STARK COUNTY PORT AUTHORITY

STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

REGULAR AUDIT

FOR THE YEAR ENDED
DECEMBER 31, 2023

Julian & Grube
Serving Ohio Local Governments

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Board of Directors
Stark County Port Authority
400 3rd Street SE
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the Stark County Port Authority, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. 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. The Stark County Port Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

August 28, 2024

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STARK COUNTY PORT AUTHORITY
STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

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Julian & Grube
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Independent Auditor's Report

Stark County Port Authority
Stark County
400 3rd Street SE
Suite 310
Canton, Ohio 44702

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Stark County Port Authority, Stark County, Ohio, a component unit of Stark County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Stark County Port Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Stark County Port Authority, as of December 31, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. 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 Stark County Port Authority 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 opinion.

Report on Summarized Comparative Information

We have previously audited the Stark County Port Authority's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 Stark County Port Authority'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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Stark County Port Authority'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 Stark County Port Authority'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*, listed in the table of contents 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 auditing standards generally accepted in the United States of America, 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 20, 2024, on our consideration of the Stark County Port Authority'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 Stark County Port Authority'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 Stark County Port Authority's internal control over financial reporting and compliance.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 20, 2024

Management's Discussion and Analysis
For the Year's Ended December 31, 2023

The discussion and analysis for the Stark County Port Authority's (SCPA) financial performance provides an overall review of the SCPA for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the SCPA's performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the SCPA's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position increased $2,184,107 in 2023 from 2022, however unrestricted net position decreased $167,452. The overall increase results predominantly from Intergovernmental revenue from City of Canton related to HOFV TDD and HOFV TIF which includes $780,585 and $1,558,759 respectively, restricted for those specific purposes at year end. The other increase is from the interest charge on outstanding loans related to the revolving loan program originally established in 2022. The interest from the loan will be utilized for a continuing revolving loan program. The revolving loan account represents a restricted balance of $912,467 of the total net position.

- Total assets increased $35,323,886 in 2023. This is due to increase in loans receivable; including, a net increase of $18,241,608 for TSC Tractor Project and $18,100,000 HOFV TIF Project. Project increases were offset by decrease from repayments for Omni of $385,709, for Hendrickson $2,134,037, and $527,083 for Schroer, and $$155,000 for HOFV 2022 TDD.

- Total liabilities increased by $33,139,779 in 2023. The net liabilities increase corresponds directly to debt which corresponds to changes in loans receivable for projects including, HOFV 2023 TIF and TSC Tractor, and were offset by reductions in debt repayments from Omni, Hendrickson, Schroer, and HOFV 2022 TDD projects.

- The total operating revenue amounted to $8,615,281 in 2023, which is an increase $5,256,637 driven by increase intergovernmental revenue restricted for both TDD and TIF purposes and the increase in loan receipts as several projects were completed and completed and repayment began and/or continued in 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements include a statement of net position, revenues, expenses and changes in net position and a statement of cash flows.

FINACIAL ANALYSIS

Changes in Net Position

The following table shows the changes in net position for the years 2023 and 2022:

Table 1
Net Position

	2023	2022
Assets		
Cash and Cash Equivalents	$ 1,753,344	$ 1,501,670
Cash in Segregated Accounts	2,339,344	572,712
Loans Receivable	200,228,703	173,690,667
Assets Held for HOFV 2023 TIF Debt Issuance	6,767,544	-
Total Assets	211,088,935	175,765,049
Liabilities		
Loans Payable	206,945,630	173,805,851
Total Liabilities	206,945,630	173,805,851
Net Position		
Restricted - Hendrickson Interest	-	61,610
Restricted - Revolving Loan	912,467	500,930
Restricted - TDD Revenue	780,585	337,712
Restricted - TIF Revenue	1,558,759	-
Unrestricted (Deficit)	891,494	1,058,946
Total Net Position	$ 4,143,305	$ 1,897,588

STARK COUNTY PORT AUTHORITY
STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

Management's Discussion and Analysis
For the Year's Ended December 31, 2023

The following represents SCPA's summary of changes in revenues, expenses, and net position:

Table 2
Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022
Revenues		
Charges for Services	$ 229,826	$ 96,130
Intergovernmental	1,776,749	385,073
Loan Receipts	6,588,501	2,874,517
Other	20,205	2,924
Total Operating Revenues	8,615,281	3,358,644
Expenses		
Current:		
Administration	269,047	71,591
Bank Fees	973	678
Legal Fees	24,057	53,026
Economic Development - Grant	50,000	25,000
HOFV 2022 TDD Administration	38,719	1,998
HOFV 202 TIF Administration	49,825	-
Debt Service:		
Interest and Fiscal Charges	6,987,519	2,758,020
Total Operating Expenses	7,420,140	2,910,313
Excess of Receipts Over (Under) Disbursements	1,195,141	448,331
Non-Operating Receipts		
HOFV TIF Bond Reserve	905,000	-
Investment Income	83,966	12,166
Total Non-Operating Receipts	988,966	12,166
Change in Net Position	2,184,107	460,497
Net Position at Beginning of Year	1,959,198	1,498,701
Net Position at End of Year	$ 4,143,305	$ 1,959,198

CAPITAL ASSETS

At the end of 2023, the SCPA had no capital assets, net of depreciation.

ASSETS HELD

At fiscal year end, the SCPA had $6,767,544 in assets held which included only the specific roadways within the HOFV, which were acquired in connection with a portion of the HOFV TIF financing in 2023 and pledged as a SCPA asset which will be eligible for a negotiated amount upon full repayment of the corresponding debt obligation. The assets held are reported at cost and depreciation is not recognized.

DEBT

The following table summarizes SCPA's debt:

	2023	2022
Geis Refinance 2019 Issue	27,400,000	27,400,000
Omni	8,782,601	9,168,310
Henrickson	15,752,702	17,886,739
Schroer	9,918,750	10,445,833
ABC Gardens Project I	8,484,724	8,484,724
HOFV - 2021 Center for Excellence	14,857,976	14,857,976
TSC Tractor	83,462,905	65,221,297
ABC Gardens Project II	7,840,972	7,840,972
Stark County Revolving Loan	5,000,000	5,000,000
HOFV 2022 TDD	7,345,000	7,500,000
HOFV 2023 TIF	18,100,000	-
	$ 206,945,630	$ 173,805,851

Additional information on the SCPA's debt can be found in Note 6

CURRENT FINANCIAL RELATED ACTIVITIES

At December 31, 2023, SCPA had total assets of $211,088,935 and total net position of $4,143,305 representing an increase of $2,184,107 or 111% in net position, however unrestricted net position decreased $167,452 or 15.8%. At December 31, 2022, SCPA had total assets of $175,765,049 and a total net position of $1,959,198. The SCPA continues to benefit from projects and competitive fee structure.

REQUEST FOR INFORMATION

This financial report is designed to provide the citizens, taxpayers, and consumers of Stark County with a general overview of SCPA's financial position. If you have any questions about this report or need additional financial information, contact the Chairman, 400 3rd ST SE STE 310, Canton, OH 44702.

BASIC
FINANCIAL STATEMENTS

STARK COUNTY PORT AUTHORITY
STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

STATEMENT OF NET POSITION
DECEMBER 31, 2023
(With Comparative Amounts for 2022)

	2023	2022
Assets		
Cash and Cash Equivalents	$ 1,753,344	$ 1,501,670
Cash in Segregated Accounts	2,339,344	572,712
Loans Receivable	200,228,703	173,690,667
Assets Held for HOFV 2023 TIF Debt Issuance	6,767,544	-
Total Assets	211,088,935	175,765,049
Liabilities		
Loans Payable	206,945,630	173,805,851
Total Liabilities	206,945,630	173,805,851
Net Position		
Restricted - Hendrickson Interest	-	61,610
Restricted - Revolving Loan Program	912,467	500,930
Restricted - TDD Revenue	780,585	337,712
Restricted - TIF Revenue	1,558,759	-
Unrestricted (Deficit)	891,494	1,058,946
Total Net Position	$ 4,143,305	$ 1,959,198

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STARK COUNTY PORT AUTHORITY
STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Amounts for 2022)

	2023	2022
Revenues		
Charges for Services	$ 229,826	$ 96,130
Intergovernmental	1,776,749	385,073
Loan Receipts	6,588,501	2,874,517
Other	20,205	2,924
Total Operating Revenues	8,615,281	3,358,644
Expenses		
Current:		
Administration	269,047	71,591
Bank Fees	973	678
Legal Fees	24,057	53,026
Economic Development	50,000	25,000
HOFV 2022 TDD Administration	38,719	1,998
HOFV 202 TIF Administration	49,825	-
Debt Service:		
Interest and Fiscal Charges	6,987,519	2,758,020
Total Operating Expenses	7,420,140	2,910,313
Operating Income (Loss)	1,195,141	448,331
Non-Operating Revenues (Expenses):		
HOFV 2023 TIF Bond Reserve	905,000	-
Investment Income	83,966	12,166
Total Non-Operating Revenues (Expenses)	988,966	12,166
Change in Net Position	2,184,107	460,497
Net Position at Beginning of Year	1,959,198	1,498,701
Net Position at End of Year	$ 4,143,305	$ 1,959,198

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STARK COUNTY PORT AUTHORITY
STARK COUNTY, OHIO
(A COMPONENT UNIT OF STARK COUNTY)

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
(With Comparative Amounts for 2022)

	2023	2022
Cash Flows From Operating Activities		
Cash Received from Customers	250,031	99,054
Cash Received from Other Governments	1,776,749	385,073
Cash Received from Loan Interest	6,282,593	2,772,267
Cash Received from Revolving Loan Interest	305,908	102,250
Cash Payments to Goods and Services	(432,621)	(152,293)
Cash Payments to Loan Interest	(6,987,519)	(2,758,020)
Net Cash Provided (Used) by Operating Activities	1,195,141	448,331
Cash Flows From Noncapital and Related Financing Activities		
Proceeds from HOVF - Center for Excellence	-	6,195,944
Proceeds from TSC Tractor 2021 Project	18,241,608	48,347,087
Proceeds from ABC Gardens Project II	-	6,821,386
Proceeds from Stark County Revolving Loan	-	5,000,000
Proceeds from HOFV 2022 TDD Loan	-	7,500,000
Proceeds from HOFV 2023 TIF Loan	18,100,000	-
Contributed Capital HOVF - Center for Excellence	-	2,153,149
Contributed Capital HOFV 2021 Youth Fields	-	8,141,713
Contributed Capital HOFV 2022 TDD Loan	-	100,000
Cash Received from Outstanding Loans	3,039,521	17,899,357
Economic Development	(28,672,557)	(84,317,485)
Assets Held for HOFV 2023 TIF Debt Issuance	(6,767,544)	-
Principal Paid on Capital Debt	(3,201,829)	(17,725,967)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	739,199	115,184
Cash Flows From Investing Activities		
Interest and Dividends	83,966	12,166
Net Cash Provided (Used) by Investing Activities	83,966	12,166
Net Increase (Decrease) in Cash	2,018,306	575,681
Balance - Beginning of the Year	2,074,382	1,498,701
Balance - End of the Year	$ 4,092,688	$ 2,074,382
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	$ 1,195,141	$ 448,331

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE ENTITY

The Stark County Port Authority (SCPA) is a body politic and corporate established to promote, develop and advance the general welfare, commerce, and economic development of Stark County and its citizens, and to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The SCPA is directed by a five-member Board appointed by the Stark County Commissioners.

The SCPA is a component unit of Stark County due to the members of the SCPA's Board being appointed by the Stark County Board of Commissioners and being economically dependent on the County for operating subsidies.

The SCPA's management believes these financial statements present all activities for which the SCPA is financially accountable. The SCPA was formed in June 1995 and became independent from Stark County as their fiscal agent in May 1998.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the SCPA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The SCPA's significant accounting policies are described below.

A. Basis of Presentation

Enterprise fund accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the SCPA finances and meets the cash flow needs of its proprietary activities. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

The Ohio Revised Code Section 4582.13 required that each fund be budgeted annually. This budget includes estimated receipts and appropriations. According to the bylaws of the SCPA, the Board shall adopt an appropriation resolution. The SCPA reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and not re-appropriated. GAAP does not require enterprise funds to present budgetary statements; therefore, budgetary statements have not been included.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Cash and Cash Equivalents

To improve cash management, cash received by the SCPA is pooled. Individual fund integrity is maintained through the SCPA's records.

During, 2023, investments were limited to STAR Ohio. Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

STAR Ohio (the State Treasury Asset Reserve of 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 SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The SCPA 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 an NAV per share that approximates fair value.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the SCPA are considered to be cash equivalents. Investments with an original maturity of more than three months are reported as investments.

An analysis of the SCPA's investment account at year end is provided in Note 3.

E. Capital Assets and Depreciation

Port Authority capital assets are capitalized at cost and updated for additions and deletions during the year. At fiscal year end, the SCPA had no capital assets.

F. Assets Held

At fiscal year end, the SCPA had assets held which included only the specific roadways within the HOFV, which were acquired in connection with a portion of the HOFV TIF financing in 2023 and pledged as a SCPA asset which will be eligible for a negotiated amount upon full repayment of the corresponding debt obligation. The assets held are reported at cost and depreciation is not recognized.

G. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the SCPA. For the Port Authority, these revenues are charges for services for leases, operating grants, intergovernmental, and loan receipts. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the SCPA. All revenues and expenses not meeting this definition are reported as nonoperating.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the SCPA or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The SCPA applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Estimates

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

NOTE 3. DEPOSITS AND INVESTMENT

State statutes classify monies held by the SCPA into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the SCPA treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Directors has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed immediate use, but which will be needed before the end of the current period of the designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposit or invested in the following securities:

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

NOTE 3. DEPOSITS AND INVESTMENT – (Continued)

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided the investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Certain banker's acceptances and commercial paper notes in an amount not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

Protection of the SCPA's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investment in stripped principal or interest obligations, reverse repurchase agreements and derivatives is prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the SCPA and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

At year end, $2,339,344 was on deposit in a segregated account and is not included in the deposit below.

The carrying amount and bank balance of SCPA deposits was $567,273 at December 31, 2023 and $947,823 at December 31, 2022. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2023, $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), $158,637 was covered by the Ohio Pooled Collateral System (OPCS) and $158,637 was exposed to custodial credit risk because the amount was uninsured and uncollateralized.

NOTE 3. DEPOSITS AND INVESTMENT – (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the SCPA will not be able to recover deposits or collateral securities that are in the possession of an outside party. The SCPA has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (a) eligible securities pledged to the SCPA and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or (b) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2023 the SCPA's depository institution was approved for a reduced collateral rate of 50% through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the SCPA to a successful claim by the FDIC.

B. Investments

As of December 31, 2023, the SCPA had the following investments and maturities:

		Investment Maturities		
Investment	Fair Value	6 months less	7 to 12 months	13 to 18 months
Amortized Cost				
Star Ohio	$ 1,186,069	$ 1,186,069	$ -	$ -
Total	$ 1,186,069	$ 1,186,069	$ -	$ -

Fair Value Measurements: The SCPA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The SCPA had no qualifying investments at December 31, 2023.

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the SCPA's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAA by Standard & Poor's. The SCPA has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The SCPA's investment policy does not specifically address credit risk beyond requiring the SCPA to only invest in securities authorized by State statute.

Custodial Rate Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the SCPA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The SCPA has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

NOTE 3. DEPOSITS AND INVESTMENT – (Continued)

Concentration of Credit Risk: The SCPA places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the SCPA at December 31, 2023:

Investment Type	Measurement Value	% of Total
STAR Ohio	$ 1,186,069	100.00
Total	$ 1,186,069	100.00

NOTE 4. RISK MANAGEMENT

The SCPA has obtained commercial crime and public officials' liability insurance from the Westfield Insurance Company. There has not been a significant reduction of coverage from the prior year and settled claims have not exceeded commercial coverage in any of the last three years.

NOTE 5. RELATED PARTY TRANSACTIONS

The SCPA contracts with the Stark Economic Development Board to maintain the SCPA's files and records in addition to providing facilities and related administrative functions. The SCPA paid the SDB $69,600 in 2023, and $59,600 in 2022 under the term of the contract.

NOTE 6. DEBT/LOANS PAYABLE

At December 31, 2023, debt outstanding totaled $206,945,630 up from the $173,805,851 debt outstanding at December 31, 2022.

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Snackhouse/Geis Refinance 2019	27,400,000	-	-	27,400,000
Omni	9,168,310	-	(385,709)	8,782,601
Hendrickson	17,886,739	-	(2,134,037)	15,752,702
Schroer	10,445,833	-	(527,083)	9,918,750
ABC Gardens Project I	8,484,724	-	-	8,484,724
HOFV 2021 - Center for Excellence	14,857,976	-	-	14,857,976
Tractor Supply Company	65,221,297	18,241,608	-	83,462,905
ABC Gardens Project II	7,840,972	-	-	7,840,972
HOFV Project (SC Revolving Loan)	5,000,000	-	-	5,000,000
HOFV 2022 TDD Project	7,500,000	-	(155,000)	7,345,000
HOFV 2023 TIF Porject	-	18,100,000		18,100,000
	$ 173,805,851	$ 36,341,608	$ (3,201,829)	$ 206,945,630

A. Geis

In 2018, the SCPA authorized up to $41,000,000 through The Huntington Bank for the expansion at Shearers facilities in Massillon. In 2019, Geis repaid a portion of the loan and then refinanced the remaining portion. The refinancing included new issuance of $27,400,000 at a rate of 4.77% for 7 years. The amortization schedule is provided below.

NOTE 6. DEBT/LOANS PAYABLE – (Continued)

B. Omni
In 2019 the SCPA authorized up to $10,000,000 through The Huntington Bank for the OMNI Orthopedics facilities project. The loan term includes a variable interest rate for 10 years, currently it is 3.93%. The project was completed in 2020 and an amortization schedule is provided below.

C. Hendrickson
In 2019 the SCPA authorized up to $25,000,000 through The Huntington Bank for improving manufacturing facilities. Construction was completed in 2020 for $22,384,830. The loan terms include a 4% interest rate for 11 years. The amortization schedule is provided below.

D. Schroer
In 2019 the SCPA authorized up to $11,500,000 through PNC Bank for construction of a new corporate headquarters and pharmacy building. The loan term includes a 4% interest rate for 10 years. The project was completed in 2020 and an amortization schedule is provided below.

E. ABC Gardens Project I
In 2020 the SCPA authorized up to $4,200,000 until amended to $17,014,000 in 2021 through Civista Bank. The purpose of the project is to acquire land on the site of the former Tam O' Shanter Golf Course and to develop housing units. In 2021, the SCPA authorized unused funds from this Phase I to be used in Phase II outlined below. The project was completed for $8,484,724. No amortization schedule is available.

F. HOFV 2021 – Center for Excellence
In 2021 the SCPA authorized up to $39,000,000 through The Huntington Bank for the HOFV 2021 Center for Excellence Project. The loan term includes a 5% interest rate for 30 years. The project has drew and expended $0 in 2023. No amortization schedule is available.

G. Tractor Supply Company
In 2021 the SCPA authorized up to $90,000,000 through The Huntington Bank for the construction of a new distribution facility in Navarre, Ohio. The loan term includes a 3% interest rate for 30 years. The project has drawn and expended 18,241,608 in 2023. No amortization schedule is available.

H. ABC Gardens Project II
In 2021 the SCPA authorized unused funds from ABC Phase I for the development of 41 single-story independent units. The project was completed for $7,840,972. No amortization schedule is available

I. HOFV Project (SC Revolving Loan)
In 2022 the SCPA with the assistance of Stark County established a $5M revolving loan program. The HOFV was approved for a $5M loan in 2022 for construction of the Village. All interest proceeds from the loan will be retained in the SCPA revolving loan program for the purpose of providing loans to other businesses in the future. The HOFV drew and expended all $5.0 million in 2022. The loan has a 6% interest rate and mature with a $5.0 million balloon payment due August 30, 2029.

J. HOFV TDD Project
In 2022 the SCPA with the assistance of the Ohio Department of Development authorized up to $7,500,000 for the HOFV Center for Performance LLC. The loan term includes a 5.413% interest rate for 24 years. The HOFV drew all $7.5 million in 2022. The amortization is provided below.

NOTE 6. DEBT/LOANS PAYABLE – (Continued)

K. HOFV 2023 TIF

In 2023 the SCPA authorized up $18,100,000 for the HOFV for the purpose of retiring related TIF financing originally issued with the assistance of the Summit County Port Authority and for the purpose SCPA financing the acquisition of the HOFV internal roadway valued at $6,767,544 removing the debt obligations from the HOFV and transferring future TIF distributions from the City of Canton to SCPA for the purposes of retiring the debt obligation. The loan term includes a 6.375% interest rate for 25 years and will mature on December 30, 2048.

In addition, it restructures the existing debt associated with the HOFV internal roadway system. Within this portion of the debt the Port Authority acquired roadway assets of approximately $6.8 million as pledged assets against the issuance that become the property of the Port Authority, which shall be reported as "assets held", as these assets may be repurchased by the HOFV upon complete repayment of the debt. The Port Authority will reflect the outstanding receivable related to this financing of the asset, and funds held for repayment, to not affect it stated net position neither positively or negatively while these TIF funds are collected, and the loan repaid.

Amortization of the debt, including interest, is scheduled as follows:

U.S. Realty Advisors - Snackhouse/Geis Refinance 2019

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	34,347	1,306,980
2025	422,968	1,296,174
2026	26,942,685	1,170,067
Total	$ 27,400,000	$ 3,773,221

Huntington - Hendrickson

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	2,408,837	646,163
2025	2,321,925	498,075
2026	2,417,862	402,138
2027	2,517,763	302,237
2028	2,621,117	198,883
2029-2030	3,465,198	95,049
Total	$ 15,752,702	$ 2,142,545

Huntington - Omni

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	404,515	165,576
2025	424,238	157,551
2026	444,923	149,135
2027	466,615	141,345
2028	489,366	131,051
2029	6,552,944	19,874
Total	$ 8,782,601	$ 764,532

PNC - Schroer

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	622,917	251,874
2025	575,000	215,980
2026	575,000	201,213
2027	575,000	186,445
2028	575,000	171,677
2029-2030	6,995,833	198,957
Total	$ 9,918,750	$ 1,226,146

NOTE 6. DEBT/LOANS PAYABLE – (Continued)

HOFV 2022 (Revolving Loan)

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	-	304,167
2025	-	304,167
2026	-	304,167
2027	-	304,167
2028	-	304,167
2029	5,000,000	304,774
Total	$ 5,000,000	$ 1,825,609

HOFV 2022 TDD

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	160,000	395,420
2025	170,000	386,624
2026	180,000	377,286
2027	190,000	367,407
2028	200,000	356,987
2029-2033	1,200,000	1,605,496
2034-2038	1,585,000	1,236,600
2039-2043	2,095,000	7,482,122
2044-2046	1,565,000	151,564
Total	$ 7,345,000	$ 12,359,506

HOFV 2023 TIF

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	50,000	1,153,078
2025	55,000	1,149,891
2026	70,000	1,146,225
2027	90,000	1,141,284
2028	150,000	1,134,591
2029-2033	1,355,000	5,473,097
2034-2038	2,770,000	4,850,738
2039-2043	4,715,000	3,704,991
2044-2048	8,845,000	1,876,481
Total	$ 18,100,000	$ 21,630,376

NOTE 7. LOANS RECEIVABLE

As of December 31, 2023, the loan receivable amount totaled $200,228,703, up from the $173,690,667 loan receivable at December 31, 2022. The increase is the net effect of financing and related expenditures of $18.2 million for TSC Tractor Project and $11.6 ($18.1 less $6.7 "asset held") million for HOFV 2023 TIF Project. Project increases were offset by decreases from repayments of $385,709 from Omni, $2 million from Hendrickson, $527,083 from Schroer, and $155,000 from HOFV 2022 TDD. The facilities in all other projects with remaining debt will immediately convey upon repayment, consistent with the terms of their respective project and financing agreement; therefore, the expenses are included as loans receivable as incurred. The revenue will be utilized to retire the corresponding debt related to the projects.

NOTE 7. LOANS RECEIVABLE – (Continued)

A. PT Metals LLC (SCPA Revolving Loan)

In 2022 the SCPA approved PT Metals LLC for a $61,700 loan through their own revolving loan program. This loan was issued for the purpose of purchasing of operating equipment. All interest proceeds from the loan will be retained in the SCPA revolving loan program for the purpose of providing loans to other businesses in the future. In 2023, the remaining $3,494 was drawn and expended, while $11,082 in principal payments were made. The loan term includes a 2.3% interest rate for 5 years.

Year Ending	Business-Type Activities	
December 31	Principal	Interest
2024	11,678	2,379
2025	12,306	1,751
2026	12,968	1,089
2027	13,666	386
Total	$ 50,618	$ 5,605

NOTE 8. ASSETS HELD

The the SCPA is currently holding onto HOFV assets which include only the specific roadways within the HOFV, which were acquired in connection with a portion of the HOFV 2023 TIF financing, and pledged, as a "asset held" which will be eligible for a negotiated amount upon full repayment of the corresponding debt obligation. In 2023, the following changes occurred:

	Balance 12/31/2022	**Additions**	**Disposals**	**Balance 12/31/2023**
HOFV 2023 TIF Debt Issuance (infrastructure)	$ -	$ 6,767,544	$ -	$ 6,767,544
Total Cost	-	6,767,544	-	6,767,544

NOTE 9. SUBSEQUENT EVENTS

Since December 31, 2023, Geis has made $544,575 in interest payments, Hendrickson made $1,410,000 in principal/interest payments, ABC Gardens made $829,904 in principal/interest payments, Schroer made $673,979 in principal/interest payments, HOFV 2022 TDD made $278,792 in principal/interest payments and HOFV 2023 TIF made $576,938 in principal/interest payments.

On May 13, 2024, the SCPA passed Resolution 2024-01 increasing an existing loan to the HOFV through its revolving loan program from $5,000,000 to $5,520,383 and amending the terms to include an annual interest rate of 6.0%, no payment requirement for two years while accruing interest, with principal and interest payments beginning on June 30, 2026, with the final payment schedule for June 30, 2044. The Port Authority distributed all remaining available loan funds to the HOFV in May 2024.

Julian & Grube

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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*

Stark County Port Authority
Stark County
400 3rd Street SE
Suite 310
Canton, Ohio 44702

To the Board of Directors:

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, the financial statements of the Stark County Port Authority, Stark County, Ohio, a component unit of Stark County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Stark County Port Authority's basic financial statements, and have issued our report thereon dated June 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Stark County Port Authority'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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stark County Port Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stark County Port Authority'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 Stark County Port Authority'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 Stark County Port Authority'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 Stark County Port Authority'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 Stark County Port Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Julian & Grube, Inc.

Julian & Grube, Inc.
June 20, 2024

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OHIO AUDITOR OF STATE
KEITH FABER

STARK COUNTY PORT AUTHORITY

STARK 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 9/10/2024

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