COSHOCTON PORT AUTHORITY

COSHOCTON COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 2023

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Trustees
Coshocton Port Authority
534 Main Street
Coshocton, Ohio 43812

We have reviewed the *Independent Auditor's Report* of the Coshocton Port Authority, Coshocton County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 12, 2024

This page intentionally left blank.

COSHOCTON PORT AUTHORITY
COSHOCTON COUNTY
TABLE OF CONTENTS
FOR THE YEAR ENDING DECEMBER 31, 2023

This page intentionally left blank.

5510 Pearl Road Ste. 102
Parma, OH 44129-2527
Charles E. Harris & Associates, Inc. Office phone - (216) 575-1630
Certified Public Accountants Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

Coshocton Port Authority
Coshocton County
534 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

Report on the Financial Statements

Unmodified Opinion

We have audited the accompanying financial statements of the Coshocton Port Authority, Coshocton County, Ohio (the Authority), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements 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 Authority as of December 31, 2023, and the change in financial position and cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include management's discussion and analysis, and schedules of net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions listed in the table of contents, 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 June 28, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Charles E Harris & Associates

Charles E. Harris & Associates, Inc.
June 28, 2024

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- Total operating revenues were $1,126,452 for 2023 respectively.
- Total operating expenses were $302,774 for 2023.
- Net position increased $826,939 in 2023.
- Outstanding debt decreased from $270,557 to $155,408 in 2023.

Using this Financial Report

This annual report consists of three parts, the MD&A, the basic financial statements, 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. Since the Port Authority only uses one fund for its operations, the entity-wide and the fund presentation information would be the same.

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

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

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

This section contains a condensed comparison of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses and explanations for significant differences.

In the statement of net position and the statement of activities, the Port Authority consists of one type of activity:

- Business Type Activities – All activities of the Port Authority are conducted under one fund and consist of activities to market, coordinate, and develop economic growth and activity in Coshocton County.

Table 1 provides a summary of the Port Authority's net position for 2023 and 2022.

Table 1
Net Position

	2023	2022	Change
Assets			
Current Assets	$ 943,745	$ 743,685	$ 200,060
Non-Current and Capital Assets	1,427,637	1,417,094	10,543
Total Assets	2,371,382	2,160,779	210,603
Deferred Outflow of Resources			
Pension/OPEB	96,916	23,917	72,999
Deferred Outflow of Resources	96,916	23,917	72,999
Liabilities			
Current Liabilities	583,808	1,033,496	(449,688)
Long-Term Liabilities	198,232	207,221	(8,989)
Total Liabilities	782,040	1,240,717	(458,677)
Deferred Inflow of Resources			
Pension/OPEB	1,319	85,979	(84,660)
Deferred Inflow of Resources	1,319	85,979	(84,660)
Net Position:			
Net Investment in Capital Assets	674,212	470,432	203,780
Restricted for Other Purposes	484,543	435,740	48,803
Unrestricted	526,184	(48,172)	574,356
Total Net Position	$ 1,684,939	$ 858,000	$ 826,939

For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Port Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting the deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Port Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Port Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Port Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Capital assets include land, buildings, leasehold improvements, office equipment, and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Port Authority's net position represents resources that are subject to external restrictions on how they may be used.

In 2023, intergovernmental receivable decreased and cash increased as a result of receiving portions of the Brownfield Remediation Grant during the year.

In 2023, total liabilities decreased as compared to 2022 due to some of the pollution remediation project being completed during the year.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2023 and 2022.

Table 2
Changes in Net Position

	2023	2022	Change
Operating Revenues			
Joint Economic Development District Tax Revenue	$ 75,292	$ 61,875	$ 13,417
Intergovernmental Revenues	1,039,330	368,919	670,411
Fee Revenue	330	30	300
Revolving Loan and CDF Interest	6,737	4,690	2,047
Land Rent	1,187	3,276	(2,089)
Other Revenues	3,576	6,331	(2,755)
Total Operating Revenues	1,126,452	445,121	681,331
Operating Expenses			
Salaries and Benefits	185,686	101,294	84,392
Contractual Services	73,289	1,085,450	(1,012,161)
Insurance and Bonding	8,099	8,351	(252)
Travel and Auto Expense	3,524	3,302	222
Materials and Supplies	5,128	4,130	998
Donations	-	2,600	(2,600)
Utilities	3,668	563	3,105
Other	22,253	27,619	(5,366)
Depreciation	1,127	1,628	(501)
Total Operating Expenses	302,774	1,234,937	(932,163)
Operating Income/(Loss)	823,678	(789,816)	1,613,494
Non-Operating Revenues/(Expenses)			
Capital Contribution	-	49,020	(49,020)
Interest	3,261	946	2,315
Gain (Loss) on Sale of Land	-	(198,290)	198,290
Total Non-Operating Revenues/(Expenses)	3,261	(148,324)	151,585
Change in Net Position	826,939	(938,140)	1,765,079
Net Position Beginning of Year	858,000	1,796,140	(938,140)
Net Position End of Year	$ 1,684,939	$ 858,000	$ 826,939

Contractual services decreased in 2023 primarily as a result of cleanups being completed relating to the remediation obligation payable reported in the prior year. The increase in intergovernmental revenue is due to grants being received relating to the Brownfield Remediation and collaborative projects.

Capital Assets and Debt Administration

Capital Assets

In 2023, capital assets increased by $88,630, which is attributable to current year additional purchases exceeding depreciation. Note 3 provides additional information regarding capital asset activity.

Debt

Deferred interest was added to the principal balance of the ODOD Rural Industrial Park loan as of December 31, 2020. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021. Additional information concerning the Port Authority's debt can be found in Notes 6 and 7 to the basic financial statements.

Contacting the Coshocton Port Authority's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Port Authority's finances and to demonstrate the Port Authority's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Coshocton Port Authority, 534 Main Street, Coshocton, Ohio 43812.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Fund Net Position
December 31, 2023

		Business-Type Activities
		2023
Assets:		
Current Assets:		
Cash and Cash Equivalents	$	741,490
Accounts Receivable		1,112
Joint Economic Development District Taxes Receivable		29,044
Loans Receivable		169,099
Notes Receivable		3,000
Total Current Assets		943,745
Non-current Assets:		
Restricted Assets:		
Cash and Cash Equivalents		484,543
Loans Receivable - Net of Current Portion		116,474
Non-Depreciable Capital Assets		824,163
Depreciable Capital Assets, Net		2,457
Total Non-current Assets		1,427,637
Total Assets		2,371,382
Deferred Outflows of Resources		
Pension		85,470
OPEB		11,446
Total Deferred Outflows of Resources		96,916
Liabilities:		
Current Liabilities:		
Accrued Wages		8,564
Intergovernmental Payable		7,505
Unearned Revenue		20,000
Pollution Remediation Payable		392,331
Loans Payable		152,408
Notes Payable		3,000
Total Current Liabilities		583,808
Long-Term Liabilities:		
Net Pension Liability		194,373
Net OPEB Liability		3,859
Total Long-Term Liabilities		198,232
Total Liabilities		782,040
Deferred Inflows of Resources		
Pension		35
OPEB		1,284
Total Deferred Inflows of Resources		1,319
Net Position		
Net Investment in Capital Assets		674,212
Restricted		484,543
Unrestricted		526,184
Total Net Position	$	1,684,939

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2023

	Business-Type Activities 2023
Operating Revenues:	
Joint Economic Development District Tax Revenue	$ 75,292
Intergovernmental Revenues	1,039,330
Fee Revenue	330
Revolving Loan and CDF Interest	6,737
Land Rent	1,187
Other Revenues	3,576
Total Operating Revenues	1,126,452
Operating Expenses:	
Salaries and Benefits	185,686
Contractual Services	73,289
Insurance and Bonding	8,099
Travel and Auto Expense	3,524
Materials and Supplies	5,128
Utilities	3,668
Other	22,253
Depreciation	1,127
Total Operating Expenses	302,774
Operating Income (Loss)	823,678
Non-Operating Revenues (Expenses):	
Interest Income	3,261
Total Non-Operating Revenues (Expenses)	3,261
Change in Net Position	826,939
Net Position, Beginning of Year	858,000
Net Position, End of Year	$ 1,684,939

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Cash Flow - Proprietary Fund
For Year Ended December 31, 2023

		Business-Type Activities
		2023
Cash Flows from Operating Activities:		
Cash Received from Grants and Contributions	$	1,170,618
Cash Received from Taxes		60,278
Cash Received from Revolving Loan Fund Interest		6,737
Cash Received from Rent and Other		5,304
Cash Payments to Employees for Services and Benefits		(178,615)
Cash Payments for Goods and Services		(578,613)
Cash Payments for Other Operating Expenses		(22,253)
Net Cash From Operating Activities		463,456
Cash Flows from Capital and Related Financing Activities:		
Purchase of Capital Assets		(89,757)
Net Cash From Capital and Related Financing Activities		(89,757)
Cash Flows from Investing Activities:		
Revolving Loan Fund and Community Development Loans Made		(70,000)
Revolving Loan Fund and Community Development Payments Received		28,665
Interest Income		3,261
Net Cash From Investing Activities		(38,074)
Net Increase (Decrease) in Cash and Cash Equivalents		335,625
Cash and Cash Equivalents at Beginning of Year		890,408
Cash and Cash Equivalents at End of Year	$	1,226,033
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$	823,678
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:		
Depreciation Expense		1,127
(Increase) Decrease in Accounts Receivables		211
(Increase) Decrease in Intergovernmental Receivables		136,288
(Increase) Decrease in JEDD Taxes Receivable		(15,014)
(Increase) Decrease in Deferred Outflows		(72,999)
(Increase) Decrease in OPEB Asset		18,354
Increase (Decrease) in Net Pension/OPEB Liability and Deferred Inflows		58,759
Increase (Decrease) in Accrued Payroll		2,957
Increase (Decrease) in Intergovernmental Payable		(904)
Increase (Decrease) in Unearned Revenue		(5,000)
Increase (Decrease) in Remediation Obligation Payable		(484,001)
Net Cash Provided By Operating Activities	$	463,456

Noncash Capital Financing Activities:
Loans receivable payments owed to the Port Authority were paid directly to the Ohio Department of Ohio Department of Development to satisfy loans due.
Principal amounts were $118,454 for 2023.
The capitalized interest on the ODOD Loan ($3,305) was added to the outstanding loan balance.

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2023

		2023
Assets		
Cash and Cash Equivalents	$	94,680
Joint Economic Development District Taxes Receivable		16,135
Total Assets		110,815
Net Position		
Restricted for Individuals, Organizations and Other Governments		110,815
Total Net Position	$	110,815

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended December 31, 2023

	2023
Additions	
Property Tax Collections for Other Governments	$ 41,829
Change in Net Position	41,829
Net Position Beginning of Year	68,986
Net Position End of Year	$ 110,815

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Coshocton Port Authority (the Port Authority) is presented to assist in understanding the entities financial statements. The financial statements and notes are a representation of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*. The above policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Coshocton Port Authority, Coshocton County is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.21 to 4582.59 of the Ohio Revised Code. The Port Authority is governed by a five-member Board of Directors. Two members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the Coshocton County Commissioners and the fifth appointment shall be approved by the four current members. The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide, or promote transportation, economic development, education, governmental operations, culture, or research within Coshocton County.

The Port Authority is not a component unit of the City of Coshocton or Coshocton County but the members of the Port Authority's board are appointed by the City Council and Coshocton County Board of Commissioners and the Port Authority is economically dependent on the City and County for financial support. Neither the City of Coshocton Council nor the Coshocton County Commissioners have any 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. The City of Coshocton and Coshocton County maintain their own accounting functions, are a separate reporting entity, and their financial activity is not included within the financial statements of the Port Authority.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financial accountable. The Port Authority was formed in January 2003.

B. Basis of Accounting

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

The Port Authority's financial statements consist of the Statement of Fund Net Position, Statements of Revenue, Expenses and Changes in Fund Net Position, Statement of Cash Flows and Fiduciary Fund Statements reported by type.

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

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

Deferred Inflows/Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Port Authority, deferred outflows of resources are reported on the Statement of Fund Net Position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 4 and 5.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Port Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of fund net position. (See Notes 4 and 5).

C. Measurement Focus

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

D. Fund Accounting

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

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The four types of trust funds are used to report resources held and administered by the Port Authority when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The Port Authority has no trust funds. The Port Authority has one custodial fund which is used to account for monies held for individuals, organizations and other governments.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the Port Authority is pooled. All money is maintained in this pool. The Port Authority's interest in the pool is presented as "cash and cash equivalents."

For purposes of the statement of cash flows, the Port Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Port Authority had no investments at year end.

F. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources. Net pension/OPEB liability/asset should be recognized to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. Long-term loans are recognized as a liability on the financial statements when due.

G. Budgetary Process

Ohio Revised Code Section 4582.12 requires that each fund be budgeted for annually. This budget includes estimated receipts and appropriations.

a. Appropriations

   The Board annually approves appropriations and subsequent amendments. Budgetary expenses (that is, disbursements and encumbrances) may not exceed appropriations at the fund function level of control. Unencumbered appropriations lapse at year end.

b. Estimated Resources

   Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

c. Encumbrances

   The Port Authority reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not reappropriated.

H. Capital Assets

Capital assets utilized by the Port Authority are reported on the Statement of Net Position. All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated capital assets are reported at their acquisition value as of the date received. The Port Authority has not established a minimum capitalization threshold for capital assets. Improvements are capitalized, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Land	N/A
Leasehold Improvements	10 Years
Office Equipment	5 Years

I. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Port Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net Position is reported as unrestricted when there are no limitations imposed on their use. The Port Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Port Authority, these revenues are operating grants, Joint Economic Development District tax revenues, revolving loan interest and miscellaneous reimbursement. Operating expenses are necessary costs incurred to provide the goods or series that are the primary activity of the Port Authority. Revenues and expenses which do not meet these definitions are reported as non-operating revenues or expenses.

K. Estimates

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

L. Pensions and Other Postemployment Benefit Costs

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

M. Unearned Revenue

Unearned revenue arises when monies are received before revenue recognition criteria have been satisfied. The unearned revenue reported represents grants received from the Coshocton Foundation.

N. Implementation of New Accounting Principles

For the year ended December 31, 2023, the Port Authority has implemented GASB Statement No. 93, paragraphs 13 and 14, Replacement of Interbank Offered Rates, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Available Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and certain provisions of GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 93, paragraphs 13 and 14, provide an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The implementation of GASB Statement No. 93 paragraphs 13 and 14, did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 94 improves financial reporting by establishing the definitions of public-private and public-public partnership arrangements and availability payment arrangements as well as provides uniform guidance on accounting and financial reporting for transactions that meet the definitions. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 96 improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The statement also enhances the relevance and reliability of the financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and discloses essential information about the arrangement. The note disclosures also allow the users to understand the scale and important aspects of the SBITA activities and evaluate the obligations and assets resulting from the SBITAs. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Port Authority.

NOTE 2: DEPOSITS

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

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

Inactive deposits are public deposits that the Port Authority's Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

State statute permits monies to be deposited or invested in the following securities:

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above 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. Bonds and any other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively from the purchase date in any amount not to exceed 40 percent of the interim monies available for investment at any one time; and

8. Under limited circumstances, corporate debt interests noted in the highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Port Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits with Financial Institutions

Based on the criteria described in GASB Statement 40, *Deposits and Investment Risk Disclosures*, as of December 2023 $1,073,280 of the Port Authority's bank balances were exposed to custodial risk as discussed below, while $250,000 was covered by Federal Depository Insurance Corporation. All of the Port Authority's deposits were either covered by FDIC or collateralized by individual investments held by the financial institution at December 31, 2023.

Deposits - Custodial credit risk is the risk that in the event of bank failure, the Port Authority's deposits may not be returned to it. According to state law, public depositories must give security for all public funds in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. Ohio Law requires that deposits either be insured or protected by: Eligible securities pledged to the Port Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Port Authority's policy is to deposit money with financial institutions that are able to abide by the laws covering insurance and collateralization of public funds.

Restricted Accounts

The Port Authority maintains a separate account for holdings of the revolving loan fund, the collaborative project and the Steel Ceilings. The balance of the revolving loan fund consists of amounts not yet loaned and amounts repaid from borrowers. The revolving loan account is interest bearing, and interest earned on the account and from loans is transferred periodically to the general operating account, as all earnings are available for the operating expenses of the Port Authority. The balance in the summer manufacturing camp will be used for the summer camp in the future. The balance in the Steel Ceilings will be used for the clean up of the property. The Steel Ceilings account is restricted and is only to be used for the clean up of the property. The balance of $484,543 at December 31, 2023 is included in the deposits disclosure above.

NOTE 3: CAPITAL ASSETS

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

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital Assets Not Being Depreciated:				
Land	$ 391,647	$ -	$ -	$ 391,647
Construction in Progress	343,831	88,685	-	432,516
Total Capital Assets, Not Being Depreciated	735,478	88,685	-	824,163
Capital Assets, Being Depreciated:				
Office Equipment	20,317	1,072	-	21,389
Leasehold Improvements	1,800	-	-	1,800
Total Capital Assets, Being Depreciated	22,117	1,072	-	23,189
Less Accumulated Depreciation:				
Office Equipment	(17,805)	(1,127)	-	(18,932)
Leasehold Improvements	(1,800)	-	-	(1,800)
Total Accumulated Depreciation	(19,605)	(1,127)	-	(20,732)
Total Capital Assets Being Depreciated, Net	2,512	(55)	-	2,457
Total Business-Type Activities Capital Assets, Net	$ 737,990	$ 88,630	$ -	$ 826,620

NOTE 4: DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 5 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Port Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Port Authority's contractually required contribution was $18,602 for 2023. Of this amount, $0 is reported as an intergovernmental payable.

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

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

		OPERS
Proportion of the Net Pension Liability:		
Current Measurement Period		0.000658%
Prior Measurement Period		0.000630%
Change in Proportion		0.000028%
Proportionate Share of the Net Pension Liability	$	194,373
Pension Expense	$	29,838

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2023, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		OPERS
Deferred Outflows of Resources		
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$	55,401
Differences between Expected and Actual Experience		6,457
Changes of Assumptions		2,054
Changes in Proportionate Share and Differences in Contributions		2,956
Port Authority Contributions Subsequent to the Measurement Date		18,602
Total Deferred Outflows of Resources	$	85,470
Deferred Inflows of Resources		
Changes in Proportionate Share and Differences in Contributions		35
Total Deferred Inflows of Resources	$	35

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

Year Ending December 31:	OPERS
2024	$ 9,489
2025	13,898
2026	16,306
2027	27,140
Total	$ 66,833

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.10 percent for 2022.

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

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

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net Pension Liability	$ 291,165	$ 194,373	$ 113,860

NOTE 5: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 4 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. Medicare-enrolled retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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.

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

> **Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit
>
> **Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members of the traditional plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Port had no contractually required contribution for 2023.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The Port Authority's proportion of the net OPEB liability was based on the Port Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Period	0.000612%
Prior Measurement Period	0.000586%
Change in Proportion	0.000026%
Proportionate Share of the Net OPEB Liability	$ 3,859
OPEB Expense	$ (7,122)

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

	OPERS
Deferred Outflows of Resources	
Net Difference between Projected and Actual	
Earnings on OPEB Plan Investments	$ 7,661
Changes of Assumptions	3,769
Changes in Proportionate Share and	
Differences in Contributions	16
Total Deferred Outflows of Resources	$ 11,446
Deferred Inflows of Resources	
Differences between Expected and	
Actual Experience	$ 962
Changes of Assumptions	310
Changes in Proportionate Share and	
Differences in Contributions	12
Total Deferred Inflows of Resources	$ 1,284

No amount is reported as deferred outflows of resources related to OPEB resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction/addition of the net OPEB liability (asset) in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS
2024	$ 1,263
2025	2,808
2026	2,388
2027	3,703
Total	$ 10,162

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

	December 31, 2022	December 31, 2021
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.05 percent	1.84 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2036	5.50 percent, initial 3.50 percent, ultimate in 2034
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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

The most recent experience study was completed for the five-year period ended December 31, 2020.

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

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

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

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Port Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Port Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Port Authority's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB Liability (Asset)	$ 13,134	$ 3,859	$ (3,794)

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

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

	1% Decrease	Current Trend Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB Liability	$ 3,617	$ 3,859	$ 4,131

NOTE 6: NOTES PAYABLE

On June 24, 2021, the Port Authority borrowed $3,000 from the Community Development fund. This money was then lent to the Jenny Penny Café for cost over runs. The principal sum of the loan plus accrued interest at a rate of 3.25 percent was to be repaid by January 1, 2022 with payment accepted as early as August 1, 2021. Jenny Penny Café closed business and has not paid on this loan. The Port Authority is taking legal action and still anticipates collection.

Notes Payable activity for the year ended December 31, 2023, was as follows:

	Outstanding 1/1/2023	Additions	Reductions	Outstanding 12/31/2023
Community Development Loan Fund	$ 3,000	$ -	$ -	$ 3,000
	$ 3,000	$ -	$ -	$ 3,000

NOTE 7: LONG-TERM OBLIGATIONS

In November 2005, the Board of Directors authorized the Executive Director to enter into a $500,000 loan with the Ohio Department of Development to enable the Port Authority to purchase the Ross Property as an Ethanol Plant Site. The original loan agreement between the Port Authority and the Ohio Department of Development was revised on, May 29th, 2013. The revised agreement requires payments of $5,000 per month beginning on January 1, 2015 through September 1, 2024, at which time a balloon payment of $30,987 is payable to the Ohio Department of Development. The loan assesses interest at the rate of 3 percent. Interest was deferred from May 29, 2013 until January 1, 2015, at which time the deferred interest was included in the balloon payment due at the end of the loan. In addition to the 3 percent interest; a .25 percent service fee is due each month and is included in the monthly payment. Deferred interest was add to principal of loan for the payments that were extended from 2013 to 2015. This deferred interest was added to the principal balance of the loan as of December 31, 2020. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021.

Loan payments are expected to be made from the rent payments received from CE Acquisitions LLC. If CE Acquisitions, LLC fails to make the rent payment then payment of the loan would be made by the Port Authority from proceeds of its note receivable from the City of Coshocton; see Note 8.

In the event of default, as defined by the loan agreements for the project, the amounts payable by the Port Authority may become due. If payments are not made, the lender may retake possession of the project property and hold the Port Authority liable for amounts payable.

On October 18, 2023 the Port Authority entered into a loan agreement with Peoples Bank for $1,000,000. Nothing was drawn down during this fiscal year.

Changes in long-term obligations of the Port Authority during the year ended December 31, 2023 consisted of the following:

	Outstanding 1/1/2023	Additions	Reductions	Outstanding 12/31/2023	Amounts Due In One Year
Direct Borrowings:					
ODOD Rural Industrial Park Loan	$ 267,557	$ 3,305	$ (118,454)	$ 152,408	$ 152,408
Net Pension Liability	54,813	139,560	-	194,373	-
Net OPEB Liability	-	3,859	-	3,859	-
Total Net Pension/OPEB Liability	54,813	143,419	-	198,232	-
Total Loans Payable and Net Pension/OPEB Liability	$ 322,370	$ 146,724	$ (118,454)	$ 350,640	$ 152,408

The annual requirements to retire debt are as follows:

	Loans Payable	
Year	Principal	Interest
2024	$ 152,408	$ 1,660
Totals	$ 152,408	$ 1,660

NOTE 8: LONG-TERM LOANS RECEIVABLES

As discussed in Note 7, the Port Authority is obligated on a loan payable to the Ohio Department of Development. The proceeds of this were, in turn, loaned to the City of Coshocton for use in making infrastructure improvements in connection with the development of an ethanol plant.

In 2018, the Port Authority entered into a loan agreement with Hasseman Properties LLC for $25,000. This loan is to improve and rehabilitate real estate. Monthly installments began on January 1, 2019 in the amount of $461 with an interest rate of 4 percent. A balloon payment was due December 1, 2023. In 2020 due to the Covid pandemic Hasseman properties LLC was not required to make payments for three months.

On March 1, 2019 the Port Authority entered into a loan agreement with Dany's Pizzeria, LLC for $65,000. The purpose of the loan is purchase equipment. Monthly installments of $689 began on May 1, 2019 with an interest rate of 5 percent. A balloon payment is due April 1, 2029. In 2020 due to the Covid pandemic Dany's Pizzaeria was not required to make payments for three months.

On March 22, 2019, the Port Authority entered into a loan agreement with Good Boy Bakery, LLC for $7,500. Monthly installments of $142 began on May 1, 2019 with an interest rate of 5 percent. Final payment is due April 1, 2024.

During 2019, the Revolving Loan Fund approved an $ 8,500 loan for Broken Arrow Woodworking, LLC to purchase equipment. Monthly installments started on January 1, 2020 at $157 a month, with an interest rate of 4.25 percent. Final payment will be due December 1, 2024.

On May 10, 2021, the Port Authority entered into a loan agreement with Jenny Penny Café LLC for $17,200. Monthly installments of $164 began on July 1, 2021 with an interest rate of 2.75 percent. Final payment due June 1, 2031. Jenny Penny Café closed business and has missed some payments. The Port Authority is taking legal action and still anticipates collection.

On February 3, 2023, the Port Authority entered into a loan agreement with Good Boy Bakery, LLC for $30,000. Monthly installments of $348 began on April 1, 2023 with an interest rate of 7 percent. Final payment is due March 1, 2033.

On February 3, 2023, the Port Authority entered into a loan agreement with DBA Rust Décor, LLC for $40,000. Monthly installments of $464 began on April 1, 2023 with an interest rate of 7 percent. Final payment is due March 1, 2033.

Loans receivable activity for the year ended December 31, 2023 was as follows:

	Outstanding 1/1/2023	Additions	Reductions	Outstanding 12/31/2023	Amounts Due In One Year
Hasseman Properties, LLC	$ 6,296	$ -	$ (6,296)	$ -	$ -
Dany's Pizzeria, LLC	45,821	-	(5,597)	40,224	6,434
Good Boy Bakery, LLC	2,449	-	(1,475)	974	974
Good Boy Bakery, RLF	-	30,000	(1,597)	28,403	2,263
City of Coshocton	267,557	3,305	(118,454)	152,408	152,408
Broken Arrow, LLC	22,029	-	(3,070)	18,959	2,352
Rust Décor	-	40,000	(2,131)	37,869	3,018
Jenny Penny	15,235	-	(8,499)	6,736	1,650
Total	$ 359,387	$ 73,305	$ (147,119)	$ 285,573	$ 169,099

The annual requirements to retire the receivable are as follows:

	Loans Receivable	
Year	Principal	Interest
2024	$ 169,099	$ 8,179
2025	16,540	6,321
2026	17,398	5,322
2027	18,185	4,530
2028	17,462	3,429
2029-2033	46,888	5,994
Totals	$ 285,573	$ 33,776

NOTE 9: CONCENTRATION OF CREDIT RISK

The Port Authority maintains its activities within Coshocton County, Ohio geographical area. The performance of its operation activities will be dependent on the performance of its tenants. The results of these companies and the operations of the Port Authority projects may be dependent on the economic conditions of the local trade area.

NOTE 10: CONTINGENCIES

As discussed in Note 7, the Port Authority is obligated on a loan payable to the Ohio Department of Development. The proceeds of this were, in turn, loaned to the City of Coshocton for use in making infrastructure improvements in connection with the development of an ethanol plant. Once the ethanol plant began operation, the City anticipated making payments on the Port Authority note from lease payments and other utility charges received from the ethanol plant. The ethanol plant began production in October, 2013. The inability of the plant to make certain lease or utility payments to the City of Coshocton could restrict the City's ability to repay the Port Authority, which could affect the Port Authority's ability to repay its obligation to the Ohio Department of Development. Both the Port Authority and the City believe that sufficient guarantees were made to protect their positions on the loan. The Ohio Department of Development modified the loan agreement due to the inability of the ethanol plant to begin production as anticipated at the time the loan agreement was executed. Payments on the loan which were to begin in 2013, were extended until 2015. The ethanol company did begin making payments on the loan in January, 2015. Deferred interest was add to principal of loan for the payments that were extended from 2013 to 2015. This deferred interest was added to the principal balance of the loan as of December 31, 2020 and is the reason for the restatement of the loan. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021.

NOTE 11: POLLUTION REMEDIATION OBLIGATION

The Port Authority was awarded $967,212 through a Brownfield Remediation Grant from the Ohio Department of Development for cleanup activities at a former plant in the City of Coshocton that produced architectural and structural medals. Although the Port Authority no longer owns the property, they have assumed the obligation for a site cleanup. The Port Authority has hired BJAMM Environmental to complete the consulting, administration, and management of the project.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Proportionate Share of the Net Pension Liability
Last Ten Years

	2023	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)					
Port Authority's Proportion of the Net Pension Liability	0.000658%	0.000630%	0.0006310%	0.0006370%	0.0005970%
Port Authority's Proportionate Share of the Net Pension Liability	$ 194,373	$ 54,813	$ 93,437	$ 125,907	$ 163,506
Port Authority's Covered Payroll	$ 101,921	$ 91,386	$ 88,871	$ 89,650	$ 80,671
Port Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.71%	59.98%	105.14%	140.44%	202.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanting notes to required supplementary information.

2018		2017		2016		2015		2014	
	0.0005338%		0.0005260%		0.0005550%		0.0005370%		0.0005370%
$	83,738	$	119,453	$	96,133	$	64,768	$	63,305
$	70,536	$	68,000	$	67,808	$	65,783	$	63,600
	118.72%		175.67%		141.77%		98.46%		99.54%
	84.66%		77.25%		81.08%		86.45%		86.36%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of Port Authority Contributions
Last Ten Years

	2023	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)					
Contractually Required Contribution	$ 18,602	$ 14,269	$ 12,794	$ 12,442	$ 12,551
Contributions in Relation to the Contractually Required Contribution	(18,602)	(14,269)	(12,794)	(12,442)	(12,551)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Port Authority's Covered Payroll	$ 132,871	$ 101,921	$ 91,386	$ 88,871	$ 89,650
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanting notes to required supplementary information.

2018	2017	2016	2015	2014
$ 11,294	$ 9,170	$ 8,160	$ 8,137	$ 7,894
(11,294)	(9,170)	(8,160)	(8,137)	(7,894)
$ -	$ -	$ -	$ -	$ -
$ 80,671	$ 70,536	$ 68,000	$ 67,808	$ 65,783
14.00%	13.00%	12.00%	12.00%	12.00%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Proportionate Share of the Net OPEB Liability (Asset)
Last Seven Years (1)

	2023	2022	2021	2020
Ohio Public Employees' Retirement System (OPERS)				
Port Authority's Proportion of the Net OPEB Liability (Asset)	0.000612%	0.000586%	0.000588%	0.0005930%
Port Authority's Proportionate Share of the Net OPEB Liability (Asset)	$ 3,859	$ (18,354)	$ (10,476)	$ 81,909
Port Authority's Covered Payroll	$ 101,921	$ 91,386	$ 88,871	$ 89,650
Port Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.79%	-20.08%	-11.79%	91.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanting notes to required supplementary information.

	2019	2018	2017
	0.0006050%	0.0007020%	0.0006910%
	$ 78,878	$ 76,235	$ 69,793
	$ 80,671	$ 70,536	$ 68,000
	97.78%	108.08%	102.64%
	46.33%	54.14%	54.04%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Contributions - OPEB
Last Eight Years (1)

	2023	2022	2021	2020
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Port Authority's Covered Payroll (2)	$ 132,871	$ 101,921	$ 91,386	$ 88,871
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanting notes to required supplementary information.

2019	2018	2017	2016
$ -	$ -	$ 705	$ 1,360
-	-	(705)	(1,360)
$ -	$ -	$ -	$ -
$ 89,650	$ 80,671	$ 70,536	$ 68,000
0.00%	0.00%	1.00%	2.00%

See accompanting notes to required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75%	3.25%	2.75%	2.75%
Future Salary Increases, including wage inflation	2.75% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3.00%, simple	3.00%, simple	3.00%, simple	3.00%, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.90%	7.20%	7.50%	8.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2023	2022	2021	2020	2019	2018
Wage Inflation	2.75%	2.75%	3.25%	3.25%	3.25%	3.25%
Discount Rate	5.22%	6.00%	6.00%	3.16%	3.96%	3.85%
Municipal Bond Rate	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Health Care Cost Trend Rate	5.50%	5.50%	8.50%	10.50%	10.00%	7.50%

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

5510 Pearl Road Ste. 102
Parma, OH 44129-2527

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

Office phone - (216) 575-1630
Fax - (216) 436-2411

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

Coshocton Port Authority
Coshocton County
534 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited in accordance with 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, the financial statements of the Coshocton Port Authority, Coshocton County, (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
June 28, 2024

COSHOCTON PORT AUTHORITY

COSHOCTON COUNTY, OHIO

REGULAR AUDIT

For the Year Ended December 2022

Charles E. Harris
& Associates, Inc.
CPAs and Government Consultants

COSHOCTON PORT AUTHORITY
COSHOCTON COUNTY
TABLE OF CONTENTS
FOR THE YEARS ENDING DECEMBER 31, 2022 AND 2021

TITLE	PAGE

5510 Pearl Road Ste. 102
Parma, OH 44129-2527
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

INDEPENDENT AUDITOR'S REPORT

Coshocton Port Authority
Coshocton County
534 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

Report on the Financial Statements

Unmodified Opinion

We have audited the accompanying financial statements of the Coshocton Port Authority, Coshocton County, Ohio (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022, and the change in financial position and cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of the Authority, for the year ended December 31, 2021 were not audited. We were not engaged to audit, review or apply any procedures to the 2021 financial statements and accordingly, we do not express any opinion or any other form of assurance on the 2021 financial statements. Our 2022 opinion is not modified with respect to this matter.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include management's discussion and analysis, and schedules of net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions listed in the table of contents, 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 June 28, 2024, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
June 28, 2024

The discussion and analysis of the Coshocton Port Authority's (Port Authority) financial performance provides an overall review of the Port Authority's financial activities for the years ended December 31, 2022 and 2021. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers are encouraged to consider information presented here as well as the basic financial statements to enhance their understanding of the Port Authority's financial performance.

Financial Highlights

Key financial highlights for 2022 and 2021 are as follows:

- Total operating revenues were $445,121 and $568,117 for 2022 and 2021 respectively.
- Total operating expenses were $1,234,937 for 2022 and $136,943 for 2021.
- Net position decreased $938,140 in 2022. In 2021, net position increased $447,792.
- Outstanding debt decreased from $406,395 to $270,557 in 2022.

Using this Financial Report

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

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

The Statement of Net Position answers the question, "How did we do financially during 2022 and 2021?" This statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and current and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. The basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

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

This section contains a condensed comparison of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses and explanations for significant differences.

In the statement of net position and the statement of activities, the Port Authority consists of one type of activity:

- Business Type Activities – All activities of the Port Authority are conducted under one fund and consist of activities to market, coordinate, and develop economic growth and activity in Coshocton County.

Table 1 provides a summary of the Port Authority's net position for 2022, 2021 and 2020.

Table 1
Net Position

	2022	2021	2020	2022 vs 2021 Change
Assets				
Current Assets	$ 743,685	$ 579,140	$ 518,743	$ 164,545
Non-Current and Capital Assets	1,417,094	1,800,523	1,712,759	(383,429)
Total Assets	2,160,779	2,379,663	2,231,502	(218,884)
Deferred Outflow of Resources				
Pension/OPEB	23,917	19,828	40,816	4,089
Deferred Outflow of Resources	23,917	19,828	40,816	4,089
Liabilities				
Current Liabilities	1,033,496	168,264	335,619	865,232
Long-Term Liabilities	207,221	360,994	545,485	(153,773)
Total Liabilities	1,240,717	529,258	881,104	711,459
Deferred Inflow of Resources				
Pension/OPEB	85,979	74,093	42,866	11,886
Deferred Inflow of Resources	85,979	74,093	42,866	11,886
Net Position:				
Net Investment in Capital Assets	470,432	716,383	499,032	(245,951)
Restricted for Other Purposes	435,740	429,224	513,266	6,516
Unrestricted	(48,172)	650,533	336,050	(698,705)
Total Net Position	$ 858,000	$ 1,796,140	$ 1,348,348	$ (938,140)

The net pension liability (NPL), pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* reported by the Port Authority at December 31, 2022 and 2021. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Port Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Port Authority's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Port Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Port Authority's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Capital assets include land, buildings, leasehold improvements, office equipment, and construction in progress. These capital assets are used to provide services to citizens and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the Port Authority's net position represents resources that are subject to external restrictions on how they may be used.

In 2022, intergovernmental receivable increased with incurred expenses for a Brownfield Remediation grant. Non-depreciable capital assets decreased as the Port Authority sold a large parcel of land. Loans receivable decreased as a result of principal payments received paired with no new loans being disbursed. The Port Authority incurred a significant liability during the year for a pollution remediation project. The project is being funded with an ODOD Brownfield Remediation grant, as previously mentioned.

In 2021, cash increased is due to the increase in intergovernmental revenues. Land held for resale decreased due to the sale of the land. Total assets increased in 2020 due to the purchase of land to be resold in the future for developmental purposes. The increase in capital assets is due to the purchase of a building.

In 2021, total liabilities decreased as compared to 2020 due to the Port Authority issuing revenue bonds in 2020 for the purchase of land that will be resold in the future for developmental purposes. In 2021, the addition of a net OPEB asset, significant decrease in net OPEB liability and increase in deferred inflows for OPEB is related to OPERS changes.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2022, 2021 and 2020.

Table 2
Changes in Net Position

	2022	2021	2020	2022 vs 2021 Change
Operating Revenues				
Joint Economic Development District Tax Reven	$ 61,875	$ 35,761	$ 35,451	$ 26,114
Property Remediation Revenue	-	-	122,306	-
Intergovernmental Revenues	368,919	519,297	128,763	(150,378)
Fee Revenue	30	240	100	(210)
Local Foundation and Corporate Contributions	-	-	95,770	-
Revolving Loan and CDF Interest	4,690	4,669	4,097	21
Land Rent	3,276	4,474	10,752	(1,198)
Other Revenues	6,331	3,676	4,379	2,655
Total Operating Revenues	445,121	568,117	401,618	(122,996)
Operating Expenses				
Salaries and Benefits	101,294	44,900	138,383	56,394
Contractual Services	1,085,450	62,031	56,722	1,023,419
Insurance and Bonding	8,351	4,282	4,286	4,069
Travel and Auto Expense	3,302	1,240	352	2,062
Materials and Supplies	4,130	3,533	2,631	597
Donations	2,600	8,350	90,784	(5,750)
Utilities	563	769	529	(206)
Other	27,619	10,654	9,141	16,965
Depreciation	1,628	1,184	1,306	444
Total Operating Expenses	1,234,937	136,943	304,134	1,097,994
Operating Income	(789,816)	431,174	97,484	(1,220,990)
Non-Operating Revenues (Expenses)				
Capital Contribution	49,020	-	-	49,020
Interest	946	418	708	528
Interest and Fiscal Charges	-	(529)	(4,885)	529
Gain (Loss) on Sale of Land	(198,290)	16,729	-	(215,019)
Total Non-Operating Revenues (Expenses)	(148,324)	16,618	(4,177)	(164,942)
Change in Net Position	(938,140)	447,792	93,307	(1,385,932)
Net Position Beginning of Year	1,796,140	1,348,348	1,255,041	447,792
Net Position End of Year	$ 858,000	$ 1,796,140	$ 1,348,348	$ (938,140)

Contractual services increased in 2022 primarily as a result of incurring the remediation obligation payable. The loss on sale of land was a result of a decrease in the parcels value since original acquisition. The 2021 increase in intergovernmental revenue is due to a grant received from the Coshocton Foundation to purchase a building. Local foundation and corporate contributions decreased in 2021 due to the donations from private business and individuals for COVID relief to area business.

See financial highlights for explanation of significant decrease in expenses in 2021.

Capital Assets and Debt Administration

Capital Assets

In 2022, capital assets decreased significantly because of the sale of land, as previously discussed. In 2021 capital assets increased by $211,296, which is attributable to current year additional purchases exceeding depreciation plus a sale of land. Note 3 provides additional information regarding capital asset activity.

Debt

Deferred interest was added to the principal balance of the ODOD Rural Industrial Park loan as of December 31, 2020. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021. Additional information concerning the Port Authority's debt can be found in Notes 6 and 7 to the basic financial statements.

Contacting the Coshocton Port Authority's Financial Management

This financial report is intended to provide our citizens, investors and creditors with a general overview of the Port Authority's finances and to demonstrate the Port Authority's accountability for the revenue it receives. If you have questions about this report or need additional financial information, contact the Executive Director at the Coshocton Port Authority, 106 South Fourth Street, Coshocton, Ohio 43812.

Coshocton Port Authority
Coshocton County, Ohio
Statements of Fund Net Position
December 31, 2022 and 2021

	Business-Type Activities 2022	Business-Type Activities Restated 2021 (Unaudited)
Assets:		
Current Assets:		
Cash and Cash Equivalents	$ 454,668	$ 464,911
Accounts Receivable	1,323	3,463
Joint Economic Development District Taxes Receivable	14,030	11,031
Intergovernmental Receivable	136,288	-
Loans Receivable	134,376	96,735
Notes Receivable	3,000	3,000
Total Current Assets	743,685	579,140
Non-current Assets:		
Restricted Assets:		
Equity in Pooled Cash and Cash Equivalents	435,740	429,223
Loans Receivable - Net of Current Portion	225,011	381,907
Non-Depreciable Capital Assets	735,478	974,778
Depreciable Capital Assets, Net	2,511	4,139
Net OPEB Asset	18,354	10,476
Total Non-current Assets	1,417,094	1,800,523
Total Assets	2,160,779	2,379,663
Deferred Outflows of Resources		
Pension	23,917	14,677
OPEB	-	5,151
Total Deferred Outflows of Resources	23,917	19,828
Liabilities:		
Current Liabilities:		
Accounts Payable	-	9,113
Contract Payable	-	11,280
Accrued Wages	5,607	-
Intergovernmental Payable	8,408	9,033
Unearned Revenue	25,000	-
Pollution Remediation Payable	876,332	-
Loans Payable	115,149	78,264
Notes Payable	3,000	60,574
Total Current Liabilities	1,033,496	168,264
Long-Term Liabilities:		
Loans Payable - Net of Current Portion	152,408	267,557
Net Pension Liability	54,813	93,437
Total Long-Term Liabilities	207,221	360,994
Total Liabilities	1,240,717	529,258
Deferred Inflows of Resources		
Pension	66,806	41,154
OPEB	19,173	32,939
Total Deferred Inflows of Resources	85,979	74,093
Net Position		
Net Investment in Capital Assets	470,432	716,383
Restricted	435,740	429,224
Unrestricted	(48,172)	650,533
Total Net Position	$ 858,000	$ 1,796,140

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
for the Year Ended December 31, 2022 and 2021

	Business-Type Activities	
	2022	2021 (Unaudited)
Operating Revenues:		
Joint Economic Development District Tax Revenue	$ 61,875	$ 35,761
Intergovernmental Revenues	368,919	519,297
Fee Revenue	30	240
Revolving Loan and CDF Interest	4,690	4,669
Land Rent	3,276	4,474
Other Revenues	6,331	3,676
Total Operating Revenues	445,121	568,117
Operating Expenses:		
Salaries and Benefits	101,294	44,900
Contractual Services	1,085,450	62,031
Insurance and Bonding	8,351	4,282
Travel and Auto Expense	3,302	1,240
Materials and Supplies	4,130	3,533
Donations	2,600	8,350
Utilities	563	769
Other	27,619	10,654
Depreciation	1,628	1,184
Total Operating Expenses	1,234,937	136,943
Operating Income (Loss)	(789,816)	431,174
Non-Operating Revenues (Expenses):		
Capital Contributions	49,020	-
Interest Income	946	418
Interest and Fiscal Charges	-	(529)
Gain (Loss) on Sale of Land	(198,290)	16,729
Total Non-Operating Revenues (Expenses)	(148,324)	16,618
Change in Net Position	(938,140)	447,792
Net Position, Beginning of Year	1,796,140	1,348,348
Net Position, End of Year	$ 858,000	$ 1,796,140

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statements of Cash Flow - Proprietary Fund
For Years Ended December 31, 2022 and 2021

	Business-Type Activities 2022	Restated* 2021 (Unaudited)
Cash Flows from Operating Activities:		
Cash Received from Grants and Contributions	$ 209,771	$ 510,732
Cash Received from Taxes	58,876	44,671
Cash Received from Revolving Loan Fund Interest	4,690	4,669
Cash Received from Rent and Other	9,637	7,879
Cash Payments to Employees for Services and Benefits	(95,687)	(118,853)
Cash Payments for Goods and Services	(226,507)	(81,298)
Cash Payments for Other Operating Expenses	(27,619)	(28,828)
Net Cash From Operating Activities	(66,839)	338,972
Cash Flows from Capital and Related Financing Activities:		
Payments on Notes Payable	(57,574)	(58,000)
Proceeds from Notes Payable	-	57,574
Proceeds for the Sale of Land	100,000	186,729
Purchase of Capital Assets	(21,250)	(371,200)
Net Cash From Capital and Related Financing Activities	21,176	(184,897)
Cash Flows from Investing Activities:		
Payments on Notes Payable	-	(225,000)
Revolving Loan Fund and Community Development Loans Made	-	(42,384)
Revolving Loan Fund and Community Development Payments Received	40,992	19,598
Proceeds for Land Held for Resale	-	225,205
Interest Income	945	418
Interest Paid on Debt	-	(2,422)
Net Cash From Investing Activities	41,937	(24,585)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,726)	129,490
Cash and Cash Equivalents at Beginning of Year	894,134	764,644
Cash and Cash Equivalents at End of Year	$ 890,408	$ 894,134
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	$ (789,816)	$ 431,174
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:		
Depreciation Expense	1,628	1,184
(Increase) Decrease in Accounts Receivables	2,140	(511)
(Increase) Decrease in Intergovernmental Receivables	(136,288)	2,466
(Increase) Decrease in JEDD Taxes Receivable	(2,999)	(2,121)
(Increase) Decrease in Deferred Outflows	(4,089)	20,988
(Increase) Decrease in OPEB Asset	(7,878)	(10,476)
Increase (Decrease) in Net Pension/OPEB Liability and Deferred Inflows	(26,738)	(83,152)
Increase (Decrease) in Accounts Payable	(9,113)	(19,267)
Increase (Decrease) in Accrued Payroll	5,607	(3,183)
Increase (Decrease) in Intergovernmental Payable	(625)	1,870
Increase (Decrease) in Unearned Revenue	25,000	-
Increase (Decrease) in Remediation Obligation Payable	876,332	-
Net Cash Provided By Operating Activities	$ (66,839)	$ 338,972

Noncash Capital Financing Activities:

The Port Authority received donated land and then subsequently donated to another entity in 2022. The land was valued at $49,020.

The Port Authority received land valued at $65,780 and cash in exchange for land, from an entity in 2022.

The Port Authority purchased $11,280 of capital assets on account in 2021.

Loans receivable payments owed to the Port Authority were paid directly to the Ohio Department of Development to satisfy loans due.
Principal amounts were $80,871 and $12,000 for 2022 and 2021, respectively.
Accrued Interest amounts were $2,607 and $8,152 for 2022 and 2021, respectively.

The Port Authority issued debt and loaned $3,000 in 2021.

* The Port Authority restated 2021's cash flow to move $225,000 of payments on notes payable from capital activities to investing activities.

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Fiduciary Net Position
Custodial Fund
December 31, 2022 and 2021

	2022	2021 (Unaudited)
Assets		
Pooled Cash and Cash Equivalents	$ 61,192	$ 34,612
Joint Economic Development District Taxes Receivable	7,794	6,128
Total Assets	68,986	40,740
Net Position		
Restricted for Individuals, Organizations and Other Governments	68,986	40,740
Total Net Position	$ 68,986	$ 40,740

See accompanying notes to the basic financial statements.

Coshocton Port Authority
Coshocton County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Fund
for the Year Ended December 31, 2022 and 2021

	2022	2021 (Unaudited)
Additions		
Property Tax Collections for Other Governments	$ 28,246	$ 21,045
Change in Net Position	28,246	21,045
Net Position Beginning of Year	40,740	19,695
Net Position End of Year	$ 68,986	$ 40,740

See accompanying notes to the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Coshocton Port Authority (the Port Authority) is presented to assist in understanding the entities financial statements. The financial statements and notes are a representation of the entity's management and board who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles for governmental agencies including those principles prescribed by the Governmental Accounting Standard Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*. The above policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The Coshocton Port Authority, Coshocton County is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio pursuant to the authority of Section 4582.21 to 4582.59 of the Ohio Revised Code. The Port Authority is governed by a five-member Board of Directors. Two members of the Board are appointed by the Mayor of the City and approved by Council of the City of Coshocton. Two members are appointed by the Coshocton County Commissioners and the fifth appointment shall be approved by the four current members. The purpose of the Port Authority is to be involved in the activities that enhance, foster, aid, provide, or promote transportation, economic development, education, governmental operations, culture, or research within Coshocton County.

The Port Authority is not a component unit of the City of Coshocton or Coshocton County but the members of the Port Authority's board are appointed by the City Council and Coshocton County Board of Commissioners and the Port Authority is economically dependent on the City and County for financial support. Neither the City of Coshocton Council nor the Coshocton County Commissioners have any 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. The City of Coshocton and Coshocton County maintain their own accounting functions, are a separate reporting entity, and their financial activity is not included within the financial statements of the Port Authority.

The Port Authority's management believes these financial statements present all activities for which the Port Authority is financial accountable. The Port Authority was formed in January 2003.

B. Basis of Accounting

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

The Port Authority's financial statements consist of statements of fund net position, statements of revenue, expenses and changes in fund net position, statements of cash flows and a fiduciary fund reported by type.

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

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

Deferred Inflows/Outflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Port Authority, deferred outflows of resources are reported on the statement of fund net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 4 and 5.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Port Authority, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of fund net position. (See Notes 4 and 5).

C. Measurement Focus

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

D. Fund Accounting

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

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The four types of trust funds are used to report resources held and administered by the Port Authority when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. The Port Authority has no private purpose trust funds. The Port Authority has one custodial fund which is used to account for monies held for individuals, organizations and other governments.

E. Cash and Cash Equivalents

To improve cash management, all cash received by the Port Authority is pooled. All money is maintained in this pool. The Port Authority's interest in the pool is presented as "cash and cash equivalents."

For purposes of the statement of cash flows, the Port Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Port Authority had no investments at year end.

F. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources. Net pension/OPEB liability/asset should be recognized to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. Long-term loans are recognized as a liability on the financial statements when due.

G. Budgetary Process

Ohio Revised Code Section 4582.12 requires that each fund be budgeted for annually. This budget includes estimated receipts and appropriations.

a. Appropriations

   The Board annually approves appropriations and subsequent amendments. Budgetary expenses (that is, disbursements and encumbrances) may not exceed appropriations at the fund function level of control. Unencumbered appropriations lapse at year end.

b. Estimated Resources

   Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

c. Encumbrances

   The Port Authority reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not reappropriated.

H. Capital Assets

Capital assets utilized by the Port Authority are reported on the statement of net position. All capital assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated capital assets are reported at their acquisition value as of the date received. The Port Authority has not established a minimum capitalization threshold for capital assets. Improvements are capitalized, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation is computed using the straight-line method over the following useful lives:

Land	N/A
Leasehold Improvements	10 Years
Office Equipment	5 Years

I. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Port Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net Position is reported as unrestricted when there are no limitations imposed on their use. The Port Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Port Authority, these revenues are operating grants, Joint Economic Development District tax revenues, revolving loan interest and miscellaneous reimbursement. Operating expenses are necessary costs incurred to provide the goods or series that are the primary activity of the Port Authority. Revenues and expenses which do not meet these definitions are reported as non-operating revenues or expenses.

K. Estimates

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

L. Pensions and Other Postemployment Benefit Costs

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

M. Unearned Revenue

Unearned revenue arises when monies are received before revenue recognition criteria have been satisfied. The unearned revenue reported represents grants received from the Coshocton Foundation.

N. Implementation of New Accounting Principles

For the year ended December 31, 2022, the Port Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, a certain provision of GASB Statement No. 93, *Replacement of Interbank Offered Rates,* certain provisions of GASB Statement No. 97*, Component Unit Criteria and Deferred Compensation Plans,* and certain provisions of GASB Statement No. 99*, Omnibus 2022.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Port Authority's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the Port Authority.

NOTE 2: CASH

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

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

Inactive deposits are public deposits that the Port Authority's Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

State statute permits monies to be deposited or invested in the following securities:

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above 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. Bonds and any other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred and seventy days, respectively from the purchase date in any

amount not to exceed 40 percent of the interim monies available for investment at any one time; and

8. Under limited circumstances, corporate debt interests noted in the highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Port Authority, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits with Financial Institutions

Based on the criteria described in GASB Statement 40, *Deposits and Investment Risk Disclosures*, as of December 2022 and 2021 $704,165 and $678,794, respectively, of the Port Authority's bank balances, were exposed to custodial risk as discussed below, while $250,000 was covered by Federal Depository Insurance Corporation each year. All of the Port Authority's deposits were either covered by FDIC or collateralized by individual investments held by the financial institution at December 31, 2022 and 2021.

Deposits - Custodial credit risk is the risk that in the event of bank failure, the Port Authority's deposits may not be returned to it. According to state law, public depositories must give security for all public funds in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. Ohio Law requires that deposits either be insured or protected by: Eligible securities pledged to the Port Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The Port Authority's policy is to deposit money with financial institutions that are able to abide by the laws covering insurance and collateralization of public funds.

Restricted Accounts

The Port Authority maintains a separate account for holdings of the revolving loan fund, the summer manufacturing camp and the Steel Ceilings. The balance of the revolving loan fund consists of amounts not yet loaned and amounts repaid from borrowers. The revolving loan account is interest bearing, and interest earned on the account and from loans is transferred periodically to the general operating account, as all earning are available for the operating expenses of the Port Authority. The balance in the summer manufacturing camp will be used for the summer camp in the future. The balance in the Steel Ceilings will be used for the clean up of the property. The Steel Ceilings account is restricted and only to used for the clean up of the property. The balances were $435,740 and $429,223 at December 31, 2022 and 2021, respectively and are included in the deposits disclosure above.

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2022 was as follows:

	Restated * Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital Assets Not Being Depreciated:				
Land	$ 640,917	$ 114,800	$ (364,070)	$ 391,647
Construction in Progress	333,861	9,970	-	343,831
Total Capital Assets, Not Being Depreciated	974,778	124,770	(364,070)	735,478
Capital Assets, Being Depreciated:				
Office Equipment	33,903	-	(13,586)	20,317
Leasehold Improvements	1,800	-	-	1,800
Total Capital Assets, Being Depreciated	35,703	-	(13,586)	22,117
Less Accumulated Depreciation:				
Office Equipment	(29,764)	(1,628)	13,586	(17,806)
Leasehold Improvements	(1,800)	-	-	(1,800)
Total Accumulated Depreciation	(31,564)	(1,628)	13,586	(19,606)
Total Capital Assets Being Depreciated, Net	4,139	(1,628)	-	2,511
Total Business-Type Activities Capital Assets, Net	$ 978,917	$ 123,142	$ (364,070)	$ 737,989

*Refer to the explanation shown after 2021's capital asset table.

Capital asset activity for the fiscal year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Restated* Additions	Deletions	Restated Balance 12/31/2021
Capital Assets Not Being Depreciated:				
Land	$ 764,807	$ 46,110	$ (170,000)	$ 640,917
Construction in Progress	-	333,861	-	333,861
Total Capital Assets, Not Being Depreciated	764,807	379,971	(170,000)	974,778
Capital Assets, Being Depreciated:				
Office Equipment	31,394	2,509	-	33,903
Leasehold Improvements	1,800	-	-	1,800
Total Capital Assets, Being Depreciated	33,194	2,509	-	35,703
Less Accumulated Depreciation:				
Office Equipment	(28,580)	(1,184)	-	(29,764)
Leasehold Improvements	(1,800)	-	-	(1,800)
Total Accumulated Depreciation	(30,380)	(1,184)	-	(31,564)
Total Capital Assets Being Depreciated, Net	2,814	1,325	-	4,139
Total Business-Type Activities Capital Assets, Net	$ 767,621	$ 381,296	$ (170,000)	$ 978,917

*Capital assets additions were restated to move $308,581 of cost from a depreciable asset class to a non-depreciable asset class. The Port Authority bought a building in 2021 and it is currently undergoing renovations and has not yet been placed into service.

NOTE 4: DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)*. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in intergovernmental payable.

The remainder of this note includes the pension disclosures. See Note 5 for the OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Port Authority employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

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

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

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2022 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Port Authority's contractually required contribution was $14,629 and $12,794 for 2022 and 2021, respectively. Of this amount, $0 and $1,740 for 2022 and 2021, respectively are reported as intergovernmental payables.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The Port Authority's proportion of the net pension liability was based on the Port Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	2022 OPERS	2021 OPERS
Proportion of the Net Pension Liability:		
Current Measurement Period	0.000630%	0.000631%
Prior Measurement Period	0.000631%	0.000637%
Change in Proportion	-0.000001%	-0.000006%
Proportionate Share of the Net Pension Liability	$ 54,813	$ 93,437
Pension Expense	$ (7,943)	$ 7,942

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022 OPERS	2021 OPERS
Deferred Outflows of Resources		
Differences between Expected and Actual Experience	$ 2,794	$ -
Changes of Assumptions	6,854	-
Changes in Proportionate Share and Differences in Contributions	-	1,883
Port Authority Contributions Subsequent to the Measurement Date	14,269	12,794
Total Deferred Outflows of Resources	$ 23,917	$ 14,677
Deferred Inflows of Resources		
Differences between Expected and Actual Experience	$ 1,203	$ 3,909
Net Difference between Projected and Actual Earnings on Pension Plan Investments	65,200	36,418
Changes in Proportionate Share and Differences in Contributions	403	827
Total Deferred Inflows of Resources	$ 66,806	$ 41,154

$14,269 reported as deferred outflows of resources related to pension resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2023	$ (8,993)
2024	(22,461)
2025	(15,331)
2026	(10,373)
Total	$ (57,158)

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	3.00 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	OPERS Traditional Plan
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.00 percent, simple
Post-January 7, 2013 Retirees	0.50 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00%	4.21%

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

2022:

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net Pension Liability (Asset)	$ 144,516	$ 54,813	$ (19,832)

2021:

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net Pension Liability	$ 178,232	$ 93,437	$ 22,931

NOTE 5: DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 4 for a description of the net OPEB liability (asset).

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Port Authority had no contractually required contribution for 2022 or 2021.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The Port Authority's proportion of the net OPEB liability (asset) was based on the Port Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	2022 OPERS	2021 OPERS
Proportion of the Net OPEB Liability (Asset):		
Current Measurement Period	0.000586%	0.000588%
Prior Measurement Period	0.000588%	0.000593%
Change in Proportion	-0.000002%	-0.000005%
Proportionate Share of the Net OPEB Liability (Asset)	$ (18,354)	$ (10,476)
OPEB Expense	$ (16,493)	$ (67,788)

At December 31, 2022, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022 OPERS	2021 OPERS
Deferred Outflows of Resources		
Changes of Assumptions	$ -	$ 5,151
Total Deferred Outflows of Resources	$ -	$ 5,151
Deferred Inflows of Resources		
Differences between Expected and Actual Experience	$ 2,785	$ 9,454
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	8,749	5,580
Changes of Assumptions	7,430	16,973
Changes in Proportionate Share and Differences in Contributions	209	932
Total Deferred Inflows of Resources	$ 19,173	$ 32,939

No amount is reported as deferred outflows of resources related to OPEB resulting from Port Authority contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS
2023	$ (11,924)
2024	(4,081)
2025	(1,913)
2026	(1,255)
Total	$ (19,173)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2034	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

Discount Rate A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Port Authority's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate The following table presents the Port Authority's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 percent, as well as what the Port Authority's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

2022:

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	$ (10,794)	$ (18,354)	$ (24,630)

2021:

	1% Decrease	Current Discount Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	$ (2,605)	$ (10,476)	$ (16,946)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

2022:

	1% Decrease	Current Trend Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	$ (18,553)	$ (18,354)	$ (18,119)

2021:

	1% Decrease	Current Trend Rate	1% Increase
Port Authority's Proportionate Share of the Net OPEB (Asset)	$ (10,731)	$ (10,476)	$ (10,190)

NOTE 6: NOTES PAYABLE

On November 20, 2020, the Board of Directors authorized the Treasurer and Chairman to enter into an agreement to issue $225,000 revenue bonds for the purpose of acquiring land for green space. The land purchased is a current asset on the 2020 balance sheet presented as land held for resale. The land was sold to Coshocton County in 2021 for $225,000. The bonds were issued with a 2.494 percent interest rate. The revenue bonds are secured by a trust agreement granting a mortgage and an assignment of a purchase agreement and rent and leases. The bonds were paid in full during 2021.

In September 2004, the Board of Directors authorized the Treasurer and Chairman to enter into a $153,435 loan to enable the Port Authority to acquire the former Community Improvement Corporation property. The loan principal matures annually, with interest being paid semi-annually. In December 2021 the loan was again renewed for an additional one-year period with a principal payment in the amount of $426 being paid on the loan balance during 2021. The loan matured January 17, 2022 with a current interest rate of 7.80 percent and had a balance of $57,574 at the end of 2021. The loan was paid in full during 2022.

On June 24, 2021, the Port Authority borrowed $3,000 from the Community Development fund. This money was then lent to the Jenny Penny Café for cost over runs. The principal sum of the loan plus accrued interest at a rate of 3.25 percent is to be repaid by January 1, 2022 with payment accepted as early as August 1, 2021. Jenny Penny Café closed business and has not paid on this loan. The Port Authority is taking legal action and still anticipates collection.

Notes Payable activity for the year ended December 31, 2022, was as follows:

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022
Peoples Bank Loan	$ 57,574	$ -	$ (57,574)	$ -
Community Development Loan Fund	3,000	-	-	3,000
	$ 60,574	$ -	$ (57,574)	$ 3,000

Notes Payable activity for the year ended December 31, 2021, was as follows:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021
Peoples Bank Loan	$ 58,000	$ 57,574	$ (58,000)	$ 57,574
Port Authority Revenue Bonds, Series 2020	225,000	-	(225,000)	-
Community Development Loan Fund	-	3,000	-	3,000
	$ 283,000	$ 60,574	$ (283,000)	$ 60,574

NOTE 7: LONG-TERM OBLIGATIONS

In November 2005, the Board of Directors authorized the Executive Director to enter into a $500,000 loan with the Ohio Department of Development to enable the Port Authority to purchase the Ross Property as an Ethanol Plant Site. The original loan agreement between the Port Authority and the Ohio Department of Development was revised on, May 29th, 2013. The revised agreement requires payments of $5,000 per month beginning on January 1, 2015 through September 1, 2024, at which time a balloon payment of $30,987 is payable to the Ohio Department of Development. The loan assesses interest at the rate of 3 percent. Interest was deferred from May 29, 2013 until January 1, 2015, at which time the deferred interest was included in the balloon payment due at the end of the loan. In addition to the 3 percent interest; a .25 percent service fee is due each month and is included in the monthly payment. Deferred interest was add to principal of loan for the payments that were extended from 2013 to 2015. This deferred interest was added to the principal balance of the loan as of December 31, 2020. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021.

Loan payments are expected to be made from the rent payments received from CE Acquisitions LLC. If the lessor of the property fails to make the rent payment then payment of the loan would be made by the Port Authority from proceeds of its note receivable from the Port Authority of Coshocton; see Note 8.

In the event of default, as defined by the loan agreements for the project, the amounts payable by the Port Authority may become due. If payments are not made, the lender may retake possession of the project property and hold the Port Authority liable for amounts payable.

Changes in long-term obligations of the Port Authority during the year ended December 31, 2022 consisted of the following:

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amounts Due In One Year
Direct Borrowings:					
ODOD Rural Industrial Park Loan	$ 345,821	$ 2,607	$ (80,871)	$ 267,557	$ 115,149
Net Pension Liability	93,437	-	(38,624)	54,813	-
Total Loans Payable and Net Pension Liability	$ 439,258	$ 2,607	$ (119,495)	$ 322,370	$ 115,149

Changes in long-term obligations of the Port Authority during the year ended December 31, 2021 consisted of the following:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amounts Due In One Year
Direct Borrowings:					
ODOD Rural Industrial Park Loan	$ 349,669	$ 8,152	$ (12,000)	$ 345,821	$ 78,264
Net Pension Liability	207,816	-	(114,379)	93,437	-
Total Loans Payable and Net Pension Liability	$ 557,485	$ 8,152	$ (126,379)	$ 439,258	$ 78,264

The annual requirements to retire debt are as follows:

	Loans Payable	
Year	Principal	Interest
2023	$ 115,149	$ 5,271
2024	152,408	1,660
Totals	$ 267,557	$ 6,931

NOTE 8: LONG-TERM LOANS RECEIVABLES

Receivables at December 31, 2022 and 2021 consisted of loans.

As discussed in Note 7, the Port Authority is obligated on a loan payable to the Ohio Department of Development. The proceeds of this were, in turn, loaned to the Port Authority of Coshocton for use in making infrastructure improvements in connection with the development of an ethanol plant.

In 2018, the Port Authority entered into a loan agreement with Hasseman Properties LLC for $25,000. This loan is to improve and rehabilitate real estate. Monthly installments began on January 1, 2019 in the amount of $461 with an interest rate of 4 percent. A balloon payment will be due December 1, 2023. In 2020 due to the Covid pandemic Hasseman properties LLC was not required to make payments for three months.

On March 1, 2019 the Port Authority entered into a loan agreement with Dany's Pizzeria, LLC for $65,000. The purpose of the loan is purchase equipment. Monthly installments of $689 began on May 1, 2019 with an interest rate of 5 percent. A balloon payment is due April 1, 2029. In 2020 due to the Covid pandemic Dany's Pizzaeria was not required to make payments for three months.

On March 22, 2019, the Port Authority entered into a loan agreement with Good Boy Bakery, LLC for $7,500. Monthly installments of $142 began on May 1, 2019 with an interest rate of 5 percent. Final payment is due April 1, 2024.

During 2019, the Revolving Loan Fund approved an $ 8,500 loan for Broken Arrow Woodworking, LLC to purchase equipment. Monthly installments will start on January 1, 2020 at $157 a month, with an interest rate of 4.25 percent. Final payment will be due December 1, 2024.

On November 2, 2020, the Port Authority entered into a loan agreement with Blank Canvas Craft Studio LLC DBA Rust Décor for $25,000. Monthly installments of $238 began on January 19, 2021 with an interest rate of 2.75 percent. Final payment due December 19, 2030.

On May 10, 2021, the Port Authority entered into a loan agreement with Jenny Penny Café LLC for $17,200. Monthly installments of $164 began on July 1, 2021 with an interest rate of 2.75 percent. Final payment due June 1, 2031. Jenny Penny Café closed business and has missed some payments. The Port Authority is taking legal action and still anticipates collection.

Loans receivable activity for the year ended December 31, 2022 was as follows:

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amounts Due In One Year
Hasseman Properties, LLC	$ 11,886	$ -	$ (5,590)	$ 6,296	$ 6,296
Dany's Pizzeria, LLC	52,114	-	(6,293)	45,821	6,121
Good Boy Bakery, LLC	4,108	-	(1,659)	2,449	1,613
City of Coshocton	345,821	2,607	(80,871)	267,557	115,149
Broken Arrow, LLC	24,845	-	(2,816)	22,029	2,349
Rust Décor	22,795	-	(22,795)	-	-
Jenny Penny	17,073	-	(1,838)	15,235	2,848
Total	$ 478,642	$ 2,607	$ (121,862)	$ 359,387	$ 134,376

Loans receivable activity for the year ended December 31, 2021 was as follows:

	Outstanding 1/1/2021	Additions	Reductions	Outstanding 12/31/2021	Amounts Due In One Year
Hasseman Properties, LLC	$ 16,835	$ -	$ (4,949)	$ 11,886	$ 5,151
Dany's Pizzeria, LLC	57,631	-	(5,517)	52,114	5,799
Good Boy Bakery, LLC	5,562	-	(1,454)	4,108	1,528
City of Coshocton	349,669	8,152	(12,000)	345,821	78,264
Broken Arrow, LLC	5,007	25,026	(5,188)	24,845	2,210
Rust Décor	25,000	-	(2,205)	22,795	2,264
Jenny Penny	-	17,358	(285)	17,073	1,519
Total	$ 459,704	$ 50,536	$ (31,598)	$ 478,642	$ 96,735

The annual requirements to retire the receivable are as follows:

	Loans Receivable	
Year	Principal	Interest
2023	$ 134,376	$ 7,525
2024	163,680	3,707
2025	10,877	2,231
2026	11,327	1,771
2027	11,819	1,289
2028-2031	27,309	1,195
Totals	$ 359,387	$ 17,718

NOTE 9: NOTE RECEIVABLE

During 2021, the Port Authority entered into a loan agreement with Jenny Penny Café for $3,000 to cover over run costs. The principal sum of the loan plus accrued interest at a rate of 3.25 percent is to be repaid by January 1, 2022 with payment accepted as early as August 1, 2021. Jenny Penny Café closed business and has not paid on this loan. The Port Authority is taking legal action and still anticipates collection.

NOTE 10: CONCENTRATION OF CREDIT RISK

The Port Authority maintains its activities within the Coshocton County, Ohio geographical area. The performance of its operation activities will be dependent on the performance of its tenants. The results of these companies and the operations of the Port Authority projects may be dependent on the economic conditions of the local trade area.

NOTE 11: CONTINGENCIES

As discussed in Note 7, the Port Authority is obligated on a loan payable to the Ohio Department of Development. The proceeds of this were, in turn, loaned to the City of Coshocton for use in making infrastructure improvements in connection with the development of an ethanol plant. Once the ethanol plant began operation, the City anticipated making payments on the Port Authority note from lease payments and other utility charges received from the ethanol plant. The ethanol plant began production in October, 2013. The inability of the plant to make certain lease or utility payments to the City of Coshocton could restrict the City's ability to repay the Port Authority, which could affect the Port Authority's ability to repay its obligation to the Ohio Department of Development. Both the Port Authority and the City believe that sufficient guarantees were made to protect their positions on the loan. The Ohio Department of Development modified the loan agreement due to the inability of the ethanol plant to begin production as anticipated at the time the loan agreement was executed. Payments on the loan which were to begin in 2013, were extended until 2015. The ethanol company did begin making payments on the loan in January, 2015. Deferred interest was add to principal of loan for the payments that were extended from 2013 to 2015. This deferred interest was added to the principal balance of the loan as of December 31, 2020 and is the reason for the restatement of the loan. During 2019, payments on loan were deferred until April 1, 2021 due to COVID-19. The ethanol company began making payments again as of May 1, 2021.

NOTE 12: POLLUTION REMEDIATION OBLIGATION

The Port Authority was awarded $967,212 through a Brownfield Remediation Grant from the Ohio Department of Development for cleanup activities at a former plant in the City of Coshocton that produced architectural and structural medals. Although the Port Authority no longer owns the property, they have assumed the obligation for a site cleanup. The Port Authority has hired BJAMM Environmental to complete the consulting, administration, and management of the project.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Proportionate Share of the Net Pension Liability
Last Nine Years (1)

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Port Authority's Proportion of the Net Pension Liability	0.000630%	0.0006310%	0.0006370%	0.0005970%
Port Authority's Proportionate Share of the Net Pension Liability	$ 54,813	$ 93,437	$ 125,907	$ 163,506
Port Authority's Covered Payroll	$ 91,386	$ 88,871	$ 89,650	$ 80,671
Port Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.98%	105.14%	140.44%	202.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanting notes to required supplementary information.

2018	2017	2016	2015	2014
0.0005338%	0.0005260%	0.0005550%	0.0005370%	0.0005370%
$ 83,738	$ 119,453	$ 96,133	$ 64,768	$ 63,305
$ 70,536	$ 68,000	$ 67,808	$ 65,783	$ 63,600
118.72%	175.67%	141.77%	98.46%	99.54%
84.66%	77.25%	81.08%	86.45%	86.36%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of Port Authority Contributions
Last 10 Years

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ 14,269	$ 12,794	$ 12,442	$ 12,551
Contributions in Relation to the Contractually Required Contribution	(14,269)	(12,794)	(12,442)	(12,551)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Port Authority's Covered Payroll	$ 101,921	$ 91,386	$ 88,871	$ 89,650
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanting notes to required supplementary information.

2018		2017		2016		2015		2014		2013	
$	11,294	$	9,170	$	8,160	$	8,137	$	7,894	$	8,268
	(11,294)		(9,170)		(8,160)		(8,137)		(7,894)		(8,268)
$	-	$	-	$	-	$	-	$	-	$	-
$	80,671	$	70,536	$	68,000	$	67,808	$	65,783	$	63,600
	14.00%		13.00%		12.00%		12.00%		12.00%		13.00%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Proportionate Share of the Net OPEB Liability (Asset)
Last Six Years (1)

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Port Authority's Proportion of the Net OPEB Liability (Asset)	0.000586%	0.000588%	0.0005930%	0.0006050%
Port Authority's Proportionate Share of the Net OPEB Liability (Asset)	$ (18,354)	$ (10,476)	$ 81,909	$ 78,878
Port Authority's Covered Payroll	$ 91,386	$ 88,871	$ 89,650	$ 80,671
Port Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.08%	-11.79%	91.37%	97.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

See accompanting notes to required supplementary information.

2018	2017
0.0007020%	0.0006910%
$ 76,235	$ 69,793
$ 70,536	$ 68,000
108.08%	102.64%
54.14%	54.04%

See accompanting notes to required supplementary information.

Coshocton Port Authority
Coshocton County, Ohio
Required Supplementary Information
Schedule of the Port Authority's Contributions - OPEB
Last Seven Years (1)

	2022	2021	2020	2019
Ohio Public Employees' Retirement System (OPERS)				
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Port Authority's Covered Payroll (2)	$ 101,921	$ 91,386	$ 88,871	$ 89,650
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.
(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

See accompanting notes to required supplementary information.

2018	2017	2016
$ -	$ 705	$ 1,360
-	(705)	(1,360)
$ -	$ -	$ -
$ 80,671	$ 70,536	$ 68,000
0.00%	1.00%	2.00%

See accompanting notes to required supplementary information.

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	2022	2021	2020	2019	2018
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Assumption	2022	2021	2020	2019	2018	2017
Discount Rate	6.00%	6.00%	3.16%	3.96%	3.85%	4.23%
Municipal Bond Rate	1.84%	2.00%	2.75%	3.71%	3.31%	n/a
Health Care Cost Trend Rate	5.50%	8.50%	10.50%	10.00%	7.50%	n/a

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

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

5510 Pearl Road Ste. 102
Parma, OH 44129-2527
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

Coshocton Port Authority
Coshocton County
534 Main Street
Coshocton, Ohio 43812

To the Board of Trustees:

We have audited in accordance with 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, the financial statements of the Coshocton Port Authority, Coshocton County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 24, 2024, wherein we noted the 2021 basic financial statements of the Authority were unaudited.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Charles E. Harris & Associates, Inc.
June 28, 2024

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

COSHOCTON PORT AUTHORITY

COSHOCTON 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 9/24/2024