

**CITY OF VERMILION
PORT AUTHORITY
ERIE COUNTY, OHIO**

Basic Financial Statements

**For the Year Ended
December 31, 2024**

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2024**

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Accountant's Compilation Report

To the City of Vermilion Port Authority Board of Directors
Vermilion, Ohio

Management is responsible for the accompanying basic financial statements of Vermilion Port Authority, which comprise the statements listed in the table of contents as of December 31, 2024 and for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
April 28, 2025

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

The discussion and analysis of the City of Vermilion Port Authority's (the "Port Authority") financial performance provides an overall review of the Port Authority's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Port Authority's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Port Authority's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position was \$938,285 at December 31, 2024. This represents a decrease of \$33,098, or 3.41%, from December 31, 2023.
- During 2024, the Port Authority had operating revenues of \$219,809, operating expenses of \$238,725, resulting in operating loss of \$18,916. Nonoperating revenues totaled \$3,156 and nonoperating expenses totaled \$17,338. Total change in net position for the year was a decrease of \$33,098.

Using These Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Port Authority's financial activities. The *Statement of Net Position* and *Statement of Revenues, Expenses and Changes in Net Position* provide information about the activities of the Port Authority, including all short-term and long-term financial resources and obligations.

Reporting the Port Authority's Financial Activities

Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows

These documents look at all financial transactions and ask the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Port Authority's *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Port Authority as a whole, the *financial position* of the Port Authority has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 9 and 10 of this report.

The Statement of Cash Flows provides information about how the Port Authority finances and meets the cash flow needs of its operations. The Statement of Cash Flows can be found on page 11 of this report.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 13-16 of this report.

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below provides a summary of the Port Authority's net position at December 31, 2024 and 2023.

| | Net Position | |
|---|---------------------|-------------------|
| | 2024 | 2023 |
| <u>Assets</u> | | |
| Current assets | \$ 141,230 | \$ 184,169 |
| Noncurrent assets: | | |
| Capital assets, net | <u>1,705,154</u> | <u>1,738,277</u> |
| Total assets | <u>1,846,384</u> | <u>1,922,446</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 10,160 | 10,723 |
| Long-term liabilities | <u>849,544</u> | <u>866,696</u> |
| Total liabilities | <u>859,704</u> | <u>877,419</u> |
| <u>Deferred inflows - leases</u> | <u>48,395</u> | <u>73,644</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 855,610 | 871,581 |
| Unrestricted | <u>82,675</u> | <u>99,802</u> |
| Total net position | <u>\$ 938,285</u> | <u>\$ 971,383</u> |

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2024, the Port Authority's net position totaled \$938,285. A large portion of the Port Authority's net position, 91.19% reflects net investment in capital assets (e.g. land, land improvements, buildings, and equipment), less any related debt to acquire those assets that is still outstanding. The remaining balance of \$82,675 is classified as unrestricted net position, which allows it to be used to meet any of the Port Authority's ongoing obligations.

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**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

The table below shows the changes in net position for 2024 and 2023.

Change in Net Position

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| <u>Operating revenues</u> | | |
| Charges for service | \$ 171,481 | \$ 157,915 |
| Rent | 33,411 | 34,780 |
| Other | 14,917 | 14,588 |
| Total operating revenues | <u>219,809</u> | <u>207,283</u> |
| <u>Operating expenses</u> | | |
| Personal services | 112,325 | 98,036 |
| Contract services | 72,147 | 67,033 |
| Materials and supplies | 6,628 | 5,143 |
| Depreciation | 33,123 | 32,284 |
| Other | 14,502 | 16,247 |
| Total operating expenses | <u>238,725</u> | <u>218,743</u> |
| Operating loss | (18,916) | (11,460) |
| <u>Nonoperating revenues (expenses)</u> | | |
| Interest income | 3,156 | 4,689 |
| Donations | - | 100 |
| Interest expense | (17,338) | (17,654) |
| Total nonoperating revenues (expenses) | <u>(14,182)</u> | <u>(12,865)</u> |
| Change in net position | (33,098) | (24,325) |
| Net position at beginning of year | <u>971,383</u> | <u>995,708</u> |
| Net position at end of year | <u>\$ 938,285</u> | <u>\$ 971,383</u> |

Revenues and expenses remained stable between 2024 and 2023.

Capital Assets

At December 31, 2024, the Port Authority had \$1,705,154 (net of accumulated depreciation) invested in land, land improvements, buildings, and equipment.

The following table shows December 31, 2024 capital asset balances compared to December 31, 2023.

| | <u>2024</u> | <u>2023</u> |
|-------------------|---------------------|---------------------|
| Land | \$ 1,059,388 | \$ 1,059,388 |
| Land improvements | 596,276 | 626,173 |
| Buildings | 47,788 | 50,625 |
| Equipment | <u>1,702</u> | <u>2,091</u> |
| Total | <u>\$ 1,705,154</u> | <u>\$ 1,738,277</u> |

See Note 4 to the basic financial statements for more detail on capital assets.

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Debt Obligations

At December 31, 2024, the Port Authority had \$849,544 outstanding in long-term obligations due to the City. Of this amount, \$18,530 is due within one year.

See Note 5 to the basic financial statements for more detail on the Port Authority's long-term obligations.

Current Financial Related Activities

The Port Authority seeks to identify, restore, and redevelop properties and land in the City of Vermilion, and to identify and pursue other opportunities to promote economic development, transportation, and other statutorily authorized purposes of the Port Authority. The Port Authority has the ability to acquire, own, lease, sell, or construct improvements to property, issue revenue bonds for its facilities, receive federal and state grants, and cooperate with other governmental agencies.

Contacting the Port Authority's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the Port Authority's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the President, Vermilion Port Authority, PO Box 136, Vermilion, Ohio 44089.

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**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Assets:

Current assets:

| | |
|---------------------------|------------|
| Cash and cash equivalents | \$ 105,536 |
|---------------------------|------------|

Receivables:

| | |
|------------------|-----|
| Accrued interest | 145 |
|------------------|-----|

| | |
|--------|--------|
| Leases | 34,810 |
|--------|--------|

| | |
|-------------------|----|
| Intergovernmental | 32 |
|-------------------|----|

| | |
|-------------|------------|
| Prepayments | <u>707</u> |
|-------------|------------|

| | |
|----------------------|----------------|
| Total current assets | <u>141,230</u> |
|----------------------|----------------|

Noncurrent assets:

Capital assets:

| | |
|------|-----------|
| Land | 1,059,388 |
|------|-----------|

| | |
|---------------------|----------------|
| Capital assets, net | <u>645,766</u> |
|---------------------|----------------|

| | |
|-------------------------|------------------|
| Total noncurrent assets | <u>1,705,154</u> |
|-------------------------|------------------|

| | |
|--------------|------------------|
| Total assets | <u>1,846,384</u> |
|--------------|------------------|

Liabilities:

Current liabilities:

| | |
|------------------|-------|
| Accounts payable | 2,541 |
|------------------|-------|

| | |
|--------------------------|-----|
| Due to other governments | 469 |
|--------------------------|-----|

| | |
|------------------|--------------|
| Unearned revenue | <u>7,150</u> |
|------------------|--------------|

| | |
|---------------------------|---------------|
| Total current liabilities | <u>10,160</u> |
|---------------------------|---------------|

Long-term liabilities:

| | |
|-------------------------------------|--------|
| Notes payable - due within one year | 18,530 |
|-------------------------------------|--------|

| | |
|---|----------------|
| Notes payable - due in more than one year | <u>831,014</u> |
|---|----------------|

| | |
|-----------------------------|----------------|
| Total long-term liabilities | <u>849,544</u> |
|-----------------------------|----------------|

| | |
|-------------------|----------------|
| Total liabilities | <u>859,704</u> |
|-------------------|----------------|

Deferred inflow of resources:

| | |
|--------|---------------|
| Leases | <u>48,395</u> |
|--------|---------------|

| | |
|------------------------------------|---------------|
| Total deferred inflow of resources | <u>48,395</u> |
|------------------------------------|---------------|

Net position:

| | |
|----------------------------------|---------|
| Net investment in capital assets | 855,610 |
|----------------------------------|---------|

| | |
|--------------|---------------|
| Unrestricted | <u>82,675</u> |
|--------------|---------------|

| | |
|--------------------|--------------------------|
| Total net position | <u><u>\$ 938,285</u></u> |
|--------------------|--------------------------|

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

| | |
|--|--------------------------|
| Operating revenues: | |
| Charges for service | \$ 171,481 |
| Rent | 33,411 |
| Other | <u>14,917</u> |
| Total operating revenues | <u>219,809</u> |
| Operating expenses: | |
| Personal services | 112,325 |
| Contract services | 72,147 |
| Materials and supplies | 6,628 |
| Depreciation | 33,123 |
| Other | <u>14,502</u> |
| Total operating expenses | <u>238,725</u> |
| Operating loss | (18,916) |
| Nonoperating revenues (expenses): | |
| Interest income | 3,156 |
| Interest expense | <u>(17,338)</u> |
| Total nonoperating revenues (expenses) | <u>(14,182)</u> |
| Change in net position | (33,098) |
| Net position at beginning of year | <u>971,383</u> |
| Net position at end of year | <u><u>\$ 938,285</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

| | |
|---|--------------------------|
| Cash flows from operating activities: | |
| Cash received from charges for services | \$ 209,494 |
| Cash received from other operating income | 14,914 |
| Cash payments for personal services | (113,048) |
| Cash payments for contract services | (70,488) |
| Cash payments for materials and supplies | (6,584) |
| Cash payments for other expenses | (14,502) |
| | <hr/> |
| Net cash provided by operating activities | 19,786 |
| Cash flows from capital and related financing activities: | |
| Principal payments on notes | (17,152) |
| Interest payments on notes | (17,338) |
| | <hr/> |
| Net cash used in capital and related financing activities | (34,490) |
| Cash flows from investing activities: | |
| Cash received from interest | 3,290 |
| | <hr/> |
| Net cash provided by investing activities | 3,290 |
| | <hr/> |
| Net decrease in cash and cash equivalents | (11,414) |
| Cash and cash equivalents at beginning of year | 116,950 |
| | <hr/> |
| Cash and cash equivalents at end of year | <u><u>\$ 105,536</u></u> |
| Reconciliation of operating loss to net cash provided by operating activities: | |
| Operating loss | \$ (18,916) |
| Adjustments: | |
| Depreciation | 33,123 |
| Changes in assets, liabilities and deferred inflows: | |
| Increase in accounts receivable | 29 |
| Decrease in due from other governments | (32) |
| Increase in prepayments | (707) |
| Decrease in lease receivable | 32,101 |
| Decrease in deferred inflows - leases | (25,249) |
| Decrease in accounts payable | 1,795 |
| Decrease in due to other governments | (108) |
| Increase in unearned revenue | (2,250) |
| | <hr/> |
| Net cash provided by operating activities | <u><u>\$ 19,786</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The City of Vermilion Port Authority (the "Port Authority") is a body politic and corporate established to promote, develop and advance the general welfare, commerce, and economic development of the City and its citizens, and to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority is directed by a five-member Board appointed by the Mayor of Vermilion. The Port Authority is a component unit of the City due to it being economically dependent on the City for operating subsidies. The Port Authority's management believes these financial statements present all activities for which the Port Authority is financially accountable. The Port Authority was formed by an ordinance of the Council of the City of Vermilion in February 1968 and the City acts as their fiscal agent.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Port Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net income and financial position. All transactions are accounted for in a single enterprise fund.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

B. Fund Accounting

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

C. Budgetary Process

- **Budget** - Ohio Revised Code Section 4582.13 requires that each fund be budgeted annually. This budget includes estimated receipts and appropriations.
- **Encumbrances** - The Port Authority reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year end are carried over and are not reappropriated.

D. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values on the date received. The Port Authority does not have a minimum capitalization threshold. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciated is computed using the straight-line method over the following useful lives:

| | <u>Estimated Lives</u> |
|-------------------|------------------------|
| Land Improvements | 5 - 50 Years |
| Buildings | 20 - 50 Years |
| Vehicles | 5 - 25 Years |
| Equipment | 5 - 15 Years |

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Deposits and Investments

The investment and deposit of Port Authority moneys are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Port Authority to invest its moneys in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAR Ohio), and obligations of the United States government and certain agencies thereof.

The Port Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public moneys on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Port Authority's name.

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. For 2024, all of the Port Authority's deposits were held by the City and part of their pooled cash and investments. All risks of the Port Authority's deposits are disclosed as part of the City's disclosure as the City is their fiscal agent.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2024, the Port Authority has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62", Implementation Guide No. 2023-1 and GASB Statement No. 101, "Compensated Absences".

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously report by the Port Authority.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Port Authority.

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the Port Authority.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of the Port Authority.

NOTE 4 - CAPITAL ASSETS

The capital asset activity for the year ended December 31, 2024 was as follows:

| | Balance at December 31, 2023 | Additions | Disposals | Balance at December 31, 2024 |
|---|---------------------------------|--------------------|-------------|---------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,059,388 | \$ - | \$ - | \$ 1,059,388 |
| Total capital assets, not being depreciated | <u>1,059,388</u> | <u>-</u> | <u>-</u> | <u>1,059,388</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,341,123 | - | - | 1,341,123 |
| Buildings | 116,698 | - | - | 116,698 |
| Equipment | 44,949 | - | - | 44,949 |
| Total capital assets, being depreciated | <u>1,502,770</u> | <u>-</u> | <u>-</u> | <u>1,502,770</u> |
| Less: accumulated depreciation | | | | |
| Land improvements | (714,950) | (29,897) | - | (744,847) |
| Buildings | (66,073) | (2,837) | - | (68,910) |
| Equipment | (42,858) | (389) | - | (43,247) |
| Total accumulated depreciation | <u>(823,881)</u> | <u>(33,123)</u> | <u>-</u> | <u>(857,004)</u> |
| Total capital assets being depreciated, net | <u>678,889</u> | <u>(33,123)</u> | <u>-</u> | <u>645,766</u> |
| Total capital assets, net | <u>\$ 1,738,277</u> | <u>\$ (33,123)</u> | <u>\$ -</u> | <u>\$ 1,705,154</u> |

NOTE 5 - LONG-TERM OBLIGATIONS

During 2000 and 2010, the Port Authority borrowed from the City with a collateralized bond. This \$910,442 bond is carrying an interest rate of 5.50% and \$13,351 is due within one year. This bond was used in the financing of acquiring, constructing, installing, equipping or improving "Port Authority facilities," as defined by Section 4582.01 of the Ohio Revised Code. This bond is a special obligation of the Port Authority, and the principal and interest on this bond are payable solely from "Available Monies" and are secured by a pledge of the "Pledged Revenues", all as defined and provided in the Resolution.

The long-term debt activity for the year ended December 31, 2024 was as follows:

| | Balance at December 31, 2023 | Additions | Deletions | Balance at December 31, 2024 | Amount Due in One Year |
|--------------------------|---------------------------------|-----------|-------------|---------------------------------|---------------------------|
| Note Payable Due to City | \$ 866,696 | \$ - | \$ (17,152) | \$ 849,544 | \$ 18,530 |

**CITY OF VERMILION PORT AUTHORITY
ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the Port Authority's future annual debt service requirements to the City:

| <u>Year Ended</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------|-------------------|-------------------|---------------------|
| 2025 | \$ 18,530 | \$ 16,995 | \$ 35,525 |
| 2026 | 19,966 | 16,624 | 36,590 |
| 2027 | 21,463 | 16,225 | 37,688 |
| 2028 | 23,023 | 15,795 | 38,818 |
| 2029 | 24,648 | 15,335 | 39,983 |
| 2030 - 2034 | 150,063 | 68,582 | 218,645 |
| 2035 - 2039 | 201,884 | 51,585 | 253,469 |
| 2040 | 389,967 | 2,600 | 392,567 |
| Total | <u>\$ 849,544</u> | <u>\$ 203,741</u> | <u>\$ 1,053,285</u> |

NOTE 6 - RELATED PARTY TRANSACTIONS

As mentioned in Note 5, during 2000 and 2010, the Port Authority borrowed \$985,000 and \$71,538, respectively, from the City to acquire land and existing structures. The Port Authority provided a bond for this transaction and the City holds a lien on the property until the bond is repaid. The City holds this bond as an investment within the City's pooled investments. The bond has been partially repaid leaving a balance of \$849,544 outstanding as of December 31, 2024.

NOTE 7 - LEASE RECEIVABLES

The Port Authority is reporting leases receivable of \$34,810. For fiscal year 2024, the Port Authority recognized lease revenue of \$33,411, which is reported in rental income, and interest revenue of \$3,156.

The Port Authority entered into an amended lease agreement for building space rental with Vermilion Red Clay LLC on May 13, 2009, and exercised an extension of the lease and sublease agreement through 2025.

The following is a schedule of future lease payments under the lease agreements:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2025 | \$ 34,810 | \$ 1,781 | \$ 36,591 |
| Total | <u>\$ 34,810</u> | <u>\$ 1,781</u> | <u>\$ 36,591</u> |

NOTE 8 - RISK MANAGEMENT

The Port Authority has obtained commercial crime and public officials' liability insurance from a major commercial insurance company. There has not been a significant reduction of coverage from the prior year and settled claims have not exceeded commercial coverage in any of the last three years.

NOTE 9 - LITIGATION

The Port Authority is involved in no material litigation as either plaintiff or defendant.