OHIO AUDITOR OF STATE
KEITH FABER

ASHTABULA COUNTY PORT AUTHORITY
ASHTABULA COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023

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OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Port Authority
Ashtabula County
35 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ashtabula County Port Authority, Ashtabula County, Ohio (Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the Ashtabula County Port Authority, Ashtabula County, Ohio as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the 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 (GAAS) 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 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.

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 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 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 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 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, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions 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 December 5, 2024, on our consideration of the 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. 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 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 the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

December 5, 2024

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- The Authority's net position increased by $1,943,115, or eight percent.
- During 2023, the Authority had overall operating income of $1,926,109.
- The Authority made principal and interest payments on both of its outstanding Ohio Water Development Authority loans in the amount of $888,944 and $560,946, respectively.
- During 2023 the Authority acquired $1,554,532 worth of assets held for resale.
- The Authority's total net pension liability increased to $217,710 from $64,905 and the OPEB asset decreased from an asset balance of $21,737 to a liability balance of $4,325, a combined net decrease in net position of $178,867. For more information on this liability and asset see Notes 6 and 7 to the basic financial statements.

Using this Annual Financial Report

This report consists of a series of financial statements. The *Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position* provide information about the activities of the Authority and present a longer-term view of the Authority's finances.

A question typically asked about the Authority's finances "How did we do financially during 2023?" The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position report information about the Authority and its activities in a way that helps answer this question. These statements include *all assets, deferred outflows of resources, liabilities and deferred inflows of resources* using the *accrual basis of accounting* which is similar to the accounting used by most private-sector companies. The Authority charges a fee to customers to help it cover part of the services it provides. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's *net position* and *changes in that net position*. This change in net position is important because it tells the reader that, for the Authority as a whole, the *financial position* of the Authority has improved or diminished. The reader will need to consider other non-financial factors (e.g. changes in the condition of capital assets, regulations, weather, etc.) in order to assess the overall health of the Authority.

The Authority as a Whole

Recall that the Statement of Net Position provides the perspective of the Authority as a whole. Table 1 provides a summary of the Authority's net position for 2023, compared to 2022:

(Table 1) Net Position

	Business-Type Activities		
	2023	2022	Change
Assets			
Current and Other Assets	$11,916,923	$9,478,273	$2,438,650
Noncurrent Assets	8,153,834	7,409,274	744,560
Capital Assets, Net of Depreciation	19,147,532	17,452,665	1,694,867
Total Assets	39,218,289	34,340,212	4,878,077
Deferred Outflows of Resources			
Pension - OPERS	88,341	31,990	56,351
OPEB - OPERS	12,815	3,175	9,640
Total	101,156	35,165	65,991
Liabilities			
Current and Other Liabilities	426,919	542,747	115,828
Long-Term Liabilities:			
Due Within One Year	1,193,835	1,171,710	(22,125)
Due in More than One Year:			
Net Pension Liability	217,710	64,905	(152,805)
Net OPEB Liability	4,325	0	(4,325)
Other Amounts	9,894,219	6,851,794	(3,042,425)
Total Liabilities	11,737,008	8,631,156	(3,105,852)
Deferred Inflows of Resources			
Pension - OPERS	3,356	86,543	83,187
OPEB - OPERS	1,790	23,502	21,712
Total	5,146	110,045	104,899
Net Position			
Net Investment in Capital Assets	10,072,840	9,442,523	630,317
Restricted	9,101,709	8,037,159	1,064,550
Unrestricted	8,402,742	8,154,494	248,248
Total Net Position	$27,577,291	$25,634,176	$1,943,115

Total assets increased $4,878,076 during 2023. The majority of this increase was the result of an overall increase in capital assets and assets held for resale.

Total liabilities increased by $3,105,852 during 2023. Long-term liabilities increased due to the new OWDA loan proceeds, the Authority's Cooperative agreement with the County, and increases in the net pension and OPEB liabilities. Other liabilities decreased due to a decrease in retainage payable related to the Plant C project.

In total, net position of the Authority increased by $1,943,115 which can be attributed mostly to the aforementioned increase in capital assets and assets held for resale.

Table 2 shows the revenues, expenses and the changes in net position for the year ended December 31, 2023 compared to the year ended December 31, 2022.

(Table 2)
Changes in Net Position

	Business-Type Activities		
	2023	2022	Change
Operating Revenues			
Charges for Services	$3,679,978	$3,769,424	($89,446)
Program Income	10,000	68,000	(58,000)
Other Operating Revenues	18,591	4,706	13,885
Total Operating Revenues	3,708,569	3,842,130	(133,561)
Operating Expenses			
Plant C Operating Expenses	888,346	1,022,338	133,992
Personal Services	172,223	122,236	(49,987)
Contractual Services	25,055	26,401	1,346
Overhead, Rent & Utilities	28,005	21,651	(6,354)
Other Operating Expenses	3,874	4,653	779
Depreciation	664,957	443,375	(221,582)
Total Operating Expenses	1,782,460	1,640,654	(141,806)
Operating Income/(Loss)	1,926,109	2,201,476	(275,367)
Non-Operating Revenues (Expenses)			
Interest Income	276,026	279,717	(3,691)
Capital Grants	196,832	206,690	(9,858)
Sale of Scrap Metal/Capital Assets	14,057	(46,546)	60,603
Other Grant Related Expenses	(207,944)	(264,699)	56,755
Interest and Fiscal Charges	(261,965)	(285,373)	23,408
Total Non-Operating Revenues (Expenses):	17,006	(110,211)	127,217
Change in Net Position	1,943,115	2,091,265	(148,150)
Net Position Beginning of Year	25,634,176	23,542,911	2,091,265
Net Position End of Year	$27,577,291	$25,634,176	$1,943,115

Operating revenues decreased by $133,561 due primarily to a decrease in charges for services and other revenues received from the previous year. Operating expenses increased by $141,806 from the prior year due to mostly to an increase in depreciation.

Capital Assets

The largest portion of the Authority's net position is its net investment in capital assets. The Authority uses these capital assets to provide services to the businesses and public using the Authority. Table 3 shows 2023 balances compared with 2022.

(Table 3)
Capital Assets at December 31 (Net of Depreciation)

	Business-Type Activities		
	2023	2022	Change
Land	$1,441,542	$1,467,341	($25,799)
Construction in Progress	273,029	233,600	39,429
Plant C	16,154,089	14,377,408	1,776,681
Buildings & Improvements (Other)	1,199,451	1,336,020	(136,569)
Furniture, Equipment and Vehicles	79,421	38,296	41,125
Totals	$ 19,147,532	$ 17,452,665	$ 1,694,867

The $1,694,867 increase in capital assets was due mostly to the Authority's current year additions to Plant C and other acquisitions being more than current year depreciation of $664,957. Note 12 of the basic financial statements provides a more detailed look at the capital asset activity during 2023.

Debt & Other Long-Term Obligations

The Authority's outstanding long-term obligations are included in the following table:

(Table 4)
Outstanding Obligations, at December 31

	Outstanding 12/31/2023	Outstanding 12/31/2022	(Increase) Decrease
Long-Term Obligations:			
OWDA Loans	$9,074,692	$8,010,142	($1,064,550)
Accrued Mineral Rights	13,362	13,362	0
County Cooperative Payable	2,000,000	0	(2,000,000)
Net Pension Liability	217,710	64,905	(152,805)
Net OPEB Liability (Asset)	4,325	(21,737)	(26,062)
Total Long-Term Obligations	$ 11,310,089	$ 8,066,672	$ (3,243,417)

In 2016, the Authority entered into a new loan agreement with the Ohio Water Development Authority in the amount of $11,395,893 in order to help pay its cost associated with the Cristal USA Effluent Line. The Authority paid back $732,172, but it is not yet finalized. As part of this agreement, Cristal will reimburse the Authority for the cost of this project. A note receivable in the amount of $6,633,506 has been recorded to reflect these repayments.

In 2020, the Authority entered into a new loan agreement with the Ohio Water Development Authority in the amount of $7,238,378 in order to help pay its cost associated with the Waterline Extension project. The Authority paid back $443,991, but it is not yet finalized.

Additional information concerning the Authority's long-term obligations can be found in Notes 5, 6 and 7 to the basic financial statements.

Factors Expected to Impact the Authority's Future Financial Position or Results of Operations

Plant C - During 2023, the Authority was in the design stages of adding a 5th pump to service current customers at peak demand and accommodate anticipated future growth. As of December 31st, 2022, there were 3 water customers paying the water rate agreed upon in November of 2019. The Authority continued to work on a water supply contract with those customers that will align with the energy provider for Plant C and the terms in that agreement.

Other – During 2023 the Authority engaged the current owner of an industrial park property with strategic logistical value in proximity to I-90. Due diligence on the property began in late 2022 and opportunities for industrial redevelopment of the site look promising in 2023. The Authority worked with the County Commissioners through the Economic Development Office to acquire the property for industrial redevelopment.

Contacting the Authority's Finance Department

This financial report is designed to provide our citizens, taxpayers, Authority users, and all interested parties with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mark Winchell, Executive Director of the Ashtabula County Port Authority, 35 West Jefferson Street, Jefferson, Ohio 44047.

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Ashtabula County Port Authority
Statement of Net Position
December 31, 2023

	Port Authority
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 8,641,327
Accounts Receivable	495,554
Notes Receivable	1,209,971
Prepaid Items	8,161
Total Current Assets	10,355,013
Noncurrent Assets:	
Land	1,441,542
Construction in Progress	273,029
Plant C	16,154,089
Other Buildings & Improvements	1,199,451
Furniture, Equipment & Vehicles	79,421
Notes Receivable	5,944,909
Property Held for Resale	2,208,925
Total Noncurrent Assets	27,301,366
Restricted and Other Assets:	
Cash and Cash Equivalents:	
Restricted for OWDA Loan Payments	1,047,066
Restricted for Economic Loans	26,362
Restricted for Economic Development Planning Committee	655
Restricted for Economic Development Cooperative	487,827
Total Restricted and Other Assets	1,561,910
Total Assets	39,218,289
Deferred Outflows of Resources	
Pension	88,341
OPEB	12,815
Total Deferred Outflows of Resources	101,156
Liabilities:	
Current Liabilities:	
Accounts Payable	119,021
Accrued Wages & Benefits	2,367
Intergovernmental Payable	5,653
Retainage Payable	10,180
Unearned Revenue	161,671
Accrued Interest Payable	128,027
OWDA Loans Payable - Current	1,193,835
Total Current Liabilities	1,620,754
Long-Term Liabilities (net of current portion)	
Accrued Mineral Rights	13,362
OWDA Loans Payable	7,880,857
County Cooperative Payable	2,000,000
Net Pension Liability	217,710
Net OPEB Liability	4,325
Total Long-Term Liabilities	10,116,254
Total Liabilities	11,737,008
Deferred Inflows of Resources	
Pension	3,356
OPEB	1,790
Total Deferred Inflows of Resources	5,146
Net Position	
Net Investment in Capital Assets	10,072,840
Restricted for Economic Development	27,017
Restricted for OWDA Loan Payments	9,074,692
Unrestricted	8,402,742
Total Net Position	$ 27,577,291

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

Ashtabula County Port Authority

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended December 31, 2023

	Port Authority
Operating Revenues	
Charges for Services	$ 3,679,978
Rent Revenue	10,000
Other Operating Revenues	18,591
Total Operating Revenues	3,708,569
Operating Expenses	
Plant C Operating Expenses	888,346
Personal Services	172,223
Contractual Services	25,055
Overhead, Rent & Utilities	28,005
Other Operating Expenses	3,874
Depreciation Expense	664,957
Total Operating Expenses	1,782,460
Operating Income (Loss)	1,926,109
Non-Operating Revenues (Expenses)	
Interest Income	276,026
Disposal of Capital Assets	14,057
Capital Grants	196,832
Interest and Fiscal Charges	(261,965)
Grant Related Expenses	(207,944)
Total Non-Operating Revenues (Expenses)	17,006
Change in Net Position	1,943,115
Net Position Beginning of Year	25,634,176
Net Position End of Year	$ 27,577,291

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

Ashtabula County Port Authority

Statement of Cash Flows

For the Year Ended December 31, 2023

	Port Authority
Cash Flows From Operating Activities:	
Cash Received from Customers & Users	$ 3,772,156
Cash Received from Rental Agreements/Notes Receivable	10,000
Other Operating Revenues	18,591
Cash Paid to Operate Plant C	(931,188)
Cash Paid to Employees	(160,033)
Cash Paid for Contractual Services	(25,055)
Cash Paid for Overhead, Rent & Utilities	(28,005)
Cash Paid for Other Operating Expenses	(3,874)
Net Cash Provided By (Used For) Operating Activities	2,652,592
Cash Flows From Capital and Related Financing Activities	
Interest Income	276,026
Proceeds of OWDA Loans	2,240,715
Cooperative Agreement Proceeds	2,000,000
Proceeds from Sale of Capital Assets	69,382
Cash Received from Capital Grants	196,832
Notes Receivable Received	809,972
Loan Program Loans Distributed	(400,000)
Payment for Assets Held for Resale	(1,554,532)
Payment for Capital Acquisitions	(2,509,607)
Other Grant Related Expenses	(207,944)
Principal Paid on Debt	(1,176,163)
Interest Paid on Debt	(273,727)
Net Cash Provided by (Used For) Capital and Related Financing Activities	(529,046)
Net Increase (Decrease) in Cash and Cash Equivalents	2,123,546
Cash and Cash Equivalents Beginning of Year	8,079,691
Cash and Cash Equivalents End of Year	$ 10,203,237

(continued)

Ashtabula County Port Authority
Statement of Cash Flows
For the Year Ended December 31, 2023

	Port Authority
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	$ 1,926,109
Adjustments:	
Depreciation	664,957
(Increase) Decrease in Assets & Deferred Outflows:	
Accounts Receivable	(223,338)
Prepaid Assets	(2,489)
Notes Receivable	383,442
Deferred Outflows of Resources - Pension	(56,351)
Deferred Outflows of Resources - OPEB	(9,640)
Increase (Decrease) in Liabilities & Deferred Inflows:	
Accounts Payable	(47,842)
Accrued Wages & Benefits Payable	183
Due to Other Governments	2,025
Retainage Payable	(78,432)
Unearned Revenue	20,000
Net Pension Liability	152,805
Net OPEB Liability	26,062
Deferred Inflows of Resources - Pension	(83,187)
Deferred Inflows of Resources - OPEB	(21,712)
Total Adjustments	726,483
Net Cash Provided By (Used For) Operating Activities	$ 2,652,592

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

Note 1 - Description of the Ashtabula County Port Authority & Reporting Entity

A. The Authority

The Port Authority of Ashtabula County, (the Authority) was created pursuant to Sections 4582.22 through 4582.59, inclusive, of the Ohio Revised Code for the purpose of promoting the manufacturing, commerce, distribution and research and development interests of Ashtabula County including rendering financial and other assistance to such enterprises situated in Ashtabula County and to induce the location in Ashtabula County of other manufacturing, commerce, distribution and research entities; to purchase, subdivide, sell and lease real property in Ashtabula County and erect or repair any building or improvement for the use of any manufacturing, commerce, distribution, or research and development enterprise in Ashtabula County.

The Port Authority Board of Directors consists of the number of Directors it deems necessary, and they are appointed by the Ashtabula County Commissioners. Currently, seven Directors serve on the Board.

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

B. Reporting Entity

The Authority has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the Authority are not misleading. The primary government consists of all departments, boards and agencies that are not legally separate from the Authority.

Component units are legally separate organizations for which a primary government is financially accountable. The Authority is financially accountable for an organization if the primary government appoints a voting majority of the organization's governing board and (1) the Authority is able to significantly influence the programs or services performed or provided by the organization; or (2) the Authority is legally entitled to or can otherwise access the organization's resources; or (3) the Authority is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or (4) the Authority is obligated for the debt of the organization. Under the criteria specified in Statement No. 14, the Authority has no component units. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The more significant of the Authority's accounting policies are described below.

A. Basis of Presentation

The Authority's basic financial statements consist of a statement of net position, statement of activities, and a statement of cash flows. The Authority reports its operations in an enterprise fund. Enterprise 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, including depreciation) 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.

The Authority follows the business-type activities reporting requirements of GASB Statement No. 34. In accordance with this Statement, the accompanying basic financial statements are reported on an Entity-wide basis.

GASB Statement No. 34 requires the following, which collectively make up the Authority's basic financial statements:

Management's Discussion and Analysis
Basic Financial Statements:
  Statement of Net Position
  Statement of Revenues, Expenses, and Changes in Net Position
  Statement of Cash Flows
Notes to the Basic Financial Statements
Required Supplementary Information
Notes to Required Supplementary Information

B. Fund Accounting

The Authority uses a 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. There are three categories of funds: governmental, proprietary, and fiduciary, however the Authority is a proprietary fund.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

> ***Enterprise Funds*** Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Port Authority is a single enterprise fund.
>
> > ***Port Authority Fund*** – The Port Authority fund accounts for all of the day to day activity, grants, lending programs and economic development activity relating to the Authority.

C. Measurement Focus and Basis of Accounting

All proprietary fund types are accounted for on 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 net total position. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

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. Unbilled service charges are recognized as revenue at year end.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which the Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before eligibility requirements are met are also recorded as a deferred inflow of resources. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 6 and 7.

In addition to liabilities, the statement of net assets will sometimes 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 as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources were reported for pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position (see Notes 6 and 7).

D. Cash and Cash Equivalents

The Authority maintains interest bearing depository accounts. All funds of the Authority are maintained in these accounts. These interest bearing depository accounts are presented in the statement of net position as "Cash and Cash Equivalents". The Authority has no investments.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general operating fund during 2023 was $280,056, less a fair market value adjustment downward of $4,030, resulting in an overall credit of $276,026.

E. Restricted Assets and Related Liabilities

Bond indentures and other agreements require portions of debt proceeds as well as other resources of the Authority to be set aside for various purposes. These amounts are reported as restricted assets along with the unspent proceeds of the Authority's debt obligations. The liabilities that relate to the restricted assets are included in other liabilities payable from restricted assets in the Statement of Net Position.

F. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Authority currently maintains a capitalization threshold set at $3,000.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. All reported capital assets except land and construction in progress are depreciated. Depreciation in the enterprise fund is computed using the straight-line basis over the following estimated useful lives:

Estimated Lives	Description
25 - 50 years	Buildings and Improvements
5 - 10 years	Vehicles
3 - 10 years	Furniture and Equipment

G. Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for debt service represents monies set aside for the repayment of debt.

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

H. Grants and Intergovernmental Revenues

State and Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. State and Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues when all applicable eligibility requirements have been met and the resources are available.

I. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Authority, these revenues are charges for services, rentals, leases and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority. Revenues and expenses which do not meet these definitions are reported as non-operating.

J. Financing Fee Income

Fees associated with economic development loan programs and conduit debt transactions are recognized in operating revenue as they are received.

K. Lease Accounting

The Authority classifies leases at the inception of each lease in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87.

L. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value.

M. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

N. Extraordinary & Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and that are either unusual in nature or infrequent in occurrence. The Authority had neither item in 2023.

Note 3 – Change in Accounting Principles

For 2023, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”, Statement No. 96, “Subscription-Based Information Technology Arrangements”, and Statement No. 99, “Omnibus 2022”.

GASB Statement No. 94 aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Authority.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Authority.

GASB Statement No. 99 focuses on enhancing comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Authority.

Note 4 – Deposits and Investments

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

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash by the Authority, 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 Authority 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 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.

Protection of the Authority'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.

Interim monies to be deposited or invested in the following securities:

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

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.

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

8. Commercial paper and bankers acceptances if training requirements have been met.

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 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. 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 certificate, upon receipt of confirmation of transfer from the custodian.

Deposits with Financial Institutions

At December 31, 2023, the carrying amount of all Authority deposits was $10,203,237 and the bank balance of all Authority deposits was $10,316,589. $5,026,352 of the bank balance was covered by Federal Deposit Insurance Corporation (FDIC) and $5,316,589 was potentially exposed to custodial credit risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in possession of an outside party. The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the Authority 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 (2) 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 Authority’s financial institutions were enrolled through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

Note 5 – Long-Term Obligations

Changes in the Authority's long-term obligations during 2023 were as follows:

Issue	Outstanding 12/31/22	Additions	(Reductions)	Outstanding 12/31/23	Amounts Due in One Year
OWDA Loans:					
Cristal USA Effluent Line - 2.0%	$5,451,808	$2,202,815	($732,173)	$6,922,450	$743,172
Waterline Extension - 2.0%	2,558,334	37,900	(443,992)	2,152,242	450,663
Total OWDA Loans	8,010,142	2,240,715	(1,176,165)	9,074,692	1,193,835
Other Long-Term Obligations:					
Net Pension Liability - OPERS	64,905	152,805	0	217,710	0
Net OPEB Liability (Asset) - OPERS	(21,737)	0	26,062	4,325	0
County Cooperative Payable - n/a	0	2,000,000	0	2,000,000	0
Accrued Mineral Rights Payable - n/a	13,362	0	0	13,362	0
Total Other Long-Term Obligations	56,530	2,152,805	26,062	2,235,397	0
Total Long-Term Obligations	$8,066,672	$4,393,520	($1,150,103)	$11,310,089	$1,193,835

The Port Authority has entered into a contractual agreement for a purchase and improvement loan from OWDA for the Cristal USA Effluent line project in the amount $11,395,893. Under the terms of this agreement, OWDA will reimburse, advance, or directly pay the construction costs of the approved project. OWDA will capitalize administrative costs and construction interest and add them to the total amount of the final loan. This loan will not have an accurate repayment schedule until it is finalized and, therefore, is not included in the schedule of future debt service requirements. The balance of the loan is $6,922,451.

The Port Authority has entered into a contractual agreement for a purchase and improvement loan from OWDA for the Waterline Extension project in the amount $7,238,378. Under the terms of this agreement, OWDA will reimburse, advance, or directly pay the construction costs of the approved project. OWDA will capitalize administrative costs and construction interest and add them to the total amount of the final loan. This loan will not have an accurate repayment schedule until it is finalized and, therefore, is not included in the schedule of future debt service requirements. The balance of the loan is $2,152,243.

The Authority pays obligations related to employee compensation from the enterprise fund.

In 2023, the Port Authority entered into a two year, $2,000,000, cooperative agreement with Ashtabula County for the purpose of driving local economic development within the County. The Authority may use the proceeds as they see fit under the terms of the agreement and at the end of two years must repay the County the $2,000,000. This agreement has a 0 percent interest rate.

In April of 2000, the Port Authority entered into an agreement with Cambrian Hunter, Inc. for the purpose of settling claims and disputes between the two parties concerning mineral rights on the Industrial Park property purchased by the Port Authority. Under the terms of the agreement, the Port Authority is to pay Cambrian $500 each time it sells one acre of land of the Industrial Park.

Note 6 - Defined Benefit Pension Plan

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee, on a deferred payment basis, as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. A liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description – The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Beginning January 1, 2022, new members may no longer select the combined plan, and current members may no longer make a plan change to the combined plan. While Authority employees may elect the member-directed plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional pension plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2023 Actual Contribution Rates	
Employer:	
Pension *	14.0%
Post-Employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

*These pension and employer health care rates are for the traditional plan. The employer contribution rate for the combined plan has allocated 2 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractual required contribution was $16,755 for 2023.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportion of the Net Pension Liability Prior Measurement Date	0.00074600%
Proportion of the Net Pension Liability Current Measurement Date	0.00073700%
Change in Proportionate Share	-0.00000900%
Proportionate Share of the Net Pension Liability	$217,710
Pension Expense	($3,485)

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	$7,232
Net difference between projected and actual earnings on pension plan investments	62,053
Change of Assumptions	2,301
Authority contributions subsequent to the measurement date	16,755
Total Deferred Outflows of Resources	$88,341
Deferred Inflows of Resources	
Change in proportionate share and difference between Authority contributions and proportionate share of contributions	$3,356
Total Deferred Inflows of Resources	$3,356

$16,755 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2024	$5,419
2025	14,145
2026	18,265
2027	30,401
Total	$68,230

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2022, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	2.75 Percent
Future Salary Increases, Including Inflation	2.75 Percent to 10.75 Percent
COLA or Ad hoc COLA	Pre 1/7/2013 retirees: 3 Percent Simple; Post 1/7/2013 retirees: 3 Percent Simple through 2022, then 2.05 Percent Simple
Current Measurement Period - Investment Rate of Return	6.90 Percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9 percent), or one percentage point higher (7.9 percent) than the current rate.

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Authority's Proportionate Share of the Net Pension Liability (Asset)	$326,123	$217,710	$27,530

Note 7 – <u>Defined Benefit Other Postemployment Benefits (OPEB) Plan</u>

Net OPEB Liability (Asset)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) to employees for OPEB. OPEB is a component of exchange transactions-between an employer and its employees-of salaries and benefits for employee services. OPEB is provided to an employee, on a deferred-payment basis, as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, cost trends and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Authority's share of each plan's unfunded benefits is presented as a long-term *net other postemployment benefit liability (asset)* on the accrual basis of accounting.

Ohio Revised Code limits the Authority's obligation for liabilities to OPERS to annual required payments. The Authority cannot control benefit terms or the manner in which OPEB from the cost-sharing, multiple-employer plans are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability (asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits but does not require the cost-sharing, multiple-employer retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description—Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via a Health Reimbursement Arrangement allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an OPEB as described in GASB Statement No. 75. See OPERS' ACFR referenced below for additional information.

The ORC permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the ORC.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of Traditional Pension and Combined Plans' employer contributions allocated to health care was zero in 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.0 percent.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The Authority's proportion of the net OPEB liability (asset) was based on the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. The following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability (Asset) Prior Measurement Date	0.00069400%
Proportion of the Net OPEB Liability (Asset) Current Measurement Date	0.00068600%
Change in Proportionate Share	-0.00000800%
Proportionate Share of the Net OPEB Liability (Asset)	$4,325
OPEB Expense	($5,291)

At December 31, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$8,591
Change of Assumptions	4,224
Total Deferred Outflows of Resources	$12,815
Deferred Inflows of Resources	
Differences between expected and actual experience	$1,079
Change of Assumptions	347
Change in Proportionate Share	364
Total Deferred Inflows of Resources	$1,790

No amount was reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2024	$1,059
2025	3,139
2026	2,679
2027	4,148
Total	$11,025

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Key Methods and Assumptions used in Valuation of the Total OPEB Liability (asset):

Wage Inflation	2.75 Percent
Projected Salary Increases	2.75 - 10.75 Percent (includes wage inflation)
Single Discount Rate:	
Current Measurement Period	5.22 Percent
Prior Measurement Period	6.00 Percent
Investment Rate of Return	6.00 Percent
Municipal Bond Rate:	
Current Measurement Period	4.05 Percent
Prior Measurement Period	1.84 Percent
Health Care Cost Trend Rate:	
Current Measurement Period	5.50 Percent initial, 3.50 Percent ultimate in 2036
Prior Measurement Period	5.50 Percent initial, 3.50 Percent ultimate in 2034

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
REIT's	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00 %	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however the single discount rate used at the beginning of the year was 6.00 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (asset) to Changes in the Discount Rate. The following table presents the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0 percent lower (4.22 percent) or 1.0 percent higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Authority's Proportionate Share of the Net OPEB Liability (Asset)	$14,722	$4,325	($4,253)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability (asset) to Changes in the Health Care Cost Trend Rates. Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease	Current Health Care Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability (Asset)	$4,054	$4,325	$4,631

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

Note 8 – Other Employee Benefits

A. Sick Days

Full time employees earn five sick leave days per year using the anniversary date of hire for calculating the days. Unused sick days have no value upon termination and cannot be carried over from year to year. Therefore, there was no liability for accrued but unused sick days as of December 31, 2023.

B. Vacation

Full time employees are eligible for paid vacation time depending upon length of service. Vacation for full-time exempt and non-exempt employees is earned as follows:

After first year of employment	3.10 hours per 80 hours worked (10 days)
After fifth year of employment	4.60 hours per 80 hours worked (15 days)

If the employee does not use all of their vacation time, a request to carry over the unused balance must be approved by the Board. Unused vacation days have no value upon termination, therefore, there was no liability for accrued but unused vacation days as of December 31, 2023.

Note 9 - Risk Management

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 10 – Contingent Liabilities

Financial Assistance - The Authority receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits may require refunding to grantor agencies. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements included herein or on the overall financial position of the Authority as of December 31, 2023.

Note 11 – Economic Development Planning Committee

In June of 2009, the Port Authority accepted a County contribution for the Economic Development Planning Committee (EDPC). The EDPC had a budget of $655 for 2023 and is charged with the responsibility of developing a County strategic plan. Once complete, the County Commissioners will take ownership of the plan. During 2023, no EDPC money was spent.

On December 31, 2023, the Port Authority was still holding $655 of EDPC funds in a checking account to be spent on EDPC approved activity and is presented as restricted cash.

Note 12 - Capital Assets

A summary of the Authority's capital assets at December 31, 2023 follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Capital Assets, not being depreciated:				
Land	$1,467,341	$10,801	($36,600)	$1,441,542
Construction in Progress	233,600	39,429	0	273,029
Total Capital Assets, not being depreciated:	1,700,941	50,230	(36,600)	1,714,571
Capital Assets, being depreciated:				
Plant C	16,628,352	2,391,359	0	19,019,711
Buildings and Improvements - Other	1,654,600	15,222	(125,524)	1,544,298
Furniture, Equipment and Vehicles	66,544	52,797	0	119,341
Total Capital Assets, being depreciated:	18,349,496	2,459,378	(125,524)	20,683,350
Less Accumulated Depreciation:				
Plant C	(2,250,944)	(614,678)	0	(2,865,622)
Buildings and Improvements - Other	(318,580)	(38,607)	12,340	(344,847)
Furniture, Equipment and Vehicles	(28,248)	(11,672)	0	(39,920)
Total Accumulated Depreciation	(2,597,772)	(664,957)	12,340	(3,250,389)
Total Capital Assets being depreciated, net	15,751,724	1,794,421	(113,184)	17,432,961
Total Capital Assets, Net	$17,452,665	$1,844,651	($149,784)	$19,147,532

Note 13 – Water Pumping Service Agreement

On April 28, 2006, the Port Authority entered into a ten-year agreement to provide water pumping services to Linde (formerly Praxair Inc.). Under the terms of this agreement, the Port Authority agrees to provide process water from Plant C to Linde's manufacturing facility. Assuming neither party breaches the written terms of the agreement, Linde will continue to pay the monthly operating fee to the Port Authority at agreed upon rates which can fluctuate based upon the Port Authority's costs to provide the service. The original agreement expired in 2016 and Linde has exercised a one-year option from 2016 through 2023.

Note 14 – Water Pumping Service Guaranty

On April 28, 2006, the Port Authority entered into a ten-year guaranty with INEOS (formerly Millennium Inorganic Chemicals Inc.), to provide water pumping services to Ashco, Inc., a wholly owned subsidiary of INEOS. Under the terms of this agreement, INEOS guarantees the due and punctual payment of any and all amounts payable by Ashco, Inc., to the Port Authority, provided the Port Authority does not breach the terms of the contract. The original agreement expired in 2016 and INEOS has exercised a one-year option from 2016 through 2023.

Note 15 – Water Supply Agreement

On July 15, 2019, the Port Authority entered into a fifteen-year water supply agreement with ASHTA Chemicals Inc., to provide raw water to ASHTA at a rate not to exceed 8,000 gallons per minute. Under the terms of this agreement ASHTA agrees to purchase and pay for water to be delivered, and agrees, at its own cost and expense, to construct, maintain, operate, and repair all lines, pipes, conduits, regulators, safety appliances, and other apparatus necessary for use or conduction of water to its plant.

Capacity Reservation Fee - In consideration of the commitment by the Authority to provide process water to ASHTA in accordance with the terms of, and for the duration of this agreement, ASHTA shall pay the Authority a monthly fee in the amount of $25,682.77. Should this agreement be terminated for any reason, the remaining balance of the Capacity Reservation Fee through the end of the original agreement will be due within ninety (90) days.

Note 16 – Notes Receivable

INEOS Affluent Line Project

INEOS (formerly Cristal USA Inc.) produces and manufactures, among other things, titanium dioxide ("Ti02") for use in paints, papers and plastics, among other commercial products. A byproduct of the manufacture of TiO2 is effluent wastewater, which, in the past in the ordinary course of business, has been transported through a series of pipes to a power plant owned by First Energy. Due to governmental regulations, the First Energy Plant ceased conducting operations and INEOS now requires a long-term alternative solution for the transportation of such effluent wastewater from its operating plant.

During 2016, the Authority and INEOS (formerly Cristal USA Inc.), entered into a collaboration agreement to devise a long-term alternative solution for the transportation of effluent wastewater from its operating plant. To consummate and complete the project, the Authority agreed to contract, finance and manage construction of the Project, as well as own the resulting assets, and INEOS will assist and have management input to the project execution, however final decisions were in the sole discretion of the Authority. To finance the project, the Authority secured a loan from the Ohio Water Development Authority (OWDA) for all of the costs and expenses of the project, and as an inducement to the Authority to secure the loan, INEOS agreed to the full and timely reimbursement and repayment to the Authority of all of the outstanding debt plus interest at an annual rate of 3.47 percent.

Repayment of the outstanding note amount plus interest shall be made by INEOS to the Authority on a monthly basis and amortized over a fifteen-year period. The amortization of this repayment to the Authority is as follows.

Year Ending	2016 INEOS Effluent Line		
31-Dec	Principal	Interest	Total
2024	$769,824	$218,016	$987,840
2025	796,966	190,874	987,840
2026	825,065	162,775	987,840
2027	854,154	133,686	987,840
2028	884,269	103,571	987,840
2029 - 2031	2,503,228	120,766	2,623,994
Total	$6,633,506	$929,688	$7,563,194

INEOS Asbestos Remediation Project

On January 1, 2017, the Port Authority entered into a ten-year agreement with INEOS (formerly Crystal) to permit INEOS to pay their portion of an asbestos remediation project. Normally, the cost of a project is paid in full upon completion. The total cost of the asbestos remediation project was $900,000 of which INEOS portion was $393,750. Monthly payments of $3,412.50 or $40,950 per year are required.

Repayment of the outstanding note amount plus interest shall be made by INEOS to the Authority on a monthly basis and amortized over a ten-year period. The amortization of this repayment to the Authority is as follows.

Year Ending	2017 INEOS Asbestos Remediation		
31-Dec	Principal	Interest	Total
2024	$40,147	$803	$40,950
2025	40,461	489	40,950
2026	40,766	173	40,939
Total	$121,374	$1,465	$122,839

Samaritan House Project

On November 29, 2023, the Port Authority entered into an agreement with the Ashtabula Homeless Shelter, Inc. for the transfer of title to real property located at 4134 Park Avenue, Ashtabula, Ohio, referred to as the Samaritan House project. Repayment of the $400,000 outstanding note, with no interest, is due to the Authority within 180 days of the transfer of title. This $400,000 is included with current notes receivable.

Ashtabula County Port Authority
Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System (OPERS) - Traditional Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension Liability	0.00073700%	0.00074600%	0.00081100%	0.00070800%	0.00070100%	0.00069300%	0.00067863%	0.0006280%	0.0006040%	0.0006040%
Authority's Proportionate Share of the Net Pension Liability	$217,710	$64,905	$120,091	$139,941	$191,990	$108,718	$154,106	$108,778	$72,849	$71,204
Authority's Covered-Employee Payroll	$112,821	$110,033	$114,286	$99,626	$94,643	$91,635	$87,728	$78,155	$74,030	$69,455
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	192.97%	58.99%	105.08%	140.47%	202.86%	118.64%	175.66%	139.18%	98.40%	102.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Amounts presented as of the Authority's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

Ashtabula County Port Authority
Required Supplementary Information

Schedule of Authority Pension Contributions
Ohio Public Employees Retirement System (OPERS) - Traditional Plan
Last Ten Years

	2023	2022	2021	2020
Contractually Required Pension Contribution	$16,755	$15,795	$15,405	$16,000
Pension Contributions in Relation to the Contractually Required Contribution	($16,755)	($15,795)	($15,405)	($16,000)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Authority Covered-Employee Payroll	$119,679	$112,821	$110,033	$114,286
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$13,948	$13,250	$11,913	$10,527	$9,379	$8,884
($13,948)	($13,250)	($11,913)	($10,527)	($9,379)	($8,884)
$0	$0	$0	$0	$0	$0
$99,626	$94,643	$91,635	$87,728	$78,155	$74,030
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%

Ashtabula County Port Authority
Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System (OPERS)
Last Seven Years (1)

	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability (Asset)	0.00068600%	0.00069400%	0.00075600%	0.00065900%	0.00065300%	0.00065000%	0.00063480%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	$4,325	($21,737)	($13,469)	$91,025	$85,136	$70,585	$64,118
Authority's Covered-Employee Payroll	$112,821	$110,033	$114,286	$99,626	$94,643	$91,635	$87,728
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll	3.83%	-19.75%	-11.79%	91.37%	89.95%	77.03%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available.

Amounts presented as of the Authority's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

Ashtabula County Port Authority
Required Supplementary Information

Schedule of Authority OPEB Contributions
Ohio Public Employees Retirement System (OPERS)
Last Ten Years

	2023	2022	2021	2020
Contractually Required OPEB Contribution	$0	$0	$0	$0
OPEB Contributions in Relation to the Contractually Required Contribution	$0	$0	$0	$0
Contribution Deficiency (Excess)	$0	$0	$0	$0
Authority Covered-Employee Payroll	$119,679	$112,821	$110,033	$114,286
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
$0	$0	$916	$1,755	$1,563	$1,481
$0	$0	($916)	($1,755)	($1,563)	($1,481)
$0	$0	$0	$0	$0	$0
$99,626	$94,643	$91,635	$87,728	$78,155	$74,030
0.00%	0.00%	1.00%	2.00%	2.00%	2.00%

Net Pension Liability

Changes in Actuarial Assumptions and Methods – OPERS

2023: There were no OPERS pension plan amendments adopted or changes in assumptions used in the calculation of actuarial contributions.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 7.2% to 6.9%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.5% to 7.2%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:
- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Changes in Benefit Terms - OPERS

2023-2014: There were no changes in the benefit terms for the period.

Net OPEB Liability (Asset)

Changes in Actuarial Assumptions and Methods – OPERS

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.5% to 5.5%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future from 7.5% to 10%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.5% to 8.5%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.0% to 10.5%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.5% to 6.0%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.5% to 10%.

2018: The single discount rate changed from 4.23% to 3.85%

Changes in Benefit Terms – OPERS

2023: There were no changes in benefit terms for the period.

2022: Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

2021: There were no changes in benefit terms for the period.

2020: On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

2019-2018: There were no changes in benefit terms for the period.

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

Ashtabula County Port Authority
Ashtabula County
35 West Jefferson Street
Jefferson, Ohio 44047

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 *(Government Auditing Standards)*, the financial statements of the Ashtabula County Port Authority, Ashtabula County, (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

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

Keith Faber
Auditor of State
Columbus, Ohio

December 5, 2024

OHIO AUDITOR OF STATE
KEITH FABER

ASHTABULA COUNTY PORT AUTHORITY

ASHTABULA 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 12/31/2024

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