CANTER & ASSOCIATES

CONNEAUT PORT AUTHORITY
ASHTABULA COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Directors
Conneaut Port Authority
P. O. Box 218
929 Broad Street
Conneaut, Ohio 44030

We have reviewed the *Independent Auditor's Report* of Conneaut Port Authority, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2022 through December 31, 2022. 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. Conneaut Port Authority is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 01, 2023

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Conneaut Port Authority
Ashtabula County
For the Year Ended December 31, 2022

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Conneaut Port Authority
P.O. Box 218
Conneaut, Ohio 44030

To the Members of Board of Directors:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conneaut Port Authority, Ashtabula County, Conneaut, Ohio, as of December 31, 2022, and the respective changes in financial position and where applicable, cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Conneaut Port Authority, Ashtabula County, Conneaut, Ohio, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, during 2022, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Port. As discussed in Note 3, during the year the Port also adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* Our opinion was not modified with respect to these matters.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* and Schedules of Net Pension and Postemployment Benefit Liabilities, Pension and Postemployment Benefit Contributions and Net Pension Asset, listed in the table of contents, to supplement the basic financial statements. Such information, 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. 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.

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 30, 2023, on our consideration of the Port Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port Authority 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Authority's internal control over financial reporting and compliance.

Canter & Assoc

CANTER & ASSOCIATES

Poland, Ohio
June 30, 2023

The discussion and analysis of the Conneaut Port Authority's (the Port Authority) financial performance provides an overall review of the Port Authority's financial activities for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the Port Authority's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2022 are as follows:

Total operating revenues decreased $4,853 which is a 1.0% difference from 2021,

Total cash decreased $203,079 or 64.5% due to investment in capital assets and increased operating expenses.

Capital assets increased $9,909, or 0.6%, while total assets decreased $173,338, an 8.8% decline from 2021.

Total liabilities decreased $152,200 which represents a 17.56% decrease from 2021, primarily due to changes in pension and OPEB liabilities.

Net Investment in Capital Assets decreased $86,068, or 6.31%

Net position decreased $42,115 which represents a 4.18% decrease from 2021.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Conneaut Port Authority as an entire operating entity.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Conneaut Port Authority presenting both an aggregated view of the Port Authority's finances and a longer-term view of that position.

REPORTING THE CONNEAUT PORT AUTHORITY AS A WHOLE

The Port Authority's single fund is an enterprise fund with reporting focused on the determination of the change in net position, financial position and cash flows. An enterprise fund accounts for any activity for which a fee is charged to external users.

While this document contains information about the fund used by the Port Authority to provide services to its customers, the view of the Port Authority as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The financial statements answer this question. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Port Authority's net position and the changes in net position. 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.

The Port Authority utilizes only one propriety fund to account for charges to customers for services provided such as dock rental or boat launching fees.

THE CONNEAUT PORT AUTHORITY AS A WHOLE

The Statement of Net Position looks at the Port Authority as a whole. Table 1 provides a summary of the Port Authority's net position for 2022 compared to 2021.

(TABLE 1)
NET POSITION

	Business Type Activities		
	2022	Restated 2021	Change
ASSETS			
Current and Other Assets	$ 174,890	$ 358,137	(183,247)
Capital Assets, Net of Depreciation	1,630,770	1,620,861	9,909
			-
Total Assets	1,805,660	1,978,998	(173,338)
DEFERRED OUTFLOWS OF RESOURCES			
Pension - OPERS	53,617	33,927	19,690
OPEB - OPERS	1,111	11,867	(10,756)
Total Deferred Outflows of Resoources	54,728	45,794	8,934
LIABILITIES			
Current and Other Liabilities	173,400	215,898	(42,498)
Long-term Liabilities due within One Year	34,000	40,000	(6,000)
Long-term Liabilities due in more than One Year	507,424	611,126	(103,702)
			-
Total Liabilities	714,824	867,024	152,200
			-
DEFERRED INFLOWS OF RESOURCES			
Pension - OPERS	138,807	82,068	56,739
OPEB - OPERS	39,676	65,634	(25,958)
Total Deferred Inflows of Resources	178,483	147,702	30,781
NET POSITION			
Net Investment In Capital Assets	1,277,468	1,363,536	(86,068)
Unrestricted	(310,387)	(354,340)	43,953
Total Net Position	$ 967,081	$ 1,009,196	(42,115)

Total assets decreased $173,338. Current and other assets decreased $183,247, due to the cash investment in capital assets and increased operating expenses.

Net position decreased $42,115 which includes capital asset depreciation for the current year of $93,555.

Table 2 shows the changes in net position for the year ended December 31, 2022, compared to the year ended December 31, 2021.

(TABLE 2)
CHANGES IN NET POSITION

	Business-Type Activities		
	2022	Restated 2021	Change
OPERATING REVENUES			
Dockage	$ 441,586	$ 444,142	$ (2,556)
Property Lease	71,272	72,794	(1,522)
Other Revenue	650	1,425	(775)
Total Operating Revenues	513,508	518,361	(4,853)
OPERATING EXPENSES			
Salaries and Benefits	146,797	86,244	60,553
Marina Management Contract	139,161	-	139,161
Contractual Services	112,653	120,310	(7,657)
Insurance	31,841	28,122	3,719
Utilities	34,237	47,020	(12,783)
Materials and Supplies	94,179	82,344	11,835
Other Expenses	7,742	5,795	1,947
Depreciation Expense	93,555	97,372	(3,817)
Total Operating Expenses	660,165	467,207	192,958
Operating Income (Loss)	(146,657)	51,154	(197,811)
NON-OPERATING REVENUES(EXPENSES)			
Total Non-operating Revenues/Expenses	104,542	73,726	30,816
Change in Net Position	(42,115)	124,880	(166,995)
Net Position Beginnng of Year, Restated	1,009,196	884,316	124,880
Net Position End of Year	$ 967,081	$ 1,009,196	$ (42,115)

Total Operating Expenses increased $192,958, or 41.3%. There are dual primary reasons for the increase. First there was an increase in salaries and benefits resulting from changes in pension and OPEB assets and liabilities; the second reason is the increase in contractual services from the engagement of a professional marina management firm.

As a result of implementing the accounting standard for pension and OPEB, the Authority is reporting a significant net pension liability and related deferred inflows of resources for the fiscal year which have a negative effect on net position. In addition, the Authority is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to pension and OPEB, which have a positive impact on net position. The change in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below.

	2022	2021
Deferred outflows - pension	$ 53,617	$ 33,927
Deferred outflows - OPEB	1,111	11,867
Deferred inflows - pension	(138,807)	(82,068)
Deferred inflows - OPEB	(39,676)	(65,634)
Net pension liability	(114,584)	(188,948)
Net OPEB asset	38,400	21,219
Impact of GASB 68 and GASB 75 on net position	$ (199,939)	$ (269,637)
Net expense impact	$ 69,698	$ 140,993

For 2022, the net expense impact of GASB 68 and 75 was $69,698. This was from reporting the decrease in the Authority's proportionate share of the pension and other post-employment benefit liability of the Ohio Public Employment Retirement board. This adjustment was a negative expense which decreased expenses.

CAPITAL ASSETS

The largest portion of the Authority's net position is it's net investment in capital assets. The Authority uses these capital assets to provide services to the businesses and public using the Authority. Table 3 shows 2022 balances compared with 2021.

(Table 3)
CAPITAL ASSETS AT DECEMBER 31, 2022 (NET OF DEPRECIATION)

	Business-Type Activities		
	2022	Restated 2021	Change
Land	$ 114,821	$ 66,821	$ 48,000
Land Improvements	31,021	31,021	-
Other Nondepreciable Assets	233,689	217,889	15,800
Building and Improvements	443,186	447,287	(4,101)
Dock Improvments	687,764	727,710	(39,946)
Vehicles	-	-	-
Machinery and Equipment	72,706	80,509	(7,803)
Intangilbe Right to Use - Equipment	47,583	49,624	(2,041)
Totals	$ 1,630,770	$ 1,620,861	$ 9,909

Capital assets increased $9,909 due to the purchase of property, and investment in existing assets totaling $103,464 offset by current year depreciation of $93,555. For additional information refer to Notes 3 and 5 of the basic financial statements.

DEBT

At December 31, 2021 the Port Authority had $372,000 in a long-term obligation to the City of Conneaut to re-pay a note issued on behalf of the Port Authority for new marina and storage unit development, The Port Authority also had a $14,000 short-term note payable to The Conneaut Foundation, incurred to purchase property; a five-year capital lease payable of $45,571, for the purchase of two trucks; and a three-year capital lease payable of 9,269 for the purchase of equipment. For more information, see Note 6 of the basic financial statements.

THE FUTURE

The Port Authority is strong financially; planning to continue with the capital improvements to the marinas and aggressively pursuing economic growth for the community.

CONTACTING THE PORT AUTHORITY TREASURER

This financial report is designed to provide the board with a general overview of the Port Authority's finances and to show the Port Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Patrick Arcaro, Treasurer, 929 Broad Street, Conneaut, Ohio 44030, 440-593-1300, or e-mail at cpaadmin@conneautportauthority.com.

CONNEAUT PORT AUTHORITY
ASHTABULA COUNTY
Statement of Net Position
December 31, 2022

		Port Authority
Assets		
Cash	$	111,921
Prepaid Expenses		18,418
Gasoline Inventory		6,151
Net OPEB Asset		38,400
Nondepreciable Capital Assets		379,531
Depreciable Capital Assets, Net		1,251,239
Total assets		1,805,660
Deferred Outflows of Resources		
Pension		53,617
OPEB		1,111
Total deferred outflows of resources		54,728
Liabilities		
Accounts Payable		36,988
Accrued Wages and Benefits		7,773
Unearned Revenue		83,969
Deposits on Future Revenue		4,165
Deposit - Economic Development		25,000
Accrued Interest Payable		1,505
Note Payable		14,000
Current Portion of Long-term Debt		34,000
Long-Term Debt, Net of Current Portion		392,840
Net Pension Liability		114,584
Total Liabilities		714,824
Deferred Inflows of Resources		
Pension		138,807
OPEB		39,676
Total deferred inflows of resources		178,483
Net Position		
Net Investment In Capital Assets		1,277,468
Unrestricted		(310,387)
Total Net Position	$	967,081

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

CONNEAUT PORT AUTHORITY
ASHTABULA COUNTY
Statement of Revenues, Expenses
and Changes in Net Position
For the Year Ended December 31, 2022

	Port Authority
Operating Revenues	
Dockage	$ 441,586
Property Lease	71,272
Other Revenues	650
Total Operating Revenues	513,508
Operating Expenses	
Salaries and Benefits	146,797
Marina Management Contract	139,161
Other Contractual Services	112,653
Insurance	31,841
Utilities	34,237
Materials and Supplies	94,179
Other	7,742
Depreciation Expense	93,555
Total Operating Expenses	660,165
Operating Income	(146,657)
Non-Operating Revenues (Expenses)	
Contributions	66,741
Grant Income	45,967
Interest Income	270
Gain on Sale of Asset	2,500
Unrealized Loss on Inventory	(100)
Interest Expense	(10,836)
Total Non-Operating Revenues (Expenses)	104,542
Change in Net Position	(42,115)
Net Position, Beginning of Year, Restated	1,009,196
Net Position, End of Year	$ 967,081

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

CONNEAUT PORT AUTHORITY
ASHTABULA COUNTY
Statement of Cash Flows
For the Year Ended December 31, 2022

	Port Authority
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 451,611
Cash Payments for Goods and Services	(405,960)
Cash Payments to and on Behalf of Employees	(214,805)
Net Cash Provided by Operating Activities	(169,154)
Cash Flows from Capital and Related Financing Activities:	
Cash Received from Grants and Contributions	112,708
Cash Received from Debt	10,344
Cash Received from Sale of Assets	2,500
Interest Received on Deposits	270
Principal Paid on Long-Term Debt	(45,682)
Interest Paid on Debt	(10,601)
Purchase of Capital Assets	(103,464)
Net Cash Used in Capital and Related Financing Activities	(33,925)
Net Increase in Cash and Cash Equivalents	(203,079)
Cash and Cash Equivalents at Beginning of Year	315,000
Cash and Cash Equivalents at End of Year	$ 111,921

Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Loss	$ (146,657)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	93,555
(Increase) Decrease in Assets:	
Prepaid Expenses	(2,751)
Net OPEB Asset	(17,181)
Deferred Outflows - Pension	(19,690)
Deferred Outflows - OPEB	10,756
Increase (Decrease) in Liabilities:	
Accounts Payable	16,604
Accrued Wages and Benefits	1,690
Unearned Income	(60,922)
Deposits on Future Revenue	(975)
Net Pension Liabiity	(74,364)
Deferred Inflows - Pension	56,739
Deferred Inflows - OPEB	(25,958)
Net Cash Provided by Operating Activities	$ (169,154)

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

1. DESCRIPTION OF CONNEAUT PORT AUTHORITY

The Conneaut Port Authority, Ashtabula County, (the Port Authority) 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. The Port Authority for the City of Conneaut is directed by a seven-member Board appointed by the City Manager with the approval of Conneaut City Council. The Port Authority is a component unit of the City of Conneaut.

Charged with the responsibility of industrial development and the improvement of Conneaut's interconnecting waterways, the Port Authority is empowered with the ability to carry out the actions they consider necessary to achieve these responsibilities. The Port Authority operates two marinas and leases other lakefront facilities at the Port to private entities. The Port Authority's management believes these financial statements present all activities for which the Port Authority is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The Port Authority's basic financial statements consist of a statement of net position, statement of revenues expenses and changes in net position, and a statement of cash flows. The Port Authority reports its operations in an enterprise fund. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Port Authority follows the business-type activities reporting requirements of GASB Statement No. 34. In accordance with this Statement, the accompanying basic financial statements are reported on an Port Authority-wide basis.

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

- Management Discussion and Analysis
- Basic Financial Statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows

B. Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All asset and liabilities associated with the operation of this fund 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 total net position. The statement of cash flows provides information about how the Port Authority finances and meets the cash flow needs of its activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The single proprietary fund used the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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

Unearned Revenue Unearned revenue arises when assets (cash) are recognized before revenue recognition criteria have been satisfied.

Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Deferred Outflows/Inflows of Resources In addition to assets, the statement of 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/expenditure) until then. For the Port Authority, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 7 and 8.

In addition to liabilities, the statement of financial position will sometimes 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 were reported on the Statement of net position for pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 7 and 8.

D. Cash and Cash Equivalents

All monies of the Port Authority are maintained in one bank account. Investment procedures are restricted by the provisions of the Ohio Revised Code. During 2021, the Port Authority maintained no investment accounts.

For the purposes of the statement of cash flows, all bank deposits, including investments with maturity of less than three months are considered to be cash equivalents.

E. Inventory

Inventories are presented at cost on the first-in, first-out basis and expensed when used.

F. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Port Authority maintains a capitalization threshold of $500. 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 capitalized. Interest incurred on related debt during the construction of capital assets is also capitalized.

When assets are sold, or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any profit or loss arising from such disposition is included as income or expense in the year in which sold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets (Continued)

All capital assets, except land, land improvements, other non-depreciable assets, and construction in progress, are depreciated. Depreciation is computed using the straight line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	15 – 40 years
Dock Improvements	10 – 40 years
Machinery and Equipment	3 – 10 years
Vehicles	5 – 20 years

G. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital asset, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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 constitutional provisions or enabling legislation or though external restrictions imposed by creditors, grantors or laws or regulations of other governments.

H. Operating Revenues

Operating revenues are those revenues generated directly from the primary activity of the proprietary fund. For the Port Authority, these revenues are dock rentals and property leases. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the fund. Revenue and expenses which do not meet these definitions are reported as non-operating.

I. Pension and Other Postemployment Benefits

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

The current accounting standard requires the Authority to report their proportionate share of the net pension/OPEB liability or OPEB asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and post employment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or OPEB asset. Under the new standards, the net pension/OPEB liability or OPEB asset equals the Authority proportionate share of the pension plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post employment benefits. The unfunded portion of this benefit of exchange is a liability of the Authority. However, the Authority is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Pension and Other Postemployment Benefits (Continued)

There is no repayment schedule for the net pension liability or the net OPEB liability. The Authority has no control over the changes in the benefits, contributions rate, and return on investments affecting the balance of these liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statue does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net assets.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Port Authority management and that are either unusual in nature or infrequent in occurrence. No extraordinary or special items occurred within the audit period.

K. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

A. Change in Accounting Principle

In 2022, the Port Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases.* GASB 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Port Authority’s 2022 financial statements.

B. Restatement of Net Position

The implementation of this statement had the following effect on net position of the Port Authority as it was previously reported.

	Conneaut Port Authority
Net Position December 31, 2021	$ 1,011,138
Change in Net Postion	(1,942)
Restated Net Position December 31, 2021	$ 1,009,196

4. CASH AND INVESTMENTS

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 Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

4. CASH AND INVESTMENTS (Continued)

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or savings or deposit accounts including passbook accounts.

Protection of Port Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Monies held by the Port Authority which are not considered active are classified as interim monies. Interim monies may 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 and 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 other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the Port Authority territory;

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of 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 with delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

4. CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the Port Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, all of the Port Authority's bank balance of $315,000 was insured.

The Port Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the Port Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

Investments are reported at fair value. As of December 31, 2021, the Port Authority had no investments.

5. CAPITAL ASSETS

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

	Balance Restated 12/31/21	Additions	Deductions	Balance 12/31/22
Capital Assets, not being depreciated:				
Land	$ 66,821	$ 48,000	$ -	$ 114,821
Land Improvements	31,021	-	-	31,021
Other Nondepreciable Assets	55,012	-	-	55,012
Construction In Progress	162,877	15,800	-	178,677
Total Nondepreciable Capital Assets	315,731	63,800	-	379,531
Capital Assets, being depreciated:				
Building and Improvements	2,808,974	10,742	-	2,819,716
Dock Improvements	1,368,824	10,550	-	1,379,374
Vehicles	9,999	-	(9,999)	-
Machinery and Equipment	245,548	8,028	(7,335)	246,241
Intangible Right to Use Lease - Equipment	56,178	10,344	-	66,522
Total Depreciable Capital Assets	4,489,523	39,664	(17,334)	4,511,853
Less Accumulated Depreciation:				
Building and Improvements	(2,361,687)	(14,843)	-	(2,376,530)
Dock Improvements	(641,114)	(50,496)	-	(691,610)
Vehicles	(9,999)	-	9,999	-
Machinery and Equipment	(165,039)	(15,831)	7,335	(173,535)
Intangible Right to Use Lease - Equipment	(6,554)	(12,385)	-	(18,939)
Total Depreciable Capital Assets	(3,184,393)	(93,555)	17,334	(3,260,614)
Total Depreciable Capital Assets, Net	1,305,130	(53,891)	-	1,251,239
Total Capital Assets, Net	$ 1,620,861	$ 9,909	$ -	$ 1,630,770

5. CAPITAL ASSETS (Continued)

Of the current year depreciation total of $93,555, $12,385 is related to the Port Authority's lease of two trucks and a zero turn mower, which are include as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87 Lease, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asst.

6. LONG-TERM OBLIGATIONS

Changes in the Port Authority's long term obligations were as follows:

Business-Type Activities	Interest Rate	Restated 12/31/2021 Balance	Additions	Deletions	12/31/2022 Balance	Due Within One Year
City of Conneaut	6.18%	$ 406,000	$ -	$ (34,000)	$ 372,000	$ 34,000
Capital Lease 1	2.88%	56,178	-	(10,607)	45,571	-
Capital Lease 2	4.95%	-	10,344	(1,075)	9,269	-
Net Pension Liability	n/a	188,948	-	(74,364)	114,584	n/a
Net OPEB Liability	n/a	-	-	-	-	n/a
Total Long-Term Liabilities		$ 651,126	$ 10,344	$ (120,046)	$ 541,424	$ 34,000

The City of Conneaut issued notes beginning in 2020 on behalf of the Port Authority for new marina and storage development opportunities. All long-term obligations will be paid with dock rental receipts and the sale of capital assets.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the operating Port Authority fund. For additional information related to the net pension liability and net OPEB liability, see Note 8

The following is a summary of the future annual debt service and interest requirements on the long-term obligations:

Year Ending December 31,	Principal	Interest	Total
2023	$ 34,000	$ 22,990	$ 56,990
2024	34,000	20,888	54,888
2025	34,000	18,787	52,787
2026	34,000	16,686	50,686
2027	34,000	14,585	48,585
Thereafter	202,000	12,484	214,484
	$ 372,000	$ 106,420	$ 478,420

6. LONG-TERM OBLIGATIONS (Continued)

In 2021, the Port Authority entered into a lease for two trucks. In 2022. The Port Authority entered into a lease for zero turn mower The future lease payments were discounted based on the interes1t rate stated, or implicit, in the lease. This discount is being amortized using the interest method over the life of the leases. As summary of the principal and interest amounts for the remaining terms of the leases is as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 14,246	$ 1,696	$ 15,942
2024	14,729	1,213	15,942
2025	13,983	720	14,703
2026	11,882	342	12,224
	$ 54,840	$ 3,971	$ 58,811

7. LEASES

The Port Authority has entered into a fifty-year, non-monetary, lease commencing June 1, 1988 and ending May 31, 2038, with the City of Conneaut for specified lands in the lakefront area owned by the City.

The Port Authority has entered into a fifty-year lease commencing July 1, 1989 through June 30, 2039, with the State of Ohio for submerged land at the lakefront. The annual lease amount is $1, due and payable the first day of June of each year for property that does not generate revenues for the Port Authority.

8. DEFINED BENEFIT PENSION AND OPEB PLANS

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB 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) represent the 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 these estimates annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the 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

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

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.

A. DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description - The Authority employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members may elect the member-directed plan and the combined plan, 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 plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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 and service requirements:**	**Age and service requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	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.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

A. DEFINED BENEFIT PENSION PLANS (Continued)

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

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

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

	State and Local	
2022 Statutory maximum contribution rates		
Employer	14.00	%
Employee	10.00	%
2022 Actual contribution rates		
Employer:		
Pension	14.00	%
Post-employment health care benefits	-	
Total employer	14.00	%
Employee	10.00	%

The Authority's contractually required contribution for the Traditional Pension Plan was $25,963 for 2022. Of this amount, $1,875 is reported as an intergovernmental payable.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

A. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	OPERS 2022	OPERS 2021
Proportion of the pension liability - prior measurement date	0.0012760 %	0.0012240 %
Proportion of the pension liability - current measurement date	0.0013170 %	0.0012760 %
Change in proportionate share	0.0000410 %	0.0000520 %
Proportionate share of net pension liability	$ 114,584	$ 188,948
Pension expense	$ (11,352)	$ 12,141

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

	OPERS 2022	OPERS 2021
Deferred outflows of resources		
Net differences between expected and actual experience	$ 5,841	$ -
Changes of assumptions	14,329	-
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	7,484	7,160
Employer contributions subsequent to the measurement date	25,963	26,767
Total deferred outflows of resources	$ 53,617	$ 33,927
Deferred inflows of resources		
Differences between expected and actual experience	$ 2,513	$ 7,904
Net difference between projected and actual earnings on pension plan investments	136,294	73,646
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	-	518
Total deferred inflows of resources	$ 138,807	$ 82,068

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

A. DEFINED BENEFIT PENSION PLANS (Continued)

$25,963 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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:

		OPERS
Year ending December 31:		
	2023	$ (11,997)
	2024	(45,427)
	2025	(32,048)
	2026	(21,681)
Total		$ (111,153)

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 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 in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	2.75 percent
Future salary increases, including inflation -Traditional plan	2.75 percent to 10.75 percent
Future salary increases, including inflation - Combined plan	2.75 percent to 8.25 percent
COLA or Ad Hoc COLA	Pre January 7, 2013 retirees, 3 percent, simple Post January 7, 2013 retirees, 3 percent, simple through 2020, then 2.05 percent, simple
Investment rate of return	6.9 percent
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

A. DEFINED BENEFIT PENSION PLANS (Continued)

The long-term 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.

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% 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 table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset class	Target allocation	Weighted average long-term expected real rate of return (arithmetic)
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 was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

A. DEFINED BENEFIT PENSION PLANS (Continued)

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

	1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
Employer proportionate share of the net pension liability	$ 302,107	$ 114,584	$ (41,459)

B. DEFINED BENEFIT OPEB PLANS

Ohio Public Employees Retirement System

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 to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an 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 requiring 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.

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.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

B. DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. 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 Authority's contractually required contribution was $0 for 2022. Of this amount, $0 is reported as an intergovernmental payable.

The net OPEB liability or asset and total OPEB liability or asset 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. The Authority's proportion of the net OPEB liability or asset was based on the 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	
	2022	2021
Proportion of the net OPEB liability or asset:		
prior measurement date	0.001191%	0.001175%
current measurement date	0.001226%	0.001191%
Change in proportionate share	0.000035%	0.000016%
Proportionate share of the net		
OPEB liability (asset)	$ (38,400)	$ (21,219)
OPEB expense	$ (32,383)	$ (126,367)

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

B. DEFINED BENEFIT OPEB PLANS (Continued)

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

	OPERS			
	2022		2021	
Deferred outflows of resources				
Changes of assumptions	$	-	$	10,431
Changes in proportion and differences between contributions and proportionate share of contributions		1,111		1,436
Total deferred outflows of resources	$	1,111	$	11,867
Deferred inflows of resources				
Differences between expected and actual experience	$	5,825	$	19,150
Net difference between projected and actual earnings on OPEB plan investments		18,307		11,301
Changes of assumptions		15,544		34,381
Changes in proportion and differences between contributions and proportionate share of contributions		-		802
Total deferred inflows of resources	$	39,676	$	65,634

No amount 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 of the net OPEB liability in 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		OPERS	
Year ending December 31:			
	2023	$	(23,628)
	2024		(8,308)
	2025		(4,000)
	2026		(2,629)
Total		$	(38,565)

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

B. DEFINED BENEFIT OPEB PLANS (Continued)

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 benefits for financial reporting purposes are based on the substantive plan 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, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Experience study	5 - year period ended December 31, 2020
Wage inflation	2.75 percent
Projected salary increases	2.75 to 10.75 percent
	(includes wage inflation at 3.25 percent)
Single discount rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment rate of return	6.00 percent
Municipal bond rate	1.84 percent
Health care cost trend rate	5.50 percent, initial
	3.50 percent, ultimate in 2034
Actuarial cost method	Individual entry age normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% 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% 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 long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

B. DEFINED BENEFIT OPEB PLANS (Continued)

return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care 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 (arithmetic)
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%

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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 14.3 percent for 2021.

Discount Rate A single discount rate of 6.00% 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) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 the year 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.

8. DEFINED BENEFIT PENSION AND OPEB PLANS (Continued)

B. DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the 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:

	1% Decrease (5.00%)	Current discount rate (6.00%)	1% Increase (7.00%)
Proportionate share of the net OPEB liability/(asset)	$ (22,583)	$ (38,400)	$ (51,529)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability or 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 liability or asset. The following table presents the net OPEB 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.

	1% Decrease	Current health care cost trend rate assumption	1% Increase
Proportionate share of the net OPEB liability/(asset)	($38,815)	($38,400)	($160,508)

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 that in the not-too-distant future, 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.

9. RISK MANAGEMENT

The Port Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Port Authority belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2022, PEP retained $500,000 for casualty claims and $250,000 for property claims. The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain. The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

9. RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2021 (latest information available).

	2022
Assets	$42,310,794
Liabilities	(15,724,479)
Net Position	$26,586,315

At December 31, 2021, the liabilities above include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position above also include approximately $13.7 million of unpaid claims to be billed to approximately 553 member governments in the futures..These amounts will be included in future contributions from members when the related claims are due for payment. This payable includes subsequent year's contributions due if the Port Authority terminates participation, as described int eh last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

After completing one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal. The Port Authority's contribution in 2022 was $35,330' and as of July, 2022, has been a member for nine years.

The Port Authority insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

10. CONTINGENCIES

Grants

Amounts grantor agencies pay to the Port Authority are subject to audit and adjustment by the grantor, principally the Federal government. Grantors may require refunding any disallowed cost or excess reserve balances. Management cannot presently determine amounts grantors may disallow or recapture. However, based on prior experience, management believes any such disallowed claims or recapture amounts would not have a material adverse effect on the overall financial position at December 31, 2022.

Litigations and Claims

In the normal course of operations, the Port Authority may be subject to litigation and claims. At December 31, 2022, the Port Authority was not aware of any such matters that would have a material effect on the financial statements.

11. MARINA MANAGEMENT CONTRACT

In August, 2022, the Port Authority entered into a management agreement with Oasis Marina LLC, to provide comprehensive facility management services of the marinas under the control of the Port Authority.

Oasis incurred the following expenses on behalf of the Port Authority for the year ended December 31, 2022:

Marina Management Contract:	
Salaries and Wages	$ 45,549
Bank Fees	655
Computer Services	8,178
Contract Services	500
Insurance	3,475
Management Fee	46,000
Marketing	5,149
Meals & Entertainment	112
Office Supplies	3,545
Payroll Processing	885
Personnel Recruitment	371
Postage	200
Professional Fees - Acc	5,850
Professional Fees - Leg	443
R&M - Docks	120
S&E - Fuel Equipment	92
S&E - General	76
Signage	60
Telephone & Communi	536
Travel Expense	101
Uniforms	3,487
Utilities - Electricity	6,744
Utilities - Gas	365
Utilities - Water/Sewer	2,108
Waste Removal	4,564
Total	$ 139,165

12. SUBSEQUENT EVENTS

There were no subsequent events noted through the date of the report, the date the financial statements were available to be issued. Any subsequent events after that date have not been evaluated.

13. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Port Authority. The impact on the Port Authority's future operating cost, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021 passed by Congress on December 21, 2020 and/or the American Resucr Plan Act, passed by Congress on March 11, 2021.

CONNEAUT PORT AUTHORITY

Required Supplementary Information

Schedule of Port Authority's Porportionate Share of the Net Pension Liability

Last Nine Years (1)

	2022	2021	2020
Ohio Public Employees Retirement System (OPERS) - Traditional Plan			
Authority's proportion of the net pension liability	0.001317%	0.001276%	0.001224%
Authority's proportionate share of the net pension liability	$ 114,584	$ 188,948	$ 241,932
Authority's covered payroll	$ 191,193	$ 179,650	$ 172,236
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	59.93%	105.18%	140.47%
Plan fiduciary net position as a percentage of total pension liability	92.62%	86.88%	84.17%

(1) Information prior to 2014 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

2019	2018	2017	2016	2015	2014
0.001235%	0.001144%	0.001195%	0.001077%	0.009410%	0.009410%
$ 338,241	$ 225,908	$ 271,365	$ 186,550	$ 113,495	$ 110,932
$ 166,792	$ 151,222	$ 154,537	$ 134,059	$ 115,383	$ 113,651
202.79%	149.39%	175.60%	139.16%	98.36%	97.61%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

CONNEAUT PORT AUTHORITY

Required Supplementary Information

Schedule of Port Authority's Contributions - Pension

Last Ten Years

	2022	2021	2020	2019
Ohio Public Employees Retirement System (OPERS) - Traditional Plan				
Contractually required contribution	$ 25,963	$ 26,767	$ 25,151	$ 24,113
Contributions in relation to contractually required contribution	(25,963)	(26,767)	(25,151)	(24,113)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority covered payroll	$ 185,450	$ 191,193	$ 179,650	$ 172,236
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

2018	2017	2016	2015	2014	2013
$ 20,014	$ 18,147	$ 18,544	$ 16,086	$ 13,846	$ 14,775
(20,014)	(18,147)	(18,544)	(16,086)	(13,846)	(14,775)
$ -	$ -	$ -	$ -	$ -	$ -
$ 166,792	$ 151,222	$ 154,537	$ 134,059	$ 115,383	$ 113,651
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

CONNEAUT PORT AUTHORITY

Required Supplementary Information

Schedule of Port Authority's Proportionate Share of the Net OPEB Liability or Asset

Last Six Years (1)

	2022	2021
Ohio Public Employees Retirement System (OPERS) - Traditional Plan		
Authority's proportion of the net OPEB liability or asset	0.001226%	0.001191%
Authority's proportionate share of the net OPEB liability (asset)	$ (38,400)	$ (21,219)
Authority's covered payroll	$ 191,193	$ 179,650
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	20.08%	11.81%
Plan fiduciary net position as a percentage of total OPEB liability or asset	128.23%	115.57%

(1) Information prior to 2017 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

2020		2019		2018		2017	
	0.001175%		0.001201%		0.001122%		0.001174%
$	162,298	$	156,582	$	121,624	$	118,578
$	172,236	$	174,194	$	158,922	$	162,237
	94.23%		89.89%		76.53%		73.09%
	47.80%		46.33%		54.14%		54.05%

CONNEAUT PORT AUTHORITY

Required Supplementary Information

Schedule of Port Authority's Contributions - OPEB

Last Ten Years

	2022	2021	2020	2019
Ohio Public Employees Retirement System (OPERS) - Traditional Plan				
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Authority covered payroll	$ 185,450	$ 191,193	$ 179,650	$ 172,236
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

2018	2017	2016	2015	2014	2013
$ -	$ 1,848	$ 3,243	$ 2,835	$ 2,462	$ 1,205
-	(1,848)	(3,243)	(2,835)	(2,462)	(1,205)
$ -	$ -	$ -	$ -	$ -	$ -
$ 174,194	$ 158,922	$ 162,237	$ 141,759	$ 123,090	$ 120,520
0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

Pension

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms : There were no changes of benefit terms from the amount reported.

Changes in assumptions : There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See Note 8 to the basic financials for the methods and assumptions in this calculation.

Other Postemployment Benefits (OPEB)

Changes in benefit terms : There were no changes of benefit terms from the amount reported.

Changes in assumptions : There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See Note 8 to the basic financials for the methods and assumptions in this calculation.

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

Conneaut Port Authority
Ashtabula County
P.O. Box 218
Conneaut, Ohio 44030

To the Members of the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Conneaut Port Authority, Ashtabula County, (the Port Authority) a component unit of the City of Conneaut, as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated June 30, 2023, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Port and the implementation of GASB Statement 87, *Leases*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Canter & Assoc

CANTER & ASSOCIATES

Poland, Ohio

June 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

CONNEAUT PORT AUTHORITY

ASHTABULA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 9/14/2023