

PORT OF NEWPORT COMMISSION REGULAR MEETING

Tuesday, September 26, 2023, 6:00 p.m.

Administration Building

600 SE Bay Blvd.

Newport, OR 97365

This will be a hybrid meeting, which means you can attend in-person, or you can view the livestream of this meeting on our website: <https://www.portofnewport.com/2023-09-26-commission-meetings-2023-sept-26-2023-6-00-p-m>

Anyone interested in making public comment must complete the form on our website and submit it by 11:00 a.m. on Monday, September 25, 2023: <https://www.portofnewport.com/2023-09-26-commission-meetings-2023-sept-26-2023-6-00-p-m>

I. Call to Order

II. Changes to the Agenda

III. Public Comment (3-minute limit per person)

IV. Consent Calendar

2023

- A. Minutes.....August 22.....Page 3
- B. Financial Reports.....Page 9
- C. Accounts Paid.....Page 28

V. Old Business

- A. Approval of the 2021-2022 Audit – *Brown*.....Page 32
- B. Adoption of Resolution 2023-03 a Resolution Replacing the Authority of the General Manager to the Executive Director throughout the Port of Newport – *Miranda*.....Page 96

VI. New Business

- A. Legislative Changes to Public Meetings Report – HB 2805 – *Miranda*.....Page 97

VII. Staff Reports

- A. General Manager’s Report – *Miranda*.....Page 112
 - i. Quarterly Projects Report.....Page 115
 - 1. Director of Finance and Business Services – *Brown*.....Page 120
 - 2. Director of Operations – *Bretz*.....Page 125

VIII. Commissioner Reports

IX. Calendar/Future Considerations 2023

- Commission Work Session.....October 4, 2023
- Next Commission Meeting.....October 24, 2023
- OPPA Conference (Astoria).....September 28 and 29, 2023

PNWA Conference (Vancouver, WA).....October 11-13, 2023

X. Public Comment

XI. Adjournment

August 22, 2023
6:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION MINUTES

This is not an exact transcript. The video of the session is available on the Port's website.

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Retherford, Ruddiman, Chuck, Lackey, and Sylvia. Also in attendance were General Manager Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, Administrative Assistant Gloria Tucker, OSU Intern Madeline Judokusumo, PR Consultant Angela Nebel, and visitors Jack Craven, Rachel Craven, and Rex Capri.

CONSENT CALENDAR

MOTION was made by Chuck, seconded by Lackey, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Public Hearing and Adoption of Ordinance 2023-01 Amending the Bylaws. Sylvia introduced the agenda item. Miranda reported this refers to the title change that was brought to Commission at the last meeting.

MOTION was made by Retherford, seconded by Ruddiman, to read by title only and adopt Ordinance No. 2023-01, an Ordinance Amending the Bylaws of the Port of Newport. The motion carried unanimously in a voice vote.

Approval of Amendment to Customs Lease – Termination. Sylvia introduced the agenda item. Bretz reported there was not a termination clause in the original lease, so he has brought an amendment to lease to terminate. He noted this would allow the Port to remove the modular office building Customs has been using the last 10-12 years. He stated this would not result in any loss of revenue for the Port. He explained Customs hasn't had a permanent officer in over a year, and they determined they are not going to have one in the near future. Sylvia asked how long Customs was here, and why they are not occupying it. Bretz replied Customs has been at the Port since the 1980s. He explained the positions for Customs officers are difficult to fill and often go vacant. He noted the Port does not have a lot of calls for Customs services. Miranda noted the position hasn't been filled in nearly four years. Bretz indicated if the Port needs Customs, it can call Coos Bay and they will send an officer up.

Sylvia asked when Customs officers are needed. Bretz replied they are necessary the first time a foreign flag vessel comes to the US through this Port, for example a Canadian sailboat will need to have a Customs boarding. He stated the Coast Guard has Customs authority, and often Customs will ask them to do it. He added if a foreign cargo vessel needed Customs services, the Port would schedule that.

MOTION was made by Retherford, seconded by Chuck, to authorize the Executive Director or her designee to sign the lease amendment as presented. The motion carried unanimously in a voice vote.

Approval of Amendment to RV Park Redesign Contract. Sylvia introduced the agenda item. Bretz reported in the process of talking to Good Work Architects, staff suggested looking at the dry camp area and considering it as a potential new location for the RV Park Annex, in favor of creating more parking where the Annex is currently. He stated it was too good of an idea to pass up, but it wasn't in the original scope of the project. He explained staff want them to look at it and see how the numbers work as far as available spaces and costs. Miranda stated the more staff talked about this, the more excited they got about that location. She noted all the utilities are going to have to be done anyway at the current annex. She added if the Port goes that route, the Port could do the work and use the current location for stays.

Retherford stated she thinks it is a brilliant idea. She noted she is excited staff are looking at the option because sometimes recreating something isn't as easy as starting over. She confirmed with staff the annex could be made bigger and possibly create more revenue. Bretz noted there are things to consider about the current annex site, two swales collect rain runoff from the current parking lot. He added that could be addressed with culverts, though. Commission thanked staff for maximizing opportunities.

MOTION was made by Chuck, seconded by Lackey, to authorize the Executive Director or her designee to amend the contract with Good Work Architects in an amount not to exceed \$89,600 to complete the conceptual redesign of the RV Annex with a site comparison as specified in the new project scope and the attached AIA document. The motion carried unanimously in a voice vote.

Approval of Purchase of a Crane for NIT. Sylvia introduced the agenda item. Brown reported the crane works fine, but the Port is seeing increasing breakdowns due to loads hitting maximum capacity. He explained Bretz and his team found a new, older crane with less than 10 hours on it that saves the Port \$200,000 versus a new crane. He stated Business Oregon is putting financing together, and interest would be 3.61 to 4.02 percent. He noted the Port could pay it off early or offset some of the cost by selling the old crane. Retherford asked how long is the length of the loan. Brown replied looking at the life of the crane, 20 years at a fixed rate.

Miranda stated as soon as the Port has the new crane, staff can put the existing crane to market to sell. Ruddiman confirmed with staff the market value on the current crane is around \$150,000. Lackey confirmed with staff the Port would find out the interest rate next week. Retherford confirmed with staff the age of the current crane is 10 years old.

Lackey asked when the Port sells the crane, would the money go toward principle or something else. Miranda replied that depends on what is going on. She noted the Port has a lot of projects and will know a little bit better at the end of next month. She indicated staff will listen to the Commission's preference, but they would like to evaluate where the Port stands first fiscally. She explained staff have been working on a five-year plan and should be able to bring that next month to the Commission. Brown explained there are \$65 million in projects, \$62 in general operating fund, and \$30 million for Port Dock 7. He suggested looking at all the loans and determining where crane proceeds would work the best.

Sylvia asked if anyone needs the special procurement justification. Miranda replied that is put on paper in case anyone else questions the purchase. She explained the Port made an exception

to competitive bids, but it does not do that very often. Brown explained in a special procurement, certain provisions must be met, which the Port did. He noted Business Oregon asked to see the justification. Bretz noted staff got other quotes so they could know what the savings are. He added this is a credit to Don Moon for finding this particular crane.

Retherford asked when the Port gets to the point of selling the crane, will these options for spending be brought forward. Miranda replied staff will do that. She noted the Commission will have to allow selling the surplus property, and the recommendation for the funds will come with that. Ruddiman confirmed with staff that the training is the same for the new crane.

MOTION was made by Chuck, seconded by Lackey, to authorize the Executive Director or designee sign the attached special procurement sales contract and execute financing documents through Business Oregon to procure the crane. The motion carried unanimously in a voice vote.

NEW BUSINESS

Approval of Surfrider and SOLVE MOU – Bay Cleanup. Sylvia introduced the agenda item. Miranda reported there has been cleanups on the bay for many years, which involves a special use permit and application fee. She indicated in the past, the Port waived the use fee of the facility, and they provided insurance indemnification. She noted SOLVE agreed to jump in and provide insurance instead. She added the Port requests notification of cleanups, so operation folks have time to get ready.

Chuck noted Surfrider contacted him about this. He stated they would like to be able to do multiple cleanups every year or if weather causes something to happen without going through the permit.

MOTION was made by Lackey, seconded by Retherford, to authorize the Executive Director to execute the Memorandum of Understanding, as attached. The motion carried unanimously in a voice vote.

Presentation Rethinking Waste: Strategies for Effective Disposal and Circular Economy. Sylvia introduced the agenda item. Judokusumo reported this was her project for the summer, focusing on waste disposal around Port of Newport. She explained the types of waste Port users and visitors produce, including recyclables, marine use oils, garbage, and fish offal. She explained fish offal is any parts of the fish thrown away at the fish cleaning stations in South Beach. She noted the Port uses 300-gallon totes, located near the fish cleaning stations, so the fish decompose. She indicated the Port will dump them even when not completely full and is charged for every tipping. She added the cost for disposing of waste at the landfill has increased significantly every year since Fiscal Year 20/21.

Judokusumo reported more than 50 percent of garbage disposal cost comes from South Beach, and more than 40 percent of that comes from the fish totes. She stated fish offal is organic matter and still has value. She suggested moving from a linear disposal system to a circular system. She explained staff would have to make sure no one is disposing of garbage in the fish totes and then transport the fish offal to compost and fishmeal companies. She noted although they are not in Newport, they will accept fish offal for free. She indicated while working on transportation and scheduling issues, the Port can address the labels on the totes, dumpsters, and recycling bins. She noted a lot of labels have faded and adding pictures might help. She added the Port could also consider charging a disposal fee and overviewed potential fees by user.

Chuck noted charters are seasonal. He asked if charges would be every month. Judokusumo replied all of the fees need special conditions. She suggested a maximum fee may work for them.

Retherford asked how many totes are set out for fish. Judokusumo replied two totes are set out for each station. She explained pickups vary from 12 per month to 141. Retherford asked if a garbage bin is next to the fish cleaning stations. Judokusumo replied they don't have a bin next to them, but there is a dumpster a few steps away. She noted the dumpster is not right next to it because staff want to prevent fish offal going into the dumpster. Retherford recommended the Port relabel the bins and help educate users on recycling.

Lackey asked why the Port disposal cost has gone up 35 percent in a few years. Bretz replied it's the cost of everything, just the rates. Jack Craven suggested labeling containers with the phrase improper use of trash result in higher user fees. Judokusumo noted while doing research on what other ports, who manage their waste, do, she found they charge the vessels mooring there a disposal fee to encourage the vessels to stop throwing things in the water and throw them away in the facility. She explained because vessels have already paid for it, they would want to use the facility.

Sylvia asked how did Judokusumo get these precise numbers for fees. Judokusumo replied the numbers come from the bills. She explained she distributed South Beach's disposal costs to South Beach's users, so launch fees are small because the percentage is spread over many transactions. Sylvia stated recyclable may be a better word than sustainable. He noted putting waste into landfills may be quite sustainable, but it is not ideal or green. He noted the Port may want to reduce garbage even if the costs don't pencil out because the Port is trying to do the right thing and recycle more.

Miranda noted if there were savings, the fees would go down. Sylvia indicated there was a study looking at using this waste for crab bait. Judokusumo replied she looked at that study, but the costs were too high for industrial processing, cold storage, and staff.

STAFF REPORTS

Executive Director's Report. Miranda reported staff are working on a plan for the RV Park and would like to present that at a work session next month. She noted the plan will cause some excitement. She explained staff took Commission direction and put together a plan that slowly gets to where they want to be, not too fast or super slow. She indicated it may upset some people because the plan shrinks the amount of long-term stays. She added the plan still tries to accommodate people who have moorage, and off-season will be open for long-term. She added a lot of long-term stayers attend meetings and provide input, but staff take many calls for short-term stayers that have to be turned away. She stated it is better to make the RV Park plan before putting together a plan for the annex.

Miranda reported NOAA dredging will start Aug. 31. She stated the derelict vessels program is moving forward. She explained the Governor got involved, created an oversight committee, and Bretz will represent the Port on the committee with DSL. She indicated the funding will address derelict commercial vessels too. Sylvia clarified with staff a date has not been set for funding appropriation. Bretz explained the fund is \$18.6 million, and some of the money will go toward creating a catalog of derelict vessels in the state and some toward administrative costs. He stated the state needs to make the waste chain more affordable for people so they will do the right thing. Miranda added she hopes this will help the Port of Toledo with their costs too. Retherford

confirmed with staff the Port is using a different dredge for the NOAA dredge than the Port of Toledo on their current dredge work.

Miranda reported the Port Dock 7 and commercial channel dredging plan's sampling cost is way higher than expected at \$1.2 million. She explained staff are working on splitting projects to see if the Army Corps portion of the project can be done sooner. She noted the Port may need a special meeting for the sampling contract, which could be held online. She noted there will be a Commercial Fishing Users Group meeting to discuss parking on Bay Blvd on Sept. 6, at 9 a.m. She explained the city will present their plan, and then the Port will evaluate what it can do to move forward.

Miranda reported the 343 SW Bay Blvd. property is on schedule to sell in September. She stated the International Terminal RORO Dock funding from the federal government may not be funded until next year depending on the Congress' decision. She noted she may hear about the MARAD grant at the end of September. She indicated she will be meeting with Congresswoman Val Hoyle's representatives. Retherford asked if she could mention the issue with DEQ changing discharge water permit regulations. Miranda replied the Port needs to talk to Gomberg and Anderson since the state is directly responsible for DEQ. Sylvia reminded that, ultimately, the federal level is responsible, as the State follows the Clean Water Act.

Miranda overviewed the Association of Pacific Ports Conference she attended. She noted the audit will be presented next month. She stated she will have knee surgery on September 7, and may be out of the office for a week.

Sylvia asked if there is any way for staff to try to estimate increases in regulatory costs over the last 5-10 years as a portion of projects, and then the next 10-20 years. Miranda replied she can work with other ports who have similar projects. She noted the Port of Newport's projects are very different from each other and not done very often. She added talking to federal legislators, she does not see funding for these regulation costs, and environmental costs continue to increase. She indicated NOAA fisheries has some tools specific to figuring out regulatory costs, but that wouldn't apply to past years. Sylvia added the port associations may be able to assist with this kind of analysis.

Retherford confirmed with staff the Port has not drafted its parking rates plan. Miranda suggested bringing a photographer to the next meeting to update Commissioner photos on the website. She asked for the Commission's input on permitting community use of the Commission Room and Conference Room. She explained she expected to allow maritime related groups and Port stakeholders to reserve the rooms for reduced fees. She stated she has been approached by a few folks who are non-profit who expect to use the rooms for free and waive all fees. She indicated the problem is that is not the Port's mission. She added if the Port allows one group to use it for free; it has to allow everyone. Retherford asked if there is a written policy. Miranda replied there is a permit that outlines using Port property and criteria for waivers. Retherford stated she would like to have a policy in place before allowing folks to reserve the space. Chuck stated he would like to see what city and county do. Sylvia noted the OSU Extension policy. He suggested tying the policy to the Port's mission and fiscal reality.

Lackey asked in the five-year cash flow report, will there be scenarios for different projects. Brown replied staff discussed all the projects and put the projects into separate years and funds. He noted the reality is Port Dock 7 would be split over a few years. He stated the report does not look at what-if scenarios. Miranda noted the numbers are estimates, and the plan may shift. She added she has no issues with debt as long as it is tied to rate of return.

Bretz reported for the Rogue Seawall project, engineers are establishing a plan for how to drill and will provide an estimate on the permitting cost if the Port wants to address the service dock at the same time. Miranda noted for the service dock, there has to be a rate of return, and the Port may have to get an extension to the in-water work window because of timing. Bretz explained there are mitigation savings if the Port does the project in a certain order. He noted if the Port fixes the seawall and doesn't address the docks now and just removes them, the Port will lose all the mitigation credit.

COMMISSIONER REPORTS

Chuck reported on his meetings with PacWave, OSU, and legislators. Miranda overviewed upcoming conferences. Tucker reminded the Commissioners to read the Business Emergency Preparedness packet.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:12 p.m.



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

ALL GOF DEPARTMENTS

Description	Balance
Assets	
Current Assets	
Cash Deposits	1,053,810.48
Cash on hand - Petty Cash	550.00
Cash on hand - Cash Drawers	825.00
Accounts Receivable	(207,958.16)
Property Tax Receivable	0.00
Grants Receivable	32,245.00
Allowance for Bad Debt	(50,000.00)
Interfund Activity Receivable	822,829.82
Prepaid Expenses	171,328.49
Total Current Assets	1,829,139.40
TOTAL FIXED ASSETS	48,191,548.10
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	(1,038,515.00)
PERS Deferred Outflow	262,672.00
Total Deferred Outflow Resrcs	(775,843.00)
TOTAL ASSETS	49,244,844.50
LIABILITIES	
Current Liabilities	
Accounts Payable	133,701.31
Credit Cards Payable	(29,697.29)
Accrued Lodging Taxes	31,258.31
Accrued Property Tax	1,252.05
Unclaimed Property	75,514.92
Interfund Activity Payable	780,450.30
Payroll Payable	46,846.76
Compensated Absences	71,030.89
Accrued Payroll Taxes	(22,559.30)
Retirement Payable	(8,576.51)
Garnishment Payable	711.56
Benefit Payable	57,670.21
Accrued Interest	11,368.00
Deposits	272,094.66
Deferred Revenue	(1,171,703.61)
Current Portion - Notes Payable	454,043.00
Current Portion - Bonds Payable	235,000.00
Total Current Liabilities	938,405.26
Non-current Liabilities	
Long-term Debt	6,655,260.24
Less Current Portion - Long-term Debt	(689,043.00)



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

ALL GOF DEPARTMENTS

Description	Balance
Bond Premiums	70,965.00
Total Non-current Liabilities	6,037,182.24
Deferred Inflows of Resources	219,726.00
Total Liabilities	7,195,313.50
Equity (Fund Balance)	
Restricted Fund Balance	1,140,000.00
Committed Fund Balance	0.00
Assigned Fund Balance	670,122.88
Unrestricted Fund Balance	34,983,304.10
Contributed Capital	7,130,788.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	43,924,214.98
Retained Earnings	(37,820.89)
Net Assets	42,049,531.00
Total Liabilities and Equity	49,244,844.50



Period: 07/01/23..08/31/23

Port of Newport

ALL GOF DEPARTMENTS

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	125,704.52	120,416.44	5,288.08
Moorage	454,333.41	452,963.36	1,370.05
Services	31,717.65	47,515.56	(15,797.91)
Cargo	11,212.10	2,300.00	8,912.10
RV Park Space Rentals	437,024.54	444,472.30	(7,447.76)
Fees	165,103.34	143,333.26	21,770.08
Property Tax Revenue	999.86	0.00	999.86
Discounts and Refunds	(3,681.63)	0.00	(3,681.63)
Miscellaneous Operating Revenue	3,486.80	8,216.80	(4,730.00)
Total Operating Revenue	1,225,900.59	1,219,217.72	6,682.87
OPERATING EXPENSES			
Personnel Services	453,616.62	489,673.12	(36,056.50)
Materials, Services	483,130.06	616,209.10	(133,079.04)
Total Operating Expenses	936,746.68	1,105,882.22	(169,135.54)
OPERATING INCOME (LOSS)	289,153.91	113,335.50	175,818.41
NON-OPERATING REVENUES			
Grant Revenue	32,245.00	32,245.00	0.00
Interest	5,911.55	1,083.38	4,828.17
Total Non-operating Revenues	38,156.55	33,328.38	4,828.17
Debt Service	335,958.69	4,992.00	330,966.69
Capital Outlays	29,172.66	32,718.00	(3,545.34)
Total Non-Operating Expenses	365,131.35	37,710.00	327,421.35
Non-Operating Income (Loss)	(326,974.80)	(4,381.62)	(322,593.18)
Net Income (Loss)	(37,820.89)	108,953.88	(146,774.77)
GAAP Adj - Debt Service Principal	230,898.53	0.00	230,898.53
Total GAAP Adjustments	(230,898.53)	0.00	(230,898.53)
Net Income (Loss)	(268,719.42)	108,953.88	(377,673.30)



Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..08/31/23

DEPARTMENT: 000-Unallocate

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services			
Materials, Services			
Total Operating Expenses			
OPERATING INCOME (LOSS)			
NON-OPERATING REVENUES			
Grant Revenue			
Debt Service	4,991.74	4,992.00	(0.26)
Total Non-Operating Expenses	4,991.74	4,992.00	(0.26)
Non-Operating Income (Loss)	(4,991.74)	(4,992.00)	0.26
Net Income (Loss)	(4,991.74)	(4,992.00)	0.26
GAAP Adj - Debt Service Principal	215,545.40		215,545.40
Total GAAP Adjustments	(215,545.40)		(215,545.40)
Net Income (Loss)	(220,537.14)	(4,992.00)	(215,545.14)



Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..08/31/23

DEPARTMENT: 100-Administra

Description	Actual	Budget	Variance
OPERATING REVENUE			
Property Tax Revenue	999.86		999.86
Total Operating Revenue	999.86		999.86
OPERATING EXPENSES			
Personnel Services	170,713.52	188,111.32	(17,397.80)
Materials, Services	144,287.56	171,702.52	(27,414.96)
Total Operating Expenses	315,001.08	359,813.84	(44,812.76)
OPERATING INCOME (LOSS)	(314,001.22)	(359,813.84)	45,812.62
NON-OPERATING REVENUES			
Grant Revenue			
Interest	5,911.55	1,083.38	4,828.17
Total Non-operating Revenues	5,911.55	1,083.38	4,828.17
Total Non-Operating Expenses			
Non-Operating Income (Loss)	5,911.55	1,083.38	4,828.17
Net Income (Loss)	(308,089.67)	(358,730.46)	50,640.79
Total GAAP Adjustments			
Net Income (Loss)	(308,089.67)	(358,730.46)	50,640.79



Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..08/31/23

DEPARTMENT: 300-Commerci

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	12,128.06	12,000.04	128.02
Moorage	137,109.06	109,166.66	27,942.40
Services	22,204.32	14,698.86	7,505.46
Fees	54,421.24	25,833.26	28,587.98
Discounts and Refunds	(2,914.33)		(2,914.33)
Miscellaneous Operating Revenue	(375.16)	2,000.00	(2,375.16)
Total Operating Revenue	222,573.19	163,698.82	58,874.37
OPERATING EXPENSES			
Personnel Services	94,986.79	105,092.10	(10,105.31)
Materials, Services	79,012.43	71,999.96	7,012.47
Total Operating Expenses	173,999.22	177,092.06	(3,092.84)
OPERATING INCOME (LOSS)	48,573.97	(13,393.24)	61,967.21
NON-OPERATING REVENUES			
Grant Revenue	32,245.00	32,245.00	
Total Non-operating Revenues	32,245.00	32,245.00	
Capital Outlays	9,918.00	15,138.00	(5,220.00)
Total Non-Operating Expenses	9,918.00	15,138.00	(5,220.00)
Non-Operating Income (Loss)	22,327.00	17,107.00	5,220.00
Net Income (Loss)	70,900.97	3,713.76	67,187.21
Total GAAP Adjustments			
Net Income (Loss)	70,900.97	3,713.76	67,187.21



Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..08/31/23

DEPARTMENT: 500-Internation

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	29,906.00	29,249.70	656.30
Moorage	9,206.75	36,666.70	(27,459.95)
Services	9,513.33	32,666.70	(23,153.37)
Cargo	11,121.83	2,300.00	8,821.83
Fees	39,062.96	47,500.00	(8,437.04)
Discounts and Refunds	18.28		18.28
Miscellaneous Operating Revenue	3,884.46	333.30	3,551.16
Total Operating Revenue	102,713.61	148,716.40	(46,002.79)
OPERATING EXPENSES			
Personnel Services	37,600.74	48,502.54	(10,901.80)
Materials, Services	46,258.66	57,800.00	(11,541.34)
Total Operating Expenses	83,859.40	106,302.54	(22,443.14)
OPERATING INCOME (LOSS)	18,854.21	42,413.86	(23,559.65)
NON-OPERATING REVENUES			
Grant Revenue			
Debt Service	330,966.95		330,966.95
Capital Outlays	1,675.00		1,675.00
Total Non-Operating Expenses	332,641.95		332,641.95
Non-Operating Income (Loss)	(332,641.95)		(332,641.95)
Net Income (Loss)	(313,787.74)	42,413.86	(356,201.60)
Total GAAP Adjustments			
Net Income (Loss)	(313,787.74)	42,413.86	(356,201.60)



Financial Report - Budget Vs. Actual

Port of Newport

Period 07/01/23..08/31/23

DEPARTMENT: 700-South Bea

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	83,670.46	79,166.70	4,503.76
Moorage	306,692.64	307,130.00	(437.36)
Services		150.00	(150.00)
Cargo	90.27		90.27
RV Park Space Rentals	437,024.54	444,472.30	(7,447.76)
Fees	69,046.98	70,000.00	(953.02)
Discounts and Refunds	(1,583.90)		(1,583.90)
Miscellaneous Operating Revenue	(22.50)	5,883.50	(5,906.00)
Total Operating Revenue	894,918.49	906,802.50	(11,884.01)
OPERATING EXPENSES			
Personnel Services	135,554.68	147,967.16	(12,412.48)
Materials, Services	209,245.31	314,706.62	(105,461.31)
Total Operating Expenses	344,799.99	462,673.78	(117,873.79)
OPERATING INCOME (LOSS)	550,118.50	444,128.72	105,989.78
NON-OPERATING REVENUES			
Grant Revenue			
Capital Outlays	17,579.66	17,580.00	(0.34)
Total Non-Operating Expenses	17,579.66	17,580.00	(0.34)
Non-Operating Income (Loss)	(17,579.66)	(17,580.00)	0.34
Net Income (Loss)	532,538.84	426,548.72	105,990.12
Total GAAP Adjustments			
Net Income (Loss)	532,538.84	426,548.72	105,990.12



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

NOAA Lease Revenue Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	3,179,624.13
Property Tax Receivable	0.00
Grants Receivable	0.00
Interfund Activity Receivable	342,884.29
Prepaid Expenses	82,236.32
Total Current Assets	3,604,744.74
TOTAL FIXED ASSETS	20,152,506.18
Deferred Outflows of Resources	
Advanced Refunding (DOR)	390,615.04
PERS NPA(L)	(54,658.00)
PERS Deferred Outflow	13,824.00
Total Deferred Outflow Resrcs	349,781.04
TOTAL ASSETS	24,107,031.96
LIABILITIES	
Current Liabilities	
Accounts Payable	11,867.53
Interfund Activity Payable	948,782.43
Compensated Absences	13,657.27
Accrued Payroll Taxes	2,665.28
Retirement Payable	5,447.27
Benefit Payable	1,627.48
Accrued Interest	164,613.00
Current Portion - Bonds Payable	1,380,000.00
Total Current Liabilities	2,528,660.26
Non-current Liabilities	
Long-term Debt	12,515,000.00
Less Current Portion - Long-term Debt	(1,380,000.00)
Total Non-current Liabilities	11,135,000.00
Deferred Inflows of Resources	11,565.00
Total Liabilities	13,675,225.26
Equity (Fund Balance)	
Restricted Fund Balance	1,761,721.00
Committed Fund Balance	432,000.00
Assigned Fund Balance	432,000.00
Unrestricted Fund Balance	8,082,423.78
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	10,276,144.78
Retained Earnings	(1,224,338.08)
Net Assets	10,431,806.70



PON BALANCE SHEET

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Period: 07/01/23..08/31/23

Port of Newport

NOAA Lease Revenue Fund

Description	Balance
Total Liabilities and Equity	24,107,031.96

Period: 07/01/23..08/31/23

Port of Newport

NOAA Lease Revenue Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
Lease Revenue	431,197.48	429,540.00	1,657.48
Total Operating Revenue	431,197.48	429,540.00	1,657.48
OPERATING EXPENSES			
Personnel Services	19,462.34	38,021.14	(18,558.80)
Materials, Services	67,233.74	78,187.46	(10,953.72)
Total Operating Expenses	86,696.08	116,208.60	(29,512.52)
OPERATING INCOME (LOSS)	344,501.40	313,331.40	31,170.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	11,211.64	1,083.34	10,128.30
Total Non-operating Revenues	11,211.64	1,083.34	10,128.30
Debt Service	1,577,534.87	0.00	1,577,534.87
Capital Outlays	2,516.25	0.00	2,516.25
Total Non-Operating Expenses	1,580,051.12	0.00	1,580,051.12
Non-Operating Income (Loss)	(1,568,839.48)	1,083.34	(1,569,922.82)
Net Income (Loss)	(1,224,338.08)	314,414.74	(1,538,752.82)
GAAP Adj - Debt Service Principal	1,380,000.00	0.00	1,380,000.00
Total GAAP Adjustments	(1,380,000.00)	0.00	(1,380,000.00)
Net Income (Loss)	(2,604,338.08)	314,414.74	(2,918,752.82)



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

NOAA Capital Maintenance Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	1,937,115.53
Property Tax Receivable	0.00
Grants Receivable	0.00
Interfund Activity Receivable	354,985.17
Total Current Assets	2,292,100.70
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	2,292,100.70
LIABILITIES	
Current Liabilities	
Interfund Activity Payable	3,526.14
Accrued Payroll Taxes	261.24
Retirement Payable	549.13
Total Current Liabilities	4,336.51
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	4,336.51
Equity (Fund Balance)	
Restricted Fund Balance	2,278,074.94
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	0.00
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	2,278,074.94
Retained Earnings	9,689.25
Net Assets	2,287,764.19
Total Liabilities and Equity	2,292,100.70



Period: 07/01/23..08/31/23

Port of Newport

NOAA Capital Maintenance Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	3,526.14	0.00	3,526.14
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	3,526.14	0.00	3,526.14
OPERATING INCOME (LOSS)	(3,526.14)	0.00	(3,526.14)
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	13,215.39	0.00	13,215.39
Total Non-operating Revenues	13,215.39	0.00	13,215.39
Total Non-Operating Expenses	0.00	0.00	0.00
Non-Operating Income (Loss)	13,215.39	0.00	13,215.39
Net Income (Loss)	9,689.25	0.00	9,689.25
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	9,689.25	0.00	9,689.25



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

Bonded Debt Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	147,880.10
Accounts Receivable	33,838.43
Property Tax Receivable	0.00
Grants Receivable	0.00
Total Current Assets	181,718.53
TOTAL FIXED ASSETS	139,746.00
Deferred Outflows of Resources	
Advanced Refunding (DOR)	553,083.64
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	553,083.64
TOTAL ASSETS	874,548.17
LIABILITIES	
Current Liabilities	
Current Portion - Bonds Payable	435,000.00
Total Current Liabilities	435,000.00
Non-current Liabilities	
Long-term Debt	10,815,000.25
Less Current Portion - Long-term Debt	(435,000.00)
Bond Premiums	572,487.00
Total Non-current Liabilities	10,952,487.25
Deferred Inflows of Resources	0.00
Total Liabilities	11,387,487.25
Equity (Fund Balance)	
Restricted Fund Balance	(10,520,959.61)
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	0.00
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	(10,520,959.61)
Retained Earnings	8,020.53
Net Assets	(10,512,939.08)
Total Liabilities and Equity	874,548.17



Period: 07/01/23..08/31/23

Port of Newport

Bonded Debt Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
Property Tax Revenue	6,755.07	0.00	6,755.07
Total Operating Revenue	6,755.07	0.00	6,755.07
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	6,755.07	0.00	6,755.07
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	1,265.46	0.00	1,265.46
Total Non-operating Revenues	1,265.46	0.00	1,265.46
Debt Service	0.00	197,028.00	(197,028.00)
Total Non-Operating Expenses	0.00	197,028.00	(197,028.00)
Non-Operating Income (Loss)	1,265.46	(197,028.00)	198,293.46
Net Income (Loss)	8,020.53	(197,028.00)	205,048.53
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	8,020.53	(197,028.00)	205,048.53



PON BALANCE SHEET

9/15/2023
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Period: 07/01/23..08/31/23
Port of Newport

Construction Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	13,159.98
Property Tax Receivable	0.00
Grants Receivable	0.00
Total Current Assets	13,159.98
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	13,159.98
LIABILITIES	
Current Liabilities	
Total Current Liabilities	0.00
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	0.00
Equity (Fund Balance)	
Restricted Fund Balance	0.00
Committed Fund Balance	0.00
Assigned Fund Balance	0.00
Unrestricted Fund Balance	13,146.21
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	13,146.21
Retained Earnings	13.77
Net Assets	13,159.98
Total Liabilities and Equity	13,159.98



Period: 07/01/23..08/31/23

Port of Newport

Construction Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	0.00	0.00	0.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	13.77	0.00	13.77
Total Non-operating Revenues	13.77	0.00	13.77
Transfers Out to Other Funds	0.00	14,695.00	(14,695.00)
Total Non-Operating Expenses	0.00	14,695.00	(14,695.00)
Non-Operating Income (Loss)	13.77	(14,695.00)	14,708.77
Net Income (Loss)	13.77	(14,695.00)	14,708.77
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	13.77	(14,695.00)	14,708.77



PON BALANCE SHEET

Period: 07/01/23..08/31/23

Port of Newport

Facilities Maintenance Fund

Description	Balance
Assets	
Current Assets	
Cash Deposits	540,051.07
Property Tax Receivable	0.00
Grants Receivable	0.00
Total Current Assets	540,051.07
Deferred Outflows of Resources	
Advanced Refunding (DOR)	0.00
PERS NPA(L)	0.00
PERS Deferred Outflow	0.00
Total Deferred Outflow Resrcs	0.00
TOTAL ASSETS	540,051.07
LIABILITIES	
Current Liabilities	
Interfund Activity Payable	19,889.60
Total Current Liabilities	19,889.60
Non-current Liabilities	
Total Non-current Liabilities	0.00
Deferred Inflows of Resources	0.00
Total Liabilities	19,889.60
Equity (Fund Balance)	
Restricted Fund Balance	0.00
Committed Fund Balance	0.00
Assigned Fund Balance	475,911.12
Unrestricted Fund Balance	41,720.66
Contributed Capital	0.00
Prior Period Adjustment	0.00
Total Equity (Fund Balance)	517,631.78
Retained Earnings	2,529.69
Net Assets	520,161.47
Total Liabilities and Equity	540,051.07



Period: 07/01/23..08/31/23

Port of Newport

Facilities Maintenance Fund

Description	Actual	Budget	Variance
OPERATING REVENUE			
OPERATING EXPENSES			
Personnel Services	0.00	0.00	0.00
Materials, Services	0.00	0.00	0.00
Total Operating Expenses	0.00	0.00	0.00
OPERATING INCOME (LOSS)	0.00	0.00	0.00
NON-OPERATING REVENUES			
Grant Revenue	0.00	0.00	0.00
Interest	2,529.69	0.00	2,529.69
Total Non-operating Revenues	2,529.69	0.00	2,529.69
Total Non-Operating Expenses	0.00	0.00	0.00
Non-Operating Income (Loss)	2,529.69	0.00	2,529.69
Net Income (Loss)	2,529.69	0.00	2,529.69
Total GAAP Adjustments	0.00	0.00	0.00
Net Income (Loss)	2,529.69	0.00	2,529.69

Posting Date	Document Date	Document No.	Vendor Name	Description	External Document No.	Line Funds	Department	Credit Amount	Loan Code
8/31/2023	8/31/2023	PPI02786	SOPHIA FISHERIES	CHAOS-REFUND	CHAOS-REFUND	100		102.20	
8/31/2023	8/31/2023	PPI02785	SOPHIA FISHERIES	Vend#: V02060 - Inv#: REFUND-NAVIGATOR	REFUND-NAVIGATOR	100		2,110.00	
8/31/2023	8/31/2023	PPI02784	Tom Pfister	Vend#: V02050 - Inv#: REFUND	REFUND	100		46.98	
8/31/2023	8/31/2023	PPI02783	Teresa Hennessey	Vend#: V02040 - Inv#: REFUND	REFUND	100		859.74	
8/23/2023	8/23/2023	PPI02734	Internal Revenue Service	93-6001831 Form 720-V Qtr 2	FORM 720-V	100		69.75	
8/23/2023	8/23/2023	PPI02732	Oregon Port Revolving Fund	Order P001006	APPLICATION	100		100.00	
8/31/2023	8/31/2023	PPI02826	Route 2 Equipment Repair & Hydraulics, LLC	Order P001047	1049	100		1,300.00	
8/24/2023	8/24/2023	PPI02770	Route 2 Equipment Repair & Hydraulics, LLC	Order P001014	1044	100		600.00	
8/18/2023	8/18/2023	PPI02765	Microsoft Repair Center	Order P000986	944350261	100		340.00	
8/11/2023	8/11/2023	PPI02686	American Leak Detection	Order P000965	00164063	100		770.00	
8/28/2023	8/28/2023	PPI02858	Pasha Stevedoring & Terminals LP	Order P001020	PST 0000023912	100	500	3,206.00	
8/10/2023	8/10/2023	PPI02668	Pasha Stevedoring & Terminals LP	Order P000961	PST 0000023873	100	500	4,506.00	
8/3/2023	8/3/2023	PPI02601	Good Work Architects, PLLC	Vend#: V01940 - Inv#: INITIAL PAYMENT	INITIAL PAYMENT	100		10,000.00	
8/31/2023	8/31/2023	PPI02819	Englund Marine Supply Co Inc	Order P001049	12729/6	100	300	310.29	
8/31/2023	8/31/2023	PPI02818	Englund Marine Supply Co Inc	Order P001052	354731/6	100	300	235.64	
8/30/2023	8/30/2023	PPI02877	Englund Marine Supply Co Inc	Order P001040	355738/6	100	300	2,303.89	
8/30/2023	8/30/2023	PPI02821	Englund Marine Supply Co Inc	Order P001038	12734/6	100	500	81.81	
8/29/2023	8/29/2023	PPI02761	Englund Marine Supply Co Inc	Order P001027	12635/6	100	300	2.41	
8/25/2023	8/25/2023	PPI02759	Englund Marine Supply Co Inc	Order P001018	12542/6	100	500	11.10	
8/22/2023	8/22/2023	PPI02758	Englund Marine Supply Co Inc	Order P000995	12398/6	100	300	179.52	
8/17/2023	8/17/2023	PPI02760	Englund Marine Supply Co Inc	Order P000985	352371/6	100	300	444.82	
8/15/2023	8/15/2023	PPI02705	Englund Marine Supply Co Inc	Order P000975	12103/6	100	300	21.84	
8/14/2023	8/14/2023	PPI02704	Englund Marine Supply Co Inc	Order P000969	12043/6	100	300	97.26	
8/11/2023	8/11/2023	PPI02703	Englund Marine Supply Co Inc	Order P000963	11589/6	100		11.36	
8/9/2023	8/9/2023	PPI02638	Englund Marine Supply Co Inc	Order P000954	11855/6	100	300	431.34	
8/8/2023	8/8/2023	PPI02639	Englund Marine Supply Co Inc	Order P000947	11812/6	100	300	38.02	
8/22/2023	8/22/2023	PPI02719	SAIF Corporation	Vend#: V01890 - Inv#: 1001363879	1001363879	100		582.09	
8/11/2023	8/11/2023	PPI02623	Glasdon, Inc	Vend#: V01680 - Inv#: SI1013126.	SI1013126.	100		653.30	
8/29/2023	8/29/2023	PPI02772	Surf Town Coffee Co.	Order P001025	8884	100		330.00	
8/30/2023	8/30/2023	PPI02766	Newport Plumbing Inc	Order P001032	447091	100		1,468.00	
8/14/2023	8/14/2023	PPI02658	Orrco	Vend#: V01390 - Inv#: 458678	458678	100		260.00	
8/23/2023	8/23/2023	PPI02884	4imprint, Inc	Order P001002	11597780	100		139.44	
8/14/2023	8/14/2023	PPI02661	Civil West Engineering Services, Inc	Vend#: V01170 - Inv#: 2204.254-009	2204.254-009	100		512.00	
8/22/2023	8/22/2023	PPI02714	Security Monster	Vend#: V01010 - Inv#: 212505	212505	100		56.50	
8/11/2023	8/11/2023	PPI02628	Security Monster	Vend#: V01010 - Inv#: 212404	212404	100		780.00	
8/21/2023	8/21/2023	PPI02671	KPFF	Vend#: V00970 - Inv#: 485213	485213	100		565.00	
8/3/2023	8/3/2023	PPI02590	KPFF	Vend#: V00970 - Inv#: 479680	479680	100		1,110.00	
8/31/2023	8/31/2023	PPI02781	American Bankers Insurance Company of Florida	Vend#: V00840 - Inv#: 6900127527	6900127527	100		966.00	
8/31/2023	8/31/2023	PPI02780	American Bankers Insurance Company of Florida	Vend#: V00840 - Inv#: POLICY #6900127528	POLICY #6900127528	100		1,298.00	
8/31/2023	8/31/2023	PPI02799	Paula Miranda	Vend#: V00680 - Inv#: REIMBURSEMENT - CONFEREN	REIMBURSEMENT - CONFER	100		464.40	
8/11/2023	8/11/2023	PPI02630	Jim Durkee	Vend#: V00660 - Inv#: REIMBURSEMENT 8/1/2023	REIMBURSEMENT 8/1/2023	100		58.50	
8/11/2023	8/11/2023	PPI02631	Kody Robinson	Vend#: V00570 - Inv#: PACIFIC COAST CONGRESS-R	PACIFIC COAST CONGRESS-F	100		2,730.97	
8/1/2023	8/1/2023	PPI02554	OR Business Development Dept. -OBDD	Order P000916	655-36-02 202308	100		7,800.00	
8/14/2023	8/14/2023	PPI02663	Windcave	Vend#: V00450 - Inv#: 2282078	2282078	100		175.00	
8/21/2023	8/21/2023	PPI02669	MASA	Vend#: V00430 - Inv#: 1614418	1614418	100		165.00	
8/16/2023	8/16/2023	PPI02683	Newport Fab Shop	Order P000978	1232	100		1,675.00	
8/14/2023	8/14/2023	PPI02776	Wiggins Hauling Works	Order P000968	2921	100	500	1,300.00	
8/4/2023	8/4/2023	PPI02602	Washington State Support Registry **AUTODRAFT**	Vend#: V00369 - Inv#: PPE20230731	PPE20230731	100		136.00	
8/24/2023	8/24/2023	PPI02737	VOYA- **AUTODRAFT**	Vend#: V00366 - Inv#: PPE 08/15/2023 - ROTH	PPE 08/15/2023 - ROTH	100		525.00	
8/24/2023	8/24/2023	PPI02736	VOYA- **AUTODRAFT**	Vend#: V00366 - Inv#: PPE 08/15/2023	PPE 08/15/2023	100		630.00	
8/4/2023	8/4/2023	PPI02604	VOYA- **AUTODRAFT**	Vend#: V00366 - Inv#: PPE20230731 ROTH	PPE20230731 ROTH	100		525.00	
8/4/2023	8/4/2023	PPI02603	VOYA- **AUTODRAFT**	Vend#: V00366 - Inv#: PPE20230731	PPE20230731	100		630.00	
8/30/2023	8/30/2023	PPI02777	Verizon Wireless	Vend#: V00361 - Inv#: 9941857046	9941857046	100		529.92	
8/1/2023	8/1/2023	PPI02775	Valley Fire Control Inc	Order P000928	48242	500		351.75	
8/22/2023	8/22/2023	PPI02774	TWGW Inc NAPA Auto Parts	Order P000992	050270	100	300	42.45	
8/21/2023	8/21/2023	PPI02773	TWGW Inc NAPA Auto Parts	Order P000991	050138	100	700	90.91	
8/4/2023	8/4/2023	PPI02711	TWGW Inc NAPA Auto Parts	Order P000939	046488	100		142.84	
8/30/2023	8/30/2023	PPI02778	Toyota Lift Northwest	Vend#: V00339 - Inv#: 74700984	74700984	100		172.83	

8/1/2023	8/1/2023	PPI02735	Toyota Lift Northwest	Order P000927	74701048	100	300	187.86
8/11/2023	8/11/2023	PPI02629	Thompson's Sanitary Service Inc	Vend#: V00336 - Inv#: 12058 202307	12058 202307	100		2,247.17
8/11/2023	8/11/2023	PPI02627	Thompson's Sanitary Service Inc	Vend#: V00336 - Inv#: 13499 202307	13499 202307	100		6,789.33
8/11/2023	8/11/2023	PPI02626	Thompson's Sanitary Service Inc	Vend#: V00336 - Inv#: 12514 202307	12514 202307	100		8,063.60
8/11/2023	8/11/2023	PPI02625	Thompson's Sanitary Service Inc	Vend#: V00336 - Inv#: 22644 202307	22644 202307	100		538.60
8/2/2023	8/2/2023	PPI02561	TCB Security Services Inc.	Vend#: V00333 - Inv#: 243797	243797	100		13,109.00
8/31/2023	8/31/2023	PPI02796	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 163147	163147	100		165.00
8/31/2023	8/31/2023	PPI02795	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 163146	163146	100		85.00
8/31/2023	8/31/2023	PPI02794	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 163145	163145	100		165.00
8/31/2023	8/31/2023	PPI02793	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 163144	163144	100		165.00
8/31/2023	8/31/2023	PPI02792	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 163143	163143	100		660.00
8/3/2023	8/3/2023	PPI02600	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 162644	162644	100		185.00
8/3/2023	8/3/2023	PPI02599	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 162643	162643	100		85.00
8/3/2023	8/3/2023	PPI02598	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 162642	162642	100		185.00
8/3/2023	8/3/2023	PPI02597	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 162641	162641	100		185.00
8/3/2023	8/3/2023	PPI02596	T & L Chemical Toilet Service LLC	Vend#: V00331 - Inv#: 162640	162640	100		740.00
8/14/2023	8/14/2023	PPI02656	Suburban Propane	Vend#: V00327 - Inv#: 160174	160174	100		255.99
8/22/2023	8/22/2023	PPI02715	Streamline	Vend#: V00326 - Inv#: AC7COFE6-0032	AC7COFE6-0032	100		535.00
8/29/2023	8/29/2023	PPI02828	Staples Advantage	Order P001028	3546444167	100		80.52
8/25/2023	8/25/2023	PPI02806	Staples Advantage	Order P001016	354644169	100		63.18
8/10/2023	8/10/2023	PPI02845	Staples Advantage	Order P000962	3546444172	100		123.61
8/14/2023	8/14/2023	PPI02660	Spiro Landscapes Inc	Vend#: V00319 - Inv#: 00028262	00028262	100		495.00
8/14/2023	8/14/2023	PPI02659	Spiro Landscapes Inc	Vend#: V00319 - Inv#: 00028147	00028147	100		360.00
8/9/2023	8/9/2023	PPI02670	Spiro Landscapes Inc	Order P000950	00028263	100		1,050.00
8/11/2023	8/11/2023	PPI02647	Special Districts Insurance Services	Vend#: V00318 - Inv#: 03-0016278 2023 08	03-0016278 2023 08	100		28,249.11
8/31/2023	8/31/2023	PPI02782	Sierra Springs	Vend#: V00313 - Inv#: 22502915 081923	22502915 081923	100		39.76
8/21/2023	8/21/2023	PPI02667	Sierra Springs	Vend#: V00313 - Inv#: 21798087 081923	21798087 081923	100		49.70
8/23/2023	8/23/2023	PPI02771	Sherwin-Williams	Order P001004	1371-5	100	300	378.76
8/3/2023	8/3/2023	PPI02620	Sherwin-Williams	Order P000933	0408-6	100	300	61.73
8/24/2023	8/24/2023	PPI02740	Secretary of State - Division of Audits	Order P001013	AUDIT 7/1/21-6/30/2022	100		300.00
8/28/2023	8/28/2023	PPI02873	Road & Driveway Co Inc	Order P001022	0029776 IN	100	500	146.48
8/28/2023	8/28/2023	PPI02872	Road & Driveway Co Inc	Order P001022	0029776-IN	100	500	146.48
8/14/2023	8/14/2023	PPI02827	Road & Driveway Co Inc	Order P000971	0029761-IN	500		366.20
8/14/2023	8/14/2023	PPI02655	Quadient Finance USA Inc	Vend#: V00291 - Inv#: N10049524	N10049524	100		736.34
8/29/2023	8/29/2023	PPI02824	Power Motors Inc	Order P001031	FOCS263669	100	700	184.62
8/30/2023	8/30/2023	PPI02889	Platt Electric Supply Inc	Order P001037	4124432	100	500	394.80
8/24/2023	8/24/2023	PPI02769	Platt Electric Supply Inc	Order P001011	4177909	100	700	625.60
8/29/2023	8/29/2023	PPI02768	Pioneer Printing Inc	Order P001026	81647	100		267.40
8/21/2023	8/21/2023	PPI02684	Pioneer Printing Inc	Order P000989	81616	100		65.25
8/11/2023	8/11/2023	PPI02643	Pioneer Printing Inc	Vend#: V00283 - Inv#: 81300	81300	100		3,798.88
8/31/2023	8/31/2023	PPI02791	Pioneer Connect	Vend#: V00282 - Inv#: 115083 2023 09	115083 2023 09	100		41.34
8/31/2023	8/31/2023	PPI02790	Pioneer Connect	Vend#: V00282 - Inv#: 159375 202309	159375 202309	100		179.96
8/31/2023	8/31/2023	PPI02789	Pioneer Connect	Vend#: V00282 - Inv#: 113823 202309	113823 202309	100		225.08
8/11/2023	8/11/2023	PPI02636	Pioneer Connect	Vend#: V00282 - Inv#: 113823 202307	113823 202307	100		225.08
8/11/2023	8/11/2023	PPI02635	Pioneer Connect	Vend#: V00282 - Inv#: 115083 202307	115083 202307	100		41.34
8/11/2023	8/11/2023	PPI02634	Pioneer Connect	Vend#: V00282 - Inv#: 159375 202307	159375 202307	100		179.96
8/31/2023	8/31/2023	PPI02787	PBS Engineering and Environmental Inc.	Vend#: V00277 - Inv#: 0074183.002-1	0074183.002-1	100		17,067.66
8/30/2023	8/30/2023	PPI02767	Papé Material Handling, Inc	Order P001033	5131268	100		258.10
8/31/2023	8/31/2023	PPI02797	Pacific Source Administrators Inc	Vend#: V00272 - Inv#: P02559 09/1/2023-9/30/20	P02559 09/1/2023-9/30/20;100	100		502.08
8/11/2023	8/11/2023	PPI02644	Pacific Source Administrators Inc	Vend#: V00272 - Inv#: P0259 202308	P0259 202308	100		502.08
8/31/2023	8/31/2023	PPI02788	Pacific Habitat Services Inc	Vend#: V00266 - Inv#: 1-7390-06	1-7390-06	100		2,516.25
8/3/2023	8/3/2023	PPI02591	Pacific Habitat Services Inc	Vend#: V00266 - Inv#: 1-7390-05	1-7390-05	100		6,163.25
8/30/2023	8/30/2023	PPI02807	Pacific Coast Lock & Safe LLC	Order P001044	11344	100		2,254.00
8/9/2023	8/9/2023	PPI02861	Pacific Coast Lock & Safe LLC	Order P000952	11343	100		9,222.00
8/2/2023	8/2/2023	PPI02616	Overhead Door Company of Salem	Order P000931	19877	500		445.00
8/29/2023	8/29/2023	PPI02779	Orkin	Vend#: V00260 - Inv#: 249218030	249218030	100		62.99
8/11/2023	8/11/2023	PPI02645	Orkin	Vend#: V00260 - Inv#: 247797915	247797915	100		62.99
8/22/2023	8/22/2023	PPI02718	NW Natural	Vend#: V00237 - Inv#: 1584562-1 2023 08	1584562-1 2023 08	100		119.75
8/22/2023	8/22/2023	PPI02717	NW Natural	Vend#: V00237 - Inv#: 1584561- 2023 08	1584561- 2023 08	100		19.39

8/8/2023	8/8/2023	PPI02619	Newport News Times	Order P000946	INV252724	100	175.00
8/8/2023	8/8/2023	PPI02618	Newport News Times	Order P000945	INV252806	100	164.55
8/4/2023	8/4/2023	PPI02617	Newport News Times	Order P000940	INV250454	100	165.00
8/3/2023	8/3/2023	PPI02879	Newport Rental Service	Order P000938	157268	500	246.00
8/22/2023	8/22/2023	PPI02709	Mobile Modular, Inc	Vend#: V00214 - Inv#: 2456453	2456453	100	495.00
8/22/2023	8/22/2023	PPI02764	MC Dean Inc	Order P000999	23C708M01001	500	3,724.00
8/14/2023	8/14/2023	PPI02674	MacPherson, Gintner & Diaz	Vend#: V00200 - Inv#: 82801	82801	100	1,662.50
8/11/2023	8/11/2023	PPI02648	Lincoln County Public Works	Vend#: V00194 - Inv#: 6444	6444	100	374.69
8/23/2023	8/23/2023	PPI02763	Les Schwab Tire Center Inc	Order P001005	72500573291	100 700	655.44
8/22/2023	8/22/2023	PPI02720	Kern & Thompson LLC	Vend#: V00179 - Inv#: 27968	27968	100	10,000.00
8/15/2023	8/15/2023	PPI02708	Keller Supply Company	Order P000972	S022038338.001	100	1,621.81
8/1/2023	8/1/2023	PPI02621	Keller Supply Company	Order P000925	S022027519.001	100	3,489.06
8/11/2023	8/11/2023	PPI02632	Integrity Data	Vend#: V00167 - Inv#: CB16639	CB16639	100	863.00
8/22/2023	8/22/2023	PPI02713	Industrial Welding Supply, Inc.	Vend#: V00165 - Inv#: 00332435	00332435	100	60.00
8/22/2023	8/22/2023	PPI02712	Industrial Welding Supply, Inc.	Vend#: V00165 - Inv#: 00325954	00325954	100	21.75
8/11/2023	8/11/2023	PPI02706	Industrial Welding Supply, Inc.	Order P000967	00336487	100	80.09
8/10/2023	8/10/2023	PPI02707	Industrial Welding Supply, Inc.	Order P000958	00336326	100	295.00
8/8/2023	8/8/2023	PPI02614	Industrial Welding Supply, Inc.	Order P000944	00335590	100	238.20
8/7/2023	8/7/2023	PPI02866	Industrial Welding Supply, Inc.	Order P000943	336019	100	290.11
8/1/2023	8/1/2023	PPI02615	Industrial Welding Supply, Inc.	Order P000926	00335488	100 300	130.60
8/3/2023	8/3/2023	PPI02654	Hyak	Vend#: V00161 - Inv#: 383788	383788	100	7,140.99
8/23/2023	8/23/2023	PPI02762	Harvey's Lock & Key Service	Order P001000	23887	100 300	262.96
8/3/2023	8/3/2023	PPI02592	Ground FX Landscape Management LLC	Vend#: V00152 - Inv#: 35299	35299	100	369.00
8/1/2023	8/1/2023	PPI02666	First Interstate Bank**AUTODRAFT**-Debt Svc	Vend#: V00136 - Inv#: 0956 202307	0956 202307	100	5,105.31
8/14/2023	9/12/2023	PPI02864	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 1343 AB 20230723	1343 AB 20230723	100	1,995.27
8/11/2023	8/11/2023	PPI02653	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 1335 PM 202307	1335 PM 202307	100	659.85
8/11/2023	8/11/2023	PPI02652	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 8643 GT 202307	8643 GT 202307	100	751.31
8/11/2023	8/11/2023	PPI02651	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 0302 KR 202307	0302 KR 202307	100	471.58
8/11/2023	8/11/2023	PPI02650	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 1350 MB 20237	1350 MB 20237	100	716.60
8/11/2023	8/11/2023	PPI02649	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 3459 DM 202307	3459 DM 202307	100	147.50
8/9/2023	8/9/2023	PPI02611	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 1343 AB 202307	1343 AB 202307	100	1,925.88
8/7/2023	8/7/2023	PPI02607	First Interstate Bank MC **AUTODRAFT**	Vend#: V00135 - Inv#: 1350 MB 202306	1350 MB 202306	100	5,722.78
8/14/2023	8/14/2023	PPI02665	DOWL	Vend#: V00113 - Inv#: 2621.80022.01-8	2621.80022.01-8	100	1,885.00
8/11/2023	8/11/2023	PPI02702	Doug's Electric Inc	Order P000964	C37829F	100	3,995.00
8/14/2023	8/14/2023	PPI02664	Direct TV**AUTODRAFT**	Vend#: V00108 - Inv#: 046543116X230730	046543116X230730	100	447.20
8/30/2023	8/30/2023	PPI02846	Copeland Lumber Yards Inc	Order P001043	2308-288853	100	726.80
8/24/2023	8/24/2023	PPI02757	Copeland Lumber Yards Inc	Order P001012	2308-283790	100 500	182.56
8/23/2023	8/23/2023	PPI02756	Copeland Lumber Yards Inc	Order P001003	2308-282748	100	42.99
8/1/2023	8/1/2023	PPI02575	Copeland Lumber Yards Inc	Order P000923	2308-265624	100 500	233.48
8/2/2023	8/2/2023	PPI02832	Coastal Refrigeration Heating & AC LLC	Order P000930	I5805	500	2,185.00
8/30/2023	8/30/2023	PPI02754	Coastal Paper & Supply Inc	Vend#: V00080 - Inv#: 625024	625024	100	97.26
8/30/2023	8/30/2023	PPI02753	Coastal Paper & Supply Inc	Vend#: V00080 - Inv#: 623425	623425	100	62.85
8/30/2023	8/30/2023	PPI02752	Coastal Paper & Supply Inc	Vend#: V00080 - Inv#: 623838	623838	100	510.35
8/16/2023	8/16/2023	PPI02755	Coastal Paper & Supply Inc	Order P000984	624721	100 300	1,079.36
8/15/2023	8/15/2023	PPI02624	City of Newport Water**AUTODRAFT**	Vend#: V00070 - Inv#: 2023 07	2023 07	100	18,965.71
8/22/2023	8/22/2023	PPI02685	City of Newport	Vend#: V00067 - Inv#: 6555	6555	100	313.00
8/11/2023	8/11/2023	PPI02642	City of Newport	Vend#: V00067 - Inv#: 6553	6553	100	80.77
8/22/2023	8/22/2023	PPI02716	Century Link	Vend#: V00063 - Inv#: 245B 202308	245B 202308	100	40.85
8/31/2023	8/31/2023	PPI02673	Central Lincoln PUD**AUTODRAFT**	Vend#: V00062 - Inv#: 2074	2074	100	344.11
8/29/2023	8/29/2023	PPI02657	Central Lincoln PUD**AUTODRAFT**	Vend#: V00062 - Inv#: 2069 202307	2069 202307	100	495.39
8/2/2023	8/2/2023	PPI02560	Central Lincoln PUD**AUTODRAFT**	Vend#: V00062 - Inv#: 2023 07	2023 07	100	17,400.42
8/22/2023	8/22/2023	PPI02731	Carver Inc	Vend#: V00058 - Inv#: .12888	.12888	100	115.97
8/22/2023	8/22/2023	PPI02725	Carver Inc	Vend#: V00058 - Inv#: 12291	12291	100	223.69
8/22/2023	8/22/2023	PPI02724	Carver Inc	Vend#: V00058 - Inv#: 12271	12271	100	64.38
8/22/2023	8/22/2023	PPI02723	Carver Inc	Vend#: V00058 - Inv#: 12306	12306	100	142.98
8/22/2023	8/22/2023	PPI02722	Carver Inc	Vend#: V00058 - Inv#: 12888	12888	100	12,888.00
8/22/2023	8/22/2023	PPI02721	Carver Inc	Vend#: V00058 - Inv#: 12842	12842	100	374.71
8/3/2023	8/3/2023	PPI02589	Carson Oil Co Inc **AUTODRAFT**	Vend#: V00057 - Inv#: CP-00469165	CP-00469165	100	376.84
8/31/2023	8/31/2023	PPI02800	Bill's Pest Control LLC	Vend#: V00043 - Inv#: 2-0111	2-0111	500	135.00

8/3/2023	8/3/2023	PPI02593	Bill's Pest Control LLC	Vend#: V00043 - Inv#: 39361	39361	500		135.00
8/30/2023	8/30/2023	PPI02844	Barrelhead Supply Inc	Order P001046	338326	100		192.95
8/24/2023	8/24/2023	PPI02749	Barrelhead Supply Inc	Order P001010	338125	100	700	41.85
8/24/2023	8/24/2023	PPI02748	Barrelhead Supply Inc	Order P001010	338123	100	700	51.81
8/22/2023	8/22/2023	PPI02750	Barrelhead Supply Inc	Order P000996	338044	100	700	376.01
8/21/2023	8/21/2023	PPI02751	Barrelhead Supply Inc	Order P000990	338021	100	700	44.78
8/16/2023	8/16/2023	PPI02802	Barrelhead Supply Inc	Order P000983	337898	100	300	58.08
8/16/2023	8/16/2023	PPI02700	Barrelhead Supply Inc	Order P000979	337880	100	700	14.17
8/9/2023	8/9/2023	PPI02701	Barrelhead Supply Inc	Order P000953	337675	100	700	476.26
8/8/2023	8/8/2023	PPI02637	Barrelhead Supply Inc	Order P000948	337648	100	300	4.78
8/23/2023	8/23/2023	PPI02726	AVS Elevator LLC	Vend#: V00037 - Inv#: INVOICE # 6600	INVOICE # 6600	500		586.00
8/22/2023	8/22/2023	PPI02746	AVS Elevator LLC	Order P000997	6609	500		1,825.84
8/18/2023	8/18/2023	PPI02699	AVS Elevator LLC	Order P000988	6600	500	600	586.00
8/22/2023	8/22/2023	PPI02672	Association of Pacific Ports	Vend#: V00036 - Inv#: 2023-110	2023-110	100		3,085.00
8/23/2023	8/23/2023	PPI02730	Associated Cleaning Services Inc	Vend#: V00026 - Inv#: # 57161	# 57161	100		1,462.00
8/31/2023	8/31/2023	PPI02842	Amazon Capital Services Inc	Order P001050	1KGM-N3WX-KQFQ	100		586.59
8/30/2023	8/30/2023	PPI02811	Amazon Capital Services Inc	Order P001034	1LM3-DFYD-Y9MP	100	500	249.98
8/29/2023	8/29/2023	PPI02814	Amazon Capital Services Inc	Order P001030	1LTM-LNPL-MVDY	100		36.86
8/29/2023	8/29/2023	PPI02813	Amazon Capital Services Inc	Order P001024	17Q7-6663-QDLP	100	500	53.97
8/29/2023	8/29/2023	PPI02809	Amazon Capital Services Inc	Order P001029	14MR-FH7D-WWJP	100	300	446.85
8/28/2023	8/28/2023	PPI02812	Amazon Capital Services Inc	Order P001023	11M4-PT1C-DW3R	100	300	258.27
8/28/2023	8/28/2023	PPI02808	Amazon Capital Services Inc	Order P001021	1TFK-NRL3-H4J1	100		696.98
8/25/2023	8/25/2023	PPI02744	Amazon Capital Services Inc	Order P001017	1J94-YT4R-MTKF	100	500	54.84
8/24/2023	8/24/2023	PPI02743	Amazon Capital Services Inc	Order P001015	1737-1LQ9-QXMT	500		231.12
8/23/2023	8/23/2023	PPI02728	Amazon Capital Services Inc	Vend#: V00024 - Inv#: 1LQ7-1HFN-L4YY.	1LQ7-1HFN-L4YY.	100		24.83
8/23/2023	8/23/2023	PPI02727	Amazon Capital Services Inc	Vend#: V00024 - Inv#: 1PDR-NXM3-71L4.	1PDR-NXM3-71L4.	100		288.09
8/22/2023	8/22/2023	PPI02801	Amazon Capital Services Inc	Order P000994	1X9W-6GGV-4XTW.	100	500	69.85
8/22/2023	8/22/2023	PPI02745	Amazon Capital Services Inc	Order P000993	1X9W-6GGV-4XTW	100		145.94
8/16/2023	8/16/2023	PPI02697	Amazon Capital Services Inc	Order P000981	1VRF-VLVD-C1TX	100		848.07
8/16/2023	8/16/2023	PPI02696	Amazon Capital Services Inc	Order P000982	1LVF-TR3X-167M	100	700	269.10
8/16/2023	8/16/2023	PPI02690	Amazon Capital Services Inc	Order P000980	141H-QXCM-WRXN	100	300	123.65
8/15/2023	8/15/2023	PPI02692	Amazon Capital Services Inc	Order P000974	1R7F-6JHJ-N7J9	100	700	190.89
8/15/2023	8/15/2023	PPI02689	Amazon Capital Services Inc	Order P000977	1KLK-VYQV-WGLN	100	300	79.11
8/14/2023	8/14/2023	PPI02694	Amazon Capital Services Inc	Order P000970	1RQF-WMC9-LF7M	100	500	269.95
8/11/2023	8/11/2023	PPI02691	Amazon Capital Services Inc	Order P000966	1DPF-9QQY-P7X3	100		62.46
8/10/2023	8/10/2023	PPI02688	Amazon Capital Services Inc	Order P000955	1JWJ-17TT-PP9C	100	300	124.17
8/9/2023	8/9/2023	PPI02693	Amazon Capital Services Inc	Order P000956	1DPF-9QQY-MTTV	100		793.03
8/8/2023	8/8/2023	PPI02680	Amazon Capital Services Inc	Order P000949	1KPN-JKCI-DPV7	100		996.11
8/7/2023	8/7/2023	PPI02678	Amazon Capital Services Inc	Order P000941	1LHV-X6MD-W7PY	100		899.49
8/3/2023	8/3/2023	PPI02729	Amazon Capital Services Inc	Order P000934	1MT6-QJWP-KPHR.	100		86.27
8/3/2023	8/3/2023	PPI02676	Amazon Capital Services Inc	Order P000936	1LQ7-1HFN-L4YY	500	600	24.83
8/3/2023	8/3/2023	PPI02675	Amazon Capital Services Inc	Order P000934	1MT6-QJWP-KPHR	100		93.26
8/2/2023	8/2/2023	PPI02679	Amazon Capital Services Inc	Order P000932	1PDR-NXM3-71L4	500	600	288.09
8/1/2023	8/1/2023	PPI02677	Amazon Capital Services Inc	Order P000924	1R7J-KP93-HYP6	100	300	214.94
8/31/2023	8/31/2023	PPI02815	Asea Bay Power Products Inc	Order P001051	392064	100	300	86.55
8/30/2023	8/30/2023	PPI02742	Asea Bay Power Products Inc	Order P001035	389541	100		285.89
8/23/2023	8/23/2023	PPI02741	Asea Bay Power Products Inc	Order P001007	391648	100	300	184.15
8/18/2023	8/18/2023	PPI02687	Asea Bay Power Products Inc	Order P000987	391350	100		568.69
8/3/2023	8/3/2023	PPI02594	Alsco Inc	Vend#: V00022 - Inv#: LPOR3044784	LPOR3044784	100		32.95
8/1/2023	8/1/2023	PPI02509	DE LAGE LANDEN **EFT** FINANCIAL SERVICES, INC	Vend#: V00020 - Inv#: 80341522	80341522	100		647.50
8/11/2023	8/11/2023	PPI02622	Bay Area Enterprises Inc	Vend#: V00010 - Inv#: 9708	9708	100		15,811.52
8/15/2023	8/15/2023	PPI02682	Newport Ace Hardware Inc	Order P000976	170985	100	700	249.47
8/7/2023	8/7/2023	PPI02710	Newport Ace Hardware Inc	Order P000942	167843	100	700	91.14

S T A F F R E P O R T

DATE: September 26, 2023
RE: Audit
TO: Port Commissioners
ISSUED BY: Paula Miranda - Executive Director

BACKGROUND

The Port is required, by law to perform an annual audit on the Ports financial statements. This year we were a couple months later than we wished in order to reconcile the old and the new financial software systems.

DETAIL

The audit is completed for fiscal year 2022 (July 1, 2021, to June 30, 2022), a summary of the audit can be found on the governance letter issued by the auditor. There were no significant findings. Most were related to the change of financial software.

The auditor will be attending the meeting and running through the report and shall be available for questions.

RECOMMENDATION and Motion

I RECOMMEND A MOTION APPROVE THE AUDIT REPORT.

PORT OF NEWPORT

AUDIT LETTERS

June 30, 2022

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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Governance Letter

To the Board of Directors
Port of Newport
Newport, Oregon

We have audited the financial statements of Port of Newport (the Port), for the year ended June 30, 2022, and have issued our report thereon dated below. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated March 10, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Port are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by the Port during the year for which there is a lack of authoritative guidance or consensus, with the exception of the following:

During the fiscal year ended June 30, 2022, *GASB Statement No. 87, Leases* ("GASB 87") became effective. This standard revised the accounting, presentation, and disclosure requirements for governmental lessors and lessees. GASB 87 requires lessees to capitalize the present value of all lease obligations as right-of-use assets and record a corresponding long-term liability for the present value of the contractual lease payments. Additionally, GASB 87 requires lessors to recognize a lease receivable and deferred inflows of resources for the effects of its leasing activities and requires enhanced disclosures for both lessees and lessors. Management has not adopted a methodology for applying GASB 87 for lease accounting. Under this statement a lessor is required to recognize a lease receivable and deferred inflow of resources for leased assets, which would increase both assets and liabilities. The amount by which this departure would affect the assets, deferred inflows or resources, fund balances, and expense has not been determined.

All significant transactions have been recognized in the financial statements in the proper period.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the departure from the lease accounting standard in Note B that became effective for the year ended June 30, 2022.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit, however, due to difficulties with implementation of the Port's new accounting software fieldwork was delayed.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

To the Board of Directors
Port of Newport

The material misstatements detected as a result of audit procedures were corrected by management and noted on the attached schedule.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (the MD&A) and the pension information schedules, which are required supplementary information (collectively the "RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI, and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of those in charge of governance and management of Port of Newport and is not intended to be and should not be used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
August 21, 2023

Client: PORT OF NEWPORT
Engagement: 2022 Audit
Current Period: 06/30/2022
Workpaper: Adjusting Journal Entries

Account	Description	Workpaper	Debit	Credit	Net Income	Workpaper ID
KT-01						
Reclassifying Grant revenue to						
	10025300 Construction Line of		0.00	699,795.00		
	10071000 Grant Revenue		212,108.00	0.00		
	10071000 Grant Revenue		487,687.00	0.00		
Total			699,795.00	699,795.00	(699,795.00)	
PBC-02						
Adjust due to and due from						
	10011100 Cash Deposits		169,406.32	0.00		
	10012100 Accounts Receivable		0.00	861.00		
	10012300 Interfund Activity		0.00	168,545.32		
Total			169,406.32	169,406.32	0.00	
PBC-03						
Correcting entries for Interfund						
	10012100 Accounts Receivable		0.00	353,363.00		
	10012300 Interfund Activity		197,714.00	0.00		
	10021100 Accounts Payable		577,692.00	0.00		
	10024100 Deferred Revenue		0.00	422,763.00		
	10061700 Office Expense		720.00	0.00		
	50021700 Interfund Activity Payable		12,453.00	0.00		
	50021100 Accounts Payable		0.00	12,453.00		
Total			788,579.00	788,579.00	(720.00)	
PBC-04						
To adjust AR and Deferred and						
	10012100 Accounts Receivable		0.00	335,007.00		
	10012200 Allowance for Bad Debt		0.00	20,000.00		
	10023600 Deposits		50,240.00	0.00		
	10024100 Deferred Revenue		329,185.00	0.00		
	10045000 RV Park Space Rentals		0.00	24,418.00		
Total			379,425.00	379,425.00	24,418.00	
PBC-05						
To adjust AR and Deferred and						
	10023600 Deposits		0.00	322,335.00		
	10024100 Deferred Revenue		609,718.89	0.00		
	10045000 RV Park Space Rentals		0.00	287,383.89		
Total			609,718.89	609,718.89	287,383.89	
GRAND TOTAL			6,981,055.50	6,981,055.50	(753,032.76)	

Communication Letter

Board of Commissioners and Management
Port of Newport

In planning and performing our audit of the financial statements of the business-type activities of Port of Newport as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Port of Newport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Port of Newport's internal control. Accordingly, we do not express an opinion on the effectiveness of Port of Newport's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

MW1 – Review of Supporting Schedules

It was noted during audit procedures for accounts receivable, accounts payable and deferred revenue that the schedules had not been reviewed for accuracy. Initial balances and supporting schedules contained material errors requiring adjustments. It should be noted that the Port went through an accounting software change during the last month of the fiscal year, and the system was not set up to properly record transactions to these accounts. This was not discovered until audit procedures were applied.

Recommendation

We recommend a closing process that includes the review of supporting schedules, and individual inputs to ensure accuracy prior to closing the fiscal year.

MW2 – Proper Classification of Revenue

The Port maintains records on a Government Wide basis, which requires proper classification of revenue and debt transactions. It was noted during our review of revenue that certain loans were included within the revenue accounts, requiring material adjustments to revenue and debt.

Recommendation

We recommend the review of funding for proper classification.

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. We consider the following deficiencies in internal control to be significant deficiencies:

SD1 – Review of Supporting Schedules

It was noted during audit procedures for interfund transactions that Due To / Due From accounts were not balanced to zero as expected. This required significant adjustments to interfund accounts.

Board of Commissioners and Management
Port of Newport

Recommendation

We recommend the balancing of interfund accounts as part of the closing process.

SD2 – Software Conversions

The Port implemented a complex and difficult software conversion related to the accounting system during the last month of the fiscal year. The best practice for such a conversion is to run dual systems for a period of time, in order to ensure the system is working properly before discarding the old system.

Recommendation

We recommend adopting a written policy that requires the use of dual systems for a period of time for future software conversions.

This communication is intended solely for the information and use of management the Board of Commissioners, and others within the Port of Newport, and is not intended to be, and should not be, used by anyone other than these specified parties.

Kern & Thompson, LLC

Portland, Oregon
August 21, 2023



600 S.E. BAY BOULEVARD NEWPORT, OREGON 97365 PHONE (541) 265-7758 FAX (541) 265-4235 www.portofnewport.com

Management Representation Letter

Kern & Thompson, LLC
1800 S.W. First Avenue, Suite 410
Portland, OR 97201

This representation letter is provided in connection with your audit of the financial statements of the Port of Newport which comprise the balance sheet of the business-type activities as of June 30, 2022, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date signed below, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 10, 2023, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. Except as described in Note B, the financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Port of Newport is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

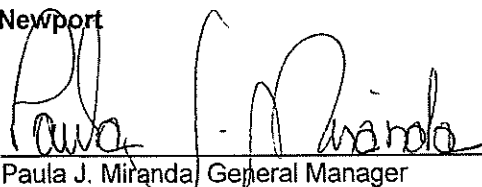
11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside the general and subsidiary ledgers), documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of the entity's related parties and all the related party relationships and transactions, including any side agreements, of which we are aware, if any.

Government-specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you and previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
22. The Port of Newport has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
23. We are responsible for compliance with the laws, regulations, and provisions of bylaws applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
24. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
26. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
27. The Port of Newport has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you and disclosed in the notes to the financial statements.
28. The Port of Newport has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. There are no component units. There are no joint ventures with an equity interest, or other joint ventures, or other related organizations.
30. The financial statements properly classify all funds and activities in accordance with GASB No. 34, as amended.
31. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

33. Invested funds held in the Oregon State Local Government Investment Pool (LGIP) are properly valued.
34. Provisions for uncollectible receivables have been properly identified and recorded.
35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.
37. Interfund activity and balances have been appropriately classified and reported.
38. Deposits and invested funds are properly classified as to risk and are properly disclosed.
39. Capital assets are properly capitalized, reported, and depreciated.
40. We have appropriately disclosed the Port's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
41. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
42. We acknowledge our responsibility for the required supplementary information ("RSI" – the "Management's Discussion and Analysis" and pension information schedules). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. We acknowledge our responsibility for presenting the supplemental budgetary comparison schedules and schedule of tax collections (the "supplementary information") in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Port of Newport

By: 
 Paula J. Miranda, General Manager

Date: 08/21/2023

By: 
 Mark A. Brown, Director of Finance and Business Services

Date: 8/21/2023



**PORT OF NEWPORT
LINCOLN COUNTY, OREGON**

FINANCIAL STATEMENTS

Year Ended June 30, 2022

KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

**PORT OF NEWPORT
LINCOLN COUNTY, OREGON
FOR THE YEAR ENDED JUNE 30, 2022**

BOARD OF COMMISSIONERS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Walter Chuck Newport, Oregon	1	June 30, 2027
Kelley Retherford Newport, Oregon	2	June 30, 2025
Gil Sylvia Newport, Oregon	3	June 30, 2027
Jeff Lackey Newport, Oregon	4	June 30, 2025
Pat Ruddiman Newport, Oregon	5	June 30, 2027

All Commissioners receive mail at the address below:

Registered Agent and Address:

**Paula J. Miranda, General Manager
600 SE Bay Boulevard
Newport, OR 97365**

PORT OF NEWPORT
FINANCIAL STATEMENTS
Year Ended June 30, 2022
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**PORT OF NEWPORT
FINANCIAL STATEMENTS**

Year Ended June 30, 2022

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**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2022**

This discussion and analysis of the Port of Newport (the Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Port's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (in thousands)

- Total assets of the Port are \$82.9M with capital assets of \$70.4M net of accumulated depreciation. Current assets are \$9.2M at June 30, 2022.
- The assets of the Port exceeded its liabilities at the close of the fiscal year by \$46.2M (Net Position).
- The Port's net position increased by 203K from June 30, 2021.
- Total operating revenue was \$9.2M, which is 4% higher than the prior year.
- Total operating expenses for the year were \$8.1M, which is 6% higher than the prior year.

Overview of the Financial Statements

This audit report consists of three parts – management's discussion and analysis (this section), the basic financial statements (including notes), and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB).

The basic financial statements are prepared on the accrual basis, similar to a private business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of a statement of net position which includes the Port's assets, liabilities, and net position (assets minus liabilities) at year end; statement of revenues, expenses, and changes in net position, which includes all revenues, expenses, and grants received for construction for the year; and statement of cash flows, which represents the sources and uses of cash for the year.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, which further explains and supports the information in the financial statements.

The analysis in Table 1 following focuses on the net position of the Port; Table 2 focuses on the revenues and expenses of the Port.

**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022**

Table 1 – Net Position

	<u>2022</u>	<u>2021</u>
Assets and deferred outflows		
Cash and investments	\$ 9,231,490	\$ 9,517,085
Cash restricted for debt payments	-	-
Capital assets, net	70,368,006	72,079,747
Other	3,348,205	3,278,442
Total assets and deferred outflows	<u>82,947,701</u>	<u>84,875,274</u>
Liabilities and deferred inflows		
Current	3,376,992	4,338,555
Other liabilities	33,358,566	34,528,263
Total liabilities and deferred inflows	<u>36,735,558</u>	<u>38,866,818</u>
Net position		
Invested in capital assets, net of related debt	48,925,934	49,836,101
Unrestricted (deficit)	(2,713,791)	(3,827,645)
Restricted	-	-
Total net position	<u>\$ 46,212,143</u>	<u>\$ 46,008,456</u>

Table 2 – Revenues and Expenses

	<u>2022</u>	<u>2021</u>
Operating revenues		
Tenant rents	\$ 6,912,906	\$ 6,701,224
Taxes and assessments	1,094,862	908,545
Miscellaneous	1,242,030	1,292,342
Total operating revenues	<u>9,249,798</u>	<u>8,902,111</u>
Operating expenses		
Personnel services	2,057,877	2,306,146
Materials and services	2,800,133	2,156,811
Depreciation	3,295,280	3,252,775
Total operating expenses	<u>8,153,290</u>	<u>7,715,732</u>
Total operating income (loss)	<u>1,096,508</u>	<u>1,186,379</u>
Non-operating revenues (expenses)		
Grants	114,148	1,050,077
Interest income	34,116	52,788
Interest expense	(1,041,085)	(1,123,566)
Net non-operating revenues (expenses)	<u>(892,821)</u>	<u>(20,701)</u>
Change in net position	203,687	1,165,678
Net position, beginning of year	46,008,456	44,842,778
Net position, end of year	<u>\$ 46,212,143</u>	<u>\$ 46,008,456</u>

**PORT OF NEWPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended June 30, 2022**

Capital Assets

The following table lists the Port's capital assets and their value as of June 30, 2022:

	<u>2022</u>	<u>2021</u>
Capital assets		
Land	\$ 20,221,521	\$ 20,221,521
Construction in progress	2,197,221	3,717,270
Land improvements	36,859,275	36,531,099
Buildings and docks	57,664,918	54,908,462
Equipment	2,154,893	2,146,587
Accumulated depreciation	<u>(48,729,822)</u>	<u>(45,445,192)</u>
Total net capital assets	<u>\$ 70,368,006</u>	<u>\$ 72,079,747</u>

For further information on the Port's capital assets, see Note E of the financial statements.

Long-Term Obligations

The following is a summary of long-term debt obligations of the Port as of June 30:

	<u>2022</u>	<u>2021</u>
Long-Term Debt		
General obligation bonds	\$ 11,235,000	\$ 11,645,000
Revenue bond	15,245,000	16,565,000
Full faith and credit obligations	2,055,000	2,270,000
State of Oregon loans	3,340,024	3,459,307
State of Oregon construction line of credit	699,795	-
Bank loans and other	<u>219,829</u>	<u>322,447</u>
Total long-term debt	<u>\$ 32,794,648</u>	<u>\$ 34,261,754</u>

Additional information on the Port's long-term debt can be found in Note G of the financial statements.

Budgetary Highlights

The Port's budget for the fiscal year 2021-22 was adopted by the Port Commission in June 2021 and certified by the Lincoln County Clerk in July 2021. There was one supplemental budget adopted resulting in changes to the appropriations during the year. The budget to actual annual activity is presented for both the original and final budget amounts as required supplementary information.

Economic Factors and Next Year's Budgets and Rates

As part of the Port's strategic planning and business planning process, regional and national economic trends and forecasts are reviewed and forecasted to help produce the annual budget. In the Port's 2022-23 budget, operating expenditures and revenues are forecast to remain consistent with prior years. The capital improvement budget for 2022-23 assumes capital projects estimated at \$9M for work on buildings, and additional work on pier docks.

Contacting the Port's Financial Management

If you have questions about this report or need additional information, contact the Port of Newport, 600 SE Bay Boulevard, Newport, OR 97365.

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Port of Newport
Newport, Oregon

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the business-type activities of Port of Newport (the Port), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of the report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matter Giving Rise to the Qualified Opinion

Management has not adopted a methodology for applying GASB 87 for lease accounting. Under this statement a lessor is required to recognize a lease receivable and deferred inflow of resources for leased assets, which would increase both assets and liabilities. The amount by which this departure would affect the assets, deferred inflows or resources, fund balances, and expense has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Port'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 opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

To the Board of Commissioners
Port of Newport

- 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 Port'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 Port'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 pension schedules 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 Information

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the basic financial statements as a whole.

Other Report on State Legal and Regulatory Requirements

In accordance with the *Minimum Standards of Audits of Oregon Municipal Corporations*, we have issued our report dated October 31, 2022 on our consideration of Port of Newport's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

KERN & THOMPSON, LLC
Certified Public Accountants



Eric A. Zehntbauer, CPA
Partner

Portland, Oregon
August 21, 2023

PORT OF NEWPORT
STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Current assets	
Cash and investments	\$ 9,231,490
Property tax receivable	39,347
Receivables, net of allowances	470,875
Grant receivable	2,776
Prepaid expenses	290,677
Total current assets	<u>10,035,165</u>
Noncurrent assets	
Capital assets	
Depreciable capital assets	96,679,086
Non-depreciable capital assets	22,418,742
Accumulated depreciation	<u>(48,729,822)</u>
Capital assets, net	70,368,006
Bond cost	334,937
Unamortized bond discount	<u>6,805</u>
Total noncurrent assets	<u>70,709,748</u>
Deferred outflows of resources	
Advanced refunding outflows, net of amortization	1,002,881
Pension related outflows	<u>1,199,907</u>
Total noncurrent assets	<u>2,202,788</u>
Total assets and deferred outflows	\$ <u>82,947,701</u>

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 437,896
Accrued payroll	155,595
Accrued interest payable	190,215
Lease deposits	272,095
Notes payable - current	971,191
Bond payable - current	<u>1,350,000</u>
Total current liabilities	<u>3,376,992</u>
Noncurrent liabilities	
Construction line of credit	699,795
Notes payable	10,815,000
Bonds payable	18,958,662
Unamortized bond premium	693,948
Net pension liability	<u>1,125,376</u>
Total noncurrent liabilities	<u>32,292,781</u>
Deferred inflows of resources	<u>1,065,785</u>
Net position	
Investment in capital assets, net of related debt	48,925,934
Unrestricted	<u>(2,713,791)</u>
Total net position	<u>46,212,143</u>
Total liabilities, deferred inflows and net position	\$ <u>82,947,701</u>

See notes to financial statements.

PORT OF NEWPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2022

Operating revenues	
Moorages and leases	\$ 5,336,822
Property tax	1,094,862
RV Park	1,576,084
Services	600,196
Fees	641,834
Total operating revenues	<u>9,249,798</u>
Operating expenses	
Salary and wage	1,496,969
Payroll tax and benefit	560,908
Administration, promotion and marketing	402,833
Maintenance	252,502
Utilities	603,143
Insurance	425,761
Professional fees	252,606
Service fees	589,465
Supplies	122,174
Other	151,649
Depreciation	3,295,280
Total operating expenses	<u>8,153,290</u>
Operating income (loss)	<u>1,096,508</u>
Non-operating revenues (expenses)	
Grants and reimbursements	114,148
Interest income	34,116
Interest expense	(1,041,085)
Total non-operating revenues (expenses)	<u>(892,821)</u>
Change in net position	203,687
Net position, beginning of year	<u>46,008,456</u>
Net position, end of year	<u>\$ 46,212,143</u>

See notes to financial statements.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE A – DESCRIPTION OF ORGANIZATION

The Port of Newport, located in Lincoln County, Oregon (the Port) was established in 1910 pursuant to Section 8 Chapter 31 of the Session Laws of the State of Oregon 1909. The Port's mission is to build and maintain waterfront facilities and promote/support projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.

Control of the Port is vested in its five-member commission. Commissioners are elected to office by voters within the Port District, which encompasses the majority of Lincoln County. Administrative functions are delegated to individuals who report to and are responsible to the commission. The chief administrative officer is the general manager.

The accompanying basic financial statements present all funds, for which the Port is considered to be financially accountable. The criteria used in making this determination includes the appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependence on the primary government. Based upon the evaluation of these criteria, the Port is a primary government with no includable component units.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The accounts of the Port are organized on the basis of proprietary fund types, specifically enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of providing goods and services be financed or recovered primarily through user charges. The activities of these funds are accounted for with a separate set of self-balancing accounts that comprise the Port's assets, liabilities, net position, revenues and expenses. The Port uses several individual funds for state legal compliance that are combined and reported as a unitary enterprise similar to a commercial entity organized for profit for financial reporting. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of an activity; or (ii) that are required by laws and regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Departure From Accounting Pronouncement

During the fiscal year ended June 30, 2022, GASB Statement No. 87, Leases ("GASB 87") became effective. This standard revised the accounting, presentation, and disclosure requirements for governmental lessors and lessees. GASB 87 requires lessees to capitalize the present value of all lease obligations as right-of-use assets and record a corresponding long-term liability for the present value of the contractual lease payments.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Departure From Accounting Pronouncement (Continued)

Additionally, GASB 87 requires lessors to recognize a lease receivable and deferred inflows of resources for the effects of its leasing activities and requires enhanced disclosures for both lessees and lessors. Management has not adopted a methodology for applying GASB 87 for lease accounting. Under this statement a lessor is required to recognize a lease receivable and deferred inflow of resources for leased assets, which would increase both assets and liabilities. The amount by which this departure would affect the assets, deferred inflows or resources, fund balances, and expense has not been determined.

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these fund types are included on the Statement of Net Position. Net position (i.e. total assets net of total liabilities) is segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components.

Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Port has defined operating revenues to include lease fees, RV park fees, launch dock, hoist and moorage fees. Operating expenses are defined as those expenses directly related to providing the services reflected within operating revenues including depreciation and administration expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expenses. This includes property taxes, investment interest, gain (loss) on sale of capital assets, and non-operating grant revenue and amortization costs.

When both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources first, then unrestricted resources as they are needed.

The following funds collectively comprise the enterprise activities reported by the Port:

General Fund - This fund is used to account for the financial resources of the Port that are not accounted for in any other fund. Principal sources of revenue are from property taxes, service fees and lease revenue. Primary expenditures are for maintenance and personnel services.

Bonded Debt Fund - This fund accounts for the redemption of general obligation bonds and interest thereon. The principal source of revenue is property taxes.

Facilities Maintenance Reserve Fund - This fund is used to account for the accumulation of funds for the maintenance, repairs and capital improvements.

Construction Fund - This fund is used for the construction of major capital facilities.

NOAA Lease Revenue Fund - This fund accounts for expenditures relating to capital improvements for the NOAA MOC-P facility. Current resources consist primarily of lease payments. This fund services the bond repayment and covers facilities maintenance costs over the term of the lease.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except for agency funds. A budget is prepared for each fund in accordance with the modified accrual basis of accounting with certain modifications and legal requirements set forth in the Oregon Local Budget Law (ORS 294.305 to 294.565). The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The Port established the levels of budgetary control at the object (personnel services, material and services, capital outlay, operating contingencies, debt service, and all other requirements) levels for all funds. Appropriations lapse at the end of each fiscal year.

The Port begins its budgeting process by appointing Budget Committee members for three year terms. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in April or May and the hearing is held in June. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the Board. Only the Board may modify original and supplemental budgets by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require Board's approval by adoption of a resolution.

Cash Deposits and Investments

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

The Port's investment policies are governed by Oregon statutes. The statutes authorize the Port to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP). See Note C.

Receivables

Terminal, marina, and tenant lease receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivable.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables (Continued)

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Capital Assets and Depreciation

Capital assets include land and improvements, buildings, and equipment. In addition, certain capital assets purchased may be capitalized regardless of the thresholds established.

Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method according to the following criteria:

<u>Asset Classification</u>	<u>Capitalization Threshold</u>	<u>Useful Life in Years</u>
Land improvements	\$ 5,000	10 - 20
Buildings	5,000	25 - 40
Docks	5,000	30 - 60
Equipment	5,000	5 - 10

Compensated Absences

Employees are permitted to accumulate earned but unused paid time off ("PTO"). PTO is recognized as expense when earned. Compensated absences are reported and accrued with other payroll liabilities in the Statement of Net Position.

Long-Term Obligations

Long-term obligations are reported at face value, net of applicable discounts. Costs related to the issuance of debt are deferred and amortized over the lives of the various debt issues.

Estimates

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

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Pension Retirement Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net Position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Port's financial statements. Net position is divided into three components:

Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net assets - consists of assets that are restricted by the Port's creditors, by enabling legislation, by granters, and other contributors.

Unrestricted - all other net assets reported in this category.

Restricted Assets and Related Liabilities

Assets whose use is restricted for construction related to the marine terminal redevelopment project, the National Oceanic and Atmospheric Administration (NOAA) Marine Operations Center-Pacific (MOC-P) project, the facilities maintenance reserve and the payment of bonded debt service, as well as all related liabilities are segregated on the Statement of Net Position.

Where both restricted and unrestricted resources are available for use, it is the Port's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE C – CASH AND INVESTMENTS

The Port's cash and investments are held in bank financial institutions listed as qualified bank depositories by the Oregon State Treasurer.

The Port uses money market bank accounts and time certificates of deposit for its temporary investments. Amounts held in such accounts are treated as cash equivalents, as the accounts can be accessed as needed. Cash and investments consist of the following at June 30, 2022:

Deposits with financial institutions:	
Demand deposits	\$ 9,167,651
Time certificate of deposit	<u>63,839</u>
Total	<u>\$ 9,231,490</u>
Reported in:	
Statement of net position	
Cash and investments	\$ 9,231,490
Cash restricted for debt payments	<u>-</u>
Total	<u>\$ 9,231,490</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Port does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Credit Risk

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. Oregon Statutes limit investments to general obligations of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The Port has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Port does not have a formal policy that places a limit on the amount that may be invested with any one issuer. The Port's investments are 100% invested in time certificates of deposit.

Custodial Credit Risk

This is the risk that, in the event of a bank failure, the Port's deposits may not be returned. Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance was \$9,231,490. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the Port has no exposure to custodial credit risk for deposits with financial institutions.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE D – RECEIVABLES

Receivables consist of the following at June 30, 2022:

Property taxes receivable	\$	39,347
Grant receivable		2,776
Tenant receivables		520,875
Allowance for uncollectible tenant rents		<u>(50,000)</u>
	\$	<u><u>512,998</u></u>

NOTE E – CAPITAL ASSETS

The following table is a summary of capital assets:

	<u>Balances</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balances</u> <u>June 30, 2022</u>
Land	\$ 20,221,521	\$ -	\$ -	\$ 20,221,521
Construction in process	3,717,270	1,236,407	(2,756,456)	2,197,221
Building and land improvements	36,531,099	328,176	-	36,859,275
Docks & Piers	54,908,462	-	2,756,456	57,664,918
Equipment	<u>2,146,587</u>	<u>18,956</u>	<u>(10,650)</u>	<u>2,154,893</u>
Total property and equipment	117,524,939	1,583,539	(10,650)	119,097,828
Less accumulated depreciation	<u>(45,445,192)</u>	<u>(3,295,280)</u>	<u>10,650</u>	<u>(48,729,822)</u>
Total capital assets, net	<u>\$ 72,079,747</u>	<u>\$ (1,711,741)</u>	<u>\$ -</u>	<u>\$ 70,368,006</u>

NOTE F – TENANT LEASING ACTIVITIES

The Port leases certain properties to tenants under long-term non-cancelable operating leases. The depreciated cost of the leased properties aggregated approximately \$32,001,150 as of June 30, 2022 with annual depreciation expense of approximately \$1,336,494. Tenant leases include a 20-year lease for a MOC-P with the National Oceanic and Atmospheric Administration (“NOAA”). NOAA lease revenue is pledged for the 2010 Revenue Bonds (see Note G). The annual rent under this lease is approximately \$2,552,500 which is included in the schedule below.

The minimum future payments to be received under non-cancelable leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 3,270,000
2024	3,219,000
2025	3,159,000
2026	3,100,000
2027	2,918,000
Thereafter	<u>9,939,000</u>
	<u>\$ 25,605,000</u>

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE G – CONSTRUCTION LINES OF CREDIT

On December 22, 2021, the Port entered into a construction financing contract, a non-revolving construction line of credit, with Oregon Infrastructure Finance Authority for the development of an Administrative Building. During the construction phase, the line accrues interest at 2.25% annually, with interest added to the balance of the line. The maximum amount available is \$810,000, and as of June 30, 2022, the balance on the line was \$699,795. The contract converts to permanent financing upon completion of construction, and will be amortized over the permanent financing period. The loan is secured by real property.

On December 22, 2021, the Port entered into a second construction financing contract, a non-revolving construction line of credit, with Oregon Infrastructure Finance Authority for the development of an Administrative Building. During the construction phase, the line accrues interest at 2.25% annually, with interest added to the balance of the line. The maximum amount available is \$950,000, and as of June 30, 2022, the balance on the line was \$0. The contract converts to permanent financing upon completion of construction, and will be amortized over the permanent financing period. The loan is secured by real property.

NOTE H – LONG-TERM OBLIGATIONS

Bonds and Loans Payable

The general obligation bonds, full faith and credit obligation bond, and State of Oregon loans are direct obligations and pledge the full faith and credit of the Port. The revenue bonds are secured by the NOAA lease revenue and the required reserve was fully funded with bond proceeds. The funds provided by the obligations and the Oregon Coast Bank loans, were and continue to be used for the acquisition, repair and construction of capital assets.

In the fiscal year ending June 30, 2013, the Port obtained financing for construction of the International Terminal. The Port negotiated a \$3,000,000 loan with a \$500,000 grant from the Oregon Infrastructure Finance Authority (IFA). Additional financing was obtained under a forgivable loan from the State of Oregon Business Development in the amount of \$400,000. The non-interest-bearing loan is secured by a promissory note payable over ten years, with \$335,417 remaining at June 30, 2022.

In the fiscal year ending June 30, 2013, the Port refinanced two Special Public Works Fund Community Facility loans outstanding of \$2,624,942 and received new funding of \$890,000 for improvements to the Port's International Terminal.

On June 16, 2016 the Port issued Series 2016 refunding bonds for \$7,610,000. The amount of \$8,348,133 was sent to the escrow agent for refunding of GO Bond Series 2007 callable portion in the amount of \$4,135,878 and GO Bond Series 2008 callable portion in the amount of \$4,272,080. The Port realized a net present value savings of approximately \$944,963. As of June 30, 2022, remaining defeased GO bonds consist of 2007 series of \$3,095,000 and 2008 series of \$3,240,000. In 2016 the bonds were legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. Defeased debt is no longer a liability of the Port.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE H – LONG-TERM OBLIGATIONS (CONTINUED)

In December of 2019, the Port issued Series 2019 refunding bonds for \$5,320,000 realizing a net present value savings of \$802,184. The amount of \$5,612,972 was sent to the escrow agent for refunding of GO Bond Series 2011 callable portion in the amount of \$4,855,000. As of June 30, 2022, the remaining defeased GO Bond balance is \$4,775,000. The bond was legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. The defeased debt is no longer a liability of the Port.

In December of 2019, the Port issued another Series 2019 refunding bonds for \$17,855,000 realizing a net present value savings of \$2,548,900. The amount of \$17,976,861 was sent to the escrow agent for refunding of Revenue Bond Series 2010 callable portion in the amount of \$17,165,000. As of June 30, 2022, the remaining defeased revenue bond balance is \$13,860,000. The bond was legally turned over to an escrow agent with sufficient funding (principal received combined with the earnings on that principal during the time the agent holds the funds) to service this debt. The defeased debt is no longer a liability of the Port.

As of June 30, 2022 the defeased General Obligation bonds are as follows:

GO 2007 defeased bonds	\$	3,095,000
GO 2008 defeased bonds		3,240,000
Revenue Bond 2010 defeased bonds		13,860,000
GO Bond 2011 defeased bonds		<u>4,775,000</u>
 Total balance of defeased bonds	 \$	 <u><u>24,970,000</u></u>

In January of 2017 the Port signed a letter of understanding with Oregon Brewing Company on improvements to property. The cost of the improvements were shared with the Port, resulting in the Port recognizing a contribution and a no interest obligation of \$210,295, payable over five years to Oregon Brewing Company.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE H – LONG-TERM OBLIGATIONS (CONTINUED)

Transactions for notes payable for the year ended June 30, 2022 were as follows:

	Balance			Balance	Due Within One Year		
	30-Jun-21	Additions	Reductions		30-Jun-22	Principal	Interest
Bonded Debt Fund							
General Obligation Bonds							
Series 2016	\$ 6,485,000	\$ -	\$ 295,000	\$ 6,190,000	\$ 310,000	\$ 230,850	\$ 540,850
Series 2019	5,160,000	-	115,000	5,045,000	110,000	168,181	278,181
Total Bonded Debt Fund	\$ 11,645,000	\$ -	\$ 410,000	\$ 11,235,000	\$ 420,000	\$ 399,031	\$ 819,031
General Fund							
Full Faith and Credit OB							
Series 2013	\$ 2,270,000	\$ -	\$ 215,000	\$ 2,055,000	\$ 225,000	\$ 61,257	\$ 286,257
State of Oregon Loans							
Special Public Works Fund Loans							
L00012	25,988	-	25,988	-	-	-	-
Q10001	876,235	-	68,295	807,940	70,352	23,248	93,600
L12005	2,196,667	-	-	2,196,667	133,200	85,011	218,211
Promissory	360,417	-	25,000	335,417	25,000	-	25,000
First Interstate							
2019 129700956	219,289	-	53,407	165,882	56,155	5,109	61,264
Toyota							
2017 CM Forklift Capital Lease	8,966	-	7,655	1,311	1,311	8	1,319
Financial Pacific Leasing							
2017 NIT Forklift Capital Lease	18,673	-	11,606	7,067	7,067	63	7,130
Oregon Brewing Company	75,519	-	29,950	45,569	29,950	-	29,950
Total General Fund	\$ 6,051,754	\$ -	\$ 436,901	\$ 5,614,853	\$ 548,035	\$ 174,696	\$ 722,731
NOAA Fund							
Revenue							
Series 2019	\$ 16,565,000	\$ -	\$ 1,320,000	\$ 15,245,000	\$ 1,350,000	\$ 410,717	\$ 1,760,717
	16,565,000	-	1,320,000	15,245,000	1,350,000	410,717	1,760,717
Totals	\$ 34,261,754	\$ -	\$ 2,166,901	\$ 32,094,853	\$ 2,318,035	\$ 984,444	\$ 3,302,479

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE H – LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities of notes payable as of June 30, 2022 were as follows:

Year Ended June 30,	Full Faith Series 2013		NOAA Series 2019	
	Principal	Interest	Principal	Interest
2023	\$ 225,000	\$ 61,257	\$ 1,350,000	\$ 410,717
2024	235,000	53,233	1,380,000	378,214
2025	235,000	46,182	1,415,000	343,365
2026	245,000	38,983	1,455,000	306,226
2027	210,000	32,157	1,490,000	266,725
2028-32	785,000	69,157	8,155,000	644,603
2033-37	120,000	4,200	-	-
2038-42	-	-	-	-
2043-47	-	-	-	-
	\$ 2,055,000	\$ 305,169	\$ 15,245,000	\$ 2,349,850

Year Ended June 30,	Q10001		L12005		Promissory Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 70,352	\$ 23,248	\$ 133,200	\$ 85,011	\$ 25,000	\$ -
2024	72,491	21,109	138,355	79,856	25,000	-
2025	74,696	18,904	143,710	74,502	25,000	-
2026	76,968	16,632	149,271	68,940	25,000	-
2027	79,309	14,291	155,048	63,163	25,000	-
2028-32	434,124	33,753	870,028	221,031	125,000	-
2033-37	-	-	607,055	47,580	85,417	-
2038-42	-	-	-	-	-	-
2043-47	-	-	-	-	-	-
	\$ 807,940	\$ 127,937	\$ 2,196,667	\$ 640,083	\$ 335,417	\$ -

Year Ended June 30,	Loan 129700956		Toyota 2017 CM Forklift		Finance Pacific 2017 Forklift	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 56,155	\$ 5,109	\$ 1,311	\$ 8	\$ 7,067	\$ 63
2024	58,173	3,091	-	-	-	-
2025	51,554	986	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028-32	-	-	-	-	-	-
2033-37	-	-	-	-	-	-
2038-42	-	-	-	-	-	-
2043-47	-	-	-	-	-	-
	\$ 165,882	\$ 9,186	\$ 1,311	\$ 8	\$ 7,067	\$ 63

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE H – LONG-TERM OBLIGATIONS (CONTINUED)

Year Ended June 30,	Oregon Brewing Company		GO 2019		GO 2016	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 29,950	\$ -	\$ 110,000	\$ 168,181	\$ 310,000	\$ 230,850
2024	15,619	-	115,000	165,609	320,000	218,250
2025	-	-	120,000	162,739	335,000	205,150
2026	-	-	120,000	159,613	350,000	191,450
2027	-	-	120,000	156,373	360,000	177,250
2028-32	-	-	690,000	723,934	2,030,000	653,850
2033-37	-	-	825,000	601,462	2,485,000	222,225
2038-42	-	-	2,945,000	232,048	-	-
2043-47	-	-	-	-	-	-
	<u>\$ 45,569</u>	<u>\$ -</u>	<u>\$ 5,045,000</u>	<u>\$ 2,369,959</u>	<u>\$ 6,190,000</u>	<u>\$ 1,899,025</u>

NOTE I – COMMITMENTS AND CONTINGENCIES

Paid Time Off

As of June 30, 2022, the Port recorded a liability for accumulated unused paid time off (“PTO”) of \$55,233. It is the Port's policy to pay unused PTO upon retirement or termination of employment, subject to limitations based on years of service.

Risk Management

The Port is exposed to various risks of loss related to theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Port purchases commercial insurance to minimize its exposure to these risks. Settled claims resulting from these risks have historically not exceeded commercial insurance coverage.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN

Defined Benefit Pension Plan

General Information about the Pension Plan:

Name of the pension plan: The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

Plan description. Employees of the Port are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Benefits provided under Chapter 238-Tier One / Tier Two:

1. ***Pension Benefits.*** The ORS 238 Defined Benefit Pension Plan provides benefits to members hired *before* August 29, 2003.

The OPERS retirement benefit is payable monthly for life to covered members upon reaching the minimum retirement age. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

2. ***Death Benefits.*** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in a OPERS-covered job, or
- Member was on an official leave of absence from a OPERS-covered job at the time of death.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

3. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.
4. *Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB):

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired *on or after* August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

2. *Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions:

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. The Port has not established any such side accounts.

Employer contributions for the year ended June 30, 2022 were \$107,852, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were: (1) Tier1/Tier 2 – 19.69% and (2) OPSRP general service – 15.56%.

Actuarial Valuations:

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2019
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Projected Salary Increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate:

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension 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 for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0 %	3.0 %	0.0 %
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	0.0	12.5	12.5
Opportunity Portfolio	0.0	3.0	0.0
Total			100.0 %

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2021 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

Asset Class	Target		Compound Annual Return (Geometric)	
Core Fixed Income	9.60	%	4.07	%
Short-Term Bonds	9.60		3.68	
Bank Leveraged Loans	3.60		5.19	
High Yield Bonds	1.20		5.74	
Large / Mid Cap US Equities	16.17		6.30	
Small / Micro Cap US Equities	2.70		13.47	
Developed Foreign Equities	13.48		6.91	
Emerging Market Equities	4.24		7.69	
Non-US Small Cap Equities	1.93		7.25	
Private Equity	17.50		8.33	
Real Estate (Property)	10.00		5.55	
Real Estate (REITS)	2.50		6.69	
Hedge Funds	1.88		9.65	
Timber & Farmland	2.26		11.73	
Infrastructure	2.25		6.67	
Commodities	1.13		3.79	
Assumed Inflation – Mean			2.40	

Sensitivity of the Port's proportionate share of the net pension liability to changes in the discount rate:

The following presents the Port's proportionate share of the net pension (liability) asset calculated using the current discount rate as well as the Port's net pension liability as if it were calculated using a discount rate 1 percentage point lower or higher than the current rate:

	1% Decrease (5.9%)	Current Rate (6.9%)	1% Increase (7.9%)
Proportionate share of the net pension (liability)/asset	\$ 2,209,969	\$ 1,125,376	\$ 217,965

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

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

At June 30, 2022, the Port reported a liability of \$1,125,376 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 and rolled forward to June 30, 2021. The Port's proportion of the net pension asset was based on the Port's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. **Normal Cost Rate:** The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. **UAL Rate:** If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is simply the Unfunded Actuarial Liability (UAL) itself. The UAL represents the portion of the projected long-term contribution effort related to past service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Analyzing both rate components, the projected long-term contribution effort is simply the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2021 measurement date, the Port's proportionate share of the net pension liability was 0.00940440%, which changed from its proportionate share measured as of June 30, 2021 of 0.00720218%.

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2022, the Port recognized pension expense of (\$56,714). At June 30, 2022, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 105,343	\$ -
Changes of assumptions	281,715	2,962
Net difference between projected and actual earnings on investments	-	833,107
Changes in proportionate share	610,819	85,928
Differences between employer contributions and proportionate share of contributions	<u>-</u>	<u>143,788</u>
Total (prior to post-measurement date contributions)	997,877	1,065,785
Contributions made subsequent to measurement date	<u>202,030</u>	<u>N/A</u>
Net Deferred Outflow/(Inflow) of Resources	\$ <u><u>1,199,907</u></u>	\$ <u><u>1,065,785</u></u>

Deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year subsequent to June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)</u>
2023	\$ 211,476
2024	2,732
2025	362
2026	(126,758)
2027	46,310
Thereafter	<u>-</u>
Net Deferred Outflow/(Inflow) of Resources	\$ <u><u>134,122</u></u>

PORT OF NEWPORT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION RETIREMENT PLAN (CONTINUED)

Changes in Plan Provisions Subsequent to Measurement Date:

There were no changes in Plan provisions subsequent to the June 30, 2021 measurement date.

Changes in Assumptions:

There were no key changes implemented since the December 31, 2019 valuation. Additional detail and a comprehensive list of methods and assumptions can be found in the 2018 Experience Study for the System, which was published July 24, 2019.

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in the OPSRP Individual Account Program (IAP), a defined contribution pension plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

The Port has chosen to pay the employees' contributions to the plan. Six percent of covered payroll is paid for general service employees. For fiscal year 2022 the Port paid \$73,926. OPERS contracts with VOYA Financial to maintain IAP participant records.

PORT OF NEWPORT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POST EMPLOYMENT BENEFITS

The Port provides other postemployment benefits (“OPEB”) for the benefit of its employees. The Port’s OPEB combines two separate plans. The Port provides an implicit rate subsidy for retiree health insurance premiums administered by the Special District Association of Oregon (SDAO), and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan (RHIA). The total OPEB liability is based on a valuation provided by an independent actuarial firm based on assumptions including inflation rate, projected salary increases, discount rate, medical, dental and vision increases, and mortality rates and other inputs.

The OPEB liability for both components was measured as of June 30, 2021, and was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The Port’s proportionate share of the OPEB liability was based on the Port’s projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. Based on the Port’s small impact on the state-wide pool, the Port’s proportionate share of the OPEB liability as of June 30, 2022 was \$24,137, which was insignificant to the Port’s financial statements.

NOTE L – OPERATING LEASE

The Port leases submerged and submersible land under five separate agreements with the Oregon State Land Board and Department of State Lands, the last expiring November 30, 2031. The lease terms require an annual rental payment due on the lease anniversary date each year, subject to adjustment in accordance with the provisions of OAR 141-082-011. The agreements may also be renewed for unlimited successive 15-year terms. The amount of lease expense recognized for the year ended June 30, 2022 was \$66,000.

Future minimum lease payments required under the agreements are as follows:

Year ending June 30,	
2023	\$ 66,000
2024	68,000
2025	70,000
2026	72,000
2027	56,000
Thereafter	<u>208,000</u>
	<u>\$ 540,000</u>

NOTE M – OVER EXPENDITURE OF APPROPRIATIONS

The Port overexpended the following fiscal 2022 appropriations:

NOAA Lease Fund:	
Debt service	\$ 64,395
Capital outlay	\$ 67,472

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF NEWPORT

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION – PENSION INFORMATION

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.00940%	0.00720%	0.00394%	0.00567%	0.00549%	0.00454%	0.00285%	0.00753%	0.00753%	N/A
Proportionate share of the net pension liability (asset)	\$ 1,125,376	\$ 1,571,763	\$ 682,015	\$ 858,385	\$ 739,360	\$ 680,933	\$ 163,496	\$ (170,613)	\$ 384,108	\$ N/A
Covered-employee payroll	1,106,858	870,159	557,083	718,008	817,153	736,082	607,922	689,517	771,581	N/A
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	101.7%	180.6%	122.4%	119.6%	90.5%	92.5%	26.9%	-24.7%	49.8%	N/A
Plan fiduciary net position as a percentage of the total pension liability	87.6%	75.8%	80.2%	85.0%	83.1%	80.5%	91.9%	103.6%	92.0%	N/A

**SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 107,852	\$ 88,633	\$ 67,824	\$ 78,769	\$ 42,074	\$ 2,682	\$ 8,986	\$ 21,005	\$ 24,249	\$ N/A
Contributions in relation to the contractually required contribution	203,271	165,579	56,263	34,500	42,074	2,682	9,108	21,371	25,214	N/A
Contribution deficiency (excess)	\$ <u>(95,419)</u>	\$ <u>(76,946)</u>	\$ <u>11,561</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(122)</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
Covered-employee payroll	\$ 1,106,858	\$ 870,159	\$ 557,083	\$ 718,008	\$ 817,153	\$ 736,082	\$ 607,922	\$ 689,517	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	18.4%	19.0%	10.1%	4.8%	5.1%	0.4%	1.5%	3.1%	N/A	N/A

* GASB # 68 requires ten-year trend information. However, until a full ten-year trend is established, only the information for the years available is presented.

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

Changes in Benefit Terms:

There were no significant changes in benefit terms.

Changes in Assumptions:

Actuarial assumptions and other changes are described in the notes to the accompanying financial statements.

SUPPLEMENTAL INFORMATION

PORT OF NEWPORT
COMBINING SCHEDULE OF ASSETS, LIABILITIES AND NET POSITION
June 30, 2022

ASSETS

	General Fund	Bonded Debt Fund	Facilities Maintenance Reserve Fund	Construction Fund	NOAA Lease Revenue Fund	NOAA Capital Reserve Fund	Total Enterprise Funds
Current assets							
Cash and investments	\$ 3,024,711	\$ 112,773	\$ 526,516	\$ 13,073	\$ 3,857,830	\$ 1,696,587	\$ 9,231,490
Property tax receivables	5,509	33,838	-	-	-	-	39,347
Receivables, net of allowances	465,239	5,636	-	-	-	-	470,875
Grant receivable	2,776	-	-	-	-	-	2,776
Prepaid expense	184,123	-	-	-	106,554	-	290,677
Due from (due to)	(318,262)	-	-	-	(209,857)	528,119	-
Total current assets	3,364,096	152,247	526,516	13,073	3,754,527	2,224,706	10,035,165
Noncurrent assets							
Capital assets							
Depreciable capital assets	58,221,623	-	-	-	38,457,463	-	96,679,086
Non depreciable capital assets	22,418,742	-	-	-	-	-	22,418,742
Accumulated depreciation	(31,554,787)	-	-	-	(17,175,035)	-	(48,729,822)
Capital assets, net	49,085,578	-	-	-	21,282,428	-	70,368,006
Bond cost	-	139,937	-	-	195,000	-	334,937
Bond discount	-	6,805	-	-	-	-	6,805
Total noncurrent assets	49,085,578	146,742	-	-	21,477,428	-	70,709,748
Deferred outflows of resources							
Advanced refunding outflows	-	589,289	-	-	413,592	-	1,002,881
Pension related outflows	1,139,912	-	-	-	59,995	-	1,199,907
Total deferred outflows	1,139,912	589,289	-	-	473,587	-	2,202,788
Total assets and deferred outflows	\$ 53,589,586	\$ 888,278	\$ 526,516	\$ 13,073	\$ 25,705,542	\$ 2,224,706	\$ 82,947,701
LIABILITIES AND NET POSITION							
Current liabilities							
Accounts payable	\$ 423,003	\$ -	\$ -	\$ -	\$ 14,893	\$ -	\$ 437,896
Accrued payroll	144,036	-	-	-	11,559	-	155,595
Accrued interest payable	12,564	-	-	-	177,651	-	190,215
Lease deposits	272,095	-	-	-	-	-	272,095
Notes payable and assessment debt - current	551,191	420,000	-	-	-	-	971,191
Bonds payable - current	-	-	-	-	1,350,000	-	1,350,000
Total current liabilities	1,402,889	420,000	-	-	1,554,103	-	3,376,992
Noncurrent liabilities							
Construction line of credit	699,795	-	-	-	-	-	699,795
Notes payable	-	10,815,000	-	-	-	-	10,815,000
Bonds payable	5,063,662	-	-	-	13,895,000	-	18,958,662
Bonds premium	77,424	616,524	-	-	-	-	693,948
Pension	1,069,107	-	-	-	56,269	-	1,125,376
Total noncurrent liabilities	6,909,988	11,431,524	-	-	13,951,269	-	32,292,781
Deferred inflows of resources							
Pension related inflows	1,012,495	-	-	-	53,290	-	1,065,785
Total deferred inflows	1,012,495	-	-	-	53,290	-	1,065,785
Net position							
Investment in capital assets, net of related debt	42,693,506	-	-	-	6,232,428	-	48,925,934
Unrestricted	1,570,708	(10,963,246)	526,516	13,073	3,914,452	2,224,706	(2,713,791)
Total net position	44,264,214	(10,963,246)	526,516	13,073	10,146,880	2,224,706	46,212,143
Total liabilities, deferred inflows and net position	\$ 53,589,586	\$ 888,278	\$ 526,516	\$ 13,073	\$ 25,705,542	\$ 2,224,706	\$ 82,947,701

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2022

	General Fund	Bonded Debt Fund	Facilities Maintenance Reserve Fund	Construction Fund	NOAA Lease Revenue Fund	NOAA Capital Reserve Fund	Total Enterprise Funds
Operating revenues							
Moorages and leases	\$ 2,784,333	\$ -	\$ -	\$ -	\$ 2,552,489	\$ -	\$ 5,336,822
Property tax	117,437	977,425	-	-	-	-	1,094,862
RV Park	1,576,084	-	-	-	-	-	1,576,084
Services	600,196	-	-	-	-	-	600,196
Fees	590,550	-	51,095	-	189	-	641,834
Total operating revenues	5,668,600	977,425	51,095	-	2,552,678	-	9,249,798
Operating expenses							
Salary and wage	1,409,735	-	-	-	87,234	-	1,496,969
Payroll tax and benefit	526,981	-	-	-	33,927	-	560,908
Administration, promotion and marketing	386,958	-	-	-	15,875	-	402,833
Maintenance	251,014	-	-	-	1,488	-	252,502
Utilities	588,541	-	-	-	14,602	-	603,143
Insurance	241,400	-	-	-	184,361	-	425,761
Professional fees	235,873	-	-	-	16,733	-	252,606
Service fees	589,465	-	-	-	-	-	589,465
Supplies	85,930	-	-	-	36,244	-	122,174
Other	147,016	-	-	-	4,633	-	151,649
Depreciation	1,719,989	-	-	-	1,575,291	-	3,295,280
Total operating expenses	6,182,902	-	-	-	1,970,388	-	8,153,290
Operating income (loss)	(514,302)	977,425	51,095	-	582,290	-	1,096,508
Non-operating revenues (expenses)							
Grants and reimbursements	114,148	-	-	-	-	-	114,148
Interest income	6,602	40	2,305	2	9,906	15,261	34,116
Interest expense	(105,995)	(412,763)	-	-	(522,327)	-	(1,041,085)
Total non-operating revenues (expenses)	14,755	(412,723)	2,305	2	(512,421)	15,261	(892,821)
Income (loss) before transfers and other changes in net losses	(499,547)	564,702	53,400	2	69,869	15,261	203,687
Transfer from other funds	667,000	-	100,000	-	-	2,209,445	2,976,445
Transfer to other funds	(100,000)	-	-	-	(2,876,445)	-	(2,976,445)
Change in net position	67,453	564,702	153,400	2	(2,806,576)	2,224,706	203,687
Net position, beginning of year	44,196,761	(11,527,948)	373,116	13,071	12,953,456	-	46,008,456
Net position, end of year	\$ 44,264,214	\$ (10,963,246)	\$ 526,516	\$ 13,073	\$ 10,146,880	\$ 2,224,706	\$ 46,212,143

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
COMBINING SCHEDULE OF CASH FLOWS
Year Ended June 30, 2022

	General Fund	Bonded Debt Fund	Facilities Maintenance Reserve Fund	Construction Fund	NOAA Lease Revenue Fund	NOAA Capital Reserve Fund	Total Enterprise Funds
Cash flows from operating activities:							
Cash received from tenants	\$ 5,888,873	\$ -	\$ -	\$ -	\$ 2,552,721	\$ -	\$ 8,441,594
Cash received from property taxes	231,585	985,679	51,095	-	189	-	1,268,548
Payments to vendors	(3,580,984)	-	-	-	(284,535)	-	(3,865,519)
Payments to employees	(1,936,716)	-	-	-	(121,161)	-	(2,057,877)
Net cash provided by (used in) operating activities	602,758	985,679	51,095	-	2,147,214	-	3,786,746
Cash flows from investing activities:							
Interest income	6,602	40	2,305	2	9,906	15,261	34,116
Cash flows from noncapital financing activities:							
Advances (to) from other funds	(376,591)	-	-	-	904,710	(528,119)	-
Transfers from other funds	667,000	-	100,000	-	-	2,209,445	2,976,445
Transfers to other funds	(100,000)	-	-	-	(2,876,445)	-	(2,976,445)
Net cash provided by (used in) noncapital financing activities	190,409	-	100,000	-	(1,971,735)	1,681,326	-
Cash flows from capital and related financing activities:							
Property and equipment (additions) deletions	(1,325,067)	-	-	-	(258,472)	-	(1,583,539)
Bond discount	(6,450)	43,202	-	-	-	-	36,752
Bond premium	-	(44,037)	-	-	17,727	-	(26,310)
Advance from new debt	699,795	-	-	-	-	-	699,795
Bonds refunded	-	-	-	-	-	-	-
Payments on notes and bonds payable	(436,901)	(410,000)	-	-	(1,320,000)	-	(2,166,901)
Interest paid	(107,442)	(412,763)	-	-	(546,049)	-	(1,066,254)
Net cash provided by (used in) capital and related financing activities	(1,176,065)	(823,598)	-	-	(2,106,794)	-	(4,106,457)
Change in cash and cash equivalents	(376,296)	162,121	153,400	2	(1,921,409)	1,696,587	(285,595)
Cash and cash equivalents, beginning of year	3,401,007	(49,348)	373,116	13,071	5,779,239	-	9,517,085
Cash and cash equivalents, end of year	\$ 3,024,711	\$ 112,773	\$ 526,516	\$ 13,073	\$ 3,857,830	\$ 1,696,587	\$ 9,231,490
Reported in the Balance Sheet as:							
Unrestricted	\$ 3,024,711	\$ 112,773	\$ 526,516	\$ 13,073	\$ 3,857,830	\$ 1,696,587	\$ 9,231,490
Restricted	-	-	-	-	-	-	-
Total	\$ 3,024,711	\$ 112,773	\$ 526,516	\$ 13,073	\$ 3,857,830	\$ 1,696,587	\$ 9,231,490
Reconciliation of operating income (loss) to cash provided by (used in) operating activities:							
Operating income (loss)	\$ (514,302)	\$ 977,425	\$ 51,095	\$ -	\$ 582,290	\$ -	\$ 1,096,508
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation and amortization	1,719,989	-	-	-	1,575,291	-	3,295,280
Non operating revenues	114,148	-	-	-	-	-	114,148
(Increase) decrease in current assets:							
Operating receivables	337,710	8,254	-	-	232	-	346,196
Prepaid expenses	(36,528)	-	-	-	(18,516)	-	(55,044)
Increase (decrease) in current liabilities							
Accounts payable and compensated absences	(964,380)	-	-	-	(12,225)	-	(976,605)
Changes to debt related deferred inflows	-	-	-	-	-	-	-
Pension liabilities	(53,879)	-	-	-	20,142	-	(33,737)
Debt related	-	-	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 602,758	\$ 985,679	\$ 51,095	\$ -	\$ 2,147,214	\$ -	\$ 3,786,746

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – GENERAL FUND**

Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable) Final to Actual
Revenues				
Moorage	\$ 1,572,600	\$ 1,718,250	\$ 2,772,937	\$ 1,054,687
Leases	793,160	793,160	-	(793,160)
RV park	1,085,875	1,193,500	1,555,951	362,451
Services	964,238	964,238	600,196	(364,042)
Intergovernmental	987,964	1,046,569	114,148	(932,421)
Fees	86,100	86,100	544,209	458,109
Property Taxes	115,984	115,984	117,437	1,453
Interest	20,000	1,500	6,603	5,103
Miscellaneous	27,000	67,000	46,341	(20,659)
Total revenues	<u>5,652,921</u>	<u>5,986,301</u>	<u>5,757,822</u>	<u>(228,479)</u>
Expenditures				
Personnel services	2,386,604	2,362,045	2,024,592	337,453
Material and services	4,200,815	3,955,815	2,470,909	1,484,906
Capital outlay	4,197,000	4,862,000	1,380,355	3,481,645
Debt service	1,823,512	986,153	550,793	435,360
Operating Contingency	488,153	488,153	-	488,153
Total expenditures	<u>13,096,084</u>	<u>12,654,166</u>	<u>6,426,649</u>	<u>6,227,517</u>
Excess (deficiency) of revenues over expenditures	<u>(7,443,163)</u>	<u>(6,667,865)</u>	<u>(668,827)</u>	<u>5,999,038</u>
Other financing sources (uses)				
Loan Proceeds	1,920,000	-	699,795	699,795
Transfer in	2,115,334	667,000	667,000	1,334,000
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>3,935,334</u>	<u>567,000</u>	<u>1,266,795</u>	<u>2,033,795</u>
Net changes in fund balances	(3,507,829)	(6,100,865)	597,968	6,698,833
Fund balance, beginning of year	1,720,640	2,581,132	2,254,322	(326,810)
Fund balance, end of year	<u>\$ (1,787,189)</u>	<u>\$ (3,519,733)</u>	<u>2,852,290</u>	<u>\$ 6,372,023</u>
Reconciliation to GAAP				
Capital assets, net of depreciation			49,085,578	
Bonds and notes payable			(6,314,648)	
Accrued interest			(12,564)	
Deferred outflows			1,139,912	
Net pension liability			(1,069,107)	
Deferred inflows			(1,012,495)	
Bond premium			(77,424)	
Deposits			(272,095)	
Compensated absences			(55,233)	
Net position, end of year			<u>\$ 44,264,214</u>	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – BONDED DEBT FUND**

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 929,609	\$ 929,609	\$ 977,425	\$ 47,816
Interest	150	150	40	(110)
Total revenues	929,759	929,759	977,465	47,706
Expenditures				
Debt service	831,242	831,242	823,598	7,644
Total expenditures	831,242	831,242	823,598	7,644
Excess (deficiency) of revenues over expenditures	98,517	98,517	153,867	55,350
Other financing sources (uses)				
Debt refunded	-	-	-	-
Debt proceeds	-	-	-	-
Debt payments	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	98,517	98,517	153,867	55,350
Fund balance, beginning of year	114,712	114,712	(1,620)	(116,332)
Fund balance, end of year	\$ 213,229	\$ 213,229	152,247	\$ (60,982)
Reconciliation to GAAP				
Bond cost			139,937	
Deferred outflow, advance refunding valuation			589,289	
Bond discount			6,805	
Bond premium			(616,524)	
Bonds and notes payable			(11,235,000)	
Net position, end of year			\$ (10,963,246)	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – FACILITY MAINTENANCE RESERVE FUND**

Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues				
Interest	\$ -	\$ -	\$ 2,305	\$ 2,305
Miscellaneous	-	-	51,095	51,095
Total revenues	<u>-</u>	<u>-</u>	<u>53,400</u>	<u>53,400</u>
Expenditures				
Capital outlay	-	-	-	-
Contingency	50,000	50,000	-	50,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>53,400</u>	<u>103,400</u>
Other financing sources (uses)				
Transfer out	(315,334)	(315,334)	-	315,334
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	<u>(215,334)</u>	<u>(215,334)</u>	<u>100,000</u>	<u>315,334</u>
Net changes in fund balances	(265,334)	(265,334)	153,400	418,734
Fund balance, beginning of year	265,334	265,334	373,116	107,782
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,516</u>	<u>\$ 526,516</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – CONSTRUCTION FUND**

Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
Revenues				
Interest	\$ -	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Expenditures				
Capital outlay	-	-	-	-
Contingency	30,452	30,452	-	30,452
Total expenditures	<u>30,452</u>	<u>30,452</u>	<u>-</u>	<u>30,452</u>
Excess (deficiency) of revenues over expenditures	<u>(30,452)</u>	<u>(30,452)</u>	<u>2</u>	<u>30,454</u>
Other financing sources (uses)				
Loan payment	1,800,000	1,920,000	-	(1,920,000)
Intergovernmental	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,800,000)	(1,920,000)	-	1,920,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(30,452)	(30,452)	2	30,454
Fund balance, beginning of year	30,452	30,452	13,071	(17,381)
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,073</u>	<u>\$ 13,073</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – NOAA LEASE REVENUE FUND**

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Leases	\$ 2,595,900	\$ 2,595,900	\$ 2,552,489	\$ (43,411)
Interest	2,500	2,500	9,906	7,406
Miscellaneous	10,000	-	189	189
Total revenues	2,608,400	2,598,400	2,562,584	(35,816)
Expenditures				
Personnel services	206,999	205,044	127,777	77,267
Material and services	1,168,365	1,168,365	269,303	899,062
Capital outlay	191,000	191,000	258,472	(67,472)
Debt service	1,760,950	1,760,950	1,825,345	(64,395)
Contingency	599,741	453,241	-	453,241
Total expenditures	3,927,055	3,778,600	2,480,897	1,297,703
Excess (deficiency) of revenues over expenditures	(1,318,655)	(1,180,200)	81,687	1,261,887
Other financing sources (uses)				
Transfer out	(170,000)	(2,876,445)	(2,876,445)	-
Debt refunded	-	-	-	-
Bond proceeds	-	-	-	-
Transfer in	818,132	843,886	-	(843,886)
Total other financing sources (uses)	648,132	(2,032,559)	(2,876,445)	(843,886)
Net changes in fund balances	(670,523)	(3,212,759)	(2,794,758)	418,001
Fund balance, beginning of year	3,907,712	3,907,713	6,534,392	2,626,679
Fund balance, end of year	\$ 3,237,189	\$ 694,954	3,739,634	\$ 3,044,680
Reconciliation to GAAP				
Capital assets, net of depreciation			21,282,428	
Bonds cost			195,000	
Advance refunding			413,592	
Bonds and notes payable			(15,245,000)	
Accrued interest			(177,651)	
Accrued payroll			(11,559)	
Deferred outflows			59,995	
Net pension liability			(56,269)	
Deferred inflows			(53,290)	
Net position, end of year			\$ 10,146,880	

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET TO ACTUAL – NOAA CAPITAL MAINTENANCE FUND**

Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Interest	15,000	15,000	15,261	261
Miscellaneous	-	-	-	-
Total revenues	15,000	15,000	15,261	261
Expenditures				
Personnel services	-	-	-	-
Material and services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Contingency	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	15,000	15,000	15,261	261
Other financing sources (uses)				
Transfer out	(818,132)	(843,886)	-	843,886
Debt refunded	-	-	-	-
Bond proceeds	-	-	-	-
Transfer in	350,282	2,209,445	2,209,445	-
Total other financing sources (uses)	(467,850)	1,365,559	2,209,445	843,886
Net changes in fund balances	(452,850)	1,380,559	2,224,706	844,147
Fund balance, beginning of year	1,435,500	1,435,500	-	(1,435,500)
Fund balance, end of year	\$ 982,650	\$ 2,816,059	\$ 2,224,706	\$ (591,353)

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
PORT LEVY
SCHEDULE OF TAX COLLECTIONS AND UNPAID BALANCES
June 30, 2022

	Imposed Levy or Balance Uncollected July 1, 2021	Add Levy as Extended by Assessor	Adjustments	Interest	Cash Collection by County Treasurer	Balance Uncollected or Unsegregated June 30, 2022
Current						
2021-2022	\$ -	\$ 133,395	\$ (11,231)	\$ 7	\$ (119,750)	\$ 2,421
Prior years						
2020-2021	2,470	-	(65)	4	(1,194)	1,215
2019-2020	1,349	-	(129)	-	(526)	694
201-2019	750	-	(47)	-	(521)	182
2017-2018	202	-	(1)	-	(158)	43
2016-2017 and Prior	<u>2,832</u>	<u>-</u>	<u>(59)</u>	<u>-</u>	<u>(1,819)</u>	<u>954</u>
Total years	<u>\$ 7,603</u>	<u>\$ 133,395</u>	<u>\$ (11,532)</u>	<u>\$ 11</u>	<u>\$ (123,968)</u>	<u>\$ 5,509</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

PORT OF NEWPORT
BOND LEVY
SCHEDULE OF TAX COLLECTIONS AND UNPAID BALANCES
June 30, 2022

	Imposed Levy or Balance Uncollected July 1, 2021	Add Levy as Extended by Assessor	Adjustments	Interest	Cash Collection by County Treasurer	Balance Uncollected or Unsegregated June 30, 2022
Current						
2021-2022	\$ -	\$ 995,243	\$ (26,589)	\$ 56	\$ (949,551)	\$ 19,159
Prior years						
2020-2021	16,548	16,548	(16,739)	26	(8,241)	8,142
2019-2020	9,187	9,187	(9,739)	-	(3,911)	4,724
201-2019	3,457	3,457	(3,467)	-	(2,609)	838
2017-2018	1,849	1,849	(1,850)	-	(1,452)	396
2016-2017 and Prior	<u>16,688</u>	<u>16,688</u>	<u>(17,197)</u>	<u>-</u>	<u>(15,600)</u>	<u>579</u>
Total years	<u>\$ 47,729</u>	<u>\$ 1,042,972</u>	<u>\$ (75,581)</u>	<u>\$ 82</u>	<u>\$ (981,364)</u>	<u>\$ 33,838</u>

The accompanying notes and independent auditors' report should be read with the supplemental schedules.

REPORT REQUIRED BY OREGON MINIMUM AUDIT STANDARDS

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners
Port of Newport
Newport, Oregon

We have audited the basic financial statements of the Port of Newport (the Port) as of and for the year ended June 30, 2022, and have issued our report thereon dated August 21, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Port's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).**
- Indebtedness limitations, restrictions and repayment.**
- Budgets legally required (ORS Chapter 294).**
- Insurance and fidelity bonds in force or required by law.**
- Programs funded from outside sources.**
- Authorized investment of surplus funds (ORS Chapter 294).**
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Port was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the basic financial statements of the Port as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Port's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

Board of Commissioners
Port of Newport
Newport, Oregon

We have identified certain deficiencies in internal control over financial reporting that we have communicated to the Port in a separate report dated August 21, 2023.

This report is intended solely for the information and use of the Commissioners and management of the Port of Newport and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

KERN & THOMPSON, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read "Eric A. Zehntbauer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eric A. Zehntbauer, CPA
Partner

Portland, Oregon
August 21, 2023

**PORT OF NEWPORT
RESOLUTION 2023-03**

**A RESOLUTION REPLACING THE AUTHORITY OF THE GENERAL MANAGER
TO THE EXECUTIVE DIRECTOR THROUGHOUT THE PORT OF NEWPORT**

WHEREAS the Port of Newport originally conferred authority to the General Manager of the Port of Newport throughout many documents; and

WHEREAS on August 22nd, 2023, through Ordinance 2023-01 the Port modified such authority to the Executive Director and any reference to the General Manager throughout the Bylaws to be modified to Executive Director; and

WHEREAS many documents, including, but not limited to the Facilities Code and the current contract with Paula Miranda refer to the authorities of the General Manager; and

**NOW THEREFORE, THE PORT OF NEWPORT BOARD OF COMMISSIONERS
RESOLVES AS FOLLOWS:**

Any and all reference to the General Manager throughout the Port of Newport, shall be removed and replaced by the Executive Director, which same authority shall be given as referred to in the Bylaws as amended by Ordinance 2023-01.

APPROVED AND ADOPTED BY THE BOARD OF COMMISSIONERS this September 26, 2023.

ATTEST:

Gil Sylvia, President

Walter Chuck, Secretary/Treasurer

Enforcement of Public Meetings Law

By: Oregon Government Ethics Commission

In the most recent session, the Legislative Assembly passed HB 2805, which gives the Oregon Government Ethics Commission (OGEC) the authority to enforce Oregon's Public Meetings Law (ORS 192.610 to 192.690). Let's explore what these changes mean for public bodies and Oregon citizens.

Public Meetings Advice

Beginning on September 24, 2023, OGEC will be able to provide verbal and written advice on Public Meetings Law, and OGEC will begin accepting complaints and opening cases for alleged Public Meetings Law violations.

Public Meetings Training

In January 2024, OGEC'S trainers will begin providing Public Meetings Law trainings and will be coordinating with agencies, other groups, and associations to ensure the availability of Public Meetings Law trainings throughout the state. OGEC will continue to offer trainings and webinars on the Executive Session provisions.

New Public Body Reporting Duties

HB 2805 creates new reporting duties for public bodies. In particular, when a public body receives a written grievance from a person alleging its governing body may have violated provisions in the Public Meetings Law, the public body must provide a written response to the person within 21 days. That written response should acknowledge

receipt of the grievance and may:

- Deny the facts and circumstances alleged in the grievance; then describe the public body's version of the facts and circumstances and explain why they do not violate Public Meetings Law.
- Admit the facts and circumstances alleged in the grievance but deny that those facts and circumstances violate Public Meetings Law.
- Admit the facts and circumstances alleged in the grievance and admit those facts and circumstances violate Public Meetings Law. Then explain the steps the public body will take to cure the violation, such as;
- Rescinding the decision taken by the governing body that violated Public Meetings Law;
- Acknowledging (in a properly noticed and conducted public meeting held within 45 days of the original decision) that:
 - The original decision violated Public Meetings Law;
 - Good cause exists for the governing body not to rescind the decision; and
 - The governing body's practices will be modified to ensure future violations of Public Meetings Law do not occur.

Please note:

- The public body must send OGEC a copy of the written grievance, along with the public body's response, at the same time that it sends the written response to the person.
- These documents should be sent to OGEC via email.

House Bill 2805

Sponsored by Representatives SOSA, NERON, MORGAN (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides that use of serial electronic written communication or use of intermediaries to communicate may constitute meeting of governing body subject to public meetings law if other specified conditions are satisfied. Provides that public meetings law does not apply to communications that are purely factual or educational, that are unrelated to any matter that governing body could foreseeably deliberate on or decide or that are nonsubstantive in nature.

Requires Oregon Government Ethics Commission to provide, or arrange for other organization to provide, annual training on requirements of public meetings law and best practices to enhance compliance with public meetings law. Requires members of governing bodies with total fiscal year expenditures above threshold amount to attend training at least once per term of public office. Excludes state government governing bodies from training requirements.

Expands duties of commission to conduct investigations, make findings and impose penalties for violations of public meetings law. Authorizes any person to file complaint with commission alleging that meetings were not in compliance with public meetings law. Requires complainant to have first made written grievance with public body whose governing body is alleged to have violated public meetings law so as to provide governing body opportunity to cure decisions made in violation of public meetings law.

Takes effect on 91st day following adjournment sine die.

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A BILL FOR AN ACT

Relating to public meetings; creating new provisions; amending ORS 192.610, 192.680, 192.685, 192.690, 244.255, 244.260, 244.270, 244.290 and 244.350; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

PUBLIC MEETINGS (Scope of public meetings law)

SECTION 1. ORS 192.610 is amended to read:

192.610. As used in ORS 192.610 to 192.690:

(1) **“Convening” means:**

(a) **Gathering in a physical location;**

(b) **Using electronic, video or telephonic technology to be able to communicate contemporaneously among participants;**

(c) **Using serial electronic written communication among participants; or**

(d) **Using an intermediary to communicate among participants.**

[1] (2) **“Decision” means any determination, action, vote or final disposition upon a motion, proposal, resolution, order, ordinance or measure on which a vote of a governing body is required, at any meeting at which a quorum is present.**

(3) **“Deliberation” means discussion or communication that is part of a decision-making process.**

[2] (4) **“Executive session” means any meeting or part of a meeting of a governing body which**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 is closed to certain persons for deliberation on certain matters.

2 [(3)] (5) “Governing body” means the members of any public body which consists of two or more
 3 members, with the authority to make decisions for or recommendations to a public body on policy
 4 or administration.

5 [(4)] (6) “Public body” means the state, any regional council, county, city or district, or any
 6 municipal or public corporation, or any board, department, commission, council, bureau, committee
 7 or subcommittee or advisory group or any other agency thereof.

8 [(5)] (7)(a) “Meeting” means the convening of a governing body of a public body for which a
 9 quorum is required in order to make a decision or to deliberate toward a decision on any matter.

10 (b) “Meeting” does not include any on-site inspection of any project or program. *“Meeting” also*
 11 *does not include* or the attendance of members of a governing body at any national, regional or
 12 state association to which the public body or the members belong.

13 **SECTION 2.** ORS 192.690 is amended to read:

14 192.690. (1) ORS 192.610 to 192.690 do not apply to **any of the following:**

15 (a) [*the*] Deliberations of the Psychiatric Security Review Board[,] or the State Board of Parole
 16 and Post-Prison Supervision[.].

17 (b) **Deliberations of** state agencies conducting hearings on contested cases in accordance with
 18 the provisions of ORS chapter 183[.].

19 (c) **Deliberations of** [*The review by*] the Workers’ Compensation Board or the Employment Ap-
 20 peals Board of similar hearings on contested cases[.].

21 (d) Meetings of the state lawyers assistance committee operating under the provisions of ORS
 22 9.568[.].

23 (e) Meetings of the personal and practice management assistance committees operating under
 24 the provisions of ORS 9.568[.].

25 (f) **Meetings of** [*the*] county child abuse multidisciplinary teams required to review child abuse
 26 cases in accordance with the provisions of ORS 418.747[.].

27 (g) **Meetings of** [*the*] child fatality review teams required to review child fatalities in accord-
 28 ance with the provisions of ORS 418.785[.].

29 (h) **Meetings of** [*the*] peer review committees in accordance with the provisions of ORS
 30 441.055[.].

31 (i) Mediation conducted under ORS 36.252 to 36.268[.].

32 (j) Any judicial proceeding[.].

33 (k) Meetings of the Oregon Health and Science University Board of Directors or its designated
 34 committee regarding candidates for the position of president of the university or regarding sensitive
 35 business, financial or commercial matters of the university not customarily provided to competitors
 36 related to financings, mergers, acquisitions or joint ventures or related to the sale or other dispo-
 37 sition of, or substantial change in use of, significant real or personal property, or related to health
 38 system strategies[.].

39 (L) [*or to*] Oregon Health and Science University faculty or staff committee meetings.

40 (m) **Communications between or among members of a governing body that are:**

41 (A) **Purely factual or educational in nature and that convey no deliberation or decision**
 42 **on any matter that might reasonably come before the governing body;**

43 (B) **Not related to any matter that, at any time, could reasonably be foreseen to come**
 44 **before the governing body for deliberation and decision; or**

45 (C) **Nonsubstantive in nature, such as communication relating to scheduling, leaves of**

1 **absence and other similar matters.**

2 (2) Because of the grave risk to public health and safety that would be posed by misappropriation or misapplication of information considered during such review and approval, ORS 192.610 to 192.690 shall not apply to review and approval of security programs by the Energy Facility Siting Council pursuant to ORS 469.530.

6
7 (Training on public meetings law)

8
9 **SECTION 3.** (1)(a) The Oregon Government Ethics Commission shall annually prepare training on the requirements of ORS 192.610 to 192.690 and best practices to enhance compliance with those requirements. The commission may delegate the preparation and presentation of trainings to another organization, except that the commission must approve the content of training prepared by another organization prior to presentation of the training.

14 (b) At the discretion of the commission, trainings prepared under this section may be presented in live sessions or be made available for viewing online. Training sessions may be presented to multiple governing bodies at any one time and may be presented in a prerecorded format.

18 (2)(a) Every member of a governing body of a public body with total expenditures for a fiscal year of \$1 million or more shall attend or view training prepared under this section at least once during the member’s term of office and shall verify the member’s attendance using the method prescribed by the commission.

22 (b) A member of a governing body who, under paragraph (a) of this subsection, is not required to attend training is nevertheless encouraged to attend training given under this section.

25 (3) The commission shall, at least once every five years, adjust the expenditure threshold for mandatory training described in subsection (2)(a) of this section to account for changes in inflation and shall by rule establish a new threshold, rounded to the nearest \$100,000, for mandatory training attendance under this section.

29 (4) This section does not apply to governing bodies of state government, as defined in ORS 174.111.

31 **SECTION 4.** Section 3 of this 2023 Act becomes operative on January 1, 2024.

33 (Expansion of Oregon Government Ethics Commission
34 oversight of public meetings law)

36 **SECTION 5.** (1) A person who believes that a governing body has acted in violation of ORS 192.610 to 192.690 may, within 30 days of the alleged violation, file a written grievance with the public body whose governing body is alleged to have violated ORS 192.610 to 192.690, setting forth the specific facts and circumstances that the person asserts amounted to a violation of ORS 192.610 to 192.690. The grievance must state the identity of the person filing the grievance and any other information required by the Oregon Government Ethics Commission by rule.

43 (2) A public body receiving a written grievance filed under this section shall, within 21 days of the receipt of the grievance, provide a written response to the person:

45 (a) Acknowledging receipt of the grievance; and

1 **(b)(A) Denying that the facts and circumstances as set forth in the grievance accurately**
 2 **reflect the conduct of the governing body and setting forth the facts and circumstances as**
 3 **determined by the public body and the reasons why those facts and circumstances do not**
 4 **amount to a violation of ORS 192.610 to 192.690;**

5 **(B) Admitting that the facts and circumstances as set forth in the grievance accurately**
 6 **reflect the conduct of the governing body but denying that those facts and circumstances**
 7 **amount to a violation of ORS 192.610 to 192.690; or**

8 **(C) Admitting that the conduct of the governing body amounted to a violation of ORS**
 9 **192.610 to 192.690 and setting forth the steps the governing body will take to cure the vio-**
 10 **lation, including but not limited to:**

11 **(i) Rescinding the decision taken by the governing body in violation of ORS 192.610 to**
 12 **192.690; or**

13 **(ii) Acknowledging in a properly noticed and conducted public meeting held within 45 days**
 14 **of the governing body’s original decision that:**

15 **(I) The original decision was made in violation of ORS 192.610 to 192.690;**

16 **(II) Good cause exists for the governing body to not rescind the decision; and**

17 **(III) The governing body’s practices will be modified to ensure future violations of ORS**
 18 **192.610 to 192.690 do not occur.**

19 **(3) The public body shall send a copy of the written grievance and the public body’s re-**
 20 **sponse under this section to the Oregon Government Ethics Commission at the time the**
 21 **public body responds to the person who filed the grievance.**

22 **SECTION 6. ORS 192.685 is amended to read:**

23 192.685. (1) Notwithstanding ORS 192.680, complaints of violations of [*ORS 192.660*] **any pro-**
 24 **vision of ORS 192.610 to 192.690** alleged to have been committed by public officials may be made
 25 to the Oregon Government Ethics Commission for review and investigation as provided by ORS
 26 244.260 and for possible imposition of civil penalties as provided by ORS 244.350.

27 **(2) A complainant may not file a complaint with the commission under this section unless**
 28 **the complainant has complied with the written grievance procedures described in section 5**
 29 **of this 2023 Act and:**

30 **(a) Has received a response from the public body that denies that a violation of ORS**
 31 **192.610 to 192.690 occurred;**

32 **(b) Has received a response from the public body that admits that a violation of ORS**
 33 **192.610 to 192.690 occurred that the public body has failed to take adequate steps to cure; or**

34 **(c) Has not received a response from the public body within the time prescribed for a**
 35 **response under section 5 of this 2023 Act.**

36 **(3) A complainant shall submit documentation of the complainant’s actions taken under**
 37 **section 5 of this 2023 Act and the public body’s response as described in subsection (2) of this**
 38 **section, if any. The commission shall dismiss any complaint filed under this section that does**
 39 **not satisfy the requirements of subsection (2) of this section.**

40 **[(2)] (4) If a complaint satisfies the requirements of subsection (2) of this section, the**
 41 **commission may interview witnesses, review minutes and other records and [may] obtain and con-**
 42 **sider any other information pertaining to [executive sessions] meetings of the governing body of a**
 43 **public body for purposes of determining whether a violation of ORS [192.660] 192.610 to 192.690**
 44 **occurred. Information related to an executive session conducted for a purpose authorized by ORS**
 45 **192.660 shall be made available to the Oregon Government Ethics Commission for its investigation**

1 but shall be excluded from public disclosure.

2 [(3)] (5) If the commission chooses not to pursue a complaint of a violation brought under sub-
 3 section (1) of this section at any time before conclusion of a contested case hearing, the public of-
 4 ficial against whom the complaint was brought may be entitled to reimbursement of reasonable costs
 5 and attorney fees by the public body to which the official's governing body has authority to make
 6 recommendations or for which the official's governing body has authority to make decisions.

7 **SECTION 7.** ORS 244.260 is amended to read:

8 244.260. (1)(a) Any person may file with the Oregon Government Ethics Commission a signed
 9 **or electronically signed** written complaint alleging that there has been a violation of **either:**

10 (A) Any provision of this chapter or of any rule adopted by the commission under this chapter.
 11 The complaint shall state the person's reason for believing that a violation occurred and include any
 12 evidence relating to the alleged violation.

13 (B) **ORS 192.610 to 192.690. The complaint shall state the particulars of meetings of a**
 14 **governing body that were not in compliance with ORS 192.610 to 192.690 and shall state the**
 15 **person's reason for believing that a violation occurred. The person shall include any evidence**
 16 **relating to the alleged violation with the complaint.**

17 (b) If at any time the commission has reason to believe that there has been a violation of a
 18 provision of this chapter or of a rule adopted by the commission under this chapter, the commission
 19 may proceed under this section on its own motion as if the commission had received a complaint.

20 (2)(a) Not later than two business days after receiving a complaint under this section, the com-
 21 mission shall notify the person who is the subject of the complaint.

22 (b) Before approving a motion to proceed under this section without a complaint, the commission
 23 shall provide notice to the person believed to have committed the violation of the time and place
 24 of the hearing at which the motion will be discussed. If the commission decides to proceed on its
 25 own motion, the commission shall give notice to the person not later than two business days after
 26 the motion is approved.

27 (c) The commission shall give notice of the complaint or motion under paragraph (a) or (b) of
 28 this subsection. The notice must describe the nature of the alleged violation. The notice must in-
 29 clude copies of all materials submitted with a complaint. If the commission will consider a motion
 30 to proceed without a complaint, the notice must provide copies of all materials that the commission
 31 will consider at the hearing on the motion.

32 (d) Information that the commission considers before approving a motion to proceed on its own
 33 motion under this section and any correspondence regarding the motion or potential violation is
 34 confidential. The executive director of the commission and the commission members and staff may
 35 not make any public comment or publicly disclose any materials relating to the motion pending the
 36 commission's approval to proceed. A person who intentionally violates this paragraph is subject to
 37 a civil penalty in an amount not to exceed \$1,000. Any person aggrieved as a result of a violation
 38 of this paragraph by the executive director or a member of the commission or its staff may file a
 39 petition in a court of competent jurisdiction in the county in which the petitioner resides in order
 40 to enforce the civil penalty provided in this paragraph.

41 (3) After the commission receives a complaint or decides to proceed on its own motion, the
 42 executive director of the commission shall undertake action in the Preliminary Review Phase to
 43 determine whether there is cause to undertake an investigation. If the person who is the subject
 44 of the action is a member of the Legislative Assembly, the executive director shall determine
 45 whether the alleged violation involves conduct protected by Article IV, section 9, of the Oregon

1 Constitution.

2 (4)(a) The Preliminary Review Phase begins on the date the complaint is filed or the date the
 3 commission decides to proceed on its own motion and ends on the date the executive director com-
 4 pletes the statement of the facts determined during the phase under paragraph (d) of this subsection.
 5 The Preliminary Review Phase may not exceed 60 days unless a complaint is filed under this section
 6 with respect to a person who is a candidate for elective public office, the complaint is filed within
 7 61 days before the date of an election at which the person is a candidate for nomination or election
 8 and a delay is requested in writing by the candidate. If the candidate makes a request under this
 9 paragraph, the Preliminary Review Phase must be completed not later than 60 days after the date
 10 of the election.

11 (b) During the Preliminary Review Phase, the executive director of the commission may seek,
 12 solicit or otherwise obtain any books, papers, records, memoranda or other additional information,
 13 administer oaths and take depositions necessary to determine whether there is cause to undertake
 14 an investigation or whether the alleged violation involves conduct protected by Article IV, section
 15 9, of the Oregon Constitution.

16 (c) The Preliminary Review Phase is confidential. The executive director of the commission and
 17 any commission members and staff may acknowledge receipt of a complaint but may not make any
 18 public comment or publicly disclose any materials relating to a case during the Preliminary Review
 19 Phase. A person who intentionally violates this paragraph is subject to a civil penalty in an amount
 20 not to exceed \$1,000. Any person aggrieved as a result of a violation of this paragraph by the
 21 executive director or a member of the commission or its staff may file a petition in a court of com-
 22 petent jurisdiction in the county in which the petitioner resides in order to enforce the civil penalty
 23 provided in this paragraph.

24 (d)(A) At the end of the Preliminary Review Phase, the executive director of the commission
 25 shall prepare a statement of the facts determined during the phase, including appropriate legal ci-
 26 tations and relevant authorities. Before presentation to the commission, the executive director's
 27 statement shall be reviewed by legal counsel to the commission.

28 (B) Following the conclusion of the Preliminary Review Phase, the executive director of the
 29 commission shall attend an executive session of the commission where the executive director shall
 30 present the statement of the facts and summarize the results of the Preliminary Review Phase to the
 31 commission and recommend to the commission whether there is cause to undertake an investigation
 32 or whether the commission should instead dismiss the complaint or rescind its motion.

33 (C) At the executive session, the commission shall consider the recommendation of the executive
 34 director and make the final determination as to whether there is cause to undertake an investigation
 35 or whether the commission should instead dismiss the complaint or rescind its motion.

36 (D) All case related materials and proceedings shall be open to the public after the commission
 37 makes a finding of cause to undertake an investigation, dismisses a complaint or rescinds a motion.

38 (e) The time limit imposed in this subsection and the commission's inquiry are suspended if a
 39 court has enjoined the executive director or the commission from continuing the inquiry.

40 (5)(a) If the commission determines that there is not cause to undertake an investigation or that
 41 the alleged violation of this chapter involves conduct protected by Article IV, section 9, of the
 42 Oregon Constitution, the commission shall dismiss the complaint or rescind its motion and formally
 43 enter the dismissal or rescission in its records. If the commission considers the recommendation of
 44 the executive director in an executive session but the commission does not affirmatively vote to
 45 undertake an investigation, dismiss the complaint or rescind its motion, the nonaction taken by the

1 commission shall be considered a dismissal of the complaint or a rescission of its motion. The com-
 2 mission shall notify the person who is the subject of action under this section of the dismissal or
 3 rescission. After dismissal or rescission, the commission may not take further action involving the
 4 person unless a new and different complaint is filed or action on the commission's own motion is
 5 undertaken based on different conduct.

6 (b) If the commission makes a finding of cause to undertake an investigation, the commission
 7 shall undertake action in the Investigatory Phase. The commission shall notify the person who is the
 8 subject of the investigation, identify the issues to be examined and confine the investigation to those
 9 issues. If the commission finds reason to expand the investigation, the commission shall move to do
 10 so, record in its minutes the issues to be examined before expanding the scope of its investigation
 11 and formally notify the complainant, if any, and the person who is the subject of the investigation
 12 of the expansion and the scope of the investigation.

13 (6)(a) The Investigatory Phase begins on the date the commission makes a finding of cause to
 14 undertake an investigation and ends on the date the commission dismisses the complaint, rescinds
 15 its own motion, issues a settlement order, moves to commence a contested case proceeding or takes
 16 other action justified by the findings. Except as provided in this subsection, the Investigatory Phase
 17 may not exceed 180 days unless a delay is stipulated to by both the person who is the subject of
 18 action under this section and the commission with the commission reserving a portion of the delay
 19 period to complete its actions.

20 (b) During the Investigatory Phase, the commission may seek any additional information, ad-
 21 minister oaths, take depositions and issue subpoenas to compel attendance of witnesses and the
 22 production of books, papers, records, memoranda or other information necessary to complete the
 23 investigation. If any person fails to comply with any subpoena issued under this paragraph or refuses
 24 to testify on any matters on which the person may be lawfully interrogated, the commission shall
 25 follow the procedure described in ORS 183.440 to compel compliance.

26 (c) The time limit imposed in this subsection and the commission's investigation:

27 (A) May be suspended if there is a pending criminal investigation that relates to the issues
 28 arising out of the underlying facts or conduct at issue in the matter before the commission and the
 29 commission determines that it cannot adequately complete its investigation until the pending crimi-
 30 nal investigation is complete; *[or]*

31 **(B) May be suspended if a suit is commenced under ORS 192.680 concerning the same**
 32 **meetings of a governing body that are the subject of the investigation by the commission,**
 33 **until a final adjudication of the suit has been made; or**

34 *[(B)]* (C) Are suspended if a court has enjoined the commission from continuing its investigation.

35 (d) At the end of the Investigatory Phase, the commission shall take action by order. The action
 36 may include:

37 (A) Dismissal, with or without comment;

38 (B) Continuation of the investigation for a period not to exceed 30 days for the purpose of ad-
 39 ditional fact-finding;

40 (C) Moving to a contested case proceeding;

41 (D) Entering into a negotiated settlement; or

42 (E) Taking other appropriate action if justified by the findings.

43 (e) The commission may move to a contested case proceeding if the commission determines that
 44 the information presented to the commission is sufficient to make a preliminary finding of:

45 (A) A violation of any provision of this chapter or of any rule adopted by the commission under

1 this chapter; or

2 **(B) A violation of any provision of ORS 192.610 to 192.690.**

3 (7) A person conducting any inquiry or investigation under this section shall:

4 (a) Conduct the inquiry or investigation in an impartial and objective manner; and

5 (b) Provide to the executive director or the commission all favorable and unfavorable informa-
6 tion the person collects.

7 (8) The commission shall report the findings of any inquiry or investigation in an impartial
8 manner. The commission shall report both favorable and unfavorable findings and shall make the
9 findings available to:

10 (a) The person who is the subject of the inquiry or investigation;

11 (b) The appointing authority, if any;

12 (c) The Attorney General, if the findings relate to a state public official;

13 (d) The appropriate district attorney, if the findings relate to a local public official; [and]

14 (e) The Commission on Judicial Fitness and Disability, if the findings relate to a judge; and

15 **(f) The governing body of a public body, if the inquiry or investigation concerns an alleged**
16 **violation of ORS 192.610 to 192.690 and the person who is the subject of the inquiry or in-**
17 **vestigation is a member of that governing body.**

18 (9) Hearings conducted under this chapter must be held before an administrative law judge as-
19 signed from the Office of Administrative Hearings established under ORS 183.605. The procedure
20 shall be that for a contested case under ORS chapter 183.

21 (10) The Oregon Government Ethics Commission may not inquire into or investigate any conduct
22 that occurred more than four years before a complaint is filed or a motion is approved under sub-
23 section (1) of this section.

24 (11) This section does not prevent the commission and the person alleged to have violated any
25 provision of this chapter or any rule adopted by the commission under this chapter from stipulating
26 to a finding of fact concerning the violation and consenting to an appropriate penalty. The com-
27 mission shall enter an order based on the stipulation and consent.

28 (12) At any time during proceedings conducted under this section, the commission may enter
29 into a negotiated settlement with the person who is the subject of action under this section.

30 (13) As used in this section:

31 (a) "Cause" means that there is a substantial, objective basis for believing that an offense or
32 violation may have been committed and the person who is the subject of an inquiry may have com-
33 mitted the offense or violation.

34 **(b) "Governing body" has the meaning given that term in ORS 192.610.**

35 [(b)] (c) "Pending" means that a prosecuting attorney is either actively investigating the factual
36 basis of the alleged criminal conduct, is preparing to seek or is seeking an accusatory instrument,
37 has obtained an accusatory instrument and is proceeding to trial or is in trial or in the process of
38 negotiating a plea.

39 **SECTION 8.** ORS 192.680 is amended to read:

40 192.680. (1) A decision made by a governing body of a public body in violation of ORS 192.610
41 to 192.690 shall be voidable. The decision shall not be voided if the governing body of the public
42 body reinstates the decision while in compliance with ORS 192.610 to 192.690. A decision that is
43 reinstated is effective from the date of its initial adoption.

44 (2) Any person affected by a decision of a governing body of a public body may commence a suit
45 in the circuit court for the county in which the governing body ordinarily meets, for the purpose

1 of requiring compliance with, or the prevention of violations of ORS 192.610 to 192.690, by members
 2 of the governing body, or to determine the applicability of ORS 192.610 to 192.690 to matters or
 3 decisions of the governing body.

4 (3) Notwithstanding subsection (1) of this section, if the court finds that the public body made
 5 a decision while in violation of ORS 192.610 to 192.690, the court shall void the decision of the
 6 governing body if the court finds that the violation was the result of intentional disregard of the law
 7 or willful misconduct by a quorum of the members of the governing body, unless other equitable
 8 relief is available. The court may order such equitable relief as it deems appropriate in the cir-
 9 cumstances. The court may order payment to a successful plaintiff in a suit brought under this
 10 section of reasonable attorney fees at trial and on appeal, by the governing body, or public body of
 11 which it is a part or to which it reports.

12 (4) If the court makes a finding that a violation of ORS 192.610 to 192.690 has occurred under
 13 subsection (2) of this section and that the violation is the result of willful misconduct by any member
 14 or members of the governing body, that member or members shall be jointly and severally liable to
 15 the governing body or the public body of which it is a part for the amount paid by the body under
 16 subsection (3) of this section.

17 (5) Any suit brought under subsection (2) of this section must be commenced within 60 days
 18 following the date that the decision becomes public record.

19 (6) The provisions of this section shall be the exclusive remedy for an alleged violation of ORS
 20 192.610 to 192.690, **except that this subsection does not apply to proceedings of the Oregon**
 21 **Government Ethics Commission.**

22 **SECTION 9.** ORS 244.255 is amended to read:

23 244.255. (1) The Oregon Government Ethics Commission shall estimate in advance the expenses
 24 that it will incur during a biennium in carrying out the provisions of ORS 171.725 to 171.785, [and]
 25 171.992 **and 192.610 to 192.690** and this chapter. The commission shall also determine what per-
 26 centage of the expenses should be borne by the following two groups of public bodies:

27 (a) Public bodies in state government; and

28 (b) Local governments, local service districts and special government bodies that are subject to
 29 the Municipal Audit Law.

30 (2) The commission shall charge each public body for the public body's share of the expenses
 31 described in subsection (1) of this section for the biennium. The amount to be charged each public
 32 body shall be determined as follows:

33 (a) The commission shall determine the rate to be charged public bodies in state government.
 34 The same rate shall be applied to each public body described in this paragraph. To determine the
 35 amount of the charge for each public body, the commission shall multiply the rate determined under
 36 this paragraph by the number of public officials serving the public body.

37 (b) The commission shall set the charge for local governments, local service districts and special
 38 government bodies that are subject to the Municipal Audit Law so that each local government, local
 39 service district or special government body described in this paragraph pays an amount of the total
 40 expenses for the group that bears the same proportion to the total expenses that the amount charged
 41 to the local government, local service district or special government body for the municipal audit
 42 fee under ORS 297.485 bears to the total amount assessed for the municipal audit fee.

43 (3) Each public body shall pay to the credit of the commission the charge described in this
 44 section as an administrative expense from funds or appropriations available to the public body in
 45 the same manner as other claims against the public body are paid.

1 (4) All moneys received by the commission under this section shall be credited to the Oregon
 2 Government Ethics Commission Account established under ORS 244.345.

3 (5) The commission shall adopt rules specifying the methods for calculating and collecting the
 4 rates and charges described in this section.

5 (6) As used in this section:

6 (a) "Local government" and "local service district" have the meanings given those terms in ORS
 7 174.116.

8 (b) "Public body" has the meaning given that term in ORS 174.109.

9 (c) "Public official," notwithstanding ORS 244.020 (15), means any person who, on the date the
 10 commission charges the public body under this section, is serving the public body as an officer or
 11 employee.

12 (d) "Special government body" has the meaning given that term in ORS 174.117.

13 (e) "State government" has the meaning given that term in ORS 174.111.

14 **SECTION 10.** ORS 244.270 is amended to read:

15 244.270. (1) If the Oregon Government Ethics Commission finds that an appointed public official
 16 has violated any provision of this chapter or any rule adopted under this chapter, **or has violated**
 17 **any provision of ORS 192.610 to 192.690 with intentional disregard of the law or willful mis-**
 18 **conduct**, the finding is prima facie evidence of unfitness where removal is authorized for cause ei-
 19 ther by law or pursuant to section 6, Article VII (Amended) of the Oregon Constitution.

20 (2) If the commission finds that a public official has violated any provision of this chapter or
 21 any rule adopted under this chapter, **or has violated any provision of ORS 192.610 to 192.690**, the
 22 commission shall notify the public body, as defined in ORS 174.109, that the public official serves.
 23 The notice shall describe the violation and any action taken by the commission. The commission
 24 shall provide the notice not later than 10 business days after the date the commission takes final
 25 action against the public official.

26 **SECTION 11.** ORS 244.290 is amended to read:

27 244.290. (1) The Oregon Government Ethics Commission shall:

28 (a) Prescribe forms for statements required by this chapter and provide the forms to persons
 29 required to file the statements under this chapter or pursuant to a resolution adopted under ORS
 30 244.160.

31 (b) Develop a filing, coding and cross-indexing system consistent with the purposes of this
 32 chapter.

33 (c) Prepare and publish reports the commission finds are necessary.

34 (d) Accept and file any information voluntarily supplied that exceeds the requirements of this
 35 chapter.

36 (e) Make statements and other information filed with the commission available for public in-
 37 spection and copying during regular office hours, and make copying facilities available at a charge
 38 not to exceed actual cost.

39 (f) Not later than February 1 of each odd-numbered year, report to the Legislative Assembly any
 40 recommended changes to provisions of ORS 171.725 to 171.785 or this chapter.

41 (2) The commission shall adopt rules necessary to carry out its duties under ORS 171.725 to
 42 171.785, 171.992[, 192.660 and 192.685] **and 192.610 to 192.690** and this chapter, including rules to:

43 (a) Create a procedure under which items before the commission may be treated under a consent
 44 calendar and voted on as a single item;

45 (b) Exempt a public official who is otherwise required to file a statement pursuant to ORS

1 244.050 from filing the statement if the regularity, number and frequency of the meetings and actions
2 of the body over which the public official has jurisdiction are so few or infrequent as not to warrant
3 the public disclosure;

4 (c) Establish an administrative process whereby a person subpoenaed by the commission may
5 obtain a protective order;

6 (d) List criteria and establish a process for the commission to use prosecutorial discretion to
7 decide whether to proceed with an inquiry or investigation;

8 (e) Establish a procedure under which the commission shall conduct accuracy audits of a sample
9 of reports or statements filed with the commission under this chapter or ORS 171.725 to 171.785;

10 (f) Describe the application of provisions exempting items from the definition of "gift" in ORS
11 244.020;

12 (g) Specify when a continuing violation is considered a single violation or a separate and dis-
13 tinct violation for each day the violation occurs; and

14 (h) Set criteria for determining the amount of civil penalties that the commission may impose.

15 (3) The commission may adopt rules that:

16 (a) Limit the minimum size of, or otherwise establish criteria for or identify, the smaller classes
17 that qualify under the class exception from the definition of "potential conflict of interest" under
18 ORS 244.020;

19 (b) Require the disclosure and reporting of gifts or other compensation made to or received by
20 a public official or candidate;

21 (c) Establish criteria for cases in which information relating to notices of actual or potential
22 conflicts of interest shall, may not or may be provided to the commission under ORS 244.130; or

23 (d) Allow the commission to accept the filing of a statement containing less than all of the in-
24 formation required under ORS 244.060 and 244.070 if the public official or candidate certifies on the
25 statement that the information contained on the statement previously filed is unchanged or certifies
26 only as to any changed material.

27 (4) Not less frequently than once each calendar year, the commission shall:

28 (a) Consider adoption of rules the commission deems necessary to implement or interpret pro-
29 visions of this chapter relating to issues the commission determines are of general interest to public
30 officials or candidates or that are addressed by the commission or by commission staff on a recur-
31 ring basis; and

32 (b) Review rules previously adopted by the commission to determine whether the rules have
33 continuing applicability or whether the rules should be amended or repealed.

34 (5) The commission shall adopt by rule an electronic filing system under which statements re-
35 quired to be filed under ORS 244.050 and 244.217 must be filed, without a fee, with the commission
36 in an electronic format.

37 (6) The commission shall make available in a searchable format for review by the public using
38 the Internet:

39 (a) Statements filed under ORS 244.050 and 244.217;

40 (b) Advisory opinions issued by the commission or the executive director of the commission;

41 (c) Findings issued by the commission under ORS 244.260 in instances where the commission
42 determines that there has been a violation of a provision of this chapter or of any rule adopted by
43 the commission under this chapter. Nothing in this paragraph requires the commission to make
44 publicly available materials that are otherwise exempt from public disclosure or that are required
45 to be kept confidential by the commission; and

1 (d) Lobbyist registration statements and revisions and updates to lobbyist registration state-
 2 ments filed under ORS 171.740. The information required under this paragraph must be available in
 3 a searchable format for review by the public using the Internet not later than one calendar day after
 4 the lobbyist files the information with the commission.

5 **SECTION 12.** ORS 244.350 is amended to read:

6 244.350. (1) The Oregon Government Ethics Commission may impose civil penalties not to ex-
 7 ceed:

8 (a) Except as provided in paragraphs (b), (c) and (d) of this subsection, \$5,000 for violation of
 9 any provision of this chapter or any resolution adopted under ORS 244.160.

10 (b) \$25,000 for violation of ORS 244.045.

11 (c) \$10,000 for willfully violating ORS 244.040.

12 (d) Two times the amount of the penalty provision for violating a nondisclosure agreement that
 13 is contained within each nondisclosure agreement entered into in violation of ORS 244.049.

14 (2)(a) Except as provided in paragraph (b) of this subsection, the commission may impose civil
 15 penalties not to exceed \$1,000 for violation of any provision of ORS [192.660] **192.610 to 192.690**.

16 (b) A civil penalty may not be imposed under this subsection if the violation occurred as a result
 17 of the governing body of the public body acting upon the advice of the public body’s counsel.

18 (3) The commission may impose civil penalties not to exceed \$250 for violation of ORS 293.708.
 19 A civil penalty imposed under this subsection is in addition to and not in lieu of a civil penalty that
 20 may be imposed under subsection (1) of this section.

21 (4)(a) The commission may impose civil penalties on a person who fails to file the statement
 22 required under ORS 244.050 or 244.217. In enforcing this subsection, the commission is not required
 23 to follow the procedures in ORS 244.260 before finding that a violation of ORS 244.050 or 244.217
 24 has occurred.

25 (b) Failure to file the required statement in timely fashion is prima facie evidence of a violation
 26 of ORS 244.050 or 244.217.

27 (c) The commission may impose a civil penalty of \$10 for each of the first 14 days the statement
 28 is late beyond the date set by law, or by the commission under ORS 244.050, and \$50 for each day
 29 thereafter. The maximum penalty that may be imposed under this subsection is \$5,000.

30 (5) In lieu of or in conjunction with finding a violation of law or any resolution or imposing a
 31 civil penalty under this section, the commission may issue a written letter of reprimand, explanation
 32 or education.

33 **(6)(a) A civil penalty imposed under this section for a violation of ORS 192.610 to 192.690**
 34 **is a personal liability of each member of the governing body on whom the penalty is imposed**
 35 **and may not be paid for or indemnified by the governing body or public body that the member**
 36 **is associated with.**

37 **(b) As used in this subsection, “governing body” and “public body” have the meanings**
 38 **given those terms in ORS 192.610.**

39
 40 **MISCELLANEOUS**

41
 42 **SECTION 13.** Sections 3 and 5 of this 2023 Act and ORS 192.695 are added to and made a
 43 part of ORS 192.610 to 192.690.

44 **SECTION 14.** The unit captions used in this 2023 Act are provided only for the conven-
 45 ience of the reader and do not become part of the statutory law of this state or express any

1 legislative intent in the enactment of this 2023 Act.

2

3

EFFECTIVE DATE

4

5 **SECTION 15.** This 2023 Act takes effect on the 91st day after the date on which the 2023
6 regular session of the Eighty-second Legislative Assembly adjourns sine die.

7

GENERAL MANAGER MONTHLY REPORT

DATE: 06/26/23
PERIOD: 08/17/23 – 09/20/23
TO: Board of Commissioners
ISSUED BY: Paula J. Miranda, General Manager

OVERVIEW

Summer is always busy at South Beach. Although we have been working to improve our assets and services, complaints usually increase this time of the year. We have been working on a lot of projects, as you can see per our list of projects. We will have to slow down on some of them to catch up with funding such as grants, loans and our on general funds.

Here are some of the highlights:

South Beach

RV Park Annex Plan: Our consultant is continuing to evaluate the two sites (current Annex and gravel dry camp area) in order to better fit any future plans.

RV Park: We have been working on evaluating a plan, which includes future charges and uses for our parks. We will have a work session on October 4th to discuss it.

NOAA Dredging: NOAA dredging is underway and almost completed with over 5,000 yards of material so far. Things got started slowly, as they had some mechanical issues in the beginning. All materials are being deposited next door in South Beach, where permitted through the US Army Corps (USACE).

South Beach Marina Dredging: We have received a conditional approval letter from the USACE, as they completed their evaluation, but are waiting for the state agencies (DEQ and DLCD) to complete theirs. Meanwhile, we are also working on allowing materials from other areas within the Port to be deposited in our pile besides just the NOAA sediments.

North Commercial

Port Dock 7 Plan/ Commercial Marina Channel Dredging Sediment Plan: We are still working on how to pay for the sediment sampling, which is more costly than anticipated. We are trying to have the consultant separate the sediment samplings from the commercial channel dredging to the PD7 replacement project.

Commercial Marina Parking: We have met with the Fishermen Users Group on September 6th to discuss Commercial Marian Parking/City Street Parking. Derrick Tokos from the City made a presentation. We expect to bring a plan on providing additional parking during the October meeting.

343 SW Bay Blvd: We are on schedule to close on this property with Ocean's Edge LLC prior to the end of September. An assignment from the DSL lease will be included in the closing.

Newport International Terminal

RORO Dock Piling Assessment: Permit reviewing by the USACE is underway, but that will be pending funding through the Congress for the appropriations request, assisted by Congresswoman Val Hoyle. If you have followed the news, you may see that there is a good chance that this will not go through right now.

MARAD Grant: We are still waiting to hear from MARAD on the PIDP (Ports Infrastructure Development Plan) grant. Chances are it may be at the end of this month.

Business Oregon Gran Loan for NIT Crane: We are still working with Business Oregon on the detail of the funding. We have signed an agreement to hold the crane while we finalize the funding.

NIT Dredging: Just like the South Beach pile, we have also received a provisional permit from the USACE pending state agencies review.

Miscellaneous:

Finances: We are doing better on our cash flow, but still watching our finances to make sure we assure not to touch our reserve funds while still moving forward with our projects. A five-year projection is included, as previously discussed. I would like Mark to be available, so we can go through together.

Audit: Audit has been completed and is on the agenda. The auditor will be presenting.

Newsletter: We are currently working in our next. If there are any particular topic you would like to see highlighter, please let me know.

Meetings/Trainings/Summits:

- 08/21/23 - PNWA Dues Committee
- 08/22/23 - Directors Recurring Meeting
- 08/21/23 - Finance Recurring Meeting
- 08/22/23 - Commission Meeting
- 08/23/23 - Meeting with Congresswoman Val Hoyle Staff (President Sylvia joined)
- 08/23/23 - YBEF (Yaquina Bay Economic Foundation) Meeting
- 08/25/23 - Communications Meeting
- 08/28/23 - Met with Congresswoman Val Hoyle
- 08/28/23 - PNWA Advocacy Committee
- 08/29/23 - Meeting with Rogue's new President
- 08/29/23 - Finance Recurring Meeting
- 08/29/23 - New Receptionist interviews
- 08/30/23 - Operations recurring Meeting
- 09/01/23 - PNWA Dues Committee

- 09/04/23 - Labor Day
- 09/05/23 - Meeting with Yacht Club
- 09/07-13/23 - Out of the Office for Knee Surgery
- 09/14/23 - SDAO Bylaws Committee Meeting (Virtual)
- 09/14/23 - SDAO Board Meeting (Virtual)
- 09/18/23 - Operations Recurring Meeting
- 09/18/23 - Finance Recurring Meeting
- 09/22/23 - Communications Meeting
- 09/22/23 - Meeting with Englund Marine

Upcoming Schedule:

- 09/26/23 - Operations Recurring Meeting
- 09/26/23 - Commission Meeting
- 09/27/23 - Oregon Infrastructure Summit
- 09/28-29 - Oregon Public Ports Association Annual conference (Astoria)
- 10/04/23 - Meeting with OSU's Coastal Oregon Marine Experiment Station
- 10/04/23 - RV Park Work Session
- 10/06/23 - Communications Meeting
- 10/09/23 - Operations Recurring Meeting
- 10/09/23 - Finance Recurring Meeting
- 10/10/23 - Dept. Heads Meeting
- 10/11/23 - PNWA Executive Committee
- 10/11-13/23 - PNWA Annual Convention
- 10/13/23 - PNWA Board of Directors
- 10/16/23 - Operations Recurring Meeting
- 10/16/23 - Finance Recurring Meeting
- 10/17/23 - Directors Monthly Meeting
- 10/20/23 - Communications Meeting
-

		Assumptions																
		Revenue Growth	Leases	1.50%														
			All Else	5%	7%													
		Expenditure Growth																
		Salaries and Wages		4%														
		Benefits and Payroll Taxes		7%														
		Insurance (comprehensive)		5%														
		Professional Fees																
		Rest of Materials and Serv		3%														
		Contracts		3%														
Beginning Cash	2,208,792	2,446,565	(6,670,665)	(6,914,652)	(19,587,428)			Projected projects										
								FY2023-24		Grant	Loans	GOF	Rev Type					REIMBURSE
Description	Projection	Projection	Projection	Projection	Projection	Projection		Port Dock 7 Rebuild Planning	400,000	Prof Services	120,000	-	280,000					
	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29		PD 5 Interim Improvements (Part 1)	476,000	Docks and Piers	-	-	476,000					
OPERATING REVENUES								PD 7 Interim Improvements	200,000	Docks and Piers	-	-	200,000					Check Totals
Lease Revenue	1,112,224	1,128,907	1,145,841	1,163,028	1,180,474	1,198,181		Tank for Waste Oil	45,000	Buildings	-	-	45,000					5,096,000
Moorage	2,551,628	2,679,209	2,813,170	2,953,828	3,101,520	3,256,596		Crane Replacement	600,000	Equipment	-	600,000	-		Cap projects			1,911,000
Services	636,922	668,768	702,206	737,316	774,182	812,891		Gutter Replacement and Roof Repairs - Rogue Building	100,000	Buildings	-	-	100,000		Non Capital			#REF!
Cargo	4,966	5,214	5,475	5,748	6,036	6,338		Washdown Blacktop Replacement and Widen the area	150,000	Capital: Land Impr	-	-	150,000					#REF!
RV Park Space Rentals	1,520,237	1,626,653	1,707,986	1,793,385	1,883,055	1,977,207		RV Park Annex	100,000	Prof Services	-	-	100,000					#REF!
Fees	843,352	885,519	929,795	976,285	1,025,099	1,076,354		Swedes Dock Floating Dock	-	-	-	-	-					
Property Tax Revenue	134,000	140,700	147,735	155,122	162,878	171,022		Small Truck	25,000	Vehicles	-	-	25,000					
Discounts and Refunds	(40,751)	(42,789)	(44,929)	(47,175)	(49,534)	(52,010)		Hoist Dock Electrical Rewire	30,000	Docks and Piers	-	-	30,000					
Miscellaneous Operating Revenue	226,823	238,164	250,073	262,576	275,705	289,490		Port Dock 3 Platform Piling Repairs	50,000	Docks and Piers	-	-	50,000					
Operating Revenue	6,989,400	7,330,346	7,657,352	8,000,115	8,359,415	8,736,069		Roof and window replacement for CM operations building	150,000	Buildings	-	-	150,000					
								Fence for CM and Storage Lot	160,000	Capital: Land Impr	128,000	-	32,000					
OPERATING EXPENSES								Forklift for NIT, Grant Dependent	120,000	Equipment	96,000	-	24,000					
Personnel Services								Replace Rods and Whalers at End Ties C-E in SB Docks	100,000	Docks and Piers	-	-	100,000					
Salaries and Wages	1,707,616	1,775,921	1,846,958	1,920,836	1,997,670	2,077,576		Asphalt overlay for The area where the Seafood and wine festiva	100,000	Capital: Land Impr	-	-	100,000					
Misc Exp related to Personnel	20,739	22,191	23,744	25,406	27,185	29,087		Bathroom design for remodel	100,000	Prof Services	-	-	100,000					
Total Personnel Services	1,728,355	1,798,112	1,870,702	1,946,242	2,024,854	2,106,664		Replace HVAC SYSTEM	15,000	Equipment	-	-	15,000					
								Sedimentation Core Sampling	275,000	Prof Services	-	-	275,000					
Materials and Services								Rogue Seawall Repair*	1,400,000	Capital: Land Impr	1,140,000	-	260,000					
Insurance (comprehensive)	269,245	282,707	296,842	311,684	327,268	343,632		Sediment Sampling for Dredging	500,000	Prof Services	-	-	500,000					
Prof Services	1,375,544	200,544	200,544	200,544	200,544	200,544												
Advertising and Promotion	41,167	42,402	43,674	44,985	46,334	47,724												
Dues And Subscriptions	25,740	26,512	27,308	28,127	28,971	29,840												
Training and Education	11,000	11,330	11,670	12,020	12,381	12,753												
Travel	10,929	11,256	11,594	11,942	12,300	12,669												
Office Expense	48,233	49,680	51,171	52,706	54,287	55,915												
IT Hardware and Software	63,413	65,316	67,275	69,293	71,372	73,513												
Fees	86,666	89,266	91,944	94,702	97,543	100,470												
Bad Debt Expense	45,236	46,594	47,991	49,431	50,914	52,441												
Licenses and Permits	19,879	20,476	21,090	21,723	22,374	23,045												
Dredging	-	3,099,000	-	-	-	-		Total	5,096,000		1,484,000	600,000	3,012,000					
Utilities	643,797	663,110	683,004	703,494	724,599	746,337												
Contract and Support Services	788,856	812,522	836,898	862,005	887,865	914,501												
Repairs and Maintenance	388,032	399,673	411,664	424,014	436,734	449,836		Projected projects										
Equipment	42,234	43,501	44,806	46,150	47,534	48,960		FY2024-25										
Operating Supplies	123,483	127,188	131,003	134,933	138,981	143,151		Dredging	1,099,000	Dredging	750,000	-	349,000					
Shipping Expense	3,487	3,592	3,700	3,811	3,925	4,043		Swedes Dock Piling Replacement	215,000	Docks and Piers	-	-	215,000					
State Land Fees	81,600	84,048	86,569	89,166	91,841	94,597												
Lease Expense	62,269	64,137	66,062	68,043	70,085	72,187		Dredging SB	2,000,000	Dredging	-	-	2,000,000					
Grant Expense								Planning for Opportunities	30,000	Prof Services	-	-	30,000					
Miscellaneous Expense	21,089	21,721	22,373	23,044	23,736	24,448		Equipment handler and Grading/Fencing	4,305,125	Equipment	3,228,844	-	1,076,281					
Total Materials and Services	4,151,901	6,164,576	3,157,181	3,251,817	3,349,589	3,450,606		WiFi Upgrade NIT	100,000	Land Improvements	-	-	100,000					
Total Operating Expenses	5,880,256	7,962,688	5,027,883	5,198,059	5,374,443	5,557,270		RV Park Privacy Fence	25,000	Land Improvements	-	-	25,000					
								Fillet Tables, (Qty 2- Grant dependent)	130,000	Equipment	130,000	-	-					
OPERATING Cashflow	1,109,144	(632,341)	2,629,469	2,802,056	2,984,972	3,178,800		South Beach Marina Service Dock Repair and Replacement	400,000	Docks and Piers	-	-	400,000					
								Repair of Outfall	500,000	Land Improvements	-	-	500,000					
								Rebuild or Build new building for Tenant	1,000,000	Buildings	-	800,000	200,000					
	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29		Quarter Machines for Water Use	-	-	-	-	-					
NON OPERATING								Traffic Lane Launch	175,000	Land Improvements	-	-	175,000					
Non-operating Revenues								Small Truck	25,000	Vehicles	-	-	25,000					
Grant Revenue	344,000	4,660,194	1,500,000	18,343,800				CM Hoist Dock Fenders	40,000	Docks and Piers	-	-	40,000					
Federal Grant Revenue								replace Water Line	250,000	Land Improvements	-	-	250,000					
State grant Revenue								Beneficial Project	50,000	Prof Services	-	-	50,000					

Other Expenses
 Contract and Support Services
 Professional Fees
 Capital Outlay - Land Improvements
 Capital Outlay - Buildings
 Capital Outlay - Docks and Piers
 Capital Outlay - Equipment
 Capital Outlay - Vehicles
 Dredging

Other Revenue Sources
 Federal Grant Revenue
 State grant Revenue
 Other Grant Revenue
 Loan Proceeds
 Interest
 Gain/Loss on Sale of Assets
 Capital Contributions
 Transfers In from Other Funds
 Miscellaneous Non-operating Revenue

Note	Area	FY	Project Number	Description	Total Funds	Grant Fund	Loan	% of Fund	Grant	Loans	In Capital Improvement Plan	Completed	Estimated completion	Where in budget
1	NIT	FY 2024-25	21-09-500-01	Grading of 9-Acre lot	153,000						Yes	No	FY 2024-25	Capital: Land Impr Incl in Grant
2	NIT	FY 2023-24	21-09-500-01	Grounds Maintenance - Brush clearing	10,000	No	No		-	-	Yes	No	FY 2023-24	Repairs and Maint
3	CM	FY 2023-24	21-12-300-06	Port Dock 7 Rebuild Planning	400,000	Yes	No	30%	120,000	-		No	FY 2023-24	Prof Services
4	SB	FY 2024-25	22-01-710-01	Dredging SB	2,000,000	Yes	No		-	-	Yes	No	FY 2024-25	Dredging
5	AD	FY 2025-26	22-06-100-28	GIS Software	30,000	No	No		-	-	No	No	FY 2025-26	Prof Services
	CM	FY 2023-24	22-06-300-09	PD 5 Interim Improvements (Part 1)	476,000	No	No		-	-	Yes	No	FY 2023-24	Docks and Piers
			22-06-300-09	PD 5 Interim Improvements (part 2)	274,000	No	No		-	-	Yes	No	FY 2024-25	Docks and Piers
	CM	FY 2023-24	22-06-300-10	PD 7 Interim Improvements	200,000	No	No		-	-	Yes	No	FY 2023-24	Docks and Piers
	CM	FY 2024-25	22-06-300-19	Swedes Dock Piling Replacement	215,000				-	-	Yes	No	FY 2024-25	Docks and Piers
	NIT	FY 2023-24	22-06-300-31	Tank for Waste Oil	45,000	Yes			-	-	Yes	No	FY 2023-24	Buildings
	CM	FY 2026-27	22-06-300-31	Oil Tank building and upgrade	286,000	Yes	No	80%	228,800	-	Yes	No	FY 2026-27	Buildings PD-7
	SB	FY 2026-27	22-06-300-33	Fishing Pier Improvements	2,900,000	Yes	No	50%	1,450,000	-	Yes	No	FY 2026-27	Docks and Piers
6	CM	FY 2025-26	22-06-300-35	WiFi Upgrade CM	60,000	No	No		-	-	No	No	FY 2025-26	IT Hardware
7	NIT	FY 2024-25	22-06-500-07	Planning for Opportunities	30,000	Yes	No	0%			Yes	No	FY 2024-25	Prof Services
	NIT	FY 2025-26	22-06-500-11	Asphalt for storage	234,000	No	No	0%	-	-	Yes	No	FY 2025-26	Capital: Land Impr
8	NIT	FY 2023-24	22-06-500-13	RORO Dock Initial Repair estimate	657,000	Yes	No	55%	361,350	-	Yes	No	FY 2023-24	Docks and Piers
	NIT	FY 2024-25	22-06-500-24	Equipment handler and Grading/Fencing	4,305,125	Yes	No	75%	3,228,844	-	Yes	No	FY 2024-25	Equipment
	NIT	FY 2023-24	22-06-500-24	Crane Replacement	600,000	No	Yes	100%	-	600,000	Yes	No	FY 2023-24	Equipment
	NIT	FY 2024-25	22-06-500-26	Dredging	1,100,000	Yes	No		-	-	Yes	No	FY 2024-25	Dredging
9	NIT	FY 2023-24	22-06-500-26	Removal of Dredge Material	200,000	No	No		-	-	Yes	No	FY 2023-24	Repairs and Maint
	NIT	FY 2024-25	22-06-500-36	WiFi Upgrade NIT	100,000	No	No		-	-	No	No	FY 2024-25	IT Hardware
10	SB	FY 2024-25	22-06-700-21	RV Park Privacy Fence	25,000	No	No		-	-	No	No	FY 2024-25	Capital: Land Impr
	SB	FY 2024-25	22-06-700-23	Fillet Tables, (Qty 2- Grant dependent)	130,000	Yes	No	100%	130,000	-	Yes	No	FY 2024-25	Equipment
11	SB	FY 2023-24	22-06-700-30	Expo Center	30,000	Yes	No	100%	30,000	-	Yes	No	FY 2023-24	Buildings
	SB	FY 2024-25	22-06-710-06	South Beach Marina Service Dock Repair and Replacement	400,000	Yes	Yes		-	-	Yes	No	FY 2024-25	Docks and Piers
13	SB	FY 2024-25	22-06-710-14	Repair of Outfall	500,000	No	No		-	-	Yes	No	FY 2024-25	Capital: Land Impr
14	SB	FY 2025-26	22-06-710-15	Demolishing, rebuilding, new roofs, new siding (Previously The Fruit Processing facility)	300,000						Yes	No	FY 2025-26	Buildings
	SB	FY 2024-25	22-06-710-16	Rebuild or Build new building for Tenant	1,000,000	No	Yes	80%	-	800,000	No	No	FY 2024-25	Buildings
	SB	0		Quarter Machines for Water Use										
	SB	FY 2026-27	22-06-710-18	A, B and C dock landing float replacment	95,000	No	No		-	-	No	No	FY 2026-27	Buildings
12	SB	FY 2023-24	22-06-710-20	Gutter Replacement and Roof Repairs - Rogue Building	100,000	No	No		-	-	Yes	No	FY 2023-24	Buildings
15	SB	FY 2023-24	22-06-710-22	Washdown Blacktop Replacement and Widen the area	150,000	No	No		-	-	No	No	FY 2023-24	Capital: Land Impr
16	SB	FY 2024-25	22-10-710-38	Traffic Lane Launch	175,000	No	No		-	-	No	No	FY 2024-25	Capital: Land Impr
17	SB	FY 2023-24	22-60-700-08	RV Park Annex	100,000	Yes	No	0%	-	-	Yes	No	FY 2023-24	Prof Services
		FY 2023-24		Swedes Dock Floating Dock	-	No	No		-	-			FY 2023-24	
19	NIT	FY 2023-24	23-06-100-07	Small Truck	25,000	No	No		-	-	No	No	FY 2023-24	Vehicles
20	CM	FY 2024-25	23-06-100-07	Small Truck	25,000	No	No		-	-	Yes	No	FY 2024-25	Vehicles
	AD	FY 2023-24	23-06-100-09	State of the Port - Review Facilities	60,000	No	No		-	-	No	No	FY 2023-24	Prof Services
21	AD	FY 2023-24	23-06-100-31	Office Computers	15,000				-	-	No	No	FY 2023-24	Buildings
22	CM	FY 2023-24	23-06-300-10	CM Crane Replacement	180,000	No	No		-	-	Yes	No	FY 2023-24	Equipment
24	CM	FY 2024-25	23-06-300-13	CM Hoist Dock Fenders	40,000	No	No		-	-	No	No	FY 2024-25	Docks and Piers
25	CM	FY 2023-24	23-06-300-20	Hoist Dock Electrical Rewire	30,000	No	No		-	-	No	No	FY 2023-24	Docks and Piers
26	CM	FY 2023-24	23-06-300-21	Port Dock 3 Platform Piling Repairs	50,000	No	No		-	-	No	No	FY 2023-24	Docks and Piers
27	CM	FY 2023-24	23-06-300-22	Roof and window replacement for CM operations building	150,000	No	No		-	-	No	No	FY 2023-24	Buildings
28	CM	FY 2023-24	23-06-300-23	Fence for CM and Storage Lot	160,000	Yes	No	80%	128,000	-	No	No	FY 2023-24	Capital: Land Impr
	CM	FY 2023-24	23-06-300-25	Hoist Dock Integrity Survey	50,000	Yes	No		-	-	No	No	FY 2023-24	Docks and Piers
29	CM	FY 2024-25	23-06-300-29	replace Water Line	250,000	No	No		-	-	No	No	FY 2024-25	Capital: Land Impr
30	CM	FY 2024-25	23-06-300-33	Add Fiber Optic Cable	125,000	No	No		-	-	No	No	FY 2024-25	IT Hardware
32	CM	FY 2026-27	23-06-300-40	PD 7 Reconfiguration and Reconstruction of Marina, incl Federal Channel Planning	30,300,000	Yes	No	55%	16,665,000		Yes	No	FY 2026-27	Docks and Piers
33	CM	FY 2023-24	23-06-300-42	Paving of PD 7 Parking Lot	500,000	No	No		-	-	No	No	FY 2023-24	Capital: Land Impr
34	NIT	FY 2023-24	23-06-500-03	Forklift for NIT, Grant Dependent	120,000	Yes	No	80%	96,000	-	No	No	FY 2023-24	Equipment
35	NIT	FY 2024-25	23-06-500-15	Beneficial Project	50,000	No	No		-	-	Yes	No	FY 2024-25	Other
36	CM	FY 2026-27	23-06-500-16	CM Shop Office	30,000	No	No		-	-	Yes	No	FY 2026-27	Buildings
37	SB	FY 2026-27	23-06-500-16	Expand Shop at South Beach	30,000	No	No		-	-	Yes	No	FY 2026-27	Buildings
38	NIT	FY 2024-25	23-06-500-24	Fence for NIT and Storage Lot	200,000	Yes	No	80%	160,000	-	No	No	FY 2024-25	Capital: Land Impr
	NIT	0	23-06-500-32	Lightpoles move to LED	35,000	No	No		-	-	No	No	FY 2024-25	Capital: Land Impr
	SB	FY 2023-24	23-06-700-17	Replace Rods and Whalers at End Ties C-E in SB Docks	100,000	No	No		-	-	Yes	No	FY 2023-24	Docks and Piers
40	SB	FY 2024-25	23-06-700-26	Stage 1 Rogue Brewery Repairs	600,000	No	No		-	-	No	No	FY 2024-25	Buildings
42	SB	FY 2024-25	23-06-700-28	Rewire SB RV office for computers	25,000	No	No		-	-	No	No	FY 2024-25	Buildings
44	SB	FY 2023-24	23-06-700-34	Asphalt overlay for The area where the Seafood and wine festival is held	100,000	No	No				Yes	No	FY 2023-24	Capital: Land Impr
45	SB	FY 2024-25	23-06-700-35	SB ForkLift	40,000	No	Yes	80%	-	32,000	Yes	No	FY 2024-25	Equipment
	SB	FY 2023-24	23-06-700-36	Bathroom design for remodel	100,000	No	No		-	-	No	No	FY 2023-24	Prof Services
	SB	FY 2024-25	23-06-700-37	Bathroom remodeling	1,000,000				-	-	No	No	FY 2024-25	Buildings
46	SB	FY 2023-24	23-06-700-38	Replace HVAC SYSTEM	15,000	No	No		-	-	Yes	No	FY 2023-24	Equipment
47	SB	FY 2025-26	23-06-700-41	Final Plans, Build new RV annex	2,620,000	Yes	Yes		-	-	Yes	No	FY 2025-26	Capital: Land Impr
48	SB	FY 2025-26	23-06-700-43	Begin Dock replacement at South Beach	1,000,000	Yes	No		-	-	No	No	FY 2025-26	Docks and Piers
50	CM	FY 2023-24	3200-21-06	Sedimentation Core Sampling	275,000	No	No		-	-	No	No	FY 2023-24	Prof Services
51	CM	FY 2023-24	3200-21-06	Sediment Sampling for Dredging	75,000	No	No		-	-	No	No	FY 2023-24	Prof Services
52	SB	FY 2023-24	3400-19-01	Rogue Seawall Repair	1,400,000	Yes	No		1,140,000	-	Yes	No	FY 2023-24	Capital: Land Impr
53	SB	FY 2024-25	3400-19-04, 23-06-700-28, 23-06-700-44, 23-06-700-45	Electric Work, Fuel Tanks and Security Cameras Replacements and Upgrades (Safety and Security)	2,560,000	Yes					Yes	No	FY 2024-25	Other
54	AD	FY 2023-24	J00080	Audit & Accounting	52,000	No	No		-	-	No	No	FY 2023-24	Prof Services
55	AD	FY 2023-24	J00090	Legal	45,000	No	No		-	-	No	No	FY 2023-24	Prof Services
56	AD	FY 2023-24	J00110	Communications Consultant	32,000	No	No		-	-	No	No	FY 2023-24	Prof Services
57	AD	FY 2023-24	J00120	Grant Writing	35,000	No	No		-	-	No	No	FY 2023-24	Prof Services
	CM	FY 2024-25		F350 Truck Replacement	50,000	No	No		-	-	No	No	FY 2024-25	Vehicles
	SB	FY 2024-25		Design work for SB Docks	100,000	No	No		-	-	No	No	FY 2024-25	Docks and Piers
	CM	FY 2024-25		Hydraulic Dump Trailer	10,000	No	No		-	-	No	No	FY 2024-25	Vehicles

CM

FY 2024-25
0

Trailer for Hauling Equipment

10,000.00

No	No
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		No	No	FY 2024-25	Vehicles
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Materials and Svcs	210,000.00	
SB	\$ 17,595,000.00	
CM	\$ 33,947,000.00	
NIT	\$ 7,864,125.00	
AD	\$ 269,000.00	
	\$ 59,675,125.00	59,465,125.00
NOAA	\$ 1,109,000.00	
	\$ 60,784,125.00	61,058,125.00



FINANCE DEPARTMENT MONTHLY REPORT

DATE: September 26, 2023
PERIOD: July 1 to August 31, 2023
TO: Paula Miranda, General Manager
ISSUED BY: Mark Brown, Director of Finance and Business Services

Financial Reports are included through August 31, 2023 for all funds.

Issues of Importance

Audit

Work on the 2022-2023 audit has begun, staff are putting together information as requested by the Auditors.

Streamlining

Now that integration and implementation of the financial system and reservation system is complete, finance staff meets weekly to discuss items to streamline how we are doing business. We have standardized the field entry into PacSoft and are reviewing Commercial and International Terminal customers to assure they are set up correctly. We have heard from many of our customers that they appreciate statements being received early in the month, all statements were sent out by the 14th this month, close to our target of the 10th.

RV Park and Marina

In August 2023 Occupancies were as follows:

Main RV Park	101.2%
Annex	94.17%
dry camp	57.37%
The Marina	90.6%

We have hired one staff member to replace the two that left the RV Park and Marina, we are interviewing for the last team member in the RV Park and Marina office.

Employee Handbook

This is being delayed, the legislative session brought about many changes in the law, the handbook template is being updated by HR Answers, once the new handbook template is available, editing the handbook will begin.

Fiscal Manual

We have started work on the Fiscal manual; the fiscal manual is a complete rewrite as there are many missing elements.

Cash Flow

A 5-year cashflow has been developed, using previous years data. The cashflow includes all projects for the Port and estimated year of completion.

Based on the analysis the Port will need to defer some of its projects to future years.

Balance Sheet Equity Section

Equity section of the balance sheet shows critical fund information required by GASB (Governmental Accounting Standards Board) 54:

Restricted

Funds that the Donor or Grantor gave the Port with restrictions. The 1.14 million is grant money from the State of Oregon that can only be used for the Rogue Seawall.

Committed –

Funds that the “Governing Body” restricted, in our case the Port Commission. Port Staff cannot use these funds without authorization of the Port Commission.

Assigned

If someone below the Port Commission (Executive Director, Director of Finance) they are setting aside funds for a future product, those funds become assigned. The Port can use these funds without further authorization. The \$667,00 are Grant Match funds, we have specific details of each assignment in the Chart of Accounts.

Unassigned

Funds that do not fit into the other three categories, they can be used as needed. This includes cash and other equity the Port has.

Profit and Loss -

The financial reports through August 2023 are attached for your review and are included in the commission packet.

The month-to-month budget is based on a straight line forecast of revenues and expenditures. Revenue is recognized differently in the Commercial Marina from previous years. Revenue is spread across the term of the Moorage License agreement instead of immediately recognized. This means lower revenues during the transition period.

**General Operating Fund
Balance Sheet**

As of August 31, the Port General Fund had a cash balance of *\$2,295,763, \$1,140,000 is restricted and can be used only for the Rogue Seawall (State of Oregon Grant), leaving an available cash balance of \$1,155,763.

* Is different from the Financial statement, but is the correct reconciled balance.

Based on the current cash situation, I have requested that no new projects be started, we need to complete the existing projects, and only move forward on projects that are funded fully or partially by grant/loan funds.

General Operating Funds (GOF) FY 2023-24– Budget Vs Actual:

All Departments

Operating Revenue is unfavorable by	\$ 6,683
Operating expenses are favorable by	\$169,136
Operating Income is favorable by	\$175,818
Non-Operating Revenue is favorable by	\$ 4,828
Non-Operating Expenses are unfavorable by	\$327,421
Non-Operating Income is unfavorable by	\$322,593
Net income is unfavorable by	\$146,775

The Non-operating unfavorable expenses vs budget is due to a debt payment that is budgeted in future months, this will balance come into alignment next month.

Unallocated (000)

This department is for all Debt Service and Fund transfers that occur within the GOF and is required by the Department of Revenue.

Non-Operating Expenses is Neutral	\$
Non-Operating Income is Neutral	\$

Note: Department 500 (International Terminal) has debt service of \$332,642 in non-operating revenues, this will moved to 000 (Unallocated).

Administration (100)

Operating Revenue is favorable by	\$ 1,000
Operating Expenses are favorable by	\$ 44,813
Operating Income is favorable by	\$ 45,813
Non-Operating Revenue is favorable by	\$ 4,828
Non-Operating Expenses are Neutral	\$
Non-Operating Income is favorable by	\$ 4,828
Net income is favorable by	\$ 50,641

Commercial Marina

Operating Revenue is favorable by	\$ 58,874
Operating expenses are favorable by	\$ 3,093
Operating Income is favorable by	\$ 61,967
Non-Operating Revenue is Neutral	\$
Non-Operating Expenses are favorable by	\$ 5,220
Non-Operating Income is unfavorable by	\$ 5,220
Net Income is favorable by	\$ 67,187

International Terminal

Operating Revenue is unfavorable by	\$ 46,003
Operating expenses are favorable by	\$ 22,443
Operating Income is unfavorable by	\$ 23,560
Non-Operating Revenue is Neutral	\$
Non-Operating Expenses are unfavorable	\$332,642
\$330,967 will be moved to unallocated as this is incorrectly placed in this department	
Non-Operating Income is unfavorable by	\$ 356,202
Overall, Net income is unfavorable by	\$ 356,201

Once the 330,967 has been moved to unallocated (000) the International Terminal Budget vs actual will be unfavorable by \$25,234

South Beach

Operating Revenue is unfavorable by	\$ 11,884
Operating expenses are favorable by	\$ 117,874
Operating Income is favorable by	\$ 105,990
Non-Operating Revenue is Neutral	\$
Non-Operating income is Neutral	\$
Non-Operating Income is Neutral	\$
Overall, Net income is favorable by	\$ 105,990

NOAA Lease Revenue Fund Balance Sheet

As of August 31, the NOAA Lease revenue Fund had a cash balance of * \$3,182,753 with an available balance of \$1,421,032; the remaining \$1,761,721 is reserved for the annual maximum debt service payment on bonds, as required in the bond contract.

* Is different from the financial statement, but is the correct reconciled balance.

Income Statement Budget vs. Actuals

Operating Revenue is favorable by	\$ 1,657
Operating expenses are favorable by	\$ 28,513
Operating Income is favorable by	\$ 31,170
Non-Operating Revenue is favorable by	\$ 10,128
Non-Operating Expenses are unfavorable by	\$1,580,051
Non-Operating Income is unfavorable by	\$1,569,923
Net income is unfavorable by	\$1,538,753

Loan for NOAA will show in budgeted in the upcoming months to balance out the loan payment.

NOAA Capital Maintenance Fund

Cash available \$1,937,116

**Bonded Debt Fund:
Balance Sheet**

Cash available \$147,880

**Income Statement
Budget vs. Actuals**

Operating Revenue is favorable by \$6,755

Construction Fund:

Cash available \$13,160

Facility Maintenance Fund:

Cash available \$540,051

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DIRECTOR OF OPERATIONS REPORT

DATE: 9/19/2023
PERIOD: August 2023-September 2023
TO: Paula J. Miranda, General Manager
ISSUED BY: Aaron Bretz

OVERVIEW DIROPS

Summary:

It's been a very full month, particularly in South Beach. There have been several ship calls at the Terminal, and the Commercial Marina has remained busy this month. Parking has been a topic of much conversation internally and externally, included a Commercial Fishing Vessel User Group meeting primarily about parking (although there wasn't a quorum). I spent more time this month dealing day-to-day operational issues with the Terminal and other locations than usual; most of it was customer related.

Detail:

- **Army Corps CAP Section 107 Project (Commercial Marina Channel Dredging) and Port Dock 7 Planning**

Awaiting another amended scope and fee with the scope greatly reduced to accomplish only the work needed but the Army Corps Section 107 project. The cost of the geotechnical and sediment sampling for the entire project was about \$1.2M, so it was too much for us to undertake at this time. The work included a great deal of core sampling around the marina, and a lot of lab work to include biological testing, which is quite expensive.

- **RORO Dock Piling Assessment**

The Army Corps is evaluating the permit application for RORO Dock repairs, and came back with several questions for our consultants.

- **Dredging**

NOAA MOC-P Dredging is underway and they are almost through the first three berths. They have dredged over 5,000 yards of material so far. Things are moving a little slower than expected because of mechanical problems and also some clogs in the dredge pipe. These (foreseen) unforeseen delays highlight the importance of building flexibility into the schedule and not attempting to complete all the dredging work in an extremely narrow window.

Permitting work is ongoing for the South Beach dredging project; the Army Corps issued a conditional approval letter. They've completed their evaluation of the permit, and we are waiting for state agencies to finish their process. If DEQ and DLCDD do not complete their evaluation within the statutory limits, the 401 Certification is approved by default, and Coastal Zone Management Act compliance is presumed.

I have applied for an amendment to the sand and gravel license (DSL) on the South Beach disposal pile so that we can place South Beach Marina dredge material there. Previously our license was only for material from NOAA MOC-P.

We received a conditional approval letter for the Terminal dredging, same stipulations as the aforementioned conditional approval.

- **RV Park Annex Redesign**

The consultants are busy evaluating the two potential sites for the new RV “Annex” for efficiency, and evaluating the local RV Park market to identify the best customer base for the future development.

Newport International Terminal- Don Moon, Supervisor

Billable Services Performed this Period (june)

- ☒ Forklift –44 hrs
- ☒ Moorage – 27 Days
- ☒ 30 Ton Hydraulic Crane -15.25 hrs
- ☒ Hoist Dock Tie Up –12 hrs
- ☒ Labor – 57 hrs
- ☒ 120V power – 0 hrs
- ☒ Other Overtime Billed 3.5 hrs
- ☒ 208V power – 18 Days

Commercial Marina / South Beach Marina Harbormaster- Kody Robinson

Billable Services Performed this Period:

To be included next month; Harbormaster is attending PCC Conference in Valdez, AK.

NOAA MOC-P Jim Durkee, Maintenance Supervisor

Special Projects:

Vessels Using the Facility Since My Last Report – NOAA vessels Hi’ialikai & Bell M. Shimada, R/V Sally Ride, R/V Thomas G. Thompson, R/V Rachel Carson, R/V Robert Gordon Sproul.

Overhead doors annual inspection.

State elevator inspection.

Replaced surge protector in warehouse main panel.

Started pier dredging. (Spoil site monitoring, juggling vessel berths, water turbidity monitoring, etc.)

Posted facility painting RFQ on state website.

Annual cathodic protection system inspection by Norton Corrosion.

Annual Water Heater Inspection.