



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

**SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023**



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

Members of the Board
Wood County Port Authority
932 Dixie Highway
Rossford, Ohio 43460

We have reviewed the *Independent Auditor's Report* of Wood County Port Authority, Wood County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 02, 2024

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**WOOD COUNTY PORT AUTHORITY
WOOD COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Wood County Port Authority
Wood County
932 Dixie Highway
Rossford, Ohio 43460

To the Members of the Board:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Wood County Port Authority, Wood County, Ohio (the Port Authority), a component unit of Wood County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Port 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 Wood County Port Authority, Wood 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 Port Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Port Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Port Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port Authority's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Supplementary Information (Continued)

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024, on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 Port Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Authority's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 11, 2024

Wood County Port Authority
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

The discussion and analysis of Wood County Port Authority's (Port Authority) financial performance provides an overall review of the Port Authority's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Port Authority's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- The assets of the Port Authority exceeded its liabilities at December 31, 2023 by \$9,471,701.
- Net position of the Port Authority decreased \$1,584,493 from 2022.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Port Authority is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statement of Net Position** includes all of the Port Authority's Assets and Liabilities. These statements provide information about the nature and amounts of investments in resources (assets) owned by the Port Authority, and obligations owed by the Port Authority (liabilities) on December 31, 2023. The Port Authority's net position is the difference between assets and liabilities.

The **Statement of Revenues, Expenses and Changes in Net Position** provides information on the Port Authority's operations over the past year and the success of recovering all its costs through user fees, charges and other income. Revenues are reported when earned and expenses are reported when incurred.

The **Statement of Cash Flows** provides information about the Port Authority's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating, investing, noncapital financing and capital financing activities.

The notes to the basic financial statements are an integral part of the basic financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

USING THIS FINANCIAL REPORT

This report consists of two parts, the Management's Discussion and Analysis and the basic financial statements. The basic financial statements include a statement of net position; statement of revenues, expenses and changes in net position; and a statement of cash flows. Since the Port Authority only uses one fund for its operations, the entity-wide and the fund presentation information is the same.

Wood County Port Authority
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

STATEMENT OF NET POSITION AND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Net Position answers the question, “How did we do financially during 2023?” This statement includes all assets and liabilities, both financial and capital, and current and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This change in net position is important because it tells the reader whether, for the Port Authority as a whole, the financial position of the Port Authority has improved or diminished. However, in evaluating the overall position of the Port Authority, non-financial information will also need to be evaluated. This section contains a condensed comparison of assets, liabilities, net position, revenues and expenses and explanations for significant differences.

Table 1 provides a summary of the Port Authority’s net position as of December 31, 2023 and December 31, 2022.

Table 1
Net Position

	2023	2022
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,234,879	\$ 3,595,763
Accounts Receivable	118,600	-
Intergovernmental Receivable	1,460,194	75,000
Noncurrent Assets:		
Capital Assets, Net	7,639,784	7,411,844
Total Assets	12,453,457	11,082,607
<u>Liabilities</u>		
Current Liabilities		
Accounts Payable	107,918	26,413
Due to Other Governments	137,234	-
Contracts Payable	2,482,944	-
Retainage Payable	253,660	-
Total Liabilities	2,981,756	26,413
<u>Net Position</u>		
Net Investment in Capital Assets	7,635,522	7,411,844
Unrestricted	1,836,179	3,644,350
Total Net Position	\$ 9,471,701	\$ 11,056,194

In 2023, total net position decreased by \$1,584,493 due to an excess of expenses over revenues. Cash decreased \$360,884 primarily due to additional project costs in fiscal year 2023 which is discussed more fully on the next page. Grants receivable increased substantially from 2022 and contracts payable and retainage payable increased substantially from 2022 due to timing on various projects with the Deimling Road and Lime City Road infrastructure improvement project being the largest project contributing to these increases.

Wood County Port Authority
Wood County
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2023
(Unaudited)

Table 2 shows the changes in net position for the years ended December 31, 2023 and 2022. In 2023, total net position decreased by \$1,584,493. This number reflects a decrease in net position due to the reasons noted above.

Table 2
Changes in Net Position

	2023	2022
Operating Revenues:		
Administrative Fee	\$ 1,645,498	\$ 765,000
Total Operating Revenues	<u>1,645,498</u>	<u>765,000</u>
Operating Expenses:		
Advertising	210	198
Bank Charges	173	179
Board Member Compensation	8,275	8,000
Board Member Expenses	1,750	500
Technology Expenses	1,280	1,750
Dues and Subscriptions	11,700	350
Insurance and Bonding	4,612	3,869
Legal, Accounting, Auditing and Other Professional Fees	435,116	260,692
Miscellaneous	2,330	1,201
Total Operating Expenses	<u>465,446</u>	<u>276,739</u>
Operating Income	<u>1,180,052</u>	<u>488,261</u>
Non-Operating Revenues (Expenses):		
Grants	(64,876)	-
Intergovernmental Revenue	2,468,857	2,945,475
Projects - Contracts	(5,228,524)	(610,019)
Interest Income	59,998	1,782
Total Non-Operating Revenues (Expenses)	<u>(2,764,545)</u>	<u>2,337,238</u>
Change in Net Position	<u>(1,584,493)</u>	<u>2,825,499</u>
Net Position - Beginning of Year	<u>11,056,194</u>	<u>8,230,695</u>
Net Position - End of Year	<u>\$ 9,471,701</u>	<u>\$ 11,056,194</u>

The Port Authority received \$1,645,498 in administrative revenue in 2023 for sponsoring the issuance of conduit debt for several entities during the year which was an increase of \$880,498 from 2022. The Port Authority had decreased intergovernmental revenues in 2023 as the grant activity for projects was not quite as extensive in 2023 as it was in 2022. Project – Contracts expenses increased substantially in 2023 primarily due to the Deimling Road and Lime City Road infrastructure improvement project. Legal, accounting, auditing and other professional fees increased from 2022 due to more work required in these areas in 2023. The largest increases in this area related to additional legal expenses required to sponsor the issuance of conduit debt as there were more issuances in 2023 than in the previous year.

Capital Assets

The Port Authority had \$7,639,784 and \$7,411,844 in capital assets as of December 31, 2023 and 2022, respectively. Additional information regarding capital assets is provided in Note 4 to the basic financial statements.

CONTACTING THE GOVERNMENT'S FINANCIAL MANAGEMENT

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

Wood County Port Authority
Wood County
Statement of Net Position
Proprietary Fund
As of December 31, 2023

Assets:

Current Assets

Cash and Cash Equivalents	\$ 3,234,879
Accounts Receivable	118,600
Intergovernmental Receivable	1,460,194
Total Current Assets	<u>4,813,673</u>

Noncurrent Assets

Nondepreciable Capital Assets	<u>7,639,784</u>
Total Noncurrent Assets	<u>7,639,784</u>

Total Assets	<u><u>\$ 12,453,457</u></u>
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Liabilities and Net Position:

Liabilities

Current Liabilities

Accounts Payable	\$ 107,918
Due to Other Governments	137,234
Contracts Payable	2,482,944
Retainage Payable	253,660
Total Current Liabilities	<u>2,981,756</u>

Total Liabilities	<u>2,981,756</u>
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Net Position:

Net Investment in Capital Assets	7,635,522
Unrestricted	<u>1,836,179</u>
Total Net Position	<u><u>\$ 9,471,701</u></u>

See accompanying notes to the basic financial statements.

Wood County Port Authority
Wood County
Statement of Revenues, Expenses and Change in Net Position
Proprietary Fund
For the Fiscal Year Ended December 31, 2023

Operating Revenues:	
Administrative Fee	\$ 1,645,498
	<u>1,645,498</u>
Operating Expenses	
Advertising	210
Bank Charges	173
Board Member Compensation	8,275
Board Member Expenses	1,750
Dues and Subscriptions	11,700
Technology	1,280
Insurance and Bonding	4,612
Legal, Accounting, Auditing and Other Professional Fees	435,116
Miscellaneous	2,330
	<u>465,446</u>
Total Operating Expenses	<u>465,446</u>
Operating Income	<u>1,180,052</u>
Nonoperating Revenues (Expenses):	
Grants	(64,876)
Intergovernmental Revenues	2,468,857
Projects - Contracts	(5,228,524)
Interest Income	59,998
	<u>59,998</u>
Total Nonoperating Revenues (Expenses)	<u>(2,764,545)</u>
Change in Net Position	(1,584,493)
Net Position, January 1, 2023	<u>11,056,194</u>
Net Position, December 31, 2023	<u><u>\$ 9,471,701</u></u>

See accompanying notes to the basic financial statements.

Wood County Port Authority
Wood County
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended December 31, 2023

Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received from Administrative Fees	\$ 1,526,898
Cash Payments for Board Member Compensation	(8,275)
Cash Payments for Board Member Expenses	(1,750)
Cash Payments for Dues, Subscriptions, Conferences and Meetings	(12,980)
Cash Payments for Engineering Expenses	(210)
Cash Payments for Legal and Professional Fees	(332,363)
Cash Payments for Insurance and Bonding	(4,612)
Cash Payments for Bank Charges and Other	<u>(2,503)</u>
Net Cash Provided by Operating Activities	<u>1,164,205</u>
Cash Flows from Investing Activities:	
Interest	<u>59,998</u>
Net Cash from Investing Activities	<u>59,998</u>
Cash Flows Used for Capital Financing Activities:	
Cash Payments for Nondepreciable Capital Assets	<u>(236,836)</u>
Net Cash Used for Capital Financing Activities	<u>(236,836)</u>
Cash Flows from Noncapital Financing Activities:	
Grants	(64,876)
Projects - Contracts	(2,367,038)
Intergovernmental Revenue	<u>1,083,663</u>
Net Cash from Noncapital Financing Activities	<u>(1,348,251)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(360,884)
Cash and Cash Equivalents Beginning of Year	<u>3,595,763</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 3,234,879</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 1,180,052
(Increase) Decrease in Assets and Increase (Decrease) in Liabilities:	
Accounts Receivable	(118,600)
Accounts Payable - Operating	<u>102,753</u>
Total Adjustments	<u>(15,847)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,164,205</u></u>

See accompanying notes to the basic financial statements

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

1. DESCRIPTION OF REPORTING ENTITY

Wood County Port Authority, Wood County, Ohio is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.22 of the Ohio Revised Code. Its territorial limits encompass all of Wood County.

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

The Port Authority is included as a component unit in Wood County's financial statements.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Accounting

The financial statements of the Port Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Port Authority's basic financial statements consist of a statement of net position; a statement of revenue, expenses and changes in net position; and a statement of cash flows. The Port Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus

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

C. Fund Accounting

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

D. Cash and Cash Equivalents

During 2023, the Port Authority invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, Certain External Investment Pools and Pool Participants. The Library measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The Port Authority did not report any deferred outflows of resources for 2023.

In addition to liabilities, the statement of net position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Port Authority did not report any deferred inflows of resources for 2023.

F. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value on the date donated. The Port Authority has a capitalization threshold of \$5,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expended when incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets, consist of capital assets, and if applicable, net of accumulated depreciation and related debt. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Port Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Port Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The Port Authority did not have any restricted net position for 2023.

H. Statement of Cash Flows

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

I. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Port Authority. All revenues and expenses not meeting these definitions are reported as non- operating.

J. Estimates

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

3. CASH AND CASH EQUIVALENTS

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

Inactive deposits are public deposits that the Board of Trustees 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 must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

3. CASH AND CASH EQUIVALENTS (Continued)

3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations, bonds and other obligations of political subdivisions of the State of Ohio;
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) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer’s investment pool (STAROhio);
8. Certain bankers’ acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time 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 Council and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer, or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits – Custodial credit risk is the risk that in the event of bank failure, The Port Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2023, \$250,000 of the Port Authority’s bank balance of \$1,818,945 was covered by the Federal Deposit Insurance Corporation and the remaining \$1,568,945 was uninsured, but was collateralized. The Port Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to The Port 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 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.

Investments: As of December 31, 2023, the Port Authority had the following investment and maturity:

	Carrying/Fair Value	Less than 1 Year	1 - 2 years	Over 2 years
STAR Ohio - Net Asset Value	\$1,415,934	\$1,415,934	\$0	\$0
Total Investments	\$1,415,934	\$1,415,934	\$0	\$0

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

3. CASH AND CASH EQUIVALENTS (Continued)

The Port Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Port Authority’s recurring fair value measurements as of December 31, 2023. STAR Ohio is reported at its share price.

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Port Authority’s investment policy addresses interest rate risk by requiring that the Port Authority’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short term investments.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments in STAROhio were rated AAAM by Standard & Poor’s. The Port Authority has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Port Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Port Authority has no investment policy dealing with investment custodial risk beyond the requirements in the Ohio Revised Code.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital Assets:				
Nondepreciable Capital Assets	\$ 7,411,844	\$ 240,940	\$ (13,000)	\$ 7,639,784

The capital assets, consisting of the Liberty Hi Road and the Chessie Circle Trail (formally known as Westside Corridor) Projects, as well as the acquisition of the Burnside property on Lime City Road, will be transferred off the balance sheet after the Port Authority’s planned dedication to various entities.

5. RISK MANAGEMENT

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

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

5. RISK MANAGEMENT (Continued)

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022 (the latest information available).

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

The Council maintains commercial insurance for the following risks:

- General Liability & Casualty
- Public Officials Liability
- Vehicle
- Property

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

6. FINANCING ACTIVITY

During fiscal year 2023, the Port Authority received operating monies from the Wood County Commissioners totaling \$60,000.

7. CONTINGENCIES

Grants

The Port Authority received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Port Authority. However, the effect of any such disallowed claims on the overall financial position of the Port Authority at December 31, 2023, if applicable, cannot be determined at this time.

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING

WMOG Investment, Inc.

In September 2017, the Port Authority issued \$5,656,300 of Port Authority Taxable Development Revenue Bonds, Series 2017. The proceeds of the revenue bonds were used to fund the acquisition, construction, improvement and financing of a warehouse and distribution facility and related site improvements and facilities on a site located in Bowling Green, Ohio. The Port Authority has leased the building to WMOG Investment, Inc. The lease is non-cancelable until the underlying revenue bonds are paid in full. The lease payments cover the principal and interest payments on the Revenue Bonds, Series 2018. All expenses related to the revenue bonds and the maintenance of the building is the responsibility of WMOG Investment, Inc. WMOG Investment, Inc. pays the lease payments directly to the trustee.

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

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

Walgreen Co.

In 2018, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Walgreen Co. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5 year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

First Solar, Inc.

In 2018, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to First Solar, Inc. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5 year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

NSG Glass North America, Inc.

In 2019, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to NSG Glass North America, Inc. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5-year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

FC Toledo Oh Landlord, LLC

In 2019, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to FC Toledo OH Landlord, LLC. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 50-year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 50-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease (5 years), the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Ohio Logistics, LTD

In 2020, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Ohio Logistics, LTD. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 50-year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 50-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease (5 years), the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

POP Real Estate Holdings, LLC

In 2020, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to POP Real Estate Holdings, LLC. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 50-year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 50-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease (5 years), the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

POP Real Estate Holdings, LLC

In 2021, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to POP Real Estate Holdings, LLC. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 50-year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 50-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease (5 years), the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Nova Tube and Steel, LLC

In 2021, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Nova Tube and Steel, LLC. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 50-year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 50-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease (5 years), the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

First Solar, Inc. - Terra 6 Project

In 2022, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to First Solar, Inc. for the Terra 6 project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Murfin, Inc.

In 2022, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Murfin, Inc. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5 year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

Nagle Holdings, LTD

In 2022, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Nagle Holdings, LTD. The Project site is being leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port is leasing the Project to the Owner or its assigns pursuant to a 5 year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Phoenix Technologies Intl LLC

In 2022, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Phoenix Technologies Intl LLC. The Project site is being leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port is leasing the Project to the Owner or its assigns pursuant to a 5 year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Scannell Properties #573, LLC

In 2022, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Scannell Properties #573, LLC. The Project site is being leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port is leasing the Project to the Owner or its assigns pursuant to a 5 year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

First Solar, Inc. – Maverick Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to First Solar, Inc. for the Maverick Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan.

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Abbott Laboratories, Inc. Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Abbott Laboratories, Inc. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

5 Point Partners, LLC Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to 5 Point Partners, LLC. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Southbriar, LLC Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Southbriar, LLC. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease "Ground Lease" with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease "Project Lease". The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

Levis Lodging, LLC Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Levis Lodging, LLC. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Ohio Logistics IV, LLC Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Ohio Logistics IV, LLC. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

IMCO Carbide Tool, Inc. Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to IMCO Carbide Tool, Inc. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority’s financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

Murfin, Inc. Project

In 2023, the Port Authority authorized a Capital Lease Financing (Sales Tax Exemption) to Murfin, Inc. for the Project. The Project site will be leased by the Owner to the Wood County Port Authority for a nominal fee, payable in advance, pursuant to a 5 year lease “Ground Lease” with Owner. The Port will lease the Project to the Owner or its assigns pursuant to a 5-year capital lease “Project Lease”. The Owner will be the owner of the Project for federal

Wood County Port Authority
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended December 31, 2023

8. CONDUIT DEBT AND CAPITAL LEASE FINANCING (Continued)

income tax purposes. The Project Lease is expected to reduce Project cost by savings on the construction materials. The Owner will have the option to terminate the Project Lease upon payment in full of the construction loan. Upon the expiration or earlier termination of the Project Lease, the Owner will have the option to purchase the Project from the Port Authority for a nominal fee.

In accordance with Governmental Accounting Standards, this capital lease by the Port Authority is considered conduit debt and does not create a liability and therefore is not presented on the Port Authority's financial statements. The Port Authority has no responsibility for the repayment of any debt for the Project.

9. LIBERTY HI ROAD PROJECT

On August 17, 2010, the Port Authority contracted with the Ohio Department of Transportation, CSX Transportation, Inc., and Wood County whereby the Port Authority agreed to construct a grade separation at the intersection of Liberty Hi Road, in Henry Township, Wood County, Ohio. CSX Transportation, Inc. agreed to provide real property necessary for the construction of the roadway improvement valued at \$883,304 and it agreed to provide cash for the roadway improvement in the amount of \$5,774,470. The Port Authority also received a roadway improvement grant from the Ohio Department of Development in the amount of \$600,000. The roadway improvement was substantially completed by August 11, 2011; however, the roadway improvement has not yet been dedicated to the County due to issues with the roadway. The Port Authority continues to incur and pay additional costs associated with addressing issues with the roadway and such costs have been included in the cost of this project.

10. CHESSIE CIRCLE TRAIL PROJECT (FORMALLY KNOWN AS WESTSIDE CORRIDOR PROJECT)

Since 2003, efforts have been underway to purchase approximately 11 miles of the CSX Toledo Terminal Westside Corridor, located in Wood and Lucas County, Ohio, to preserve the rail right-of-way for future use. The rail corridor extends from Laskey Road, to River Road in Toledo, Lucas County, Ohio and from River Road (State Route 65) to Bates Road in Perrysburg Township, Wood County, Ohio.

A consortium of public entities combined to purchase the rail corridor using federal transportation funds. The consortium members include the Trust for Public Land, Metro parks of the Toledo Area, University of Toledo, City of Toledo, Wood County Park District, Wood County Port Authority, and the Toledo Metropolitan Area Council of Governments (TMACOG). Through the sale process, the Wood County Port Authority acquired the real property from River Road in Lucas County to River Road (State Route 65) in Wood County, including a bridge spanning the Maumee River and a value for the property and bridge was assigned to the Port Authority in the amount of \$320,091. The Port Authority intends to remove the bridge and ensure that alternative transportation access is expanded to provide the crossing of the Maumee River from Wood to Lucas County. The Ohio Department of Transportation entered into an agreement with the Authority and the bridge was removed.

11. RECEIVABLES

As of December 31, 2023, the Authority had intergovernmental receivables consisting of \$847,960 due from the United States Department of Commerce, \$212,234 due from the Ohio Department of Transportation and \$400,000 due from the City of Rossford.

12. MAJOR CONSTRUCTION PROJECTS

During fiscal year 2023, the Authority entered into a cooperative agreement with the City of Rossford, Wood County Commissioners, the Wood County Engineer, and the Northwestern Water and Sewer District to participate as collaborative partners in applying for an Economic Development Assistance Program (EDA) grant for a roadway improvement project consisting of the reconstruction of Deimling Road and Lime City Road and the construction of water and wastewater lines along Deimling Road. The Authority is considered the grantee for for EDA grant and as of December 31, 2023 had expended \$4,849,425 on this project which has consisted of multiple funding sources.

SUPPLEMENTARY INFORMATION

Wood County Port Authority, Ohio
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal AL Number	Total Federal Expenditures
U.S. Department of Commerce			
<i>Direct Assistance:</i>			
Investments for Public Works and Economic Development Facilities	N/A	11.300	<u>\$ 902,292</u>
Total U.S. Department of Commerce			<u>902,292</u>
Total Federal Expenditures			<u><u>\$ 902,292</u></u>

**WOOD COUNTY PORT AUTHORITY
WOOD COUNTY, OHIO**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Wood County Port Authority (the Authority) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – MATCHING REQUIREMENTS

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



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

Wood County Port Authority
Wood County
932 Dixie Highway
Rossford, Ohio 43460

To the Members of the Board:

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 Wood County Port Authority, Wood County, (the Port Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements and have issued our report thereon dated June 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 11, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Wood County Port Authority
Wood County
932 Dixie Highway
Rossford, Ohio 43460

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited **Wood County Port Authority's** (the Port Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Wood County Port Authority's major federal program for the year ended December 31, 2023. Wood County Port Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, the Port Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

June 11, 2024

**WOOD COUNTY PORT AUTHORITY
WOOD COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	AL# 11.300, Investments for Public Works and Economic Development Facilities.
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

WOOD COUNTY PORT AUTHORITY

932 Dixie Highway
Rossford, OH 43460

Board Members

Cheryl A. Johnson, Chairperson
Thomas R. Uhler, Vice Chairman
Martha Woelke, Secretary/Treasurer
Milton F. Knight
John Rust, Jr.
Ed Nagle
James Rossler, Jr.

Telephone: (419) 352-7466

Fax: (419) 373-4933

Email: rhuffman@spitlerhuffmanlaw.com

Director/General Counsel

Rex H. Huffman, Esq.

Administrative Assistant:

Kelly Rossler

SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2023

Finding Number	Finding Summary	Status	Additional Information
2022-001	Financial Reporting	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



WOOD COUNTY PORT AUTHORITY

WOOD 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 7/16/2024

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

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