



**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

West Central Ohio Port Authority
Clark County
3130 East Main Street, Suite 2B
Springfield, Ohio 45505

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the West Central Ohio Port Authority, Clark County, Ohio (the Port Authority), as of and for the year ended December 31, 2022, 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 West Central Ohio Port Authority, Clark County, Ohio as of December 31, 2022, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 14, 2023

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**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022
(Unaudited)

This Management Discussion and Analysis (MD&A) of West Central Ohio Port Authority's (the Port Authority) financial performance provides an overall review of the financial activities for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Port Authority's financial performance.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- Total net position increased by \$1,245,919 in 2022 compared to \$393,695 in 2021. This increase was primarily due to \$836,181 increase in economic development revenues, \$87,709 increase in maintenance fees and \$5,488 increase in interest income. These positive changes to the net position were partially offset by \$28,500 increase in legal fees, \$10,900 increase in advertising, \$6,629 increase in real estate service and \$16,503 increase in depreciation.
- Total assets increased by \$972,533 which represents a 6.19 percent increase from the prior year. The increase was primarily due to \$799,048 increase in cash and cash equivalents, \$148,032 increase in accounts receivable and \$26,265 increase in net capital assets.
- Total liabilities decreased by \$273,386 which represents 41.25 percent decrease from the prior year. This decrease was due to a decrease in accounts payable of \$211,529 due primarily to timing of payments on capital and economic development projects, \$92,673 decrease in accrued real estate taxes based on revaluation of real estate tax and \$30,816 increase in unearned revenues due to timing of lease receipts and overpaid trackage rights revenues.
- The 2022 net operating loss of \$8,058 decreased from the operating income of \$41,565 for 2021, due to Trackage rights revenues decreasing by \$144,827 based on approximately 39% decrease in "overhead" traffic routed on Port Authority tracks, lease receipts decreasing by \$34,580 primarily from a decrease in railcar storage. These operating revenues decreases were offset by an increase in use fees of \$12,263 and maintenance fees increase of \$87,709 from approximately 5.8% increase in carloads over the prior year. Operating expenses decreased in 2022 primarily due to a decrease of \$92,966 in property taxes.

Using this Financial Report

This financial report contains the basic financial statements of the Port Authority, as well as the Management's Discussion and Analysis and notes to 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. As the Port Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentation information is the same.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022
(Unaudited)

Statement of Net Position

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

Net position is reported in three broad categories (as applicable):

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position: This component of net position consists of restricted assets which constraints are placed on asset by grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position."

Table 1 provides a summary of the Port Authority's net position for 2022 compared with 2021.

**Table 1
Condensed Statement of Net Position**

	2022	Restated 2021
Assets:		
Current and other assets	\$ 2,266,033	1,319,765
Capital assets, net	14,412,138	14,385,873
Total Assets	16,678,171	15,705,638
Liabilities:		
Current liabilities	389,383	662,769
Total Liabilities	389,383	662,769
Net Position		
Investment in capital assets	14,412,138	14,385,873
Unrestricted	1,876,650	656,996
Total Net Position	\$ 16,288,788	15,042,869

Total net position of the Port Authority increased by \$1,245,919 in 2022 or 8.28 percent compared to an increase of \$393,695 in 2021.

As noted in Table 1 above, the unrestricted net position as of December 31, 2022 increased by \$1,219,654. The investment in capital assets, component of net position, increased by \$26,265 resulting from current year capital asset acquisitions totaling \$827,790 offset by current year depreciation of \$801,525.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022
(Unaudited)

Table 2 shows the changes in revenues and expenses for the Port Authority for 2022 and 2021.

**Table 2
Statement of Revenues, Expenses and Change in Net Position**

	<u>2022</u>	<u>Restated 2021</u>
Operating Revenues:		
Use and Trackage Fees - Operations	\$ 421,042	553,606
Lease Receipts - Property	163,204	197,784
Maintenance Fees	585,843	498,134
Document Fees	1,000	6,000
Non-Operating Revenues:		
Economic Development Revenues	1,248,269	412,088
Insurance Reimbursement	-	13,863
Interest Income	5,708	220
Total Revenues	<u>2,425,066</u>	<u>1,681,695</u>
Operating Expenses:		
Legal Fees	49,514	21,014
Real Estate Service	11,224	4,595
Bookkeeping Service	10,800	10,800
Accounting Service	14,500	14,500
Administration - Clark County TCC	56,149	57,105
Planning - Clark County TCC	5,000	5,000
Taxes, Licenses and Fees	149,631	242,597
Insurance - Bond	364	364
Insurance - Comprehensive	7,773	10,302
Audit Fees	7,007	5,213
Amortization of Organizational Costs	812	812
Depreciation	801,525	785,022
Nuisance & Abatement	2,919	2,820
Repairs and Maintenance	48,702	52,827
Advertising	10,900	-
Bad debt	1,400	-
Miscellaneous Expense	927	988
Non-Operating Expenses:		
Economic Development Costs	-	232,441
Total Expenses	<u>1,179,147</u>	<u>1,446,400</u>
Excess Before Contributions	1,245,919	235,295
Capital Contributions	<u>-</u>	<u>158,400</u>
Change in Net Position	1,245,919	393,695
Net Position at the Beginning of Year, Restated	<u>15,042,869</u>	<u>14,649,174</u>
Net Position at the End of Year	<u>\$ 16,288,788</u>	<u>\$ 15,042,869</u>

**WEST CENTRAL OHIO PORT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022
(Unaudited)

Total revenues of the Port Authority reported for the year was \$743,371 higher than that reported for the previous year. There was an increase in maintenance fees of \$87,709 and Use fees of \$12,263 over the prior year based on 5.8% increase in the number of carloads transported during the year – 7,463 railcars served in 2022 compared to 7,054 railcars in 2021. Trackage fees decreased by \$144,827 based on a reduction in “overhead” traffic being routed onto the Port Authority’s tracks during 2022 and an adjustment for overpayment by the railroad. There was an increase of \$836,181 in revenue from economic development partners as three new agreements were executed during 2022. There was a decrease of \$34,580 in lease receipts – property primarily due to reduced railcar storage revenues generated during 2022.

Total expenses of the Port Authority reported for the year were \$267,253 lower than those reported for the previous year. The decrease in 2022 was due to a decrease of \$4,125 in repairs and maintenance, and \$92,966 in property taxes. These were partially offset by an increase of \$28,500 in legal fees, \$6,629 increase in real estate service and \$16,503 increase in depreciation expense.

Capital Assets

At December 31, 2022 capital assets of the Port Authority were \$27,792,298 off-set by \$13,380,160 in accumulated depreciation resulting in net capital assets of \$14,412,138. Table 3 shows the categories of capital assets maintained by the Port Authority and total accumulated depreciation, as of December 31, 2022 and 2021.

**Table 3
Capital Assets, Net of Depreciation**

	<u>2022</u>	<u>2021</u>
Land	\$ 1,185,698	1,185,698
Construction in Progress	728,408	-
Equipment and Appendices	3,714,153	3,714,153
Spur	207,951	207,951
Railroad	<u>21,956,088</u>	<u>21,856,706</u>
Total capital assets	27,792,298	26,964,508
Less accumulated depreciation	<u>(13,380,160)</u>	<u>(12,578,635)</u>
Capital Assets, Net	<u>\$ 14,412,138</u>	<u>14,385,873</u>

The \$26,265 increase in net capital assets was due to 2022 South Charleston Line Drainage Projects of \$64,198, 2022 DTI South Slow Order Emergency Repair Project of \$23,940, and 2021 Track Rehab MP 122 to MP 104 Costs from 2021 of \$11,242. The \$728,408 in construction in progress at December 31, 2022 consists of the 2022 Track Rehabilitation in which was still in progress in 2022. Depreciation expense for 2022 and 2021 were \$801,525 and \$785,022 respectively.

See Note 5 of the notes to the basic financial statements for more detailed information on the Port Authority’s capital assets.

**WEST CENTRAL OHIO PORT AUTHORITY
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MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022
(Unaudited)

Contacting the Port Authority

This financial report is designed to provide a general overview of the finances of the West Central Ohio Port Authority and to show the Port Authority's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to: West Central Ohio Port Authority, Springview Government Center, 3130 East Main Street, Suite 2B, Springfield, Ohio 45505.

WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2022

Assets:

Current assets:

Cash and Cash Equivalents	\$	1,896,677
Accounts Receivable		<u>363,077</u>
Total current assets		<u>2,259,754</u>

Non-current assets:

Nondepreciable Capital Assets		1,914,106
Depreciable Capital Assets, Net		12,498,032
Organizational Costs		<u>6,279</u>
Total non-current assets		<u>14,418,417</u>
Total Assets		<u>16,678,171</u>

Liabilities:

Current liabilities:

Accounts Payable		35,530
Accrued Real Estate Taxes		149,631
Unearned Revenues		<u>204,222</u>
Total Liabilities		<u>389,383</u>

Net Position:

Investment in Capital Assets		14,412,138
Unrestricted		<u>1,876,650</u>
Total net position	\$	<u><u>16,288,788</u></u>

See accompanying notes to the basic financial statements.

WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues:

Use and Trackage Fees - Operations	\$	421,042
Lease Receipts - Property		163,204
Maintenance Fees		585,843
Document Fees		1,000
Total Operating Revenues		1,171,089

Operating Expenses:

Legal Fees - General Counsel		29,514
Legal Fees - Special Counsel		20,000
Real Estate Service		11,224
Bookkeeping Service		10,800
Accounting Service		14,500
Administration - Clark County TCC		56,149
Planning - Clark County TCC		5,000
Taxes, Licenses and Fees		149,631
Insurance - Bond		364
Insurance - Comprehensive		7,773
Audit fees		7,007
Amortization of Organizational Costs		812
Depreciation		801,525
Nuisance & Abatement		2,919
Repairs and Maintenance		48,702
Bid advertising		10,900
Bad Debts		1,400
Miscellaneous Expense		927
Total Operating Expenses		1,179,147

Operating Loss		(8,058)
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Non-Operating Revenue (Expenses):

Interest Income		5,708
Economic Development Revenue		1,248,269
Total Non-Operating Revenue (Expenses)		1,253,977

Change in net position		1,245,919
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Net position at the Beginning of Year, Restated. See Note 11		15,042,869
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Net position at the End of Year		\$ 16,288,788
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See accompanying notes to the basic financial statements.

WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flow From Operating Activities:

Cash received from customers	\$	1,084,532
Cash payments to suppliers for goods and services		<u>(513,919)</u>
Net Cash Provided by Operating Activities		<u>570,613</u>

Cash Flow from Capital and Related Financing Activities:

Capital acquisitions		(803,850)
Cash receipt from economic development partners		1,216,210
Cash disbursement for economic development costs		<u>(189,633)</u>
Net Cash Used in Capital and Related Financing Activities		<u>222,727</u>

Cash Flows From Investing Activities:

Interest Income		<u>5,708</u>
Net Change in Cash and Cash Equivalents		799,048
Cash and Cash Equivalents at the Beginning of Year		<u>1,097,629</u>
Cash and Cash Equivalents at the End of Year	\$	<u><u>1,896,677</u></u>

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating Loss	\$	(8,058)
Adjustments to reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Amortization Expense		812
Depreciation Expense		801,525
Change in Accounts Receivables		(148,032)
Change in Unearned Revenues		30,816
Change in Accrued Real Estate Taxes		(92,673)
Change in Accounts Payables		<u>(13,777)</u>
Total Adjustments		<u>578,671</u>
Net Cash Provided by Operating Activities	\$	<u><u>570,613</u></u>

Non-Cash Item:

Capital assets acquired through accounts payable	\$	<u><u>23,940</u></u>
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See accompanying notes to the basic financial statements.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. DESCRIPTION OF THE REPORTING ENTITY

The West Central Ohio Port Authority (Port Authority) is a governmental subdivision established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

On February 27, 1990, the Clark County Commission entered into an agreement to become part of a jointly governed organization with the Fayette County Commission for the purpose of purchasing and operating 27.13 miles of railroad between South Charleston, Ohio, in Clark County and Washington Court House, Ohio, in Fayette County. The purpose of forming the jointly governed organization was to protect the economic security of the agricultural community in southeastern Clark County by outright purchase of railway over which to transport grain and other commodities to market outlets. In accordance with the Ohio Revised Code, 4582.20.1, the Port Authority was established and named the Clark County – Fayette County Port Authority.

On August 16, 1993, the Clark County – Fayette County Port Authority signed an agreement of Joinder with Champaign County. The purpose of the agreement was to extend the territorial limits of the Port Authority in order to purchase two additional rail segments. The first segment runs between Springfield, Ohio, in Clark County and Bellefontaine, Ohio, in Logan County. The second segment runs between Springfield, Ohio, and Mechanicsburg, Ohio, in Champaign County. Because of the territorial change, the name of the organization was changed from the Clark County – Fayette County Port Authority to the West Central Ohio Port Authority.

The Port Authority is governed by a board of directors, two of whom are appointed by the commissioners of Champaign County, two of whom are appointed by the commissioners of Clark County, two by the commissioners of Fayette County and one by a majority action of the three counties. The Port Authority provides the 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.

The Commissioners of Clark, Fayette and Champaign Counties 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 directors. All counties 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 general office of the Port Authority is located in the Springfield Township and within the Clark-Shawnee School District. These entities maintain their own accounting functions, are separate reporting entities, and their financial activities are not included within the financial statements of the Port Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position. Equity (i.e., net position) consists of retained earnings. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Data

Ohio Revised Code Section 4582.13 requires the Port Authority annually prepare a budget. No further approvals or actions are required under Section 4582 of the Ohio Revised Code.

D. Cash and Cash Equivalents

The Port Authority maintains a cash management program whereby cash is deposited with a banking institution in Clark County. The agreements restrict activity to certain deposits. These deposits are stated at cost which approximates market value. Investment procedures are restricted by the provisions of the Ohio Revised Code.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

E. Accounts Receivable

Receivables recorded on the Port Authority's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation but also, by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. Receivables at December 31, 2022 consisted of rent or lease account billings, maintenance fees, and use and trackage rights. All receivables are considered collectible in full.

F. Capital Assets and Depreciation

Property, plant and equipment are recorded at either historical cost for capital assets acquired by the Port Authority or acquisition value for donated capital assets and are depreciated using the straight-line method over the useful life of the assets as follows:

<u>Category</u>	<u>Threshold</u>	<u>Years</u>
Signals and equipment	\$ 10,000	14 Years
Track	\$ 10,000	10 Years
Office Equipment	\$ 1,000	10 Years
Railroad Structures and Improvements	\$ 10,000	30 Years

G. Organizational Costs

Organization costs were capitalized when the Port Authority was originally formed in 1990. Costs are amortized using the straight-line method over a 40 year period.

H. Operating and non-operating revenues and expenses

Operating revenues are those revenues that are generated directly at the Port Authority's primary mission. For the Port Authority, operating revenues include railroad track use and trackage fees, property lease income, railroad maintenance fees and related market and document fees. Operating expenses are necessary costs incurred to support the Port Authority's primary mission, including depreciation.

Non-operating revenues and expenses are those that are not generated directly by the Port Authority's primary mission. Various economic development revenues and interest income, and expenses comprise the non-operating revenues and expenses of the Port Authority.

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

I. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation and net of related debt. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. When appropriate, the Port Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Capital Contributions

Capital contributions arise from outside contributions of capital assets or outside contributions of resources restricted to capital acquisition and construction. The Port Authority did not have any capital contributions during 2022.

K. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

Ohio Law requires the classification of funds held by the Port Authority into three categories:

Active funds are those funds required to be kept in “cash” or “near cash” status for immediate use by the Port Authority. Such funds must be maintained either as cash in the Port Authority Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Inactive funds are those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

Interim funds are those funds not needed for immediate use but needed before the end of the current period of designation of depositories. Interim funds may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Interim deposits in eligible institutions apply for interim funds;
5. Bonds and other obligations of the State of Ohio;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
7. The State Treasurer's investment pool (STAR Ohio).

As of December 31, 2022, the carrying amount of the Port Authority's deposits totaled \$1,896,677 and its bank balance was \$1,937,292. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2022, \$587,382 was exposed to custodial risk as discussed below, while \$1,349,910 was covered by the Federal Depository Insurance Corporation.

Protection of Port Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), or by the financial institutions 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 repayment of all public monies deposited in the financial institution.

4. USE AND LEASE RECEIPTS

Use and lease receipts are amounts received by the Port Authority for lease of railroad tracks. Amounts due as of December 31, but uncollected, are recorded as revenue.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

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FOR THE YEAR ENDED DECEMBER 31, 2022

5. CAPITAL ASSETS

A summary of the property, plant and equipment purchased as of December 31, 2022, follows. These assets are substantially leased to a third party:

	12/31/21			12/31/22
	Balance	Additions	Disposals	Balance
Capital assets not being depreciated:				
Land	\$ 1,185,698	-	-	1,185,698
Construction in Progress	-	728,408	-	728,408
	<u>1,185,698</u>	<u>728,408</u>	<u>-</u>	<u>1,914,106</u>
Capital assets being depreciated:				
Equipment and Appendices	3,714,153	-	-	3,714,153
Spur	207,951	-	-	207,951
Railroad	21,856,706	99,382	-	21,956,088
	<u>25,778,810</u>	<u>99,382</u>	<u>-</u>	<u>25,878,192</u>
Less Accumulated Depreciation on:				
Equipment and Appendices	(2,887,831)	(104,113)	-	(2,991,944)
Spur	(206,130)	(1,820)	-	(207,950)
Railroad	(9,484,674)	(695,592)	-	(10,180,266)
	<u>(12,578,635)</u>	<u>(801,525)</u>	<u>-</u>	<u>(13,380,160)</u>
Capital assets, net	<u>\$ 14,385,873</u>	<u>26,265</u>	<u>-</u>	<u>14,412,138</u>

6. SHORTLINE RAILROAD AGREEMENT

The Port Authority entered into a Shortline railroad operating agreement with the Indiana & Ohio Railroad, Inc., (IORY) on September 4, 1990, for operation as a shortline carrier. In light of current and ongoing operation and ownership of the Shortline, both parties entered into a revised and updated 2005 Agreement during 2006, terms of which went in effect retro-active as of May 1, 2005. The 2005 Agreement continues in effect until December 31, 2090, unless sooner terminated, and specifies that an additional 99 year term will be granted at the end of the initial term.

The 2005 Agreement permits (a) the Port Authority to terminate this Agreement: (i) upon an arbitration board determining that IORY has not performed services that would reasonably be expected of a similar carrier given the circumstances such termination to be effective as specified in a written notice provided by WESTCO PA to IORY; (ii) Upon the failure of IORY for a period of 90 days after the due date to pay any applicable Use and/or Trackage Fee and/or (b) IORY shall have the right to terminate this Agreement in the event that overhead traffic and online customer revenue base do not provide sufficient monetary return over and above associated expenses. Termination by IORY is to be effective 120 days after written notice by IORY to WESTCO PA.

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CLARK COUNTY**

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In accordance with the 2005 Agreement, IORY is required to perform at its own expense all routine maintenance on the Shortline up to the limits specified in the agreement and maintain the Shortline at not less than Federal Railroad Administration Class II track standards ("Class II Condition"). Any damage to the Shortline, other than normal wear, that occurs as a result of IORY operations shall be repaired at IORY's expense. The Port Authority is solely responsible for any extraordinary maintenance or capital improvements required to maintain the line to its current Class II condition.

The 2005 Agreement states that a use fee for any cars originating or terminating on the Shortline will be paid within thirty days after the close of the calendar quarter by the IORY to the Port Authority.

The 2005 Agreement also states that for use of Trackage by IORY or any other railroad authorized in writing by IORY and WESTCO PA for overhead (bridge) traffic, not originating or terminating on the Shortline, between Springfield (MP 202.7) and Fayne (MP 229.83), a distance of 27.13 miles, IORY shall pay directly to WESTCO PA, for each car (empty or loaded), locomotive and caboose handled by IORY over the Trackage pursuant to this Agreement. In addition, beginning in January 2014, trackage rights are also being paid for the joint trackage between Jeffersonville and Fayne, a distance of 4.82 miles. (For purposes of computing the fee, locomotives shall be counted as two cars. Trackage fee payments will be paid on a monthly basis on or before thirty (30) days after the close of the month in which the applicable Trackage Fees accrue.

The agreement restricts the use of both the use and trackage fees solely for extraordinary maintenance and/or capital expenditures directly related to rail infrastructure and freight operations over the Shortline Property.

The Port Authority is entitled to all revenue from rents, leases, and licenses that are derived from ownership of the real property, and related improvements. The Port Authority is responsible for any interest and principal payments which may be associated with its ownership.

The IORY is entitled to revenues derived from its operation of the Shortline, including switching fees, per diem and demurrage and other accessorial charges per IORY 8000 and 6001 series tariffs. IORY is responsible for all freight rail expenses associated with operation of the Shortline including the maintenance liability insurance coverage with benefits not less than \$5 million. The Port Authority is named as an additional insured on the policy.

Both parties agree to indemnify and hold harmless each other, its agents, directors, officers and employees, from and against liabilities from any claims, liabilities, costs or expenses (including reasonable attorneys' fees) for damage to any property, personal injuries or deaths caused by or resulting from any acts or omissions, its agents, employees, independent contractors or otherwise by their operations.

7. CONTINGENT LIABILITIES

Per an agreement signed on January 3, 1991, between the Indiana and Ohio Central Railroad and the Port Authority, the Port Authority agrees to repay the IORY contribution of \$116,170 toward the purchase of the railroad, upon the occurrence of any of the following conditions:

- Should the IORY no longer provide rail service for the line after the line remains unused for a period of twelve months,
- Should the railroad be sold, abandoned, or otherwise disposed of, the Port Authority will repay the IORY an amount equal to 4.04% of the net proceeds of the sale, or
- The Port Authority will repay the \$116,170 to IORY within three months of operation of the line by someone other than IORY.

There is no liability provision for any of these occurrences in the financial statements due to the remoteness of the occurrences.

8. RISK MANAGEMENT

The Port Authority is covered by general liability and public official liability insurance with the County Risk Sharing Authority. Coverage with a private carrier provides, bonding, liability insurance on the rails, right-of-way, theft and property damage. The Port Authority is co-insured with Indiana and Ohio Railroad for any operational liability.

There has been no significant reduction in coverage in relation to the prior year. Settled claims have not exceeded commercial coverage in any of the last three years.

9. ECONOMIC DEVELOPMENT PROJECTS

Topre America, Inc.

In 2017, the Port Authority entered into an agreement with Topre America Corporation to facilitate the construction and equipping of a 175,000 square foot manufacturing facility to be located in the City of Springfield. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Topre America, under which Topre America is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Topre America. Under this lease, Topre America will make rental payments of \$1 per year for thirty-five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. The Port Authority received an upfront payment of \$144,638 that was recognized when received. Additionally, Topre America will continue to be responsible for all maintenance and upkeep on the facilities. As a result,

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Topre America will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

In 2018, an amendment was made to the agreement to facilitate the construction and equipping of an approximate 138,000 square foot manufacturing facility at the previous project site. The Port Authority received a total of \$239,877 during 2018 that was recognized as economic development revenue.

In 2019, a second amendment was made to the agreement to facilitate the construction and equipping of an approximate 78,000 square foot manufacturing facility at the previous project site. The Port Authority received a total of \$159,961 during 2019 that was recognized as economic development revenue.

Silfex, Inc.

In 2017, the Port Authority worked with Silfex, Inc to facilitate the construction and equipping of a 353,000 square foot manufacturing facility to be located in Clark County. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Silfex, Inc, under which Silfex, Inc is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Silfex, Inc. Under this lease, Silfex, Inc will make rental payments of \$57,077 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Silfex, Inc will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Silfex, Inc will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Speedway LLC

In 2018, the Port Authority worked with Speedway LLC to facilitate the construction and equipping of a 140,000 square foot manufacturing facility to be located in Enon, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Speedway LLC, under which Speedway LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Speedway LLC. The Port Authority received an upfront payment of \$234,900 during 2018 that was recognized as economic development revenue. Under this lease, Speedway LLC will make rental payments of \$2,500 per year for ten years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Speedway LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Speedway LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

**WEST CENTRAL OHIO PORT AUTHORITY
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Wiley Industries LLC

In 2020, the Port Authority worked with Wiley Industries LLC to facilitate the construction and equipping of a 450,000 square foot distribution center to be located in Jeffersonville, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Wiley Industries LLC, under which Wiley Industries LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Wiley Industries LLC. The Port Authority received an upfront payment of \$335,200 during 2020 that was recognized as economic development revenue. Under this lease, Wiley Industries LLC will make rental payments of \$2,500 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Wiley Industries LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Wiley Industries LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Sutphen Realty Urbana, LLC

In 2021, the Port Authority worked with Sutphen Realty Urbana, LLC to facilitate the construction and equipping of a 160,000 square foot distribution center to be located in Urbana, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Sutphen Realty Urbana, LLC, under which Sutphen Realty Urbana, LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Sutphen Realty Urbana, LLC. The Port Authority received an upfront payment of \$97,166 during 2021 that was recognized as economic development revenue. Under this lease, Sutphen Realty Urbana, LLC will make rental payments of \$1,000 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Sutphen Realty Urbana, LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Sutphen Realty Urbana, LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Springfield Industrial LLC

In 2021, the Port Authority worked with Springfield Industrial LLC to facilitate the construction and equipping of an 870,000 square foot distribution center to be located in Springfield, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Springfield Industrial LLC, under which Springfield Industrial LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake

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any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Springfield Industrial LLC. The Port Authority received an upfront payment of \$257,844 during 2021 that was recognized as economic development revenue. Under this lease, Springfield Industrial LLC will make rental payments of \$1,000 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Springfield Industrial LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Springfield Industrial LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Phoenix AG, LTD

In 2022, the Port Authority worked with Phoenix AG, LTD. to facilitate the construction and equipping of a 672,000 square foot warehouse facility to be located in Urbana, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Phoenix AG, LTD., under which Phoenix AG, LTD. is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Phoenix AG, LTD. The Port Authority received an upfront payment of \$211,210 during 2022 that was recognized as economic development revenue. Under this lease, Phoenix AG, LTD will make rental payments of \$2,500 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Phoenix AG, LTD. will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Phoenix AG, LTD. will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Honda Development & Manufacturing of America, LLC

In 2022, the Port Authority worked with Honda Development & Manufacturing of America, LLC to facilitate the construction and equipping of a 2,500,000 – 3,000,000 square foot manufacturing facility to be located in Jeffersonville, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Honda Development & Manufacturing of America, LLC, under which Honda Development & Manufacturing of America, LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Honda Development & Manufacturing of America, LLC. The Port Authority received an upfront payment of \$1,005,000 during 2022 that was recognized as economic development revenue. Under this lease, Honda Development & Manufacturing of America, LLC will make rental payments of \$2,500 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the

**WEST CENTRAL OHIO PORT AUTHORITY
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lease. Additionally, Honda Development & Manufacturing of America, LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Honda Development & Manufacturing of America, LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

Phoenix Drive Properties LLC

In 2022, the Port Authority worked with Phoenix Drive Properties LLC to facilitate the construction and equipping of a 90,000 square foot warehouse facility to be located in Urbana, Ohio. Under the terms of the agreement, the Port Authority entered into a ground lease and project lease with Phoenix Drive Properties LLC, under which Phoenix Drive Properties LLC is responsible for obtaining financing and completing the construction of the building. Under the terms of the ground and project leases, the Port Authority is explicitly relieved of any obligation to maintain the building, undertake any capital repairs, or expend funds in connection with the building. Upon completion, the building title will be transferred to the Port Authority, and the Port Authority will lease the building back to Phoenix Drive Properties LLC. The Port Authority received an upfront payment of \$32,060 in January 2023 that was recognized as economic development revenue in 2022. Under this lease, Phoenix Drive Properties LLC will make rental payments of \$1,000 per year for five years to the Port Authority and has a bargain purchase option to obtain the Port Authority's entire interest in the project for \$1 at the end of the lease. Additionally, Phoenix Drive Properties LLC will continue to be responsible for all maintenance and upkeep on the facilities. As a result, Phoenix Drive Properties LLC will record the asset and related depreciation in its financial statements, as a capital lease, and the Port Authority will recognize rental income.

10. RELATED PARTY

The Port Authority billed \$67,823 for maintenance fees to Heritage Cooperative in 2022. Wes Bahan, a board member of the Port Authority, is an employee of Heritage Cooperative.

11. PRIOR PERIOD ADJUSTMENT

In early 2023, the IORY determined that the Port Authority was overpaid \$159,232 Trackage rights revenues for the period January 2018 through December 31, 2021. The Port Authority agreed to offset \$26,425 of the accounts receivable as of December 31, 2021, due from a shipper against the overpayment, leaving \$132,807 in unearned revenues as of December 31, 2021. The following account balances for 2021 were restated as a result of the prior period adjustment.

	As Previously <u>Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Accounts receivable	\$ <u>241,470</u>	<u>(26,425)</u>	<u>215,045</u>
Unearned revenues	\$ <u>-</u>	<u>132,807</u>	<u>132,807</u>
Net position	\$ <u>15,202,101</u>	<u>(159,232)</u>	<u>15,042,869</u>

OHIO AUDITOR OF STATE KEITH FABER



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

West Central Ohio Port Authority
Clark County
3130 East Main Street, Suite 2B
Springfield, Ohio 45505

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the West Central Ohio Port Authority, Clark County, (the Port Authority) as of and for the year ended December 31, 2022, 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 December 14, 2023.

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.



Keith Faber
Auditor of State
Columbus, Ohio

December 14, 2023

OHIO AUDITOR OF STATE KEITH FABER



WEST CENTRAL OHIO PORT AUTHORITY

CLARK 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 1/2/2024

88 East Broad 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