

***MONROE COUNTY PORT AUTHORITY
MONROE COUNTY, OHIO***

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2024 & 2023





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Columbus, Ohio 43215
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800-282-0370

Board of Directors
Monroe County Port Authority
48301 State Route 800
Woodsfield, Ohio 43793

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

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

KEITH FABER
Ohio Auditor of State

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

January 07, 2026

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MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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MONROE COUNTY
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INDEPENDENT AUDITOR'S REPORT

Monroe County Port Authority
Monroe County
48301 State Route 800
Woodsfield, Ohio 43793

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Monroe County Port Authority, Monroe County, Ohio (the Authority), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in financial position and its cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

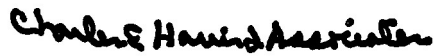
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit assets/liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
August 8, 2025

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

The Monroe County Port Authority's (the Authority) Management's Discussion and Analysis is designed to a) assist the reader in focusing on significant financial issues; b) provide an overview of the Authority's financial activity; c) identify changes in the Authority's financial position (its ability to address the next and subsequent years challenges), and d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$6,763,199 at the close of the year ended December 31, 2024.
- The Authority's total net position increased by \$1,492,378. This increase is attributable to rental and lease income increasing as a result of investment in ongoing projects.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the accompanying notes to the basic financial statements. These statement report information about the Authority and its activities.

The Authority utilizes a single enterprise fund using proprietary fund accounting. The enterprise accounting method is similar to that used by private-sector accounting. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position is similar to a balance sheet. This statement reports the resources owned by the Authority (assets and deferred outflows of resources), obligations owed by the Authority (liabilities and deferred inflows of resources), and the Authority's net position (the difference between these components).

The focus of the statement of net position (unrestricted net position) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted: This component of net position consists of restricted assets, upon which constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

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

The statement of revenues, expenses and change in net position is similar to an income statement. This statement includes operating revenues, operating expenses, and non-operating revenue and expenses.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

OVERVIEW OF BASIC FINANCIAL STATEMENTS (CONTINUED)

Revenue is reported when earned and expenses are reported when incurred.

The focus of the statement of revenues, expenses and changes in net position is the “change in net position”, which is similar to net income or loss.

The statement of cash flows provides information about the Authority’s cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing, and financing activities.

The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

NET POSITION

The statement of net position looks at the Authority as a whole. Capital assets are reported less accumulated depreciation. The Authority is engaged only in business-type activities. Table 1 provides a summary of the Authority’s net position for 2024 compared to 2023:

	2024	2023	Change
Assets			
Current Assets	\$ 2,460,764	\$ 1,853,183	\$ 607,581
Lease Receivable, Noncurrent	10,229,974	11,506,438	(1,276,464)
Net OPEB Asset	7,870	-	7,870
Capital Assets, Net	31,190,468	29,115,132	2,075,336
<i>Total Assets</i>	<u>43,889,076</u>	<u>42,474,753</u>	<u>1,414,323</u>
Deferred Outflows of Resources			
Pension	110,446	199,148	(88,702)
OPEB	6,949	15,747	(8,798)
<i>Total Deferred Outflows of Resources</i>	<u>117,395</u>	<u>214,895</u>	<u>(97,500)</u>
Liabilities			
Current and Other Liabilities	2,373,116	1,493,912	879,204
Long-Term Liabilities:			
Due Within One Year	2,259,575	2,289,881	(30,306)
Due in More than One Year	22,154,457	21,731,288	423,169
<i>Total Liabilities</i>	<u>26,787,148</u>	<u>25,515,081</u>	<u>1,272,067</u>
Deferred Inflows of Resources			
Leases	10,451,264	11,902,051	(1,450,787)
OPEB	4,860	1,695	3,165
<i>Total Deferred Inflows of Resources</i>	<u>10,456,124</u>	<u>11,903,746</u>	<u>(1,447,622)</u>
Net Position			
Net Investment in Capital Assets	7,021,485	5,357,873	1,663,612
Restricted OPEB Asset	7,870	-	7,870
Unrestricted	(266,156)	(87,052)	(179,104)
<i>Total Net Position</i>	<u>\$ 6,763,199</u>	<u>\$ 5,270,821</u>	<u>\$ 1,492,378</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Net position increased by \$1,492,378 in total or 27.6%. Assets, net of depreciation, increased by \$1,399,169 in total. Liabilities increased by \$1,272,067 in total. The Authority incurred a significant increase in accounts payable due to various outstanding utility bills that were not paid prior to December 31, 2024.

CHANGES IN NET POSITION

Table 2 presents details on the changes in net position.

	<u>2024</u>	<u>2023</u>
Beginning Net Position	\$ 5,270,821	\$ 5,132,695
Results of Operations	<u>1,492,378</u>	<u>138,126</u>
Ending Net Position	<u><u>\$ 6,763,199</u></u>	<u><u>\$ 5,270,821</u></u>

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in Net Position provide a clearer change in the financial well-being.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Table 3 reflects the changes in net position for 2024 as compared to 2023:

	2024	2023	Change
Operating Revenues			
Grants	\$ 1,361,442	\$ 1,493,433	\$ (131,991)
Rent	807,415	652,229	155,186
Lease Revenue	1,450,787	1,618,359	(167,572)
Utilities Reimbursement	4,348,746	3,094,470	1,254,276
Royalty Income	43,195	80,961	(37,766)
Miscellaneous	288,562	41,528	247,034
Intergovernmental	168,750	168,750	-
<i>Total Operating Revenues</i>	<u>8,468,897</u>	<u>7,149,730</u>	<u>1,319,167</u>
Operating Expenses			
Office Expenses, Professional Fees, Utilities, Real Estate Taxes, and Marketing	4,554,084	5,029,907	(475,823)
Insurance and Bonding	748,894	624,519	124,375
Licenses & Fees	313	6,919	(6,606)
Repairs & Maintenance	220,862	103,829	117,033
Travel	-	168	(168)
Miscellaneous	894	-	894
Depreciation	802,224	766,528	35,696
<i>Total Operating Expenses</i>	<u>6,327,271</u>	<u>6,531,870</u>	<u>(204,599)</u>
Non-Operating Revenues/(Expenses)			
Interest Income	364,733	416,653	(51,920)
Interest and Fiscal Charges	(1,013,981)	(896,387)	(117,594)
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(649,248)</u>	<u>(479,734)</u>	<u>(169,514)</u>
 Change in Net Position	 1,492,378	 138,126	 1,354,252
Net Position, Beginning of Year	5,270,821	5,132,695	138,126
<i>Net Position, End of Year</i>	<u>\$ 6,763,199</u>	<u>\$ 5,270,821</u>	<u>\$ 1,492,378</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)**

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating revenues increased \$1,319,167 or 18.5% mainly due to the increase in lease revenue from tenant rental payments and utilities reimbursement receipts. Operating expenses decreased \$204,599 or 3.1% due to significant increase in operating costs as a result of the Authority assuming control of the Hannibal Industrial Park and its tenants.

Lease revenue and utilities reimbursement constitute the largest component of operating revenue. These amount represent 17.1% and 51.4% of total operating revenues, respectively, and demonstrates the reliance the Authority has on these revenues from outside sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the Authority had \$31,190,468 invested in capital assets, net of accumulated depreciation. Table 4 shows 2024 balances compared to 2023.

**Table 4
Capital Assets, Net of Depreciation**

	<u>2024</u>	<u>2023</u>
Land	\$ 5,969,900	\$ 5,969,900
Construction in Process	1,691,718	96,457
Buildings and Improvements	21,752,982	21,247,535
Land Improvements	66,592	68,603
Leasehold Improvements	471,252	327,371
Equipment	1,238,024	1,405,266
Ending Unrestricted	<u>\$ 31,190,468</u>	<u>\$ 29,115,132</u>

The total increase in the Authority's capital assets, net of accumulated depreciation, for the current year was \$2,075,336 or 7.1%.

For additional information on capital assets, see Note 4 to the basic financial statements.

Debt and Other Long-Term Obligations

At December 31, 2024, the Authority has \$24,168,983 in outstanding debt and a net pension liability of \$245,049. For additional information on the Authority's long-term debt obligations and net pension liability, see Notes 6 and 8 to the basic financial statements.

CONTACT INFORMATION

The financial report is designed to provide our citizens, taxpayers, contributors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tracey Craig, Board Member, Monroe County Port Authority, 48301 State Route 800, Woodsfield, Ohio 43793.

MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Assets	2024
Current Assets:	
Cash and Cash Equivalents	\$ 514,658
Accounts Receivable	639,672
Interest Receivable	27,448
Lease Receivable - Current Portion	1,276,464
Prepaid Expenses	2,522
Total Current Assets	<u>2,460,764</u>
Non-Current Assets:	
Lease Receivable - Noncurrent Portion	10,229,974
Net OPEB Asset	7,870
Non-Depreciable Capital Assets	7,661,618
Depreciable Capital Assets, Net	23,528,850
Total Non-Current Assets	<u>41,428,312</u>
Total Assets	<u>43,889,076</u>
Deferred Outflows of Resources:	
Pension	110,446
OPEB	6,949
Total Deferred Outflows of Resources	<u>117,395</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 44,006,471</u>
Liabilities, Deferred Inflows of Resources, and Net Position	
Liabilities:	
Current Liabilities:	
Payroll Liabilities	\$ 3,038
Accrued Wages	3,638
Accounts Payable	1,895,018
Accrued Interest Payable	45,030
Security Deposits Payable	426,392
Total Current Liabilities	<u>2,373,116</u>
Long-Term Liabilities:	
Portion due within one year:	
Current Portion of Loan Payable	2,259,575
Portion due in more than one year:	
Loan Payable	21,909,408
Net Pension Liability	245,049
Total Long-Term Liabilities	<u>24,414,032</u>
Total Liabilities	<u>26,787,148</u>
Deferred Inflows of Resources:	
Leases	10,451,264
OPEB	4,860
Total Deferred Inflows of Resources	<u>10,456,124</u>
Total Liabilities and Deferred Inflows of Resources	<u>37,243,272</u>
Net Position:	
Net Investment in Capital Assets	7,021,485
Restricted OPEB Asset	7,870
Unrestricted	<u>(266,156)</u>
Total Net Position	<u>\$ 6,763,199</u>

See the related notes to the financial statements.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Operating Revenues:

Grants	\$ 1,361,442
Rent	807,415
Lease Revenue	1,450,787
Utilities Reimbursement	4,348,746
Royalty Income	43,195
Miscellaneous	288,562
Intergovernmental	168,750
Total Operating Revenues	<u>8,468,897</u>

Operating Expenses:

Salaries and Benefits	297,370
Office Expenses	17,152
Professional Fees	166,308
Utilities	3,930,428
Real Estate Taxes	142,204
Marketing	622
Insurance and Bonding	748,894
Licenses & Fees	313
Repairs & Maintenance	220,862
Miscellaneous	894
Depreciation	802,224
Total Operating Expenses	<u>6,327,271</u>

Operating Income	<u>2,141,626</u>
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Non-Operating Revenues/(Expenses)

Interest Income	364,733
Interest and Fiscal Charges	<u>(1,013,981)</u>
Total Non-Operating Revenues/(Expenses)	<u>(649,248)</u>

Change in Net Position	1,492,378
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Net Position, Beginning of Year	<u>5,270,821</u>
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Net Position, End of Year	<u><u>\$ 6,763,199</u></u>
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See the related notes to the financial statements.

MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Grantors, Rentors, and Other	\$ 7,525,615
Cash Payments for Employee Services and Benefits	(221,721)
Cash Payments for Goods and Services	(4,615,840)
Other Operating Revenues	500,507

Net Cash Provided by Operations	3,188,561
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Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	(2,877,560)
Interest Earned from Lease Arrangements	364,648
Interest Income	85
Proceeds from Issuance of Long-term Debt	1,200,000
Principal Paid on Debt	(788,276)
Interest Paid on Debt	(1,013,981)

Net Cash Used by Capital and Related Financing Activities	(3,115,084)
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Net Increase in Cash and Cash Equivalents	73,477
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Cash and Cash Equivalents - January 1	441,181
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Cash and Cash Equivalents - December 31	\$ 514,658
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Adjustments to Reconcile Operating Income to Cash Flows
From Operating Activities

Net Operating Income	\$ 2,141,626
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Depreciation/Amortization	802,224
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Decrease/(Increase) in Accounts Receivable	(639,672)
Decrease/(Increase) in Interest Receivable	3,744
Decrease/(Increase) in Leases Receivable	1,374,384
Decrease/(Increase) in Prepaid Expenses	3,904
Decrease/(Increase) in Deferred Outflows - Pension	88,702
Decrease/(Increase) in Deferred Outflows - OPEB	8,798
Increase/(Decrease) in Payroll Liabilities	(1,923)
Increase/(Decrease) in Accrued Payroll and Taxes	3,638
Increase/(Decrease) in Accounts Payable	608,438
Increase/(Decrease) in Intergovernmental Payable	(505)
Increase/(Decrease) in Deferred Inflows - Leases	(1,450,787)
Increase/(Decrease) in Security Deposits Payable	269,556
Increase/(Decrease) in NPL	(13,722)
Increase/(Decrease) in NOL/NOA	(13,009)
Increase/(Decrease) in Deferred Inflows - OPEB	3,165

Total Adjustments	1,046,935
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Net Cash Provided by Operating Activities	\$ 3,188,561
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See the related notes to the financial statements.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – REPORTING ENTITY

The Monroe County Port Authority, Monroe County, Ohio, (the Authority) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority operates under the direction of a five-member Board of Directors. The Board is appointed by the Monroe County Commissioners. The Authority is authorized to purchase, construct, sell, lease and operate facilities within its jurisdiction as enumerated in Ohio Revised Code sections 4582.21 through 4582.59.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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. The most significant of the Authority's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

The Authority's financial statements consist of government-wide statements, including a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

B. Measurement Focus

The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

D. 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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and donations. 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 Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to these items are explained in Notes 6 and 7.

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

F. Expenses

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

G. Budgetary Process

The Ohio Revised Code requires that the Authority's Board of Directors prepare an annual budget.

H. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments.

I. Estimated Resources

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

J. Encumbrances

The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

Cash assets are maintained in non-interest bearing and interest-bearing checking and money market accounts.

The Authority had no investments during the year or at year end.

L. Receivables and Payables

Receivables and payables are recorded on the Authority's financial statements 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, in the case of receivables, collectability.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

N. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. All capital assets are depreciated, except land. Depreciation is computed using the straight-line method over five years of the useful lives for machinery and equipment and over 50 years for buildings.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

O. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and liabilities used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority does not have restricted net position.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases

The Authority serves as lessor in various noncancellable leases which are accounted for as follows. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority. Revenues and expenses not meeting these definitions are reported as non-operating.

R. 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.

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

T. 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 management and that are either unusual in nature or infrequent in occurrence. The Authority did not have any extraordinary or special items in 2024.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - DEPOSITS AND INVESTMENTS

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

1. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority Treasury, in commercial accounts payable or that can be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Inactive deposits are public deposits that the 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.
3. 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 the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Bills, Bonds, Notes, 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, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

Investment may only be made through specified dealers and institutions. Payments for investments may be made only upon 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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$376,434 of the Authority's total bank balances of \$559,260 were covered by the FDIC. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Authority to a successful claim by the FDIC.

The Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the 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.

The Authority's financial institutions participates in OPCS or are collateralized by securities specifically pledged by the financial institution to the Authority. Deposits are insured by the FDIC, collateralized through OPCS, or collateralized by securities pledged by the financial institution.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended December 31, 2024 was as follows:

	Balance at 12/31/23	Additions	Deletions	Balance at 12/31/24
Non-Depreciable Capital Assets:				
Land	\$ 5,969,900	\$ -	\$ -	\$ 5,969,900
Construction in Process	96,457	1,595,261	-	1,691,718
Total Non-Depreciable Capital Assets	<u>6,066,357</u>	<u>1,595,261</u>	<u>-</u>	<u>7,661,618</u>
Depreciable Capital Assets:				
Buildings	22,465,109	1,119,159	-	23,584,268
Equipment	1,755,500	8,100	-	1,763,600
Land Improvements	72,625	-	-	72,625
Leasehold Improvements	338,013	155,040	-	493,053
Total Depreciable Capital Assets:	<u>24,631,247</u>	<u>1,282,299</u>	<u>-</u>	<u>25,913,546</u>
Less Accumulated Depreciation:				
Buildings	(1,217,574)	(613,712)	-	(1,831,286)
Equipment	(350,234)	(175,342)	-	(525,576)
Land Improvements	(4,022)	(2,011)	-	(6,033)
Leasehold Improvements	(10,642)	(11,159)	-	(21,801)
Total Accumulated Depreciation:	<u>(1,582,472)</u>	<u>(802,224)</u>	<u>-</u>	<u>(2,384,696)</u>
Total Depreciable Capital Assets, Net	<u>23,048,775</u>	<u>480,075</u>	<u>-</u>	<u>23,528,850</u>
Total Capital Assets, Net	<u>\$ 29,115,132</u>	<u>\$ 2,075,336</u>	<u>\$ -</u>	<u>\$ 31,190,468</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 – RISK MANAGEMENT

The 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 Authority contracts with Cincinnati Specialty Underwriters Insurance Co., who, on behalf of the Authority, negotiates property and casualty insurance coverage with St Paul Fire and Marine Insurance Co and Travelers Casualty & Surety Co. of America for management and professional insurance coverage. The following lists the coverage limits and deductibles:

Property (\$500 Deductible):	
Contents	\$50,000
Crime (\$250 Deductible):	
Employee Dishonesty/Forgery or Alteration	50,000
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	2,000,000
Products-Completed Operations Aggregate Limit	2,000,000
Personal & Advertising Injury Limit	1,000,000
Hired and Non-owned Auto Liability	1,000,000
Fire Damage Limit	100,000
Medical Expense Limit	5,000
Directors & Officers Liability:	
Each Occurrence	1,000,000
Scheduled Retention	2,500/5,000

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 5 – RISK MANAGEMENT (CONTINUED)

Bond Coverage for the Secretary/Treasurer is included in Non-Profit Organization and Management Liability Insurance Policy.

There were no significant reductions in coverage from prior years. Settlements have not exceeded coverage in any of the last three years.

The Authority pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS

Changes in the Authority's long-term obligations during the year consisted of the following:

	Balance at December 31, 2023	Additions	Reduction	Balance at December 31, 2024	Due Within One Year
WesBanco Loan - 3.7%	\$ 1,556,091	\$ -	\$ (54,486)	\$ 1,501,605	\$ 1,501,605
Economic Development Special Obligation					
Revenue Notes Series 2021A - 3.0%	1,261,867	-	(90,134)	1,171,733	90,133
Hannibal Mortgage - 3.75%	20,801,168	-	(633,790)	20,167,378	657,970
Citizens Bank Loan 1840 - 3.0%	138,133	-	(9,866)	128,267	9,867
Woodsfield Savings Bank	-	1,200,000	-	1,200,000	-
Net OPEB Liability	5,139	-	(5,139)	-	-
Net Pension Liability	258,771	-	(13,722)	245,049	-
	<u>\$ 24,021,169</u>	<u>\$ 1,200,000</u>	<u>\$ (807,137)</u>	<u>\$ 24,414,032</u>	<u>\$ 2,259,575</u>

WesBanco Loan

The Authority has an outstanding loan with WesBanco for the purchase of land acquired in previous years. The note is payable in monthly installments at an annual percentage rate of 3.70%, with a final balloon payment due June 28, 2023. This note was modified effective June 27, 2023 with an extended maturity date of October 28, 2023, this modification included no changes to interest or repayment terms outside of the maturity date. The loan was then modified again effective October 27, 2023 extending the maturity date to April 30, 2024. This modification included a change in the rate of interest from 3.70% to 8.11%, and updated the minimum payment amount from \$16,111 (P&I) to \$15,238 (P&I). The loan was again modified to have a final lump sum payment due in January 2025. The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2025	\$ 1,501,605	\$ 10,899	\$ 1,512,504
Totals	<u>\$ 1,501,605</u>	<u>\$ 10,899</u>	<u>\$ 1,512,504</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS (CONTINUED)

Economic Development Special Obligation Revenue Notes Series 2021 A

The Authority obtained a note payable in the amount of \$1,352,000 from The Citizens National Bank of Woodfield to provide partial financing of the purchase of the Hannibal Industrial Park. Interest-only payments will be made monthly until May 2023, when payments will become annual and include principal and interest until maturity in May, 2037. The interest rate of the note is 3.0%. The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 90,133	\$ 35,152	\$ 125,285
2026	90,133	32,448	122,581
2027	90,133	29,744	119,877
2028	90,133	27,040	117,173
2029	90,133	24,336	114,469
2030-2034	450,667	81,120	531,787
2035-2037	270,401	16,224	286,625
Totals	<u>\$ 1,171,733</u>	<u>\$ 246,064</u>	<u>\$ 1,417,797</u>

Hannibal Mortgage

The Authority has a mortgage with a remaining principal balance of \$21,411,667 from Hannibal Real Estate LLC to provide partial financing of the purchase of the Hannibal Industrial Park. The note is payable in monthly installments of \$116,918 at an annual percentage rate of 3.75%, with a final balloon payment due December 31, 2031. The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 657,970	\$ 745,044	\$ 1,403,014
2026	683,073	719,942	1,403,015
2027	709,133	693,882	1,403,015
2028	736,187	666,827	1,403,014
2029	764,274	638,741	1,403,015
2030-2031	16,616,741	1,188,895	17,805,636
Totals	<u>\$ 20,167,378</u>	<u>\$ 4,653,331</u>	<u>\$ 24,820,709</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS (CONTINUED)

Citizens National Bank Loan

The Authority obtained a loan from Citizens National Bank in June to provide partial financing of the purchase of Hannibal Industrial Park. The loan is payable in variable monthly payments at an annual percentage rate of 3.0%, maturing in May 2037.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2025	\$ 9,867	\$ 3,848	\$ 13,715
2026	9,867	3,552	13,419
2027	9,867	3,256	13,123
2028	9,867	2,664	12,531
2029	9,867	2,368	12,235
2030-2034	49,333	7,405	56,738
2035-2037	29,599	594	30,193
Totals	<u>\$ 128,267</u>	<u>\$ 23,687</u>	<u>\$ 151,954</u>

Woodsfield Savings Bank

The Authority obtained a \$1,200,000 loan from Woodsfield Saving Bank in March for the Powhatan #7 grant for barge cell work. The loan is a 3 year term at 7.75% interest to be paid by the State upon completion of the project.

NOTE 7 – LEASES

The Authority acts as a lessor under lease agreements in accordance with GASB 87, Leases. Upon acquiring the Hannibal Industrial Park, the Authority assumed control of lease arrangements with tenants leasing yard, office, and building space from the Authority. These arrangements are as follows:

On January 1, 2022, the Authority assumed control of a lease agreement with CAM Safety, LLC (CAM) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate CAM's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an annual basis with monthly payment amounts of \$2,500 for the first year, \$2,600 for the second year, and \$2,700 through the end of the lease term. The term of the lease will expire on July 31, 2025.

On January 1, 2022, the Authority assumed control of a lease agreement with Equinor USA Onshore Properties, LLC (Equitor) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate Equitor's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is paid monthly in the amount of \$12,900. The term of the lease expired on May 31, 2024.

On January 1, 2022, the Authority assumed control of a lease agreement with Industrial Services Group, Inc. (ISG) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate ISG's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is paid monthly in the amount of \$12,686. The term of the lease expired on May 31, 2024.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 7 – LEASES (CONTINUED)

On January 1, 2022, the Authority assumed control of a lease agreement with American Heavy Plate Solutions, LLC (AHPS) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate AHPS's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an intermittent basis with monthly payment amounts of \$84,259 for the 17 months, \$128,558 for the following 82 months, and \$136,607 through the end of the lease term. The term of the lease will expire on January 31, 2033.

On January 1, 2023, the Authority assumed control of a lease agreement with AK Apparel for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate AK Apparel's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an intermittent basis, with monthly payment amounts of \$3,300 for the first 7 months, with annual \$50 increases beginning on August 1st of each year for a twelve-month period. The lease expires in April 2029.

Lease-related revenue from the preceding agreements was received from the following sources during the year ended December 31, 2024:

	Year Ending December 31, 2024
Lease-related Revenue	
Lease Revenue	
Yard/Office Space	\$ 56,264
Building	1,394,523
Total Lease Revenue	\$ 1,450,787
Interest Revenue	364,648
Total	\$ 1,815,435

During 2024, the Authority recognized lease revenue totaling \$1,450,787. Future inflows for the duration of the term are as follows:

Maturity Analysis	Principal	Interest
Year Ending December 2025	\$ 1,276,464	\$ 326,182
Year Ending December 2026	1,297,681	286,665
Year Ending December 2027	1,338,609	246,338
Year Ending December 2028	1,381,024	204,522
Year Ending December 2029	1,406,443	161,453
5 Years Ending December 2034	4,806,217	224,098
Total Future Receipts	<u>\$ 11,506,438</u>	<u>\$ 1,449,258</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability, to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s excess unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in payroll liabilities.

Plan Description

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

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 plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR above for additional information):

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

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

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

**MONROE COUNTY PORT AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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. Funding Policy - The Ohio Revised Code (ORC) provides statutory Authority for member and employer contributions as follows:

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

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the period ended December 31, 2024 were \$20,100. 100% has been contributed for 2024. Of this amount, \$0 is reported as accrued salaries payable.

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

The net pension liability was measured as of December 31, 2023, 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:

	<u>Traditional Pension Plan</u>
Proportionate Share of the Net Pension Liability	\$ 245,049
Proportion of the Net Pension Liability	0.000936%
Increase/(decrease) in % from prior proportion measured	0.000060%
Pension Expense	\$ 95,080

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Traditional Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 49,461
Differences between expected and actual experience	4,005
Changes in proportion and differences contributions and proportionate share of contributions	36,880
Authority contributions subsequent to the measurement date	<u>20,100</u>
Total Deferred Outflows of Resources	<u>\$ 110,446</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$20,100 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending December 31:	<u>Traditional Pension Plan</u>
2025	\$ 47,117
2026	18,715
2027	31,565
2028	<u>(7,051)</u>
Total	<u>\$ 90,346</u>

Actuarial Assumptions - OPERS

OPERS' total pension asset and liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2023, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2023
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 2.30% Simple through 2023, then 2.05% Simple

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.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2023, 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 of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 11.2% for 2023.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 2023 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2023	Weighted Average Long-Term Expected Real Rate of Return
		Geometric
Fixed Income	24.00%	2.85%
Domestic Equities	21.00%	4.27%
Real Estate	13.00%	4.46%
Private Equity	15.00%	7.52%
International Equities	20.00%	5.16%
Risk Parity	2.00%	4.38%
Other Investments	5.00%	3.46%
Total	100.00%	

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

Sensitivity of the 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 or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

<u>Employer's Net Pension Liability/(Asset)</u>	<u>1% Decrease 5.9%</u>	<u>Current Discount Rate 6.9%</u>	<u>1% Increase 7.9%</u>
Traditional Pension Plan	\$ 385,772	\$ 245,049	\$ 128,007

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 – DEFINED BENEFIT OPEB PLAN

Net OPEB Asset

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB asset represents the Authority’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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/(asset) to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability/(asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

The Authority’s employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees’ Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through December 31, 2016. The 401(h) Trust and the VEBA Trust were closed as of December 31, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary Authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the year ended December 31, 2023, in the Traditional Plan OPERS allocated 0.00% of employer contributions to post-employment health care.

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 4,726
Changes in assumptions	2,026
Changes in proportion and differences committee contributions and proportionate share of contributions	<u>197</u>
Total Deferred Outflows of Resources	<u><u>\$ 6,949</u></u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 1,120
Changes in assumptions	3,383
Changes in proportion and differences committee contributions and proportionate share of contributions	<u>357</u>
Total Deferred Inflows of Resources	<u><u>\$ 4,860</u></u>

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

Fiscal Year Ending December 31:	<u>OPERS</u>
2025	\$ (1,675)
2026	1,682
2027	3,679
2028	<u>(1,597)</u>
	<u>\$ 2,089</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

Net OPEB Asset

The net OPEB asset was measured as of December 31, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability/(Asset)	\$ (7,870)
Proportion of the Net OPEB Liability/(Asset)	0.000872%
Increase/(decrease) in % from prior proportion measured	0.000057%
OPEB Expense/(Offset)	\$ (1,046)

Actuarial Assumptions - OPERS

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:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2022
Rolled-forward measurement date	December 31, 2023
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	5.70%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.77%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (Includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2038

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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

A single discount rate of 5.70% was used to measure the total OPEB asset on the measurement date of December 31, 2023; however the single discount rate used at the beginning of the year was 5.22%. 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 3.77%. 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rates was applied to all health care costs after that date.

The following table presents the OPEB asset calculated using the single discount rate of 5.70%, and the expected net OPEB asset if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.70%</u>	<u>5.70%</u>	<u>6.70%</u>
Authority's proportionate share of the Net OPEB Liability/(Asset)	\$ 4,643	\$ (7,870)	\$ (19,291)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care 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% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
	<u></u>	<u></u>	<u></u>
Authority's proportionate share of the Net OPEB Liability/(Asset)	\$ (8,798)	\$ (7,870)	\$ (8,050)

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

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 pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2023	Weighted Average Long-Term Expected Real Rate of Return
		Geometric
Fixed Income	37.00%	2.82%
Domestic Equities	25.00%	4.27%
REITs	5.00%	4.68%
International Equities	25.00%	5.16%
Risk Parity	3.00%	4.38%
Other Investments	5.00%	2.43%
Total	100.00%	

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.

During 2023, 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 was a gain of 14.0% for 2023.

NOTE 10 – SUBSEQUENT EVENTS

The Authority evaluated subsequent events and transactions that occurred after the date of the statement of net position up to August 8, 2025, the date that the financial statements were issued. No events have occurred subsequent to the date of the financial statements through the report date that would require adjustment or disclosure in the financial statements.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST TWO YEARS**

	<u>2023</u>	<u>2022</u>
Authority's Proportion of the Net Pension Liability	0.093600%	0.000876%
Authority's Proportionate Share of the Net Pension Liability	\$ 245,049	\$ 258,771
Authority's Covered Payroll	\$ 154,019	\$ 135,721
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.10%	190.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%

Schedule will be built prospectively.

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

See accompanying notes to the required supplemental information.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST THREE YEARS**

	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Contractually Required Contribution	\$ 20,100	\$ 21,563	\$ 19,001
Contributions in Relation to the Contractually Required Contribution	20,100	21,563	19,001
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 143,570	\$ 154,019	\$ 135,721
Contributions as Percentage of Covered Payroll	14.00%	14.00%	14.00%

See Accompanying Notes to the Required Supplementary Information.

Schedule will be built prospectively.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST TWO YEARS**

	<u>2023</u>	<u>2022</u>
Authority's Proportion of the Net OPEB Liability/(Asset)	0.000936%	0.000815%
Authority's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (7,870)	\$ 5,139
Authority's Covered Payroll	\$ 154,019	\$ 135,721
Authority's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-5.11%	3.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	107.76%	94.79%

Schedule will be built prospectively.

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

See accompanying notes to the required supplemental information.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST THREE YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 143,570	\$ 154,019	\$ 135,721
Contributions as Percentage of Covered Payroll	0.00%	0.00%	0.00%

See Accompanying Notes to the Required Supplementary Information.

Schedule will be built prospectively.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 1 - Changes in Assumptions – OPERS Pension

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	7.20%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from RP-2014 mortality tables to the Pub-2010 mortality tables.

Amounts reported for fiscal year 2023 (Measurement Period 2022) reported no changes in assumptions. Amounts reported for fiscal year 2024 (Measurement Period 2023) reported no changes in assumptions.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2021 (Measurement Period 2020) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2020 (Measurement Period 2019) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	6.00%	3.16%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.00%	2.75%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035	10.5% initial, 3.50% ultimate in 2030

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.16% to 6.00% and a decrease in bond rate from 3.25% to 2.00%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Changes in Assumptions – OPERS OPEB (Continued)

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2020	December 31, 2019
Rolled-forward measurement date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	1.84%	2.00%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034	8.50% initial, 3.50% ultimate in 2035

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a decrease of the municipal bond rate from 2.00% to 1.84%, a decrease in the minimum projected salary increases from 3.25% to 2.75%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2023 (Measurement Period 2022) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2022 (Measurement Period 2021) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Rolled-forward measurement date	December 31, 2022	December 31, 2021
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036	5.5% initial, 3.50% ultimate in 2034

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a decrease in the Single Discount Rate from 6.00% to 5.22%.

Amounts reported for fiscal year 2024 (Measurement Period 2023) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2023 (Measurement Period 2022) are presented below:

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Changes in Assumptions – OPERS OPEB (Continued)

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2022	December 31, 2021
Rolled-forward measurement date	December 31, 2023	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.70%	5.22%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	3.77%	4.05%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75%-10.75% (Includes wage inflation at 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2038	5.5% initial, 3.50% ultimate in 2036

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a increase in the Single Discount Rate from 5.22% to 5.70%, and a decrease in the municipal bond rate from 4.05% to 3.77%.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

The Monroe County Port Authority's (the Authority) Management's Discussion and Analysis is designed to a) assist the reader in focusing on significant financial issues; b) provide an overview of the Authority's financial activity; c) identify changes in the Authority's financial position (its ability to address the next and subsequent years challenges), and d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$5,270,821 at the close of the year ended December 31, 2023. Of this amount, the Authority had an unrestricted deficit of \$87,052; see Note 10 for further information regarding the Authority's unrestricted deficit.
- The Authority's total net position increased by \$138,126. This increase is attributable to rental and lease income increasing as a result of investment in ongoing projects.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the statement of net position, the statement of revenues, expenses, and changes in net position, the statement of cash flows, and the accompanying notes to the basic financial statements. These statement report information about the Authority and its activities.

The Authority utilizes a single enterprise fund using proprietary fund accounting. The enterprise accounting method is similar to that used by private-sector accounting. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The statement of net position is similar to a balance sheet. This statement reports the resources owned by the Authority (assets and deferred outflows of resources), obligations owed by the Authority (liabilities and deferred inflows of resources), and the Authority's net position (the difference between these components).

The focus of the statement of net position (unrestricted net position) is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted: This component of net position consists of restricted assets, upon which constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

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

The statement of revenues, expenses and change in net position is similar to an income statement. This statement includes operating revenues, operating expenses, and non-operating revenue and expenses.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

OVERVIEW OF BASIC FINANCIAL STATEMENTS (CONTINUED)

Revenue is reported when earned and expenses are reported when incurred.

The focus of the statement of revenues, expenses and changes in net position is the “change in net position”, which is similar to net income or loss.

The statement of cash flows provides information about the Authority’s cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing, and financing activities.

The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

NET POSITION

The statement of net position looks at the Authority as a whole. Capital assets are reported less accumulated depreciation. The Authority is engaged only in business-type activities. Table 1 provides a summary of the Authority’s net position for 2023 compared to 2022:

	2023	2022	Change
Assets			
Current Assets	\$ 1,853,183	\$ 2,405,480	\$ (552,297)
Lease Receivable, Noncurrent	11,506,438	12,703,326	(1,196,888)
Capital Assets, Net	29,115,132	29,617,452	(502,320)
<i>Total Assets</i>	<u>42,474,753</u>	<u>44,726,258</u>	<u>(2,251,505)</u>
Deferred Outflows of Resources			
Pension	199,148	-	199,148
OPEB	15,747	-	15,747
<i>Total Deferred Outflows of Resources</i>	<u>214,895</u>	<u>-</u>	<u>214,895</u>
Liabilities			
Current and Other Liabilities	1,493,912	488,465	1,005,447
Long-Term Liabilities:			
Due Within One Year	2,289,881	3,398,385	(1,108,504)
Due in More than One Year	21,731,288	22,384,668	(653,380)
<i>Total Liabilities</i>	<u>25,515,081</u>	<u>26,271,518</u>	<u>(756,437)</u>
Deferred Inflows of Resources			
Leases	11,902,051	13,322,045	(1,419,994)
OPEB	1,695	-	1,695
<i>Total Deferred Inflows of Resources</i>	<u>11,903,746</u>	<u>13,322,045</u>	<u>(1,418,299)</u>
Net Position			
Net Investment in Capital Assets	5,357,873	3,834,399	1,523,474
Unrestricted	(87,052)	1,298,296	(1,385,348)
<i>Total Net Position</i>	<u>\$ 5,270,821</u>	<u>\$ 5,132,695</u>	<u>\$ 138,126</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Net position increased by \$138,126 in total or 2.7%. Assets, net of depreciation, decreased by \$2,251,505 in total. Liabilities decreased by \$756,437 in total. The Authority incurred a significant increase in accounts payable due to various outstanding utility bills that were not paid prior to December 31, 2023.

CHANGES IN NET POSITION

Table 2 presents details on the changes in net position.

**Table 2
Changes in Net Position**

	<u>2023</u>	<u>2022</u>
Beginning Net Position	\$ 5,132,695	\$ 4,902,320
Results of Operations	<u>138,126</u>	<u>230,375</u>
Ending Net Position	<u><u>\$ 5,270,821</u></u>	<u><u>\$ 5,132,695</u></u>

While the result of operations is a significant measure of the Authority's activities, the analysis of the changes in unrestricted funds provide a clearer change in the financial well-being.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Table 3 reflects the changes in net position for 2023 as compared to 2022:

	2023	2022	Change
Operating Revenues			
Grants	\$ 1,493,433	\$ 312,000	\$ 1,181,433
Rent	652,229	789,559	(137,330)
Lease Revenue	1,618,359	1,572,443	45,916
Utilities Reimbursement	3,094,470	1,985,997	1,108,473
Royalty Income	80,961	172,504	(91,543)
Miscellaneous	41,528	163,755	(122,227)
Intergovernmental	168,750	-	168,750
<i>Total Operating Revenues</i>	<u>7,149,730</u>	<u>4,996,258</u>	<u>2,153,472</u>
Operating Expenses			
Office Expenses, Professional Fees, Utilities, Real Estate Taxes, and Marketing	5,029,907	2,917,370	2,112,537
Insurance and Bonding	624,519	544,208	80,311
Licenses & Fees	6,919	366	6,553
Repairs & Maintenance	103,829	51,074	52,755
Travel	168	1,050	(882)
Miscellaneous	-	1,008	(1,008)
Depreciation	766,528	755,441	11,087
<i>Total Operating Expenses</i>	<u>6,531,870</u>	<u>4,270,517</u>	<u>2,261,353</u>
Non-Operating Revenues/(Expenses)			
Interest Income	416,653	431,760	(15,107)
Interest and Fiscal Charges	(896,387)	(927,126)	30,739
<i>Total Non-Operating Revenues/(Expenses)</i>	<u>(479,734)</u>	<u>(495,366)</u>	<u>15,632</u>
Change in Net Position	138,126	230,375	(92,249)
Net Position, Beginning of Year	5,132,695	4,902,320	230,375
<i>Net Position, End of Year</i>	<u>\$ 5,270,821</u>	<u>\$ 5,132,695</u>	<u>\$ 138,126</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
MANAGEMENTS DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)**

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating revenues increased \$2,153,472 or 43.1% mainly due to the increase in lease revenue from tenant rental payments and utilities reimbursement receipts. Operating expenses increased \$2,261,353 or 53% due to significant increase in operating costs as a result of the Authority assuming control of the Hannibal Industrial Park and its tenants.

Lease revenue and utilities reimbursement constitute the largest component of operating revenue. These amount represent 22.6% and 43.3% of total operating revenues, respectively, and demonstrates the reliance the Authority has on these revenues from outside sources.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the Authority had \$29,115,132 invested in capital assets, net of accumulated depreciation. Table 4 shows 2023 balances compared to 2022.

	<u>2023</u>	<u>2022</u>
Land	5,969,900	5,969,900
Construction in Process	96,457	96,457
Buildings and Improvements	21,247,535	21,831,091
Land Improvements	68,603	68,614
Leasehold Improvements	327,371	69,007
Equipment	1,405,266	1,582,383
Ending Unrestricted	<u>\$ 29,115,132</u>	<u>\$ 29,617,452</u>

The total decrease in the Authority's capital assets, net of accumulated depreciation, for the current year was \$502,320, or .1.7%.

For additional information on capital assets, see Note 4 to the basic financial statements.

Debt and Other Long-Term Obligations

At December 31, 2023, the Authority has \$23,757,259 in outstanding debt, a net pension liability of \$258,771, and a net OPEB liability of \$5,139. For additional information on the Authority's long-term debt obligations, net pension liability, and net OPEB liability, see Notes 6, 8, and 9 to the basic financial statements.

CONTACT INFORMATION

The financial report is designed to provide our citizens, taxpayers, contributors, and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Tracey Craig, Board Member, Monroe County Port Authority, 48301 State Route 800, Woodsfield, Ohio 43793.

MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

Assets

Current Assets:

Cash and Cash Equivalents	\$ 441,181
Interest Receivable	31,192
Lease Receivable - Current Portion	1,374,384
Prepaid Expenses	6,426
Total Current Assets	<u>1,853,183</u>

Non-Current Assets:

Lease Receivable - Noncurrent Portion	11,506,438
Non-Depreciable Capital Assets	6,066,357
Depreciable Capital Assets, Net	23,048,775
Total Non-Current Assets	<u>40,621,570</u>

Total Assets	<u>42,474,753</u>
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Deferred Outflows of Resources:

Pension	199,148
OPEB	15,747

Total Deferred Outflows of Resources	<u>214,895</u>
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Total Assets and Deferred Outflows of Resources	<u>\$ 42,689,648</u>
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Liabilities, Deferred Inflows of Resources, and Net Position

Liabilities:

Current Liabilities:

Payroll Liabilities	\$ 4,961
Accounts Payable	1,286,580
Intergovernmental Payable	505
Accrued Interest Payable	45,030
Security Deposits Payable	156,836
Total Current Liabilities	<u>1,493,912</u>

Long-Term Liabilities:

Portion due within one year:	
Current Portion of Loan Payable	2,289,881
Portion due in more than one year:	
Loan Payable	21,467,378
Net Pension Liability	258,771
Net OPEB Liability	5,139
Total Long-Term Liabilities	<u>24,021,169</u>

Total Liabilities	<u>25,515,081</u>
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Deferred Inflows of Resources:

Leases	11,902,051
OPEB	1,695

Total Deferred Inflows of Resources	<u>11,903,746</u>
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Total Liabilities and Deferred Inflows of Resources	<u>37,418,827</u>
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Net Position:

Net Investment in Capital Assets	5,357,873
Unrestricted	(87,052)

Total Net Position	<u>\$ 5,270,821</u>
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See the related notes to the financial statements.

MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenues:

Grants	\$ 1,493,433
Rent	652,229
Lease Revenue	1,618,359
Utilities Reimbursement	3,094,470
Royalty Income	80,961
Miscellaneous	41,528
Intergovernmental	168,750
Total Operating Revenues	<u>7,149,730</u>

Operating Expenses:

Salaries and Benefits	273,179
Office Expenses	7,605
Professional Fees	252,864
Utilities	4,364,406
Real Estate Taxes	131,261
Marketing	592
Insurance and Bonding	624,519
Licenses & Fees	6,919
Repairs & Maintenance	103,829
Travel	168
Depreciation	766,528
Total Operating Expenses	<u>6,531,870</u>

Operating Income	<u>617,860</u>
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Non-Operating Revenues/(Expenses)

Interest Income	416,653
Interest and Fiscal Charges	(896,387)
Total Non-Operating Revenues/(Expenses)	<u>(479,734)</u>

Change in Net Position	138,126
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Net Position, Beginning of Year	<u>5,132,695</u>
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Net Position, End of Year	<u><u>\$ 5,270,821</u></u>
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See the related notes to the financial statements.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Grantors, Rentors, and Other	\$ 6,631,552
Cash Payments for Employee Services and Benefits	(222,368)
Cash Payments for Goods and Services	(4,502,722)
Other Operating Revenues	291,239

Net Cash Provided by Operations	<u>2,197,701</u>
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Cash Flows from Capital and Related Financing Activities:

Payments for Capital Acquisitions	(264,208)
Interest Earned from Lease Arrangements	416,641
Interest Income	12
Principal Paid on Debt	(2,025,794)
Interest Paid on Debt	(896,387)

Net Cash Used by Capital and Related Financing Activities	<u>(2,769,736)</u>
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Net Decrease in Cash and Cash Equivalents	(572,035)
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Cash and Cash Equivalents - January 1	<u>1,013,216</u>
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Cash and Cash Equivalents - December 31	<u>\$ 441,181</u>
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**Adjustments to Reconcile Operating Income to Cash Flows
From Operating Activities**

Net Operating Income	\$ 617,860
Depreciation/Amortization	766,528

Decrease/(Increase) in Accounts Receivable	100,000
Decrease/(Increase) in Interest Receivable	3,860
Decrease/(Increase) in Leases Receivable	1,079,716
Decrease/(Increase) in Prepaid Expenses	(6,426)
Decrease/(Increase) in Deferred Outflows - Pension	(199,148)
Decrease/(Increase) in Deferred Outflows - OPEB	(15,747)
Increase/(Decrease) in Accrued Payroll and Taxes	101
Increase/(Decrease) in Accounts Payable	996,878
Increase/(Decrease) in Intergovernmental Payable	(1,011)
Increase/(Decrease) in Deferred Inflows - Leases	(1,419,994)
Increase/(Decrease) in Security Deposits Payable	9,479
Increase/(Decrease) in NPL	258,771
Increase/(Decrease) in NOL	5,139
Increase/(Decrease) in Deferred Inflows - OPEB	1,695

Total Adjustments	<u>1,579,841</u>
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Net Cash Provided by Operating Activities	<u>\$ 2,197,701</u>
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See the related notes to the financial statements.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1 – REPORTING ENTITY

The Monroe County Port Authority, Monroe County, Ohio, (the Authority) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority operates under the direction of a five-member Board of Directors. The Board is appointed by the Monroe County Commissioners. The Authority is authorized to purchase, construct, sell, lease and operate facilities within its jurisdiction as enumerated in Ohio Revised Code sections 4582.21 through 4582.59.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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. The most significant of the Authority's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

The Authority's financial statements consist of government-wide statements, including a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

B. Measurement Focus

The government-wide financial statements are prepared using the flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Authority are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position. The Statement of Cash Flows provides information about how the Authority finances and meets the cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

D. 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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and donations. 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 Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to these items are explained in Notes 6 and 7.

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

F. Expenses

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

G. Budgetary Process

The Ohio Revised Code requires that the Authority's Board of Directors prepare an annual budget.

H. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function level, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments.

I. Estimated Resources

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

J. Encumbrances

The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Cash and Cash Equivalents

Cash assets are maintained in non-interest bearing and interest-bearing checking and money market accounts.

The Authority had no investments during the year or at year end.

L. Receivables and Payables

Receivables and payables are recorded on the Authority's financial statements 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, in the case of receivables, collectability.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

N. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. All capital assets are depreciated, except land. Depreciation is computed using the straight-line method over five years of the useful lives for machinery and equipment and over 50 years for buildings.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

O. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and liabilities used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority does not have restricted net position.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases

The Authority serves as lessor in various noncancellable leases which are accounted for as follows. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Authority. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority. Revenues and expenses not meeting these definitions are reported as non-operating.

R. 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.

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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.

T. 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 management and that are either unusual in nature or infrequent in occurrence. The Authority did not have any extraordinary or special items in 2023.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 - DEPOSITS AND INVESTMENTS

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

1. Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Authority Treasury, in commercial accounts payable or that can be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.
2. Inactive deposits are public deposits that the 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.
3. 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 the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Bills, Bonds, Notes, 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, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAROhio);

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

Investment may only be made through specified dealers and institutions. Payments for investments may be made only upon 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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$308,143 of the Authority's total bank balances of \$441,181 were covered by the FDIC. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the Authority to a successful claim by the FDIC.

The Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the 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.

The Authority's financial institutions participates in OPCS or are collateralized by securities specifically pledged by the financial institution to the Authority. Deposits are insured by the FDIC, collateralized through OPCS, or collateralized by securities pledged by the financial institution.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 4 - CAPITAL ASSETS

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

	Balance at 12/31/22	Additions	Deletions	Balance at 12/31/23
Non-Depreciable Capital Assets:				
Land	\$ 5,969,900	\$ -	\$ -	\$ 5,969,900
Construction in Process	96,457	-	-	96,457
Total Non-Depreciable Capital Assets	<u>6,066,357</u>	<u>-</u>	<u>-</u>	<u>6,066,357</u>
Depreciable Capital Assets:				
Buildings	22,465,109	-	-	22,465,109
Equipment	1,755,500	-	-	1,755,500
Land Improvements	72,625	-	-	72,625
Leasehold Improvements	73,805	264,208	-	338,013
Total Depreciable Capital Assets:	<u>24,367,039</u>	<u>264,208</u>	<u>-</u>	<u>24,631,247</u>
Less Accumulated Depreciation:				
Buildings	(634,018)	(583,556)	-	(1,217,574)
Equipment	(175,117)	(175,117)	-	(350,234)
Land Improvements	(2,011)	(2,011)	-	(4,022)
Leasehold Improvements	(4,798)	(5,844)	-	(10,642)
Total Accumulated Depreciation:	<u>(815,944)</u>	<u>(766,528)</u>	<u>-</u>	<u>(1,582,472)</u>
Total Depreciable Capital Assets, Net	<u>23,551,095</u>	<u>(502,320)</u>	<u>-</u>	<u>23,048,775</u>
Total Capital Assets, Net	<u>\$ 29,617,452</u>	<u>\$ (502,320)</u>	<u>\$ -</u>	<u>\$ 29,115,132</u>

NOTE 5 – RISK MANAGEMNT

The 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 Authority contracts with Cincinnati Specialty Underwriters Insurance Co., who, on behalf of the Authority, negotiates property and casualty insurance coverage with St Paul Fire and Marine Insurance Co and Travelers Casualty & Surety Co. of America for management and professional insurance coverage. The following lists the coverage limits and deductibles:

Property (\$500 Deductible):	
Contents	\$50,000
Crime (\$250 Deductible):	
Employee Dishonesty/Forgery or Alteration	50,000
General Liability:	
Each Occurrence	1,000,000
Aggregate Limit	2,000,000
Products-Completed Operations Aggregate Limit	2,000,000
Personal & Advertising Injury Limit	1,000,000
Hired and Non-owned Auto Liability	1,000,000
Fire Damage Limit	100,000
Medical Expense Limit	5,000
Directors & Officers Liability:	
Each Occurrence	1,000,000
Scheduled Retention	2,500/5,000

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 5 – RISK MANAGEMENT (CONTINUED)

Bond Coverage for the Secretary/Treasurer is included in Non-Profit Organization and Management Liability Insurance Policy.

There were no significant reductions in coverage from prior years. Settlements have not exceeded coverage in any of the last three years.

The Authority pays the State Workers' Compensation System a premium for employee injury coverage based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS

Changes in the Authority's long-term obligations during the year consisted of the following:

	Balance at December 31, 2022	Additions	Reduction	Balance at December 31, 2023	Due Within One Year
WesBanco Loan - 3.7%-8.11%	\$ 1,676,886	\$ -	\$ 120,795	\$ 1,556,091	\$ 1,556,091
Economic Development Special Obligation					
Revenue Notes Series 2021A - 3.0%	1,352,000	-	90,133	1,261,867	90,133
Hannibal Mortgage - 3.75%	21,411,667	-	610,499	20,801,168	633,790
Bond Payable - Series 2022 - 1.5%	1,011,000	-	1,011,000	-	-
Citizens Bank Loan 1840 - 3.0%	148,000	-	9,867	138,133	9,867
AHP Roof Loan	183,500	-	183,500	-	-
Net Pension Liability	-	258,771	-	258,771	-
Net OPEB Liability	-	5,139	-	5,139	-
	<u>\$ 25,783,053</u>	<u>\$ 263,910</u>	<u>\$ 2,025,794</u>	<u>\$ 24,021,169</u>	<u>\$ 2,289,881</u>

WesBanco Loan

The Authority has an outstanding loan with WesBanco for the purchase of land acquired in previous years. The note is payable in monthly installments at an annual percentage rate of 3.70%, with a final balloon payment due June 28, 2023. This note was modified effective June 27, 2023 with an extended maturity date of October 28, 2023, this modification included no changes to interest or repayment terms outside of the maturity date. The loan was then modified again effective October 27, 2023 extending the maturity date to April 30, 2024. This modification included a change in the rate of interest from 3.70% to 8.11%, and updated the minimum payment amount from \$16,111 (P&I) to \$15,238 (P&I). The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2024 \$	1,556,091	\$ 23,808	\$ 1,579,899
Totals \$	<u>1,556,091</u>	<u>\$ 23,808</u>	<u>\$ 1,579,899</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
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FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS (CONTINUED)

Economic Development Special Obligation Revenue Notes Series 2021 A

The Authority obtained a note payable in the amount of \$1,352,000 from The Citizens National Bank of Woodfield to provide partial financing of the purchase of the Hannibal Industrial Park. Interest-only payments will be made monthly until May 2023, when payments will become annual and include principal and interest until maturity in May, 2037. The interest rate of the note is 3.0%. The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2024	\$ 90,133	\$ 37,856	\$ 127,989
2025	90,133	35,152	125,285
2026	90,133	32,448	122,581
2027	90,133	29,744	119,877
2028	90,133	27,040	117,173
2029-2033	450,667	94,640	545,307
2034-2037	360,535	27,040	387,575
Totals	\$ 1,261,867	\$ 283,920	\$ 1,545,787

Hannibal Mortgage

The Authority has a mortgage with a remaining principal balance of \$21,411,667 from Hannibal Real Estate LLC to provide partial financing of the purchase of the Hannibal Industrial Park. The note is payable in monthly installments of \$116,918 at an annual percentage rate of 3.75%, with a final balloon payment due December 31, 2031. The note is supported by the full faith and credit of the Authority.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2024	\$ 633,790	\$ 769,224	\$ 1,403,014
2025	657,970	745,044	1,403,014
2026	683,073	719,942	1,403,015
2027	709,133	693,882	1,403,015
2028	736,187	666,827	1,403,014
2029-2031	17,381,015	1,827,636	19,208,651
Totals	\$ 20,801,168	\$ 5,422,555	\$ 26,223,723

Bonds Payable – Series 2022

The Authority issued a bond in the amount of \$1,011,000 to provide partial financing of the purchase of the Hannibal Industrial Park. This bond was a refinance of the previous bond issued in 2021. The bond is expected to be repaid in May 2023. The bond has been issued at a rate of 1.50%. The bond was supported by the full faith and credit of the Authority, and was paid off in May of 2023.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 6 – LONG-TERM OBLIGATIONS AND OTHER OBLIGATIONS (CONTINUED)

Citizens National Bank Loan

The Authority obtained a loan from Citizens National Bank in June to provide partial financing of the purchase of Hannibal Industrial Park. The loan is payable in variable monthly payments at an annual percentage rate of 3.0%, maturing in May 2037.

Amortization of the above debt, including interest, is scheduled as follows:

	Principal	Interest	Total
2024	\$ 9,867	\$ 4,155	\$ 14,022
2025	9,867	3,848	13,715
2026	9,867	3,552	13,419
2027	9,867	3,256	13,123
2028	9,867	2,968	12,835
2029-2033	49,333	13,333	62,666
2034-2036	39,465	2,962	42,427
Totals	\$ 138,133	\$ 34,074	\$ 185,808

AHP Roof Loan

The Authority borrowed \$183,500 from American Heavy Plates (AHP) to pay for roof repairs on the building leased by AHP. The Authority reimbursed AHP using \$100,000 from a grant received to be during the period. The remaining balance was repaid by reducing 6 months of rent payments, from December 2022 to May 2023. No interest is due to AHP upon repayment.

NOTE 7 – LEASES

The Authority acts as a lessor under lease agreements in accordance with GASB 87, Leases. Upon acquiring the Hannibal Industrial Park, the Authority assumed control of lease arrangements with tenants leasing yard, office, and building space from the Authority. These arrangements are as follows:

On January 1, 2022, the Authority assumed control of a lease agreement with CAM Safety, LLC (CAM) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate CAM's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an annual basis with monthly payment amounts of \$2,500 for the first year, \$2,600 for the second year, and \$2,700 through the end of the lease term. The term of the lease will expire on July 31, 2025.

On January 1, 2022, the Authority assumed control of a lease agreement with Equinor USA Onshore Properties, LLC (Equitor) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate Equitor's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is paid monthly in the amount of \$12,900. The term of the lease will expire on May 31, 2024.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7 – LEASES (CONTINUED)

On January 1, 2022, the Authority assumed control of a lease agreement with Industrial Services Group, Inc. (ISG) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate ISG's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is paid monthly in the amount of \$12,686. The term of the lease will expire on May 31, 2024.

On January 1, 2022, the Authority assumed control of a lease agreement with American Heavy Plate Solutions, LLC (AHPS) for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate AHPS's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an intermittent basis with monthly payment amounts of \$84,259 for the 17 months, \$128,558 for the following 82 months, and \$136,607 through the end of the lease term. The term of the lease will expire on January 31, 2033.

On January 1, 2023, the Authority assumed control of a lease agreement with AK Apparel for the use of premises at the Hannibal Industrial Park. The Authority leases the premises to facilitate AK Apparel's operation. However, no capital improvements or alterations of the project site is allowable without the Authority's express written approval. Rent is variable on an intermittent basis, with monthly payment amounts of \$3,300 for the first 7 months, with annual \$50 increases beginning on August 1st of each year for a twelve-month period. The lease expires in April 2029.

Lease-related revenue from the preceding agreements was received from the following sources during the year ended December 31, 2023:

Lease-related Revenue	Year Ending December 31, 2023
Lease Revenue	
Yard/Office Space	\$ 135,034
Building	1,483,325
Total Lease Revenue	1,618,359
Interest Revenue	416,641
Total	\$ 2,035,000

During 2023, the Authority recognized lease revenue totaling \$2,035,000. Future inflows for the duration of the term are as follows:

Maturity Analysis	Principal	Interest	Total Receipts
Year Ending December 2024	\$ 1,374,384	\$ 368,392	\$ 1,742,776
Year Ending December 2025	1,276,464	326,182	1,602,646
Year Ending December 2026	1,297,681	286,665	1,584,346
Year Ending December 2027	1,338,609	246,338	1,584,947
Year Ending December 2028	1,381,024	204,522	1,585,546
5 Years Ending December 2033	6,212,660	385,551	6,598,211
Total Future Receipts	\$ 12,880,822	\$ 1,817,650	\$ 14,698,472

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability, to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s excess unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in payroll liabilities.

Plan Description

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administer three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional 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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

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 plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR above for additional information):

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. 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. Funding Policy - The Ohio Revised Code (ORC) provides statutory Authority for member and employer contributions as follows:

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

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the period ended December 31, 2023 were \$21,563. 100% has been contributed for 2023. Of this amount, \$0 is reported as payroll liabilities payable.

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

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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:

	<u>Traditional Pension Plan</u>
Proportionate Share of the Net Pension Liability	\$ 258,771
Proportion of the Net Pension Liability	0.000876%
Increase/(decrease) in % from prior proportion measured	0.000876%
Pension Expense	\$ 81,186

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

	<u>Traditional Pension Plan</u>
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 73,758
Changes in assumptions	2,734
Differences between expected and actual experience	8,595
Changes in proportion and differences contributions and proportionate share of contributions	92,498
Authority contributions subsequent to the measurement date	<u>21,563</u>
Total Deferred Outflows of Resources	<u>\$ 199,148</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$21,563 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending June 30:	Traditional Pension Plan
2024	\$ 72,644
2025	47,101
2026	21,709
2027	<u>36,131</u>
Total	<u>\$ 177,585</u>

Actuarial Assumptions - OPERS

OPERS' total pension asset and liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**MONROE COUNTY PORT AUTHORITY
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NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3% Simple through 2023, then 2.05% Simple

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.

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 8 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 2022 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return
		Geometric
Fixed Income	22.00%	2.62%
Domestic Equities	22.00%	4.60%
Real Estate	13.00%	3.27%
Private Equity	15.00%	7.53%
International Equities	21.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	5.00%	3.27%
Total	100.00%	

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

Sensitivity of the 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 or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease	Current Discount	1% Increase
<u>Employer's Net Pension Liability/(Asset)</u>	<u>5.9%</u>	<u>Rate 6.9%</u>	<u>7.9%</u>
Traditional Pension Plan	\$ 387,630	\$ 258,771	\$ 151,583

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – DEFINED BENEFIT OPEB PLAN

Net OPEB liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB liability represents the Authority’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability 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.

The Ohio Revised Code limits the Authority’s obligation for this liability/(asset) to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability/(asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description

The Authority’s employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees’ Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through December 31, 2016. The 401(h) Trust and the VEBA Trust were closed as of December 31, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary Authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14.00% of covered payroll. For the year ended December 31, 2022, in the Traditional Plan OPERS allocated 0.00% of employer contributions to post-employment health care.

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

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 10,206
Changes in assumptions	5,019
Changes in proportion and differences between committee contributions and proportionate share of contributions	522
Total Deferred Outflows of Resources	<u>\$ 15,747</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 1,282
Changes in assumptions	413
Total Deferred Inflows of Resources	<u>\$ 1,695</u>

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

Fiscal Year Ending June 30:	OPERS
2024	\$ 2,009
2025	3,929
2026	3,183
2027	4,931
Total	<u>\$ 14,052</u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

Net OPEB Liability

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

	<u>OPERS</u>
Proportionate Share of the Net OPEB Liability	\$ 5,139
Proportion of the Net OPEB Liability	0.000815%
Increase/(decrease) in % from prior proportion measured	0.000815%
OPEB Expense/(Offset)	\$ (8,913)

Actuarial Assumptions - OPERS

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:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Valuation Date	December 31, 2021
Rolled-forward measurement date	December 31, 2022
Experience Study	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Wage Inflation	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036

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.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however the single discount rate used at the beginning of the year was 6%. 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 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rates was applied to all health care costs after that date.

The following table presents the OPEB liability calculated using the single discount rate of 5.22%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.22%</u>	<u>5.22%</u>	<u>6.22%</u>
Authority's proportionate share of the Net OPEB Liability	\$ 17,490	\$ 5,139	\$ (5,053)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care 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% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the Net OPEB Liability	\$ 4,817	\$ 5,139	\$ 5,501

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 9 – DEFINED BENEFIT OPEB PLAN (CONTINUED)

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 pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2022 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return
		Geometric
Fixed Income	34.00%	2.56%
Domestic Equities	26.00%	4.60%
REITs	7.00%	4.70%
International Equities	25.00%	5.51%
Risk Parity	2.00%	4.37%
Other Investments	6.00%	1.84%
Total	100.00%	

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.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for 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 was a loss of 15.6% for 2022.

NOTE 10 – SUBSEQUENT EVENTS

The Authority evaluated subsequent events and transactions that occurred after the date of the statement of net position up to August 8, 2025, the date that the financial statements were issued. No events have occurred subsequent to the date of the financial statements through the report date that would require adjustment or disclosure in the financial statements.

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**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2022</u>
Authority's Proportion of the Net Pension Liability	0.000876%
Authority's Proportionate Share of the Net Pension Liability	\$ 258,771
Authority's Covered Payroll	\$ 135,721
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%

Schedule will be built prospectively.

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

See accompanying notes to the required supplemental information.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST TWO YEARS**

	<u>FY2023</u>	<u>FY2022</u>
Contractually Required Contribution	\$ 21,563	\$ 19,001
Contributions in Relation to the Contractually Required Contribution	21,563	19,001
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 154,019	\$ 135,721
Contributions as Percentage of Covered Payroll	14.00%	14.00%
Schedule will be built prospectively.		
See accompanying notes to the required supplemental information		

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2022</u>
Authority's Proportion of the Net OPEB Liability	0.000815%
Authority's Proportionate Share of the Net OPEB Liability	\$ 5,139
Authority's Covered Payroll	\$ 135,721
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.79%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%

Schedule will be built prospectively.

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

See accompanying notes to the required supplemental information.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF THE AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEE'S RETIREMENT SYSTEM (OPERS)
LAST TWO YEARS**

	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Authority's Covered Payroll	\$ 154,019	\$ 135,721
Contributions as Percentage of Covered Payroll	0.00%	0.00%

Schedule will be built prospectively.

See accompanying notes to the required supplemental information.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1 - Changes in Assumptions – OPERS Pension

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	6.90%	7.20%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a reduction of the discount rate from 7.2% to 6.9%, a reduction in the wage inflation rate from 3.25% to 2.75%, and transition from RP-2014 mortality tables to the Pub-2010 mortality tables.

Amounts reported for fiscal year 2023 (Measurement Period 2022) reported no changes in assumptions.

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2021 (Measurement Period 2020) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2020 (Measurement Period 2019) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2019	December 31, 2018
Rolled-forward measurement date	December 31, 2020	December 31, 2019
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	6.00%	3.16%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	2.00%	2.75%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035	10.5% initial, 3.50% ultimate in 2030

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a decrease of the discount rate from 3.16% to 6.00% and a decrease in bond rate from 3.25% to 2.00%. There is also a change Health Care Cost Trend Rates.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2 - Changes in Assumptions – OPERS OPEB

Amounts reported for fiscal year 2022 (Measurement Period 2021) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 (Measurement Period 2020) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2020	December 31, 2019
Rolled-forward measurement date	December 31, 2021	December 31, 2020
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age normal
Actuarial Assumptions:		
Single Discount Rate	6.00%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	1.84%	2.00%
Wage Inflation	2.75%	3.25%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034	8.50% initial, 3.50% ultimate in 2035

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. Significant changes included a decrease of the municipal bond rate from 2.00% to 1.84%, a decrease in the minimum projected salary increases from 3.25% to 2.75%. There is also a change Health Care Cost Trend Rates.

Amounts reported for fiscal year 2023 (Measurement Period 2022) incorporate changes in assumptions used by OPERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2022 (Measurement Period 2021) are presented below:

Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2021	December 31, 2020
Rolled-forward measurement date	December 31, 2022	December 31, 2021
Experience Study	5 Year Period Ended December 31, 2020	5 Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Single Discount Rate	5.22%	6.00%
Investment Rate of Return	6.00%	6.00%
Municipal Bond Rate	4.05%	1.84%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75% to 10.75% (Includes wage inflation of 2.75%)	2.75% to 10.75% (Includes wage inflation of 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2036	5.5% initial, 3.50% ultimate in 2034

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2020. The significant change includes a decrease in the Single Discount Rate from 6.00% to 5.22%.

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

Monroe County Port Authority
Monroe County
48301 State Route 800
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Monroe County Port Authority, Monroe County, Ohio (the Authority) as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 8, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2024-001 and 2024-002.

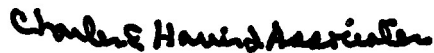
We also noted certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated August 8, 2025.

Authority's Responses to Findings

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

Purpose of this Report

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



Charles E. Harris & Associates, Inc.
August 8, 2025

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023**

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

Finding Number 2024-001 – Noncompliance

Expenditures Exceeding Appropriations

Ohio Rev. Code § 5705.28(B)(2) requires entities to follow §§ 5705.36, .38, .40, .41, .43, .44, and .45. However, documents prepared in accordance with these sections need not be filed with the county auditor or county budget commission. Also, while Ohio Rev. Code § 5705.39 does not apply, § 5705.28(B)(2)(c) prohibits appropriations from exceeding estimated resources (i.e. receipts + beginning unencumbered cash). Ohio Rev. Code § 4582.13 requires re-appropriation of surplus funds for Port Authorities. Although there were references in the board minutes that indicated the Authority maintained a budget, there was no evidence that the Authority passed appropriations for fiscal years 2024 or 2023, therefore expenditures exceeded appropriations. Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed appropriations, resulting in deficit spending.

The Board of Directors should closely monitor expenditures and appropriations and make the necessary appropriation amendments to reduce the likelihood of expenditures exceeding appropriations.

Management’s Response:

See Corrective Action Plan.

Finding Number 2024-002 – Noncompliance

Fiscal Officer’s Certification of Expenditures

Ohio Rev. Code §§5705.28(B)(2) and 5705.41(D) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a treasurer is attached thereto. The treasurer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a treasurer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections respectively, of the Ohio Revised Code.

1. “Then and Now Certificates” – If the treasurer can certify that both at the time that contract or order was made (“then”) and at the time that the fiscal officer was completing the certification (“now”), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the Authority can authorize the drawing of a warrant for payment of the amount due. The Authority has thirty days from the receipt of the “then and now” certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the treasurer without a resolution upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Authority.

2. Blanket Certificates - Treasurer may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
SCHEDULE OF FINDINGS (CONTINUED)
DECEMBER 31, 2024 AND 2023**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

Finding Number 2024-002 – Noncompliance (Continued)

3. Super Blanket Certificates – The Authority may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the Treasurer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Authority did not make the proper certification of funds for any tested transactions during the audit period.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Authority’s expenditures exceeding budgetary spending limitations, we recommend that the Authority certify expenditures prior to incurring the liability. Also, if necessary, we recommend the Authority only use “then and now” certificates for items under \$3,000 to assist in compliance with this requirement.

Management’s Response:

See Corrective Action Plan.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

FINDING NUMBER	FINDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2022-001	Noncompliance - Expenditures exceeded appropriations	Not Corrected	None
2022-002	Noncompliance- Not certifying expenditures	Not Corrected	None
2022-003	Material Weakness and Noncompliance ORC § 149.351 (A) Providing of public records	Corrected	None

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**CORRECTIVE ACTION PLAN –
PREPARED BY MANAGEMENT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	We will prepare annual appropriations as required by the Ohio Revised Code, have them approved by our Board, review them against recorded expenditures and amend as needed.	December 2025	Tracey Craig Fiscal Officer
2024-002	We will implement a purchase order system that complies with the Ohio Revised Code.	January 1, 2026	Tracey Craig Fiscal Officer

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OHIO AUDITOR OF STATE KEITH FABER



MONROE COUNTY PORT AUTHORITY

MONROE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/20/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov