



**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009



Mary Taylor, CPA
Auditor of State

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Northern Wood County Port Authority
Wood County
932 Dixie Hwy
Rossford, Ohio 43460-1333

To the Board of Directors:

We have audited the accompanying basic financial statements of the Northern Wood County Port Authority, Wood County (the Port Authority) as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Port Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Northern Wood County Port Authority as of December 31, 2009 and 2008, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 30, 2010

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED**

The discussion and analysis of the Northern Wood County Port Authority's (Port Authority) financial performance provides an overall review of the Port Authority's financial activities for the years ended December 31, 2009 and 2008. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Port Authority's financial performance.

Using this Financial Report

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets and a statement of cash flows. Since the Port Authority only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Net Assets answers the question, "How did we do financially during 2009 and 2008?" This statement includes all assets and liabilities, both financial and capital, and current and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net assets is important because it tells the reader whether, for the Port Authority as a whole, the financial position of the Port Authority has improved or diminished. However, in evaluating the overall position of the Port Authority, non-financial information will also need to be evaluated.

This section contains a condensed comparison of assets, liabilities, net assets, revenues and expenses and explanations for significant differences.

Table 1 provides a summary of the Port Authority's net assets for 2009, 2008, and 2007.

**Table 1
Net Assets**

	2009	2008	2007
Assets:			
<i>Current Assets:</i>			
Equity in Pooled Cash & Cash Equivalents	\$25,987	\$31,484	\$43,919
<i>Noncurrent Assets:</i>			
Note Receivable	20,000	20,000	20,000
Accrued Interest Receivable	3,876	2,876	1,876
<i>Total Noncurrent Assets</i>	23,876	22,876	21,876
<i>Total Assets</i>	49,863	54,360	65,795
Liabilities:			
<i>Current Liabilities:</i>			
Accounts Payable	1,580	2,040	1,890
Net Assets:			
Unrestricted	\$48,283	\$52,320	\$63,905

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED
(CONTINUED)**

In 2008, total net assets decreased by \$11,585 due to a negative change in fund assets. Total liabilities increased by \$150 from 2007.

In 2009, total net assets decreased by \$4,037 due to a negative change in fund assets. Total liabilities decreased by \$460 from 2008.

Table 2 shows the changes in net assets for the years ended December 31, 2009, 2008, and 2007. Total net assets decreased by \$11,585 in 2008. This number reflects a decrease in net assets due to incurring yearly expenses without the inflow of additional non-operating revenue. In 2009, total net assets decreased \$4,037. This number reflects a decrease in net assets due to incurring yearly expenses without the inflow of additional non-operating revenue.

**Table 2
Revenues and Expenses**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
OPERATING EXPENSES:			
Audit Fees		\$2,694	\$1,140
Board Member Compensation	\$1,325	1,575	1,275
Dues and Subscriptions	100	200	100
Entertainment			154
Insurance and Bonding	2,861	3,123	3,123
Legal and Professional Fees	16,250	20,895	13,588
Office Expense			90
Travel/Education		300	7,962
Total Operating Expenses	<u>20,536</u>	<u>28,787</u>	<u>27,432</u>
Operating Loss	(20,536)	(28,787)	(27,432)
NON-OPERATING REVENUES (EXPENSES):			
Bank Fee Refunds		11	
Contributions	15,000	15,000	15,000
Interest	1,499	2,191	3,029
Total Non-Operating Revenues (Expenses)	<u>16,499</u>	<u>17,202</u>	<u>18,029</u>
Change in Fund Net Assets	<u>(4,037)</u>	<u>(11,585)</u>	<u>(9,403)</u>
Net Assets, Beginning of Year	<u>52,320</u>	<u>63,905</u>	<u>73,308</u>
Net Assets, End of Year	<u>\$48,283</u>	<u>\$52,320</u>	<u>\$63,905</u>

Contacting the Port Authority's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Port Authority's finances and to demonstrate the Port Authority's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Port Authority's General Counsel at the Northern Wood County Port Authority, 932 Dixie Hwy, Rossford, Ohio 43460-1333.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2009 AND 2008**

	2009	2008
Assets:		
<i>Current Assets:</i>		
Equity in Pooled Cash and Cash Equivalents	\$25,987	\$31,484
<i>Noncurrent Assets:</i>		
Note Receivable	20,000	20,000
Accrued Interest Receivable	3,876	2,876
<i>Total Noncurrent Assets</i>	23,876	22,876
<i>Total Assets</i>	\$49,863	\$54,360
Liabilities:		
<i>Current Liabilities:</i>		
Accounts Payable	\$1,580	\$2,040
Net Assets:		
Unrestricted	\$48,283	\$52,320

The notes to the financial statement are an integral part of this statement.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
OPERATING EXPENSES:		
Audit Fees		\$2,694
Board Member Compensation	\$1,325	1,575
Dues and Subscriptions	100	200
Insurance and Bonding	2,861	3,123
Legal and Professional Fees	16,250	20,895
Travel/Education		300
	<u>20,536</u>	<u>28,787</u>
Total Operating Expenses		
	<u>20,536</u>	<u>28,787</u>
Operating Loss	(20,536)	(28,787)
NON-OPERATING REVENUES:		
Bank Fee Refunds		11
Contributions	15,000	15,000
Interest Income	1,499	2,191
	<u>16,499</u>	<u>17,202</u>
Total Non-Operating Revenues		
	<u>16,499</u>	<u>17,202</u>
Change in Fund Net Assets	(4,037)	(11,585)
Net Assets Beginning of Year	<u>52,320</u>	<u>63,905</u>
Net Assets End of Year	<u>\$48,283</u>	<u>\$52,320</u>

The notes to the financial statement are an integral part of this statement.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Decrease in Cash and Cash Equivalents		
<i>Cash Flows Used by Operating Activities:</i>		
Cash Payments for Audit Expenses		(\$2,694)
Cash Payments for Board Member Compensation	(\$1,050)	(2,100)
Cash Payments for Dues and Subscriptions	(100)	(200)
Cash Payments for Legal and Professional Fees	(16,985)	(20,220)
Cash Payments for Insurance and Bonding	(2,861)	(3,123)
Cash Payments for Travel/Continuing Education		(300)
	<u>(20,996)</u>	<u>(28,637)</u>
<i>Net Cash Used by Operating Activities</i>		
<i>Cash Flows from Noncapital Financing Activities</i>		
Contributions	15,000	15,000
Bank Fee Refunds		11
	<u>15,000</u>	<u>15,011</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>		
<i>Cash Flows from Investing Activities</i>		
Interest on Investments	499	1,191
	<u>499</u>	<u>1,191</u>
Net Decrease in Cash	(5,497)	(12,435)
<i>Cash Beginning of Year</i>	<u>31,484</u>	<u>43,919</u>
<i>Cash End of Year</i>	<u>\$25,987</u>	<u>\$31,484</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	(\$20,536)	(\$28,787)
<i>Adjustments to Reconcile Operating Loss to Net Cash Adjustments:</i>		
Increase (Decrease) in Accounts Payable	(460)	150
	<u>(460)</u>	<u>150</u>
Net Cash Used by Operating Activities	<u>(\$20,996)</u>	<u>(\$28,637)</u>

The notes to the financial statement are an integral part of this statement.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Northern Wood County Port Authority (the Port Authority), formerly known as Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority, is presented to assist in understanding the entity's financial statements. The financial statements and notes are representations of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of States, Local Governments* and by The Financial Accounting Standards Board (FASB) (when applicable). The above policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Northern Wood County Port Authority, Wood County, is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.22 of the Ohio Revised Code. It has territorial limits coterminous with the City of Rossford and Perrysburg Township. Since statutes prohibit the Township from providing financial resources to nonprofit organizations, the City and Township formed the Port Authority.

The Port Authority is governed by a five-member Board of Directors. Two members are appointed by the Board of Trustees, Perrysburg Township, two members are appointed by the Mayor of the City of Rossford with the advice and consent of Council, and one member is jointly appointed by the Board of Trustees of Perrysburg Township and the Mayor of the City of Rossford with the advice and consent of the City Council. The City and Township can provide financial resources to the Port Authority.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financial accountable.

B. Basis of Accounting

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (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 Port Authority also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, provided they do not conflict with or contradict GASB pronouncements.

The Port Authority's financial statements consist of a statement of net assets, a statement of revenue, expenses and changes in net assets, and a statement of cash flows.

The Port Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net assets, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Port Authority are included on the statement of net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Port Authority finances and meets the cash flow needs of its enterprise activity.

D. Fund Accounting

The Port Authority maintains an Enterprise Fund, a proprietary fund type, which is the general operating fund and is used to account for all financial resources of the Port Authority. This fund is used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Port Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Port Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Port Authority did not have any restricted net assets for 2009 and 2008.

F. Statement of Cash Flows

For the purposes of the statement of cash flows, the Port Authority considers all short term investments with a maturity of three months or less at the time they are acquired to be cash equivalents.

G. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Port Authority.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 2: CASH AND CASH EQUIVALENTS

Monies held by the Port Authority are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Port Authority treasury. Active monies must be maintained either as cash in the Port Authority 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 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 for immediate use but which will be needed before the end of the current period of 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 held by the Port Authority can be deposited 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 obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 2: CASH AND CASH EQUIVALENTS – (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are 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 Port Authority, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Port Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2009 and 2008, none of the Port Authority's bank balances was exposed to custodial credit risk.

The Port Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Port Authority or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 3: NOTES RECEIVABLE

The Port Authority issued a \$50,000 promissory note to the Rossford Transportation Improvement District (RTID) on May 22, 2006. The loan was issued at 5% interest with a 3% administrative fee which was paid upon receipt of the reimbursement from grant funds on October 31, 2006. The RTID paid \$30,000 of the principal on January 23, 2007. The balance of the promissory note was extended to July 1, 2009. In July 2009, the balance of the promissory note was extended to July 1, 2011.

NOTE 4: RISK MANAGEMENT

Risk Pool Membership

The Port Authority belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk management ("OPRM"), are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss, except OPRM retain 15% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had over 650 members as of December 31, 2008. The Government participates in this coverage.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 4: RISK MANAGEMENT – (Continued)

In August, 2007, OGRMP formed the Ohio Plan Healthcare Consortium (“OPHC”), as authorized by Section 9.833 of the Ohio Revised Code. The OPHC was established to provide cost effective employee benefit programs for Ohio political sub-divisions and is a self-funded, group purchasing consortium that offers medical, dental, vision and prescription drug coverage as well as life insurance for its members. The OPHC is sold through seventeen appointed independent agents in the State of Ohio. Coverage programs are developed specific to each member’s healthcare needs and the related premiums for coverage are determined through the application of uniform underwriting criteria. Variable plan options are available to members. These plans vary primarily by deductibles, coinsurance levels, office visit co-pays and out-of pocket maximums. OPHC had 40 members as of December 31, 2008. The Government does not participate participates in this coverage.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2008 and 2007 (the latest information available), and include amounts for both OPRRM and OPHC:

	2008	2007
Assets	\$10,471,114	\$11,136,455
Liabilities	<u>(5,286,781)</u>	<u>(4,273,553)</u>
Members’ Equity	<u>\$5,184,333</u>	<u>\$6,862,902</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan’s website, www.ohioplan.org.

NOTE 5: FINANCING ACTIVITY

During fiscal year 2009 and 2008, the Port Authority received operating monies from the City of Rossford and Perrysburg Township totaling \$15,000 and \$15,000, respectively.

NOTE 6: CONDUIT DEBT

OI Levis Park STS, Inc.

In November 2005, the Port Authority issued \$10,570,000 of Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority Taxable Development Revenue Bonds, Series 2005. The proceeds of the revenue bonds are being used to fund the completion of the OI World Headquarters office building. The Port Authority has leased the property on which this building is located and owns the building. The Port Authority has leased the building to OI Levis Park STS, Inc. The lease is non-cancelable until the underlying revenue bonds are paid in full. The lease payments cover the principal and interest payments on the Revenue Bonds, Series 2005. All expenses related to the revenue bonds and the maintenance of the building is the responsibility of OI Levis Park STS, Inc.

**NORTHERN WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(CONTINUED)**

NOTE 6: CONDUIT DEBT – (Continued)

OI Levis Park STS, Inc. pays the lease payments directly to the trustee. In addition, an agreement to guarantee the indebtedness was executed by Owens-Brockway Glass Container, Inc. and the Port Authority.

In accordance with Governmental Accounting Standards, these revenue bonds issued by the Port Authority are considered conduit debt and do not create a liability and therefore are not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of the debt and the lease payments are paid directly to the trustee by OI Levis Park STS, Inc.

NOTE 7: SUBSEQUENT EVENTS

On July 23, 2010, the Wood County Commissioners, the Mayor of the City of Rossford, and the Perrysburg Township Trustees executed an agreement wherein Wood County joined the Port Authority. The agreement provides that the jurisdiction of the Port Authority is expanded to include all of Wood County Ohio. The Port Authority shall be governed by a board of directors pursuant to RC 4582.27. The Board shall consist of seven (7) members. Initially, two Board Members shall be appointed by the Mayor of the City; two appointed by the Township Trustees; two appointed by the Wood County Commissioners; and one appointed jointly by the Mayor, the Trustees, and the Commissioners. The Directors from the City and Township will continue their respective terms. The Commissioners appointed two Board Members immediately after signing the agreement. The Joint Appointee shall be the current joint appointee of the City and Township, Jeffrey Reitzel, and his term will continue. All terms will be four year terms with the initial terms of the County appointees being staggered by two years. Upon the first vacancy of a City, Township, and Joint Appointee, either through the expiration of term of office, by resignation, or otherwise, the Wood County Commissioners shall appoint the successor to each of those terms, until the Wood County Commissioners have a total of five (5) appointments to the Port Authority Board, except that in no event shall there be less than one representative of the City and Township on the Board of Directors at any one time.

The Port Authority was awarded a grant in the amount of \$297,968 from the Ohio Department of Development for a Clean Ohio Assistance Fund (COAF) Phase II Property Assessment Grant to the East Broadway property.

On August 17, 2010, the Port Authority entered an agreement with Wood County, Ohio; Evansville Western Railway, Inc.; and the State of Ohio, Department of Transportation to pursue the design and construction of certain roadway improvements, including a grade separation at CSX Transportation's railroad at Liberty Hi Road adjacent to the Northwest Ohio transshipment rail terminal, which will be financed by Evansville Western Railway, Inc.

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Northern Wood County Port Authority
Wood County
932 Dixie Hwy
Rossford, Ohio 43460-1333

To the Board of Directors:

We have audited the basic financial statements of the Northern Wood County Port Authority, Wood County, (the Port Authority) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 30, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Port Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Port Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Port Authority's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Port Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Port Authority's management in a separate letter dated September 30, 2010.

We intend this report solely for the information and use of management, audit committee, Board of Directors, and others within the Port Authority. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 30, 2010



Mary Taylor, CPA
Auditor of State

NORTHERN WOOD COUNTY PORT AUTHORITY

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 14, 2010**