agriculture- A new initiative was launched in 2025 to support the Corporation's partnerships with urban agriculture organizations as the land acquisition partner. A research contract was executed with Virginia Commonwealth University for a land analysis project which will result in a dashboard reporting suitability of urban land for in-ground urban agriculture. Data gleaned from the report will help guide strategic acquisitions by the Corporation and its partners for urban agriculture while also assisting in data-driven responses to one-off requests for property. Grant funding was secured from SOPEC, MVRPC, Citywide Development, and the City of Dayton in support of this effort which supplements the Corporation's contribution. The research contract was executed in late summer 2025 and the project officially kicked off in the fall. The final report is expected to be delivered in summer of 2026.

Overview of the Financial Statements

This annual report consists of financial statements and notes to the financial statements. These statements are organized so the reader can understand the Corporation's financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole Corporation and present a longer-term view of net position. The Statement of Activities shows changes to net position 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 the Corporation's Financial Activities

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities include all assets and liabilities using the accrual basis of accounting similar to the accounting method used by the private sector. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Corporation's net position and changes in that position. This 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, liabilities, net position (assets minus liabilities), program expenses and revenues, general revenues, and net position beginning and end of year.

Reporting on the Corporation's Most Significant Funds

Governmental Funds

The presentation for the Corporation's Governmental Funds, 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 and the other governmental funds are reported using the modified accrual basis of 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 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 governmental funds is reconciled in the financial statements.

The Statement of Net Position looks at the Corporation as a whole. The table below provides a summary of Corporation's net position for 2025 and 2024:

Net Position

	2025	2024
Assets		
Equity in Pooled Cash and Cash Equivalents	$ 4,282,375	$ 6,262,094
Deposits	10,000	5,000
Prepaid Items	66,765	24,335
Accounts Receivable	749,881	578,988
Grants Receivable	5,782,127	4,691,139
Assets Held for Resale	9,892,701	3,525,600
Loans Receivable	306,685	282,410
Depreciable Capital Assets, Net	57,681	55,556
Total Assets	21,148,215	15,425,122
Liabilities		
Grants Payable	100,000	50,000
Accounts Payable	2,978,283	401,227
Accrued Wages and Benefits Payable	11,743	-
Retainage Payable	209,858	-
Accrued Demolition Expense	24,917	-
Unearned Revenue	277,968	834,119
Long-Term Liabilities	63,480	-
Total Liabilities	3,666,249	1,285,346
Net Position		
Investment in Capital Assets	57,681	55,556
Unrestricted	17,424,285	14,084,220
Net Position	$ 17,481,966	$ 14,139,776

Cash collected by the Corporation is deposited into a checking accounts for operating purposes. Cash and cash equivalents decreased $1,979,719 during 2025 due to an increase in property development and rehabilitation expenses and professional services related to grant programs. Investments at December 31, 2025, consist of funds held in a STAR Ohio investment account, which are included in cash and cash equivalents in the financial statements.

Accounts Receivable at December 31, 2025, consists of funds due from various customers.

Grants receivable represents grant funds due to the Corporation for grant-related expenditures in 2025. Grants receivable increased due to increased activity for ODOD demolition grants, the Welcome Home Ohio program and the Plymouth Project grant as previously discussed.

Assets held for resale represent properties foreclosed upon or donated to the Corporation. These properties were recorded at the lower of acquisition cost or net realizable value. Increases in 2025 relate to the acquisition of new properties and ongoing construction and rehabilitation activities under the American Rescue Plan Act (ARPA) Rehabilitation program grant.

Accounts payable consists of expenses related to County Corp and demolition projects. It also includes general administrative expenses. In 2025, personnel who were previously employees of County Corp became employees of the Corporation. As a result, the Corporation is reporting liabilities for accrued wages and benefits and compensated absences (long-term liabilities) for 2025.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2025, the Corporation's net position was $17,481,966 up from $14,139,776 in 2024 as a result of an increase in operating grants and contributions.

The table below shows the changes in net position between 2025 and 2024:

Change in Net Position

	2025	2024
Revenues		
Program Revenues		
Charges for Services	$ 1,071,093	$ 111,550
Operating Grants and Contributions	11,658,304	6,929,816
Total Program Revenues	12,729,397	7,041,366
General Revenues		
Intergovernmental	4,514,710	1,915,906
Contribution of Property	404,380	54,270
Interest	232,123	430,319
Miscellaneous	37,650	-
Loss on Disposal of Assets Held for Resale	(337,963)	(1,093,975)
Total General Revenues	4,850,900	1,306,520
Total Revenues	17,580,297	8,347,886
Expenses		
Property Development and Rehabilitation	9,240,037	5,438,756
Professional and Contract Services	1,317,654	943,913
Administration	3,680,416	1,895,368
Total Expenses	14,238,107	8,278,037
Change in Net Position	3,342,190	69,849
Net Position Beginning of Year	14,139,776	14,069,927
Net Position End of Year	$ 17,481,966	$ 14,139,776

Revenues for 2025 consist primarily of operating grants and contributions due to activity in the Ohio Department of Development (ODOD) demolition grant program, the Welcome Home Ohio (WHO) grant program (which provides for the purchase and rehabilitation of qualifying residential properties), and the ARPA Rehabilitation program. The 5% of delinquent taxes contributed by Montgomery County to the Corporation for the purpose of land reutilization is the other major source of revenue. The funding from Montgomery County resulted in $2.3 million from the semi-annual property tax collection for Corporation activities.

The loss on disposal of properties held for resale is due to the transfer of property to new owners or communities as previously noted.

Expenses increased overall during 2025. The increases in expenses was due to an increase in property development and rehabilitation expenses for grant programs previously discussed, with a corresponding increase in professional services and administration costs in support of these activities.

The Corporation's Funds

In addition to the General Fund, the Corporation also reports blended component units as other governmental funds. These component units consist of four legally separated non-profit limited liability corporations (LLCs) which were established to serve as serve as an agent for property acquisition and redevelopment for the benefit of the Corporation. These newly formed LLCs are: Bright Neon Lights, Duster Luster, Scamp Investment Solutions, and Voyager Ventures.

Information about the Corporation's Governmental Funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting. The Corporation had governmental revenues of $20,568,642 and expenditures of $14,176,752.

For 2025, the General Fund transferred funds in the amount of $809,264 to the land development LLCs for property acquisition.

Capital Assets

As of December 31, 2025, the Corporation had $57,681 of furniture, equipment and leasehold improvements, net of accumulated depreciation. See Note 7 of the basic financial statements for additional information on capital assets.

Factors Expected to Impact the Future

This report would not be complete without acknowledging the challenges that exist in acquiring property via tax foreclosure, sheriff's sale, or market purchase as housing demand continues to exceed supply. Market demand and economic conditions have driven home and material prices up and continue to encourage investor speculation. The Land Bank's housing program has been revamped and focused on applicable State funding and the former DIY program continues to be shuttered. The Land Bank continues to act nimbly to be capable of reacting quickly to new opportunities and market conditions.

The organization completed a new multi-year strategic planning process in 2025 that will help direct our impact in a more focused manner moving forward.

Due to increased drag on our cashflow, the Corporation has engaged with both the Port Authority and Montgomery County on short-term bridge loans. While there is no long-term concern with our financial resources, unexpected timing delays caused many of our major projects to bill concurrently and caused a temporary cash crunch. This was further exacerbated by long grant reimbursement times that could often be up to three months. Before a full-year loan with the County was able to be established, the Port Authority provided a 3-month line of credit as a safety measure; however the Corporation did not end up utilizing it. On February 17, 2026, Montgomery County provided the Land Bank with a $4.5 million loan at 4.85% per annum to be repaid within one year from when the County advanced the funds.

In 2026, the Corporation will enter into a long-term ownership agreement and acting as a co-developer of the Centre City building in downtown Dayton. This project will initially provide the Corporation with a fee of $50,000.00 per year, split between the three condo developments. The Corporation assisted with the remediation of the building and utilized funding from the City of Dayton to support the acquisition and development costs. The Lease agreement extends 65 years and the fees to the Corporation will increase incrementally approximately every 15 years. The Land Bank did receive a $4,250,000 upfront deposits of funds for soft costs in February 2026.

Request for Information

This financial report is designed to provide users of the financial statements with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Paul Bradley, Executive Director, Montgomery County Land Reutilization Corporation, 130 West Second Street, Suite 1425, Dayton, Ohio 45402.

Montgomery County Land Reutilization Corporation
Montgomery County
(A Component Unit of Montgomery County)

Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 4,282,375
Deposits	10,000
Prepaid Items	66,765
Accounts Receivable	749,881
Grants Receivable	5,782,127
Assets Held for Resale	9,892,701
Loans Receivable	306,685
Depreciable Capital Assets, Net	57,681
Total Assets	21,148,215
Liabilities	
Grants Payable	100,000
Accounts Payable	2,978,283
Accrued Wages and Benefits Payable	11,743
Accrued Demolition Expense	24,917
Retainage Payable	209,858
Unearned Revenue	277,968
Long-Term Liabilities (Due in One Year):	
Compensated Absences	63,480
Total Liabilities	3,666,249
Net Position	
Investment in Capital Assets	57,681
Unrestricted	17,424,285
Total Net Position	$ 17,481,966

See accompanying notes to the basic financial statements

Montgomery County Land Reutilization Corporation
Montgomery County
(A Component Unit of Montgomery County)

Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Property Development and Rehabilitation	9,240,037	$ -	$ 11,658,304	$ 2,418,267
Professional and Contract Services	1,317,654	1,071,093	-	(246,561)
Administration	3,680,416	-	-	(3,680,416)
Total	$ 14,238,107	$ 1,071,093	$ 11,658,304	$ (1,508,710)

General Revenues:	
Intergovernmental	4,514,710
Contribution of Property	404,380
Interest	232,123
Miscellaneous	37,650
Loss on Disposal of Assets Held for Resale	(337,963)
Total General Revenues	4,850,900
Change in Net Position	3,342,190
Net Position at Beginning of Year	14,139,776
Net Position at End of Year	$ 17,481,966

See accompanying notes to the basic financial statements

Montgomery County Land Reutilization Corp
Montgomery County
(A Component Unit of Montgomery County)

Balance Sheet
Governmental Funds
December 31, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 4,018,239	$ 264,136	$ 4,282,375
Deposits	10,000	-	10,000
Prepaid Items	66,765	-	66,765
Accounts Receivable	749,881	-	749,881
Due From Other Funds	-	1,326	1,326
Grants Receivable	5,782,127	-	5,782,127
Assets Held for Resale	9,366,706	525,995	9,892,701
Loans Receivable	306,685	-	306,685
Total Assets	$ 20,300,403	$ 791,457	$ 21,091,860
Liabilities			
Grants Payable	100,000	-	100,000
Accounts Payable	2,976,957	1,326	2,978,283
Accrued Wages and Benefits Payable	11,743	-	11,743
Accrued Demolition Expenditures	24,917	-	24,917
Due to Other Funds	1,326	-	1,326
Retainage Payable	209,858	-	209,858
Unearned Revenue	277,968	-	277,968
Total Liabilities	3,602,769	1,326	3,604,095
Deferred Inflows of Resources			
Unavailable Revenue	1,613,793	-	1,613,793
Fund Balances:			
Nonspendable	9,740,156	525,995	10,266,151
Unassigned	5,343,685	264,136	5,607,821
Total Fund Balance	15,083,841	790,131	15,873,972
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 20,300,403	$ 791,457	$ 21,091,860

See accompanying notes to the basic financial statements

Montgomery County Land Reutilization Corp
Montgomery County
(A Component Unit of Montgomery County)

Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2025

Total Governmental Fund Balance	$ 15,873,972
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	57,681
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the fund.	1,613,793
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund.	(63,480)
Net Position of Governmental Activities	$ 17,481,966

See accompanying notes to the basic financial statements

Montgomery County Land Reutilization Corp
Montgomery County
(A Component Unit of Montgomery County)

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Intergovernmental	$ 4,514,710	$ -	$ 4,514,710
Grants	14,308,686	-	14,308,686
Contribution of Property	404,380	-	404,380
Other	37,650	-	37,650
Charges for Services	1,071,093	-	1,071,093
Interest	232,089	34	232,123
Total Revenues	20,568,608	34	20,568,642
Expenditures:			
Property Development and Rehabilitation	9,859,767	-	9,859,767
Professional and Contract Services	751,051	9,017	760,068
Administration	3,528,437	10,150	3,538,587
Capital Outlay	18,330	-	18,330
Total Expenditures	14,157,585	19,167	14,176,752
Excess of Expenditures over Revenues	6,411,023	(19,133)	6,391,890
Other Financing Sources (Uses):			
Transfers out to component unit	(809,264)	-	(809,264)
Transfers in from primary government	-	809,264	809,264
Loss on Disposal of Assets Held for Resale	(337,963)	-	(337,963)
Total Other Financing Sources (Uses)	(1,147,227)	809,264	(337,963)
Net Change in Fund Balance	5,263,796	790,131	6,053,927
Fund Balance Beginning of Year	9,820,045	-	9,820,045
Fund Balance End of Year	$ 15,083,841	$ 790,131	$ 15,873,972

See accompanying notes to the basic financial statements

Montgomery County Land Reutilization Corp
Montgomery County
(A Component Unit of Montgomery County)

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

Net Change in Fund Balance - Total Governmental Fund		$ 6,053,927
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Fund reports 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.		
Capital Asset Additions	18,330	
Current Year Depreciation	(15,819)	
Total		2,511
In the statement of activities, only the loss on the sale of capital assets is reported, whereas in governmental funds there is no impact from this loss. Thus, the change in net position differs from the change in fund balance by the book value of assets disposed.		(386)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Compensated absences		(63,480)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		(2,650,382)
Change in Net Position of Governmental Activities		$ 3,342,190

See accompanying notes to the basic financial statements

Note 1 – Description of the Reporting Entity

The Montgomery County Land Reutilization Corporation (the Corporation) is a body corporate and politic authorized by the Board of County Commissioners of Montgomery County on July 5, 2011 and incorporated on August 26, 2011 under Chapter 1724 of the Ohio Revised Code.

The Corporation's governing body is a seven member Board of Directors, consisting of the County Treasurer, two County Commissioners, one representative of the City of Dayton, one member representing a Township, and the remaining two members selected by the County Treasurer and County Commissioners with both members having private sector real estate experience.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. The primary government of the Corporation consists of all activities that are not legally separate from the Corporation.

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.

In fiscal year 2025, four legally separated non-profit limited liability corporations (LLCs) were established to serve as serve as an agent for property acquisition and redevelopment for the benefit of the Corporation. These newly formed LLCs are: Bright Neon Lights, Duster Luster, Scamp Investment Solutions, and Voyager Ventures.

These LLCs are staffed entirely by employees of the Corporation. These LLCs enhance the Corporation's land development activities, and the Corporation has assumed the responsibility to provide financial support to these organizations. Therefore, these LLC's are classified as blended component units of the Corporation.

The Corporation has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax-foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code. The Corporation is classified as a component unit of Montgomery County for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and 61.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Corporation's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Corporation as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the Corporation that are governmental and those that are business-type. The Corporation, however, does not have any 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

Fund financial statements are designed to present financial information of the Corporation at a more detailed level. The Corporation's General Fund is its only major 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 funds are classified as Governmental Funds.

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, liabilities and deferred inflows of resources is reported as fund balance. The following are the Corporation's Governmental Funds:

> ***General Fund:*** The General Fund accounts for all financial resources that are received by the Corporation, including resources received from the County Treasurer 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.

The other governmental funds of the Corporation account for the LLC's reported as blended component units.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Corporation are included on the Statement of Net Position. The Statement of Activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements

The governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental Fund financial statements therefore include brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded on the financial records and reported on the financial statements. Government-wide statements are prepared using the accrual basis of accounting. The General Fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Corporation, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the Corporation receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Corporation must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Corporation on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, interest and grants revenue sources are considered to be both measurable and available at year-end.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Corporation, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Corporation, unavailable revenue consists of grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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 did, however, adopt an annual budget for the fiscal year and program appropriations were approved by the Board of Directors during the year as required. The Board did approve, in 2024, a budget for 2025.

Federal Income Tax

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

Cash and Cash Equivalents

All monies received by the Corporation are deposited in a demand deposit account and a State Treasurer Asset Reserve Fund (STAR Ohio) account.

The Corporation had investments at the end of the year in a STAR Ohio account. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for the purpose of measuring the value of shares in STAR Ohio. The Corporation measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV share that approximates fair value.

STAR Ohio reserves the right to limit participant transactions to $250,000,000 per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of $100,000,000 or more. For the year ended December 31, 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Assets Held for Resale

Assets held for resale represent properties purchased by or donated to the Corporation. These properties are valued at the lower of the acquisition cost plus any costs that improve the assets value or net realizable value, including the construction of buildings on the properties. The Corporation holds the properties until they are either sold to individuals who rehabilitate them, the structure on the properties is demolished and the property is transferred to a new owner, or the property and structure is sold or transferred to a new owner.

Capital Assets

The Corporation's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are reported as capital outlay expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balance of the General Fund in the year in which they are acquired.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Corporation capitalizes purchased furniture, equipment and leasehold improvements when the cost is $1,000 or more, and its useful life exceeds one year.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation for furniture and equipment is computed using the straight-line method for furniture and equipment over useful lives of five years. Depreciation for leasehold improvements is amortized over the remaining life of the lease.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund.

Compensated Absences

In December 2025, personnel who were previously employees of County Corp became employees of the Corporation. As a result, beginning in 2025 the Corporation recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, paid time off (PTO) leave provided by the Corporation qualifies for liability recognition for compensated absences.

PTO leave is earned at rates which vary depending upon length of service and standard workweek. A maximum of 360 hours of accrued PTO may be carried into the next calendar year. Employees who have completed at least 6 months of service receive pay for unused accrued PTO at the time of separation from employment.

A liability for compensated absences is recorded as incurred in the government-wide statement of net position using the first-in, first-out flow assumption, where the oldest accumulated leave is the leave used first. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Net Position

Net position represents the difference between assets/deferred outflow of resources and liabilities/deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Corporation had no restricted net position at December 31, 2025.

Intergovernmental Revenue
The Corporation receives operating income through Montgomery County. This money represents the penalties and interest on unpaid and delinquent property taxes once these taxes are paid. Pursuant to ORC 321.263, these penalty and interest monies are collected by the County when taxes are paid and then are transferred to the Corporation. The Corporation also receives contributions from various local entities to be used as a supplement for local match requirements for grants.

Estimates
The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Fund Balance
Fund balance is divided into five classifications based primarily on the extent to which the Corporation is bound to observe constraints imposed upon the use of the resources in the Governmental Fund. The classifications are as follows:

> ***Non-spendable Fund Balance*** – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.
>
> ***Restricted Fund Balance*** – The restricted classification is used when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
>
> ***Committed Fund Balance*** – The committed fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Directors.
>
> ***Assigned Fund Balance*** – Assigned fund balance includes amounts that are constrained by the Corporation's intent to be used for specific purposes but are neither restricted nor committed.
>
> ***Unassigned Fund Balance*** – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Corporation has not adopted a formal fund balance policy.

The Corporation applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Cash and Cash Equivalents

At December 31, 2025, the carrying amount of the Corporation's deposits was $1,681,786. The Corporation's bank balance was $1,732,394. Based on the criteria described in GASB Statement Number 40, Deposits and Investment Risk Disclosures, as of December 31, 2025, $514,135 of the Corporation's bank balance was covered by Federal Deposit Insurance Corporation (FDIC) and $1,218,259 was uninsured and collateralized. Custodial credit risk is the risk that in the event of bank failure the Corporation's deposits may not be returned to it. As permitted by Ohio Revised Code, the Corporation's deposits are collateralized by the Ohio Pooled Collateral System. Financial institutions participating in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, must pledge eligible securities equal to at least 102% of the carrying value of all public deposits held by each institution. Financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least 105% of the carrying value of all public deposits held by each institution. The Corporation has no deposit policy for custodial credit risk beyond the requirements of State statute. Although securities were held by the pledging institutions' trust department and all the statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Corporation to a successful claim by the Federal Deposit Insurance Corporation.

STAR Ohio is an investment pool created pursuant to Ohio statutes and managed by the Treasurer of the State of Ohio. Investments in STAR Ohio are not evidenced by securities that exist in physical or book entry form. The value of the Corporation's position in STAR Ohio is equal to the value of the shares the Corporation owns in the investment pool. The Corporation's position was valued at $2,600,589 as of December 31, 2025. STAR Ohio carries a AAAm credit rating by Standard and Poors. The Corporation has no policy for custodial credit risk beyond the requirements of state statute.

Note 4 – Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2025, the Corporation contracted with Marsh & McLennan Agency for various types of insurance as follows:

Coverage Type	Coverage	Provider
General Aggregate:		Agent Alliance Insurance
General Liability	$1,000,000 per occurrence, $2,000,000 aggregate	
Acquired Properties	$1,000,000 maximum	
Vacant Buildings/Vacant Land	$1,000,000 per occurrence, $2,000,000 aggregate	Cincinnati Indemnity Company
Excess Liability	$1,000,000 per occurrence, $1,000,000 aggregate	Cincinnati Indemnity Company
Executive Liability:		Cincinnati Insurance Company
Crime (Employee Dishonesty)	$500,000	
Directors & Officers Liability	$1,000,000	
Employment Practices Liability	$1,000,000	

Since being incorporated, settled claims have not exceeded commercial coverage. There have been no significant reductions in coverage from last year.

Note 5 – Litigation

The Corporation is not currently a party to any legal proceedings which would have a material impact on the financial statements.

Note 6 – Transactions with Montgomery County

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the Corporation has been authorized by the Montgomery County Board of Commissioners to receive 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 and will be available for appropriation by the Corporation to fund operations. The Corporation received $2,339,212 of DTAC revenue in 2025.

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Note 7 – Capital Assets

Capital asset activity in the governmental activities for 2025 was as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Depreciable Capital Assets:				
Furniture and Equipment	$ 110,596	$ 15,403	$ (2,795)	$ 123,204
Leasehold Improvements	28,498	2,927	-	31,425
Total Depreciable Capital Assets	139,094	18,330	(2,795)	154,629
Accumulated Depreciation				
Furniture and Equipment	(65,705)	(12,888)	2,409	(76,184)
Leasehold Improvements	(17,833)	(2,931)	-	(20,764)
Total Accumulated Depreciation	(83,538)	(15,819)	2,409	(96,948)
Total Capital Assets Being Depreciated, Net	55,556	2,511	(386)	57,681
Total Governmental Activities	$ 55,556	$ 2,511	$ (386)	$ 57,681

Depreciation expense of $15,819 for 2025 was charged to the administration function of governmental activities.

Note 8 – Long-Term Obligations

Changes in long-term obligations of the Corporation during the year ended December 31, 2025 were as follows:

Governmental Activities:	Balance 12/31/2024	Additions	(Reductions)	Balance 12/31/2025	Amount Due Within One Year
Other Long-Term Obligations:					
Compensated Absences *	-	63,480	-	63,480	63,480

* the change in compensated absences is a net change for the year

In December 2025, personnel who were previously employees of County Corp became employees of the Corporation. As a result, beginning in 2025 the Corporation recognized a liability for compensated absences.

Note 9 – Interfund Transfers

Interfund transfers for the year ended December 31, 2025 consisted of the following as reported on the fund financial statements:

	Transfers In	Transfers Out
General Fund	$ -	$ 809,264
Land Development LLCs	809,264	-
	$ 809,264	$ 809,264

The transfer from the general fund to the land development LLCs were to fund property acquisition and administrative expenses.

Note 10 – Fund Balance

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

Fund Balance	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaids	$ 66,765	$ -	$ 66,765
Assets Held for Resale	9,366,706	525,995	9,892,701
Loans Receivable	306,685	-	306,685
Total Nonspendable	9,740,156	525,995	10,266,151
Unassigned	5,343,685	264,136	5,607,821
Total Fund Balance	$ 15,083,841	$ 790,131	$ 15,873,972

Note 11 – Change to the Financial Reporting Entity

As noted in Note 1, in 2025 the Corporation created four legally separate limited liability corporations to serve as agents in property acquisitions and property redevelopment. These limited liability corporations are being presented as blended component units in the financial statements.

Note 12 – Subsequent Events

In order to manage cash flow, in early 2026 the Corporation engaged with both the Port Authority and Montgomery County on short term bridge loans. Prior to completion of a loan agreement with the County, the Port Authority provided a 3-month line of credit as a safety measure which was not used. On February 17, 2026, Montgomery County provided the Corporation with a loan of $4.5 million at 4.85% per annum to be repaid within a one year from when the county advanced the funds.

In February 2026, the Corporation received a deposit of $4,250,000 from the City of Dayton to fund project development costs associated with the Centre City building in downtown Dayton. During 2026, the Corporation intends to enter into a long-term ownership agreement and act as a co-developer of the Centre City building. This project will initially provide the Corporation with a fee of $50,000 per year, split between the three condo developments. The Corporation assisted with the remediation of the building and utilized funding from the City of Dayton to support the acquisition and development costs. The term of the lease agreement is 65 years and the fees to the Land Bank will increase incrementally approximately every 15 years.

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*

Board of Directors
Montgomery County Land Reutilization Corporation
Montgomery County, Ohio
130 W. Second Street, Suite 1425
Dayton, Ohio 45402

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Montgomery County Land Reutilization (Corporation), Montgomery County, Ohio, a component unit of Montgomery County, 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 23, 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 23, 2026

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

Board of Directors
Montgomery County Land Reutilization Corporation
Montgomery County, Ohio
130 W. Second Street, Suite 1425
Dayton, OH 45402

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Montgomery County Land Reutilization Corporation, Montgomery County, Ohio's (the Corporation) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2025. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
June 23, 2026

MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION
MONTGOMERY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Provided to Subrecipients**	**Total Federal Expenditures**
U.S. DEPARTMENT OF THE TREASURY				
Passed Through City of Dayton, Ohio				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds (ARPA)	21.027	CT23-3630	-	947,128
Total U.S. Department of Treasury			**-**	**947,128**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through Dayton-Montgomery County Port Authority				
Economic Development Initiative, Community Project Funding, and Miscellaneous Grants	14.251	N/A	-	624,705
Total U.S. Department of Housing and Urban Development			**-**	**624,705**
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Brownfields Community-Wide Assessment Coalition (Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	-	7,678
Brownfields Assessment (Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements)	66.818	N/A	-	64,921
Total Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements			-	72,599
Total U.S. Environmental Protection Agency			**-**	**72,599**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Natural Resources (ODNR)				
Cooperative Forestry Assistance Program	10.664	2024-1343	-	9,869
Total U.S. Department of Agriculture			**-**	**9,869**
Total Expenditures of Federal Awards			**-**	**1,654,301**

The accompanying notes are an integral part of this schedule.

MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION
MONTGOMERY COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Montgomery County Land Reutilization Corporation (the Corporation) under programs of the federal government for the year ended December 31, 2025. The information on this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Corporation, it is not intended to and does not present the financial position or changes in net position of the Corporation.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – COST SHARING (INCLUDING MATCHING) REQUIREMENTS

Certain Federal programs require the Corporation to contribute non-Federal funds (cost sharing or matching funds) to support the Federally-funded programs. The Corporation has met its cost sharing requirements. The Schedule does not include the expenditure of non-Federal cost sharing funds.

MONTGOMERY COUNTY LAND REUTILIZATION CORPORATION
MONTGOMERY COUNTY, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR §200.515
DECEMBER 31, 2025

1. SUMMARY OF AUDITOR'S RESULTS

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

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE