



Mary Taylor, CPA
Auditor of State

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying basic financial statements of the business-type activities of West Central Ohio Port Authority, Clark County (the Port Authority), as of and for the year ended December 31, 2007, as listed in the table of contents. These financial statements are the responsibility of the Port Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of West Central Ohio Port Authority, Clark County, as of December 31, 2007, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Port Authority's basic financial statements. The Federal Awards Expenditure Schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. We subjected the Federal Awards Expenditure Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

November 13, 2008

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

The discussion and analysis of West Central Ohio Port Authority (the Port Authority) financial performance provides an overall review of the financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Port Authority's financial performance.

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

Financial Highlights

Key financial highlights for 2007 are as follows:

- Total net assets increased by \$1,237,105 in 2007, due to \$940,625 capital contributions and grant revenues of \$243,923 from the Public Utilities Commission of Ohio, the Ohio Rail Development Commission, and the Ohio Department of Transportation towards capital improvement projects on the Port Authority property during 2007. The Port Authority received commitments from four shippers to reinvest \$223,242 into the maintenance fund from refunds obtained from the Internal Revenue Service under the Section 42G Railroad Maintenance Tax Credits program. Use, maintenance fees and lease revenues decreased \$188,607 from 2006. Overall expenses increased \$29,091 during 2007, primarily due to increases in administration, depreciation and professional service expenses.
- Total assets increased by \$1,699,196 which represents a 17 percent increase from the prior year. The increase was primarily due to \$30,665 decrease in accounts receivable, and \$1,984,508 increase in capital assets, net of current year depreciation offset by \$241,617 decrease in cash and cash equivalents and \$12,218 decrease in notes receivable. The Port Authority's cash and cash equivalents decreased since the Port Authority paid a percentage of the capital improvements costs incurred during 2007. A significant portion of the accounts receivable is due from shippers for track maintenance revenues.
- Total liabilities increased by \$462,091 resulting from two additional loans approximating \$586,146 for bridges replaced during 2007, net of principal payments on the Ohio Department of Transportation loans during 2007.
- The net operating loss reported of \$193,689 for 2007 increased by \$222,699 from the restated operating income of \$29,010 for 2006, primarily due to a decrease of \$188,607 in use and trackage fees, lease receipts and maintenance fee revenues combined with an increase in depreciation expense of \$25,159 and professional services and administration expenses of \$28,198.

Using this Financial Report

This financial report contains the basic financial statements of the Port Authority, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, statement of revenues, expenses and changes in net assets, and a statement of cash flows. As the Port Authority reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Statement of Net Assets

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

Net assets are reported in three broad categories (as applicable):

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

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

Unrestricted Net Assets: Consists of net assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of related debt" or "Restricted Net Assets."

Table 1 provides a summary of the Port Authority's net assets for 2007 compared with 2006.

**Table 1
Net Assets**

	2007	Restated 2006
Assets:		
Current and other assets	\$ 1,169,754	\$1,455,066
Capital assets, net	10,539,226	8,554,718
Total Assets	11,708,980	10,009,784
Liabilities:		
Current liabilities	537,424	353,425
Non-current liabilities	704,879	426,787
Total Liabilities	1,242,303	780,212
Net Assets:		
Invested in capital assets, net of related debt	9,554,756	7,913,940
Unrestricted	911,921	1,315,632
Total Net Assets	\$10,466,677	\$9,229,572

Total net assets of the Port Authority increased by \$1,237,105 in 2007 or 13.4 percent. The increase in total net assets from 2006 was primarily due to recognition of capital contributions of \$940,625 and grants of \$243,923 from the Ohio Rail Development Commission and North American Railway Foundation used towards grade crossing safety upgrade projects and Bridge replacement projects during 2007. The overall revenues (excluding the aforementioned capital contributions) exceeded expenses by \$52,557 for 2007.

As noted in Table 1 above, the unrestricted net assets as of December 31, 2007 decreased by \$403,711.

The net assets invested in capital assets, net of related debt increased by \$1,640,816 resulting from current year capital asset acquisition in the amount of \$2,347,152, current year depreciation of capital assets (\$362,644), the repayment of \$242,453 debt used to acquire capital assets in previous years, and the additional borrowings of (\$586,146) for capital additions during 2007.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Table 2 shows the changes in net assets for the year ended December 31, 2007, as well as revenue and expense comparisons to 2006.

**Table 2
Change in Net Assets**

	2007	Restated 2006
Operating Revenues:		
Use Fees – Operations	\$ 132,679	\$ 237,321
Lease Receipts – Property	18,868	55,008
Maintenance Fees	260,507	308,328
Non-Operating Revenues:		
Other Non-Operating Revenues	223,242	
Interest Income	50,251	45,881
Total Revenues	690,230	647,338
Operating Expenses:		
Legal Fees	17,915	10,286
Real Estate Service	5,967	4,347
Bookkeeping Service	9,000	8,000
Accounting Service	12,700	11,125
Administration – Clark County TCC	93,471	77,097
Planning – Clark County TCC	5,000	5,000
Track Studies/Inspection/Construction Management	5,625	10,862
Taxes, Licenses and Fees	65,302	76,913
Insurance – Bond	364	364
State Audit	7,495	7,710
Amortization of Organizational Costs	812	812
Depreciation	362,644	337,485
Repairs and Maintenance	20,425	18,419
Advertising	1,978	2,077
Other operating expenses	1,728	1,950
Non-Operating Expenses:		
Loan Fees and Letter of Credit	2,000	
Interest Expense	25,247	36,135
Total Expenses	637,673	608,582
Excess Before Contributions	52,557	38,756
Capital Contributions	1,184,548	207,653
Increase in Net Assets	1,237,105	246,409
Net Assets, beginning of year, restated	9,229,572	8,983,163
Net Assets, end of year	\$10,466,677	\$9,229,572

The decrease in use fees was due to a decrease in the number of carloads transported during the year – 5,833 railcars served in 2007 compared to 7,615 railcars in 2006. Trackage rights fees decreased due to “overhead” traffic being routed away from the Port Authority’s tracks. The maintenance fees decreased also as a result of decreased usage by customers during 2007. Interest income increased by \$4,370 during 2007 as a result of higher interest yield and higher average cash and equivalents balances. Lease receipts and other operating revenue decreased by \$32,253. The Port Authority received commitments from four shippers to reinvest \$223,242 into the maintenance fund from refunds obtained from the Internal Revenue Service under the Section 42G Railroad Maintenance Tax Credits program.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Total expenses of the Port Authority reported for the year were \$29,091 higher than those reported for the previous year. The following factors contributed to this increase in 2007: legal, bookkeeping and accounting fees increased by \$10,204, real estate services increased by \$1,620, administration expenses increased by \$16,374, depreciation increased by \$25,159, taxes, licenses and fees decreased \$11,611, track studies/inspection/construction management expenses decreased \$5,237 and other expenses increased by \$3,470. Interest expense decreased by \$10,888.

Capital Assets

At December 31, 2007 capital assets of the Port Authority were \$14,100,954 off-set by \$3,561,728 in accumulated depreciation resulted in net capital assets of \$10,539,226. Table 3 shows the categories of capital assets maintained by the Port Authority, net of accumulated depreciation, at December 31, 2007 and 2006.

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

	2007	2006
Land	\$ 1,243,733	\$1,243,733
Equipment and Appendices	1,789,003	1,789,003
Spur	207,951	207,951
Railroad	9,400,273	8,336,857
Construction in progress	1,459,994	176,258
Total capital assets	14,100,954	11,753,802
Less accumulated depreciation	(3,561,728)	(3,199,084)
Totals	<u>\$10,539,226</u>	<u>\$8,554,718</u>

The \$2,347,152 increase in total capital assets was due to the following factors: (1) replacements and improvements were completed on five bridges totaling \$1,063,416; (2) construction was in progress on another bridge with costs totaling \$907,207; (3) construction in progress on grade crossing projects were continuing during 2007 totaling \$435,663; and (4) the completed construction in progress on the Sugar Creek Bridge totaling \$59,144. Capital contributions of \$940,625 by Public Utilities Commission of Ohio, the Ohio Rail Development Commission and Fayette County Engineer were recorded as income and capitalized for the capital projects noted above. Grants totaling \$243,923 were utilized to fund the above mentioned capital projects. The remainder of the capital improvements were funded by borrowings from two loans and maintenance fees received from shippers. Depreciation expense for 2007 and 2006 were \$362,644 and \$337,485, respectively.

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

Debt

At December 31, 2007, the debt obligations of the Port Authority consisted of two existing loan obligations with the Ohio Department of Transportation (State Infrastructure Bank) entered in prior years to for the purpose of financing railroad track rehabilitation projects, a new loan obtained from the Ohio Department of Transportation (State Infrastructure Bank) and an additional loan from Ohio Rail development Commission to finance two new bridge replacement projects started during 2007. See Note 8 to the basic financial statements for additional details.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)
(Continued)**

Contacting the Port Authority

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

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**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2007**

Assets:

Current assets:

Cash and Cash Equivalents	\$829,569
Accounts Receivable	<u>321,726</u>
Total current assets	<u>1,151,295</u>

Non-current assets:

Capital Assets (net, where applicable, of accumulated depreciation):	
Property, Plant and Equipment	10,539,226
Organizational Costs	<u>18,459</u>
Total non-current assets	<u>10,557,685</u>
 Total Assets	 <u>11,708,980</u>

Liabilities:

Current liabilities:

Accounts Payable	66,738
Accrued Real Estate Taxes	118,876
Deferred Revenue	54,460
ORDC Loan Payable, current portion	44,000
ODOT State Infrastructure Bank Loans Payable, current portion	<u>253,350</u>
Total current liabilities	<u>537,424</u>

Non-current liabilities:

ORDC Loan Payable, less current portion	264,000
ODOT State Infrastructure Bank Loans Payable, less current portion	423,120
Accrued Interest Payable	<u>17,759</u>
Total non-current liabilities	<u>704,879</u>
 Total Liabilities	 <u>1,242,303</u>

Net Assets:

Invested in capital assets, net of related debt	9,554,756
Unrestricted	<u>911,921</u>
Total net assets	<u>\$10,466,677</u>

See accompanying notes to the basic financial statements

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Operating Revenues:

Use and Trackage Fees - Operations	\$132,675
Lease Receipts - Property	18,868
Maintenance Fees	260,507
Miscellaneous	4,687
Total Operating Revenues	416,737

Operating Expenses:

Legal Fees - General Counsel	16,072
Legal Fees - Special Counsel	1,843
Real Estate Service	5,967
Bookkeeping Service	9,000
Accounting Service	12,700
Administration - Clark County TCC	93,471
Planning - Clark County TCC	5,000
Meetings	236
Track Studies/ Inspection/ Construction Management	5,625
Taxes, Licenses and Fees	65,302
Insurance - Bond	364
State Audit	7,495
Amortization of Organizational Costs	812
Depreciation	362,644
Travel and Training	1,034
Repairs and Maintenance	20,425
Advertising	1,978
Miscellaneous Expense	458
Total Operating Expenses	610,426

Operating Loss	(193,689)
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Non-Operating Revenue (Expenses)

Interest Income	50,251
Other Income	223,242
Loan Fees and Letter of Credit	(2,000)
Interest Expense	(25,247)
Total Non-Operating Revenue (Expenses)	246,246

Net income before contributions	52,557
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Capital contributions	1,184,548
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Change in net assets	1,237,105
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Net Assets at the Beginning of Year, Restated	9,229,572
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Net Assets at the End of Year	\$10,466,677
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See accompanying notes to the basic financial statements.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Flow From Operating Activities:	
Cash received from customers	\$715,820
Cash payments to suppliers for goods and services	(172,328)
Other operating revenue	<u>9,284</u>
Net Cash Provided by Operating Activities	<u>552,776</u>
 Cash Flows From Noncapital Financing Activities:	
Interest Income	50,011
Principal Received from Champaign Landmark	12,218
Interest Received from Champaign Landmark	<u>240</u>
Net Cash Provided by Noncapital Financing Activities	<u>62,469</u>
 Cash Flow from Capital and Related Financing Activities:	
Capital acquisitions	(2,347,152)
Principal paid on ODOT Loans	(242,453)
Principal borrowed on ODOT Loan	278,146
Principal borrowed on ORDC Loan	308,000
Loan Fees paid on ODOT Loan	(2,000)
Accrued Interest paid on ODOT Loans	(10,704)
Capital contributions received	1,184,548
Interest paid on Loans	<u>(25,247)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(856,862)</u>
Net Change in Cash and Cash Equivalents	(241,617)
Cash and Cash Equivalents at the Beginning of Year	<u>1,071,186</u>
Cash and Cash Equivalents at the End of Year	<u><u>829,569</u></u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	(193,689)
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:	
Amortization Expense	812
Depreciation Expense	362,644
Change in Receivables	253,907
Change in Deferred Revenue	54,460
Change in Accrued Real Estate Taxes	54,173
Change in Accounts Payables	<u>20,469</u>
Total Adjustments	<u>746,465</u>
Net Cash Provided by Operating Activities	<u><u>\$552,776</u></u>

See accompanying notes to the basic financial statements.

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**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

1. DESCRIPTION OF THE REPORTING ENTITY

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

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

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

The Port Authority is governed by a board of directors, two of whom are appointed by the commissioners of Champaign County, two of whom are appointed by the commissioners of Clark County, two by the commissioners of Fayette County and one by a majority action of the three counties. The Port Authority provides the services which are defined by Chapter 4582 of the Ohio Revised Code and which services include but are not limited to the power to purchase, construct, re-construct, enlarge, improve, equip, develop, sell, exchange, lease, convey other interest in, and operate Port Authority facilities.

The Commissioners of Clark, Fayette and Champaign Counties have no authority regarding the day-to-day activities and business affairs of the Port Authority beyond the creation of the Port Authority and the appointment of its directors. All counties maintain their own accounting functions, are separate reporting entities, and their financial activities are not included within the financial statements of the Port Authority.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements of West Central Ohio Port Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Port Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Port Authority's accounting policies are described below.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

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

The Port Authority adopted the provisions of GASB Statement No. 46, Net Assets Restricted by Enabling Legislation. This statement requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. This statement had no effect on net assets. The Association also adopted the provisions of GASB Statement No. 47, Accounting for Termination Benefits. This statement provides guidance on how employers should account for benefits associated with voluntary or involuntary terminations. These statements had no effect on net assets.

B. Measurement Focus and Basis of Accounting

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

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

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

C. Budgetary Data

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

D. Cash and Cash Equivalents

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

E. Accounts Receivable

Receivables recorded on the Port Authority's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation but also, by a reasonable, systematic method of determining their existence, completeness, valuation and collectibility. Receivables at December 31, 2007 consisted of rent or lease account billings, use and trackage rights. All receivables are considered collectible in full.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Capital Assets and Depreciation

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

Signals and equipment	14 Years
Track	30 Years
Office Equipment	5 Years

G. Capitalization of Interest

The Port Authority's policy is to capitalize net interest on construction projects until substantial completion of the project. Capitalized interest is amortized on a straight-line basis over the estimated useful life of the asset. For 2007, the Port Authority incurred no interest which was capitalized.

H. Organizational Costs

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

I. Operating and non-operating revenues and expenses

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

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

J. Net Assets

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

K. Capital Contributions

Capital contributions arise from outside contributions of capital assets or outside contributions of resources restricted to capital acquisition and construction. The Port Authority had capital contributions of \$1,184,548 during 2007.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Estimates

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

3. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Port Authority in 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.

Inactive deposits are public deposits that the Port Authority has identified as not required for use within the current two 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, pass book 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 by savings or deposit accounts including passbook accounts.

Protection of Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) by eligible securities pledged by the financial institution as security for repayment, but 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.

As of December 31, 2007, the carrying amount of the Port Authority's deposits totaled \$829,569 and its bank balance was \$829,569. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of December 31, 2007, \$729,569 was exposed to custodial risk as discussed below, while \$100,000 was covered by the Federal Depository Insurance Corporation.

Custodial credit risk is the risk that in the event of bank failure, the Port Authority will not be able to recover the deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

4. USE AND LEASE RECEIPTS

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

5. CAPITAL ASSETS

A summary of the property, plant and equipment purchased as of December 31, 2007, follows. These assets are substantially leased to a third party:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$1,243,733			\$ 1,243,733
Construction in progress	176,258	\$1,342,869	\$59,133	1,459,994
	<u>1,419,991</u>	<u>1,342,869</u>	<u>59,133</u>	<u>2,703,727</u>
Capital assets being depreciated:				
Equipment and appendices	1,789,003			1,789,003
Spur	207,951			207,951
Railroad	8,336,857	1,063,416		9,400,273
	<u>10,333,811</u>	<u>1,063,416</u>		<u>11,397,227</u>
Less Accumulated Depreciation on:				
Equipment and appendices	(923,064)	(71,608)		(994,672)
Spur	(148,019)	(7,167)		(155,186)
Railroad	(2,128,001)	(283,869)		(2,411,870)
	<u>(3,199,084)</u>	<u>(362,644)</u>		<u>(3,561,728)</u>
Capital Assets, Net	<u>\$8,554,718</u>	<u>\$2,043,641</u>	<u>\$59,133</u>	<u>\$10,539,226</u>

6. SHORTLINE RAILROAD AGREEMENT

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

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

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

6. SHORTLINE RAILROAD AGREEMENT (Continued)

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

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

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

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

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

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

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

7. CONTINGENT LIABILITIES

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

- Should the IORY no longer provide rail service for the line after the line remains unused for a period of twelve months.
- Should the railroad be sold, abandoned, or otherwise disposed of, the Port Authority will repay the IORY an amount equal to 4.04% of the net proceeds of the sale, or

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

7. CONTINGENT LIABILITIES (Continued)

- The Port Authority will repay the \$116,170 to IORY within three months of operation of the line by someone other than IORY.

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

8. LONG-TERM OBLIGATIONS

The Port Authority has the following loan obligations with the Ohio Department of Transportation:

<u>Loans</u>	<u>Balance 12/31/2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2008</u>	<u>Amount Due in One Year</u>
2001 SIB loan, 5.25%	\$408,281		(\$151,526)	\$256,755	\$159,675
2003 SIB loan, 3.00%	232,496		(90,927)	141,569	93,675
2007 SIB loan, 3.00%		\$278,146		278,146	
ORDC loan 5.17%		308,000		308,000	44,000
Total	<u>\$640,777</u>	<u>\$586,146</u>	<u>(\$242,453)</u>	<u>\$984,470</u>	<u>\$297,350</u>

On June 1, 2001, the Port Authority entered into a loan agreement for \$870,000 with the Ohio Department of Transportation for the purpose of financing the Mechanicsburg and Maitland lines rehabilitation projects. The loan was issued for a period of eight years at a rate of 5.25%, including administrative cost of .25% from January 1, 2001 through July 1, 2009, with payment commencing August 2002.

On April 18, 2003, the Port Authority entered into a loan agreement for \$605,000 with the Ohio Department of Transportation for the purpose of financing railroad track rehabilitation on the Urbana Industrial Track. The Port Authority needed only \$363,910 to complete the rehabilitation project. The note bears a zero percent interest rate for the first twelve months and a three percent interest rate thereafter. Interest accrues on the loan balance from December 24, 2004 through December 24, 2005, with semi-annual payments of \$50,082 commencing December 24, 2005.

On May 11, 2007, the Port Authority entered into a loan agreement for an amount up to \$377,261 with the Ohio Department of Transportation for the purpose of financing railroad track rehabilitation on the U.S. Route 36 grade crossing separation. The Port Authority had construction draws of \$278,146 during 2007. When finalized, the note will bear a zero percent interest rate for the first twelve months and three percent interest rate thereafter.

On November 9, 2007, the Port Authority entered into a loan agreement for \$308,000 with the Ohio Railroad Development Commission for the purpose of partially financing the replacement of bridge #224.7 over Sugar Creek in Fayette County. The loan was issued for a period of seven years at a rate of 0% from January 1, 2008 through December 31, 2009 and 5.17% from January 1, 2010, until paid.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

8. LONG-TERM OBLIGATIONS (Continued)

Combined principal and interest requirements to retire these loans are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest/ Admin.</u>	<u>Total</u>
2008	\$297,350	\$ 25,053	\$ 322,403
2009	188,975	9,080	198,055
2010	82,557	19,999	102,556
2011	85,952	16,605	102,557
2010	89,497	13,060	102,557
Thereafter	240,139	17,506	257,645
Total	<u>\$984,470</u>	<u>\$101,303</u>	<u>\$1,085,773</u>

9. RISK MANAGEMENT

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

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

10. PRIOR PERIOD ADJUSTMENT

As outlined in the Shortline Railroad Agreement with the Indiana & Ohio Railroad, Inc. (I&O), the Port Authority is required to reimburse I&O for real estate taxes paid by the I&O on behalf of the Port Authority. In March 2008, the Port Authority received an invoice from the I&O for real estate taxes in the amount of \$64,703 for the tax year ending December 31, 2006. The Port Authority recorded a prior period adjustment to correct the real estate tax accrual for the year ended December 31, 2006. The following account balances for 2006 were restated as a result of this adjustment.

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>Restated Amounts</u>
Accrued Real Estate Taxes	<u> </u>	<u>\$64,703</u>	<u>\$ 64,703</u>
Net assets	<u>\$9,294,275</u>	<u>(\$64,703)</u>	<u>\$9,229,572</u>

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department Of Transportation <i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	24483	20.205	<u>\$577,940</u>
Total Federal Assistance			<u><u>\$577,940</u></u>

The accompanying notes are an integral part of this schedule.

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the Port Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

The Federal program required that the Port Authority contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Port Authority has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Directors:

We have audited the financial statements of the business-type activities of West Central Ohio Port Authority, Clark County, (the Port Authority), as of and for the year ended December 31, 2007, which collectively comprise the Port Authority's basic financial statements and have issued our report thereon dated November 13, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Port Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Port Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Port Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Port Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Port Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Port Authority's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Port Authority's management in a separate letter dated November 13, 2008.

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Compliance and Other Matters

As part of reasonably assuring whether the Port Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, Board of Directors, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 13, 2008



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Directors:

Compliance

We have audited the compliance of West Central Ohio Authority (the Port Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the Port Authority's major federal program. The Port Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Port Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Port Authority's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Port Authority's compliance with those requirements.

In our opinion, West Central Ohio Authority complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The Port Authority's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Port Authority's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Port Authority's internal control over compliance.

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**Internal Control Over Compliance
(Continued)**

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Port Authority's ability to administer a federal program such that there is more than a remote likelihood that the Port Authority's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Port Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, the Board of Directors, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 13, 2008

**WEST CENTRAL OHIO PORT AUTHORITY
CLARK COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 20.205: Highway Planning and Construction
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



Mary Taylor, CPA
Auditor of State

WEST CENTRAL OHIO PORT AUTHORITY

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 16, 2008**