

COLUMBIANA COUNTY PORT AUTHORITY

COLUMBIANA COUNTY, OHIO

REGULAR AUDIT

For the Years Ended December 31, 2024 and 2023





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Columbus, Ohio 43215
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Board of Directors
Columbiana County Port Authority
7860 Lincole Place
Lisbon, Ohio 44432

We have reviewed the *Independent Auditor's Report* of the Columbiana County Port Authority, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 29, 2025

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COLUMBIANA COUNTY PORT AUTHORITY
COLUMBIANA COUNTY, OHIO
Regular Audit
For the years ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Columbiana County Port Authority
Columbiana County
7860 Lincole Place
Lisbon, Ohio 44432

To the Board of Directors:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Columbiana County Port Authority, Columbiana County, Ohio (the Port Authority), which comprise the governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Port Authority, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by Port Authority on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *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.

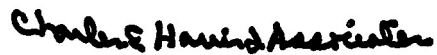
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2025, 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.

A handwritten signature in black ink, appearing to read "Charles E. Harris".

Charles E. Harris & Associates, Inc.
June 11, 2025

Columbiana County Port Authority
Columbiana County
Statement of Receipts, Disbursements and
Changes In Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2024

	<u>General</u>
Cash Receipts	
Intergovernmental	\$ 882,875
Earnings on Investment	188,945
Miscellaneous	<u>1,071,944</u>
<i>Total Cash Receipts</i>	2,143,764
Cash Disbursements	
Current Disbursements:	
General Government	1,275,289
Capital Outlay	778,270
Debt Service:	
Principal Retirement	150,303
Interest and Fiscal Charges	<u>12,850</u>
<i>Total Cash Disbursements</i>	<u>2,216,712</u>
<i>Excess Receipts Over (Under) Disbursements</i>	(72,948)
<i>Fund Cash Balances, January 1</i>	<u>3,545,779</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 3,472,831</u></u>

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

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 1 – Reporting Entity

The Columbiana County Port Authority (the “Port Authority”), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority is governed by a Board of Directors. Members of the Board are appointed by the Columbiana County Commissioners. The Port Authority provides the following services which are defined by Chapter 4582 of the Ohio Revised Code and which services include but are not limited to the power to purchase, construct, re-construct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Port Authority facilities.

Columbiana County Commissioners have no authority regarding the day-to-day activities and business affairs of the Port Authority beyond the creation of the Port Authority and the appointment of its Board of Directors. Columbiana County maintains its own accounting functions, is a separate reporting entity, and its financial activity is not included within the financial statements of the Port Authority.

The general office of the Port Authority is located in Center Township. The Township and the Village of Lisbon maintain their own accounting functions, are separate reporting entities, and their financial activities are not included within the financial statements of the Port Authority.

The Port Authority is a self-sufficient enterprise, which does not receive funding from Columbiana County, the Village of Lisbon, or the Village of Lisbon School District

Note 2 – Summary of Significant Account Policies

Basis of Presentation

The Port Authority’s financial statements consist of a statement of receipts, disbursements and changes in fund balance (cash basis) for the General Fund.

Fund Accounting

The Port Authority uses funds 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. The fund of the Port Authority is presented below:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Port Authority for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Port Authority recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 2 – Summary of Significant Accounting Policies (continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (c) permit.

Budgetary Process

The Port Authority is not required to follow Ohio Revised Code Section 5705 budgetary requirements.

Deposits and Investments

The Port Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital assets

The Port Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five (5) classifications based primarily on the extent to which the Port Authority must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Non-spendable – The Port Authority classifies assets as non-spendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five (5) years before they may be utilized by the Port Authority.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Committed – The Board can commit amounts via formal action (resolution). The Port Authority must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 2 – Summary of Significant Accounting Policies (continued)

The Port Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 follows:

2024 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 2,602,062	\$ 2,143,764	\$ (458,298)

2024 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation	Budgetary	
Fund Type	Authority	Disbursements	Variance
General	\$ 2,553,785	\$ 2,227,776	\$ 326,009

Note 4 – Deposits and Investments

The Port Authority maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits as of December 31, 2024 was as follows:

	2024
Demand deposits	\$1,249,885
Certificates of deposit	2,222,946
Total deposits	<u>\$3,472,831</u>

The Port Authority does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. As of December 31, 2024, the Port Authority has \$607 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Port Authority, or collateralized through 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.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 5 – Risk Management

Commercial Insurance

The Port Authority has obtained commercial insurance for the following risks:

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

Note 6 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2024.

Note 7 – Post-employment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 8 – Debt

Debt outstanding as of December 31, 2024 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Farmers Bank Loan	\$ 138,085	5.00%
TCF/Crane Lease	<u>76,834</u>	3.49%
Total	<u><u>\$214,919</u></u>	

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 8 – Debt (continued)

Farmer’s Bank Loan

In February 2015, the Port Authority obtained a loan from Farmers National Bank of Canfield, Ohio, to consolidate the Fifth Third Loan and the Rural Industrial Loan. The total loan was \$3,007,000.

In October 2018, the Port Authority restructured the terms of the loan with Farmers National Bank. The loan was paid down to \$600,000 with a maturity date of October 30, 2028. The Port Authority is required to make monthly installment payments of \$3,998 until the maturity date is met. Due to the Port Authority paying extra every month on the principal, the last payment will be July 13, 2026. Due to these extra payments no updated amortization schedule is available.

Huntington/TCF crane loan

In 2015, the Port Authority began a new project at the Port’s Intermodal Facility located in Wellsville, Ohio. The Project was to install a new conveyor system and to purchase a new Mantsinen 120EF material handling crane which would assist in providing efficient transportation of raw materials to barges on the Ohio River System. The total cost of the project was \$5,100,000, with \$3,500,000 provided by the State via the Logistics & Distribution Loan/Grant. The remaining balance will be paid by the Port Authority.

The purchase price of the Crane was \$1,366,091 with a down payment of \$800,000 made in 2015. The Port Authority then entered into a Lease with TCF Equipment (now Huntington Bank) for the balance of \$566,091. The term of the lease is for 120 months with a fixed rate of 3.49%. Monthly payments of \$5,640 began in February 2016, with the final payment to be paid November 2025. There is no current amortization schedule available.

Note 9 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the Port Authority had the following outstanding encumbrances:

<u>Fund Balances</u>	<u>General</u>
Outstanding Encumbrances	\$ 11,064

In the General Fund, outstanding encumbrances are considered assigned.

Note 10 – Loans Receivable

In 2020, the Port Authority agreed to loan the Village of Leetonia \$423,000 through the issuance of Series 2020 Bonds. The loan carries an interest rate of 2% and is expected to be paid back to the Port Authority in October 2025.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Note 10 – Loans Receivable (continued)

In March 2022, the Port Authority agreed to loan Blended Beginnings, LLC, John D. Gossett and Nikki L. McDorman-Gossett of Beloit, Ohio, \$40,000 for their business known as “Zep’s Pizza & More at Pinky’s”, located in East Rochester, Hanover Township, Ohio. The loan carries an interest rate of 4% and is expected to be paid back to the Port Authority over 84 monthly payments, with the final payment to be made on April 15, 2029.

Note 11 – Contingent Liabilities

The Port Authority may be a defendant in lawsuits. Management is not aware of any current lawsuits filed against the Port Authority and therefore cannot determine the outcome of any potential lawsuits. Management believes that the resolution of any potential matters would not materially adversely affect the Port Authority’s financial condition.

Columbiana County Port Authority
Columbiana County
Statement of Receipts, Disbursements and
Changes In Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2023

	<u>General</u>
Cash Receipts	
Intergovernmental	\$ 1,326,812
Earnings on Investment	164,121
Miscellaneous	<u>2,330,369</u>
<i>Total Cash Receipts</i>	3,821,302
Cash Disbursements	
Current Disbursements:	
General Government	1,560,568
Capital Outlay	2,594,352
Debt Service:	
Principal Retirement	143,875
Interest and Fiscal Charges	<u>19,278</u>
<i>Total Cash Disbursements</i>	<u>4,318,073</u>
<i>Excess Receipts Over (Under) Disbursements</i>	<u>(496,771)</u>
<i>Fund Cash Balances, January 1</i>	<u>4,042,550</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 3,545,779</u></u>

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

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 1 – Reporting Entity

The Columbiana County Port Authority (the “Port Authority”), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority is governed by a Board of Directors. Members of the Board are appointed by the Columbiana County Commissioners. The Port Authority provides the following services which are defined by Chapter 4582 of the Ohio Revised Code and which services include but are not limited to the power to purchase, construct, re-construct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Port Authority facilities.

Columbiana County Commissioners have no authority regarding the day-to-day activities and business affairs of the Port Authority beyond the creation of the Port Authority and the appointment of its Board of Directors. Columbiana County maintains its own accounting functions, is a separate reporting entity, and its financial activity is not included within the financial statements of the Port Authority.

The general office of the Port Authority is located in Center Township. The Township and the Village of Lisbon maintain their own accounting functions, are separate reporting entities, and their financial activities are not included within the financial statements of the Port Authority.

The Port Authority is a self-sufficient enterprise, which does not receive funding from Columbiana County, the Village of Lisbon, or the Village of Lisbon School District

Note 2 – Summary of Significant Account Policies

Basis of Presentation

The Port Authority’s financial statements consist of a statement of receipts, disbursements and changes in fund balance (cash basis) for the General Fund.

Fund Accounting

The Port Authority uses funds 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. The fund of the Port Authority is presented below:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Port Authority for any purpose provided it is expended or transferred according to the general laws of Ohio.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Port Authority recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 2 – Summary of Significant Accounting Policies (continued)

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (c) permit.

Budgetary Process

The Port Authority is not required to follow Ohio Revised Code Section 5705 budgetary requirements.

Deposits and Investments

The Port Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital assets

The Port Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five (5) classifications based primarily on the extent to which the Port Authority must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

Non-spendable – The Port Authority classifies assets as non-spendable when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five (5) years before they may be utilized by the Port Authority.

Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Committed – The Board can commit amounts via formal action (resolution). The Port Authority must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 2 – Summary of Significant Accounting Policies (continued)

The Port Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$ 3,228,901	\$ 3,821,302	\$ 592,401

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation	Budgetary	
Fund Type	Authority	Disbursements	Variance
General	\$ 4,966,574	\$ 4,330,681	\$ 635,893

Note 4 – Deposits and Investments

The Port Authority maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits as of December 31, 2023 was as follows:

	2023
Demand deposits	\$1,431,052
Certificates of deposit	2,114,727
Total deposits	<u>\$3,545,779</u>

The Port Authority does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. As of December 31, 2023, the Port Authority has \$18,047 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the Port Authority, or collateralized through 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.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 5 – Risk Management

Commercial Insurance

The Port Authority has obtained commercial insurance for the following risks:

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

Settled claims have not exceeded this commercial coverage in any of the last three (3) years. There has not been a significant reduction in this coverage from the prior year.

Note 6 – Defined Benefit Pension Plan

Ohio Public Employees Retirement System

All employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Township contributed an amount equaling 14%, of participants' gross salaries. The Township has paid all contributions required through December 31, 2023.

Note 7 – Post-employment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

Note 8 – Debt

Debt outstanding as of December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Farmers Bank Loan	\$ 224,213	5.00%
TCF/Crane Lease	141,009	3.49%
Total	<u>\$ 365,222</u>	

The prior debt balance was overstated by \$16,779.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 8 – Debt (continued)

Farmer’s Bank Loan

In February 2015, the Port Authority obtained a loan from Farmers National Bank of Canfield, Ohio, to consolidate the Fifth Third Loan and the Rural Industrial Loan. The total loan was \$3,007,000.

In October 2018, the Port Authority restructured the terms of the loan with Farmers National Bank. The loan was paid down to \$600,000 with a maturity date of October 30, 2028. The Port Authority is required to make monthly installment payments of \$3,998 until the maturity date is met. Due to the Port Authority paying extra every month on the principal, the last payment will be July 13, 2026. Due to these extra payments no updated amortization schedule is available.

Huntington/TCF crane loan

In 2015, the Port Authority began a new project at the Port’s Intermodal Facility located in Wellsville, Ohio. The Project was to install a new conveyor system and to purchase a new Mantsinen 120EF material handling crane which would assist in providing efficient transportation of raw materials to barges on the Ohio River System. The total cost of the project was \$5,100,000, with \$3,500,000 provided by the State via the Logistics & Distribution Loan/Grant. The remaining balance will be paid by the Port Authority.

The purchase price of the Crane was \$1,366,091 with a down payment of \$800,000 made in 2015. The Port Authority then entered into a Lease with TCF Equipment (now Huntington Bank) for the balance of \$566,091. The term of the lease is for 120 months with a fixed rate of 3.49%. Monthly payments of \$5,640 began in February 2016, with the final payment to be paid November 2025. There is no current amortization schedule available.

Note 9 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the Port Authority had the following outstanding encumbrances:

<u>Fund Balances</u>	<u>General</u>
Outstanding Encumbrances	\$ 12,608

In the General Fund, outstanding encumbrances are considered assigned.

Note 10 – Loans Receivable

In 2020, the Port Authority agreed to loan the Village of Leetonia \$423,000 through the issuance of Series 2020 Bonds. The loan carries an interest rate of 2% and is expected to be paid back to the Port Authority in October 2025.

**Columbiana County Port Authority
Columbiana County
Notes to the Financial Statements
For the Year Ended December 31, 2023**

Note 10 – Loans Receivable (continued)

In March 2022, the Port Authority agreed to loan Blended Beginnings, LLC, John D. Gossett and Nikki L. McDorman-Gossett of Beloit, Ohio, \$40,000 for their business known as “Zep’s Pizza & More at Pinky’s”, located in East Rochester, Hanover Township, Ohio. The loan carries an interest rate of 4% and is expected to be paid back to the Port Authority over 84 monthly payments, with the final payment to be made on April 15, 2029.

Note 11 – Contingent Liabilities

The Port Authority may be a defendant in lawsuits. Management is not aware of any current lawsuits filed against the Port Authority and therefore cannot determine the outcome of any potential lawsuits. Management believes that the resolution of any potential matters would not materially adversely affect the Port Authority’s financial condition.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Columbiana County Port Authority
Columbiana County
7860 Lincole Place
Lisbon, Ohio 44432

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts and disbursements for the governmental fund type as of and for the years ended December 31, 2024 and 2023 of the Columbiana County Port Authority, Columbiana County, Ohio (the Port Authority), and the related notes to the financial statements and have issued our report thereon dated June 11, 2025, wherein we noted the Port Authority followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Port Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Port Authority's internal control. Accordingly, we have not expressed 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 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider item 2024-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Port Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express 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*.

Port Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Port Authority's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Port Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.



Charles E. Harris & Associates, Inc.
June 11, 2025

COLUMBIANA COUNTY PORT AUTHORITY
COLUMBIANA COUNTY

Schedule of Findings
December 31, 2024 and 2023

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2024-001 – Material Weakness

Audit Adjustments and Reclassifications

Our testing revealed several instances where errors were made with respect to the posting and reporting of various transactions, and the presentation of annual financial statements and notes. During 2024 and 2023, the more significant adjustments were as follows:

- During both 2023 and 2024, the Port Authority received \$36,517 and \$63,692, respectively from Columbiana County Board of Development Department for administration fees and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During both 2023 and 2024, the Port Authority received \$195,447 and \$248,807, respectively from the Economic Development Association for grants and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During both 2023 and 2024, the Port Authority received \$82,592 and \$72,878, respectively from the State of Ohio - YSU and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During 2024, the Port Authority received \$44,216 from the Ohio Governor's Office for grants and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During both 2023 and 2024, the Port Authority received \$33,500 and \$174,719, respectively from the Ohio Development Service Agency as grant monies and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During both 2023 and 2024, the Port Authority received \$978,754 and \$278,563, respectively from the Ohio Department of Transportation as grant monies and booked it as miscellaneous revenue. This was reclassified as intergovernmental revenue.
- During 2023, the Port Authority had interest revenue of \$77,573, General Government expenses of \$4,287, and a fund balance of \$2,114,727 in the Special Revenue Fund that all have been adjusted to the General Fund.
- During 2023, the Port Authority had Capital Projects Fund balance of \$1,145,475, interest revenue of \$4,594, and loans issued of \$68,207 that all have been adjusted to General Fund. Additionally, the loans issued were reclassified as miscellaneous revenue.
- During 2024 the Port Authority had interest revenue of \$108,219, and a fund balance of \$2,222,946 in the Special Revenue Fund that all have been adjusted to the General Fund.
- During 2024, the Port Authority had Capital Projects fund balance of \$262,206, interest revenue of \$4,445, and loans issued of \$113,401 that all have been adjusted to General Fund. Additionally, the loans issued was reclassified as miscellaneous revenue.

The accompanying financial statements have been adjusted to properly reflect these transactions.

COLUMBIANA COUNTY PORT AUTHORITY
COLUMBIANA COUNTY

Schedule of Findings (continued)
December 31, 2024 and 2023

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2024-001 – Material Weakness (continued)

Sound financial reporting is the responsibility of the Port Authority and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. We recommend the Port Authority adopt policies and procedures to identify and correct errors and omissions in a timely manner. Management can use the Uniform Accounting Network manual and other Auditor of State guidance and templates to aid in properly identifying account classifications and preparing annual financial statements.

Managements' Response:

See Corrective Action Plan.

COLUMBIANA COUNTY PORT AUTHORITY
COLUMBIANA COUNTY, OHIO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management
December 31, 2024 and 2023

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2022-001	Material Weakness – Audit Adjustments and Reclassifications	Not Corrected	

COLUMBIANA COUNTY PORT AUTHORITY
COLUMBIANA COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
December 31, 2024 and 2023

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	<ul style="list-style-type: none">• The Port Authority will begin mapping all funds to the General Fund.• The Port Authority will start classifying monies from other governments as intergovernmental monies rather than miscellaneous.	Immediately	Brittany Smith, Assistant Executive Director

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OHIO AUDITOR OF STATE KEITH FABER



COLUMBIANA COUNTY PORT AUTHORITY

COLUMBIANA 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 10/9/2025

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