

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2022

Prepared by Port Administration

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON
FOR THE YEAR ENDED JUNE 30, 2022**

BOARD OF COMMISSION

Name and Address	Position	Term Starts	Term Ends
Joseph Speir – Vice President Brookings, OR 97415	1	July 1, 2021	June 30, 2025
Name and Address	Position	Term Starts	Term Ends
Sharon Hartung – Secretary/Treasurer Brookings, OR 97415	2	July 1, 2019	June 30, 2023
Name and Address	Position	Term Starts	Term Ends
Larry Jonas – Board Member Brookings, OR 97415	3	July 1, 2019	June 30, 2023
Name and Address	Position	Term Starts	Term Ends
Richard Heap – President Brookings, OR 97415	4	July 1, 2021	June 30, 2025
Name and Address	Position	Term Starts	Term Ends
Kenneth Range – Board Member Brookings, OR 97415	5	July 1, 2021	June 30, 2025

All Commissioners receive mail at the address below:

Registered Agent and Address:

Gary Dehlinger, Port Manager
P.O. Box 848
Brookings, Oregon 97415

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Introductory Section



Port of Brookings Harbor

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Brookings, Oregon 97415
Phone (541) 469-2218
Fax (541) 359-3999
www.portofbrookingsharbor.com

Board of Commissioners

Richard Heap, President
Joseph Speir, Vice-President
Sharon Hartung, Secretary/Treasurer
Kenneth Range
Larry Jonas

November 30, 2022

Fiscal Year June 30, 2022

To: District Board of Commissioners and Community

The management of the Port of Brookings Harbor is pleased to provide this annual financial report to the Board of Commissioners, the Community and other interested parties to demonstrate its accountability and communicate the District's financial position and resource flows as of and for the year ended June 30, 2022. Management of the Port is responsible for the fair presentation of the annual financial report, for maintaining appropriate internal control over financial reporting, and for complying with applicable finance-related laws, regulations, and provisions of grants and contracts. The Port reports its financial statements and schedules on the modified cash basis, which management has determined is an acceptable financial reporting framework that differs from generally accepted accounting principles (GAAP). All the financial analyses in this report should take into consideration the limitations inherent in the modified cash basis of accounting.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

CJ Huntsman CPA PC, a firm of certified public accountants of Coos Bay, Oregon, have issued an independent auditor's report on these financial statements and schedules which includes an unmodified ("clean") opinion on all the opinion units of the Port of Brookings Harbor financial reports for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Profile of the Port

The Port of Brookings Harbor was formed as a result of the 1956 election following approval of a ballot measure to permanently form, fund and operate a shallow-draft harbor (shallow-draft harbors are defined as those with 14 feet or less depth) at the mouth of the Chetco River. The boundaries of the Port District include the City of Brookings, the neighboring community of Harbor and surrounding unincorporated areas of southern Curry County. The estimated population of the Port District is 11,000. The Port has a permanent tax rate of \$0.1316 per \$1,000 of assessed property value for those living within the Port boundaries.

As a special district, the Port of Brookings Harbor operates under the governance and supervision of an elected board of commissioners. The elected members represent specific geographic areas of the District and their positions are referred to by numbers 1 through 5. The members choose among themselves who shall serve as officers.

Local Economy

Curry County is located in southern Oregon and includes three incorporated cities — Brookings, Gold Beach and Port Orford. With mountains, valleys, the Chetco River, the Rogue River, and wilderness areas, Curry County offers many tourism and recreational opportunities.

Demographics. According to the July 1, 2019 U.S. Census, the population of Curry County is 22,925. With some of the lowest property taxes in Oregon, Curry County enjoys a large senior population (persons 65 and older), which makes up about 35.0 percent of the total population (compared to 18.2 percent in Oregon). Children under 18 years make up 14.2 percent (compared to 20.5 percent in Oregon), with 3.8 percent being under age five (compared to 5.4 percent in Oregon).

Port Economy to District. As reported in the Port of Brookings Harbor Strategic Business Plan, a state-wide study entitled the Economic Benefits of Oregon Ports, March 2014 summarizes the permanent annual economic impact of the Port, by including the following annual benefits:

- Totally Port related Oregon employment of 860 jobs (706 direct and 150 for indirect/induced);
- Oregon output (gross sales) were nearly \$67.9 million (\$40.9 million direct and \$27 million in direct/induced);
- Oregon real Gross Domestic Product of \$39.4 million (\$22.65 million direct and \$16.78 million in direct/induced);
- Oregon labor income of \$23.93 million (\$12.89 million direct and \$11.05 million in direct/induced);
- Annual local and Oregon tax revenue/payments of \$4.21 million (\$1.26 million in local and \$2.95 million in state tax revenues);
- Annual federal tax/payments by Oregon enterprises and employees \$5.12 million.

Budget

Oregon local governments are required by state law to budget all funds each year, except for their first year of operation. The Board of Commissioners made one change to the adopted and appropriated budget during 2021-22 through the adoption of one supplemental budget. There were no over-expenditures of the approved spending limits established by the Board of Commissioners in the General Fund, Debt Service Fund, Revenue Bond Fund, RV Park Improvement Debt Service Fund, Capital Projects Fund, Port Construction Fund, or the Reserve Fund. This outcome is attributed to effective management control and Port Commission oversight.

Financial Analysis

The government-wide financial statements are reported using the modified cash basis of accounting. Under this basis of accounting, only cash (and cash equivalents) and items that involve the receipt and disbursement of cash (or cash equivalents) during the period are recognized, except as follows:

- (1) Interfund receivables and payables that arise from transactions events involving cash or cash equivalents are recognized;
- (2) Assets that normally convert to cash or cash equivalents (e.g., certificates, of deposit, marketable investments or receivables resulting from loans) that arise from transactions and events involving cash or cash equivalents are recognized; and
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in a government's financial statements. For example, accounts receivable and revenue for billed provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as buildings, equipment and improvements are not reported on the face of the financial statements. However, a government's long-term debt obligations are disclosed in the notes to the financial statements.

Summarized statement of net position:

	Governmental Activities	
	2021-22	2020-21
Total assets	<u>\$ 1,300,380</u>	<u>\$ 1,511,110</u>
Total liabilities	<u>47,378</u>	<u>56,715</u>
Net position:		
Restricted	699,955	125,111
Unrestricted	<u>553,047</u>	<u>1,329,284</u>
Total net position	<u><u>\$ 1,253,002</u></u>	<u><u>\$ 1,454,395</u></u>

For the year ended June 30, 2022, the overall modified cash basis Governmental Activities net position has decreased by \$201,393. The primary reason for the decrease is due to no loan proceeds and no received reimbursements for FEMA DR-4432 project.

Summarized statement of changes in net position:

	Governmental Activities	
	2021-22	2020-21
Expenses	<u>\$ 3,716,238</u>	<u>\$ 3,686,533</u>
Program revenues	<u>3,126,869</u>	<u>3,538,871</u>
Net expense	(589,369)	(147,662)
General revenues	<u>387,976</u>	<u>298,245</u>
Loan Proceeds	<u>-</u>	<u>700,000</u>
Change in net position	<u><u>\$ (201,393)</u></u>	<u><u>\$ 850,583</u></u>

Governmental Funds

For the fiscal year ended June 30, 2022, the governmental funds reported a combined fund balance of \$1,253,002 consisting of the General Fund balance of \$437,866, Debt Service Fund balance of \$23,094, Revenue Bond Fund balance of \$102,842, Capital Projects Fund balance (deficit) of (\$100,619), Port Construction Fund of \$574,019 and the Reserve Fund Balance of \$215,800. The deficit fund balance in the Capital Projects Fund is because of a pending reimbursement from a grantor. The General Fund has advanced \$103,119 to cover these FEMA grant expenditures and will be repaid when the grant reimbursement is received.

General Fund Budget

Original budget compared to final budget. During the year, changes were made to the adopted and appropriated budget by adopting one supplemental budget.

Final budget compared to actual results. On the upside, actual Port service expenditures and operating transfers were under budget estimates by \$97,497. Also, on the upside, actual Port service revenues were over budget estimates by \$123,069 and other revenues were over budget estimates by \$48,535. Combined, these budget variances amounted to \$269,101 more resources than anticipated.

With respect to Port operations, actual personnel service expenditures were less than budgeted by \$24,617. Materials and service expenditures were also less than budget by \$223. Capital outlay

expenditures were less than budget by \$21,192. Operating transfers were \$31,465 less than budget. There were no contingency expenditures against a budget of \$20,000. As a result, total actual General Fund spending was \$97,497 less than budgeted.

Management believes that as controls over financial accounting have been strengthened, coupled with the modified cash basis of accounting that the Port now uses, consistent, efficient, and effective budget management is being maintained.

Capital Assets and Long-term Debt Administration

Capital assets – modified cash basis. Unlike generally accepted accounting principles, after original purchase, capital assets are not accounted for, or reported on, under the modified cash basis of accounting. However, over the years the Port has invested in capital assets through the expenditure of capital outlay and remain available for use. These capital assets are either used in the Port operations or removed from service. It is estimated that capital assets in use or temporarily removed from service have a value of approximately \$18,000,000 that has been insured for.

Current year capital outlay expenditures were \$131,808 in the General Fund that consisted of additional cameras for Security System, purchase, and installation of WR-2020 Wash Water Recycle System, Fire Hydrant at Basin II and the purchase of two 2022 Ford Mavericks. Capital outlay in the Capital Projects Fund was \$141,050 and consisted of long-term improvements to Port property, specifically, FEMA 4432DR PW 162-1 Engineer and Permitting Phase. Capital outlay in the Port Construction Fund was \$98,704 and consisted of long-term improvements to Port property, specifically, material purchased for upgrades to the Beachfront RV Park.

Long term debt – modified cash basis. At June 30, 2022 the Port’s long-term debt includes revenue bonds, State of Oregon financing assistance, and three notes payable and totals \$2,675,845. In addition, there are two lease financing agreements that total \$14,530. All required debt payments were made, and management expects to make the required debt payments as they mature.

More detailed information concerning capital assets and long-term debt transactions can be found in the notes to the basic financial statements and supplemental schedules.

Resources

There are no restrictions, commitments or other limitations that significantly affect the availability of fund resources for future use in ongoing Port operations.

FY 2021-22 Revenues

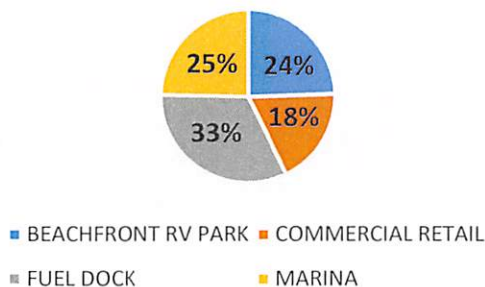


Figure 1. Revenues from Port Operations

FY 2021-22 Budget Revenues

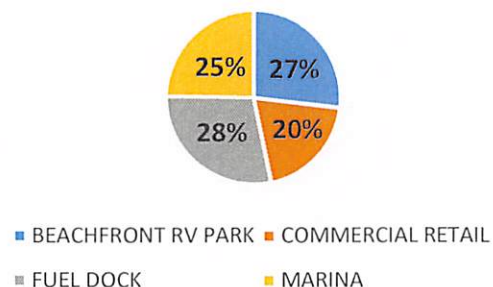


Figure 2. Budget Estimates for Port Operations

Factors Affecting Financial Condition – Local Economy

Marina - Basins 1 & 2. FEMA disasters DR-4432 February 24, 2019, storm damage and DR-4452 April 6, 2019, storm damage was approved to begin engineering and permitting for both disasters. FEMA combined both projects for engineering and permitting into one account because of similar work activities. These disasters damaged the Basin 2 slopes and caused more sediment accumulation in both Basins 1 & 2. The Port provided FEMA preliminary construction drawings and budget for approval and the review continued through the end on this fiscal year. If FEMA continues to delay the repairs, more Port docks will continue to become unusable causing financial issues.



Photo 1. Closed Basin 2 C Dock

The Port will continue to spend resources rebuilding old docks in Basin 2. Approximately half of Basin 2 docks are over 45 years old and need major restoration work and/or replacement.

Basin 2 C Dock (Photo 1) continues to be out of service due to failing slopes and the need for dredging. At low tide, the docks bottom out causing damage to the docks and makes them unsafe to use.

The Port purchased and installed a WR-2020 Wash Water Recycle System for the recreation and commercial fleet. For additional security, cameras were added throughout the Port. For safety, a fire hydrant was added at Basin II.

Photo 2. Wash Water Recycle System



Photo 3. Security Cameras



**Photo 4.
Fire Hydrant at Basin II**



Fuel Dock. The fuel dock is a valuable resource to the commercial fleet and recreational vessels. While the fuel dock does not supply much revenue for the Port, it does supply support of other revenue generating sources.

Beachfront RV Park. RV Park continues to provide the Port with valuable revenue to pay outstanding debts, maintenance of facilities and other related operations. The Port secured a private loan to fund the rebuilding of the restroom, installing more front row RV sites and upgrading the utilities. Within the FEMA Project, plans are being made to use the dredging spoils to shape and create more RV sites on the underutilize Port property called the Kite Field.

The RV Park Improvement Project to create RV sites and upgrade was delayed due to unforeseen issues. Construction upgrades are scheduled to begin in October 2022 and be completed in the next fiscal year. During the construction, RV sites will be closed which may impact the financial projections.

Commercial Leases. Commercial leases continue to provide the Port with valuable revenue to pay outstanding debts, maintenance of Port facilities and other Port related operations. Port is a landlord to thirty-four (34) tenants throughout the Port. Types of leases range from retail stores, restaurants, warehouse shop/storage, land rental and commercial receiving docks.

The Port will continue to spend resources for roof and other needed repairs to leased properties. Federal funding continues to be a possibility in the next fiscal year. This funding from the EPA will be used to build a wastewater treatment plant for the leased fish processing plant operations. The fish processing plant currently operates under a temporary discharge permit which could end at some point in the near future. Financial predictions from this lease are expected to be impacted without this infrastructure improvement.

Boat Yard. The Port has leased out the boat repair space and the warehouse building to a private boat repair business. Port staff operates the 50-ton travel lift for handling boats to be repaired and/or loaded or off loaded from semi-trucks for the private business. Revenue is generated by handling boats for the private business and leasing the ground and building space. The Port continues to use the boat yard areas not leased for its operations.

The travel lift ramp continues to be impacted by storm flow sediment reducing the effectiveness of haul-outs to only during high tides (Photo 5). As a result, reducing the haul out activities and possible revenues. The FEMA project is scheduled to remove the sediment when approved.

The Port Shop and operations continues handling waste oil facility for mariners, equipment and material storage, and trash.

Port Office and Operations. The Port continues following the DEQ 1200-Z NPDES Industrial Storm Water Permit and remains under Tier 1 guidelines.

Storm water tests continue to show contaminants from the industrial zones from the boat yard and gear storage. The Port has taken steps to reduce the contaminants, but the tests are still failing the State's benchmarks. Plans are being made to change the terrain with dredging spoils under the FEMA disasters to improve all storm water issues. The changes will have impacts to the current gear and boat storage capacities reducing potential storage revenues.

The Port increased quarterly payments to Business Oregon (IFA) and continues to pay its debts on time. Plans are being made with Business Oregon to pay off the debt by the end of the terms. The restructuring plan is still in the process and expected to be completed by November 2022.

Infrastructure maintenance and repairs will continue to be on the forefront of the budgeting process. Possible federal funding for wastewater treatment plant continues during the FY 2022-23 which will require 20% matching.



Photo 5. Sediment Impacts to Travel Lift

Financial Policies

The Port's Financial Management Policy communicates the general management and financial policies established by the Port of Brookings Harbor Board of Commissioners in order to ensure the Port complies with applicable laws and regulations and operates in a manner consistent with the organization's mission statement and strategic vision.

Strategic Business Plan. The Port has met the Strategic Business Plan recommendation of having the General Fund maintain an operating reserve of 90 days of expenditures. The Port has plans to meet the dredging goals using the FEMA Project. Although the FEMA Project has been delayed, the Port still plans to purchase a dredge machine and create a disposal site on Port property. At the end of the FEMA Project, the Port will own and operate the dredge to meet the needs of the Port.

Acknowledgement

The preparation of this report could not have been accomplished without the commitment and dedication of the Port's Director of Finance and Accounting and the Financial Consultant. Credit must also be given to the Board of Commissioners for their leadership and unfailing support for maintaining the highest standards of professionalism in the management of the Port of Brookings Harbor and finances. We also express our appreciation to the Port Budget Committee for their participation in approving the annual operating budget.

Respectfully submitted,

Port Profile and Governance Information

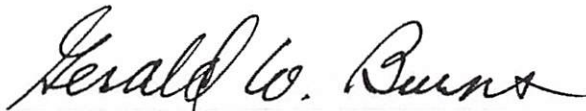


Travis Webster, Harbormaster/Acting Port Manager



Kim Boom, Director of Finance and Accounting

Financial Information and Analysis



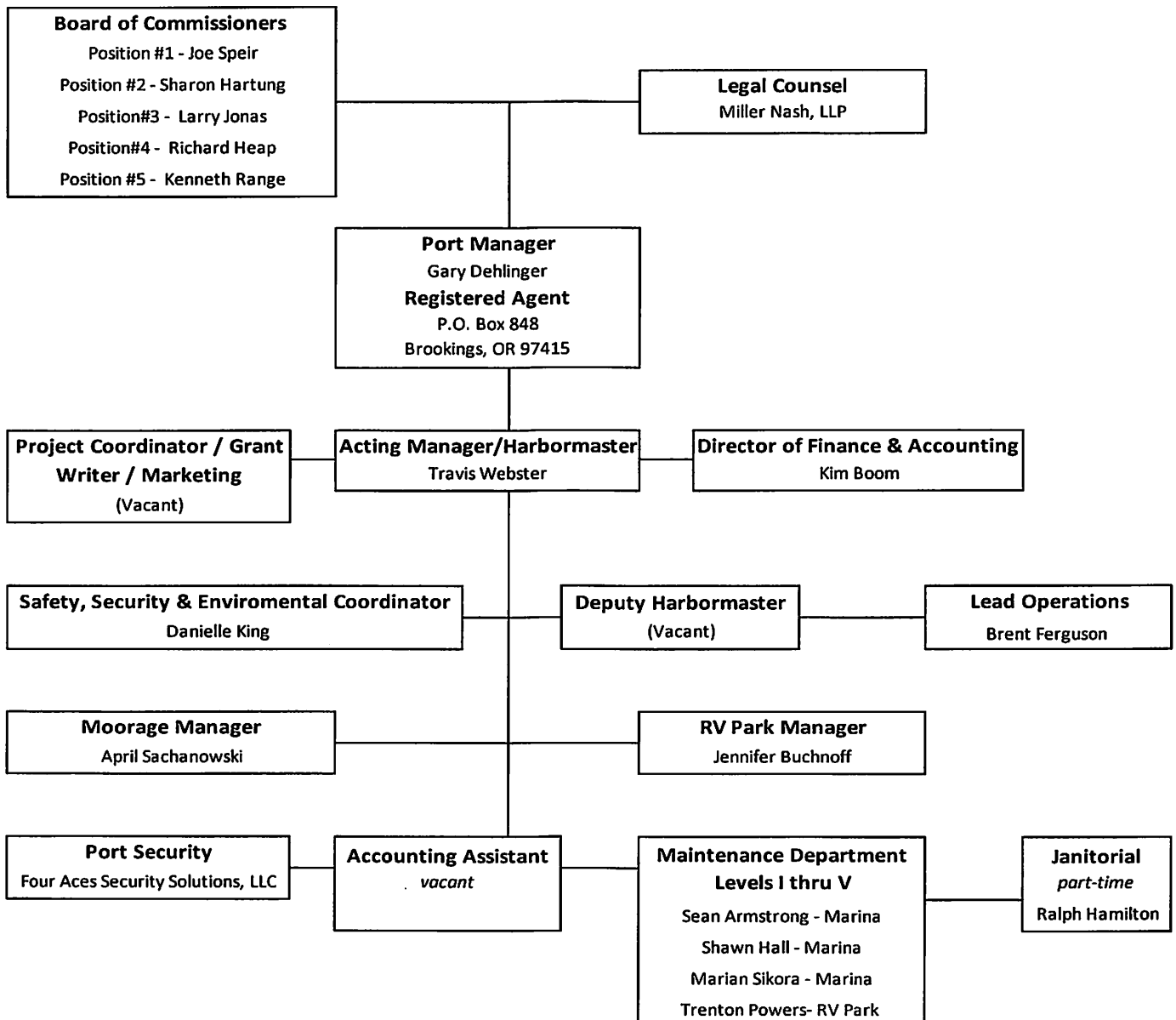
Gerald W. Burns, CPA, CGMA

Port of Brookings Harbor Administration and Organizational Chart

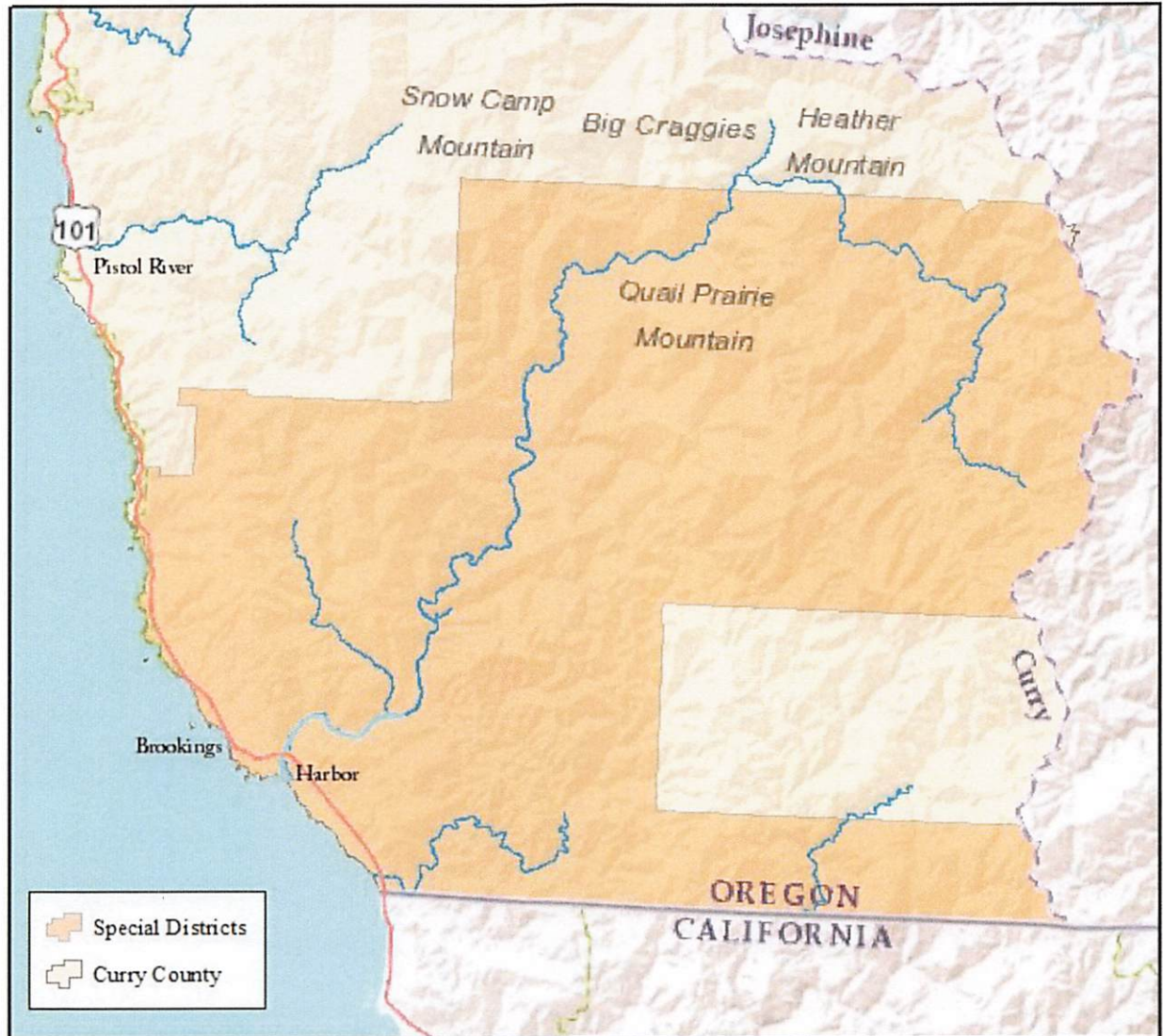
REGISTERED AGENT
Port Manager (July 1, 2021-August 8, 2022)
 Gary Dehlinger

Harbormaster
Acting Port Manager (August 9, 2022 – Present)
 Travis Webster

Director of Finance and Accounting
 Kim Boom



Port of Brookings Harbor Geographic Boundaries



Brookings Area Special Districts

Community Library, Cemetery, Port

0 2.5 5 Miles



FINANCIAL SECTION



Independent Auditor's Report

C. J. Huntsman, CPA, P.C.

Constance J. Huntsman
Certified Public Accountant
Admin@huntsmancpa.net

P.O. Box 569
Coos Bay, OR 97420
541-808-3080

Memberships
American Institute of CPA's
Oregon Society of CPA's

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Port of Brookings Harbor
Brookings, OR 97415

Opinions

I have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Port of Brookings Harbor, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Port of Brookings Harbor, Oregon's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Port of Brookings Harbor, Oregon, as of June 30, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port of Brookings Harbor, Oregon'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Brookings Harbor, Oregon's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Other Matters

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port of Brookings Harbor, Oregon's basic financial statements. The schedule of property tax transactions – modified cash basis, schedule of long-term debt principal and interest transactions, schedules of future cash requirements for payment of long-term debt for the revenue bond series 2000, combined IFA notes payable, notes payable, RV park improvement note payable, and lease financing agreements, as listed in the supplemental schedules section of the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other information – unaudited, as listed in the table of contents, but does not include the basic financial statements and my auditor’s report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated November 30, 2022, on my consideration of the Port of Brookings Harbor, Oregon’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 my testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Constance J. Huntsman, CPA

Constance J. Huntsman, CPA

November 30, 2022

Basic Financial Statements

Government-wide Financial Statements

PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2022

	Governmental Activities
	<hr/>
Assets:	
Cash and Investments	\$ 1,299,647
Employee Advances	733
Other Assets	-
	<hr/>
Total Assets	1,300,380
	<hr/>
Liabilities:	
Other Liabilities	33,414
Deferred Revenue	13,964
	<hr/>
Total Liabilities	47,378
	<hr/>
Net Position:	
Restricted for:	
Debt Service	125,936
Capital Projects	574,019
Total Restricted	699,955
	<hr/>
Unrestricted for:	
Port Operations	437,866
Capital Projects	115,181
Total Unrestricted	553,047
	<hr/>
Total Net Position	\$ 1,253,002
	<hr/> <hr/>

See accompanying notes to basic financial statements.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY OREGON**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended June 30, 2022**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION
		PORT SERVICES	SALVAGE SALES	GRANTS	
Governmental Activities					
Port Operations	\$ 2,758,537	\$ 3,098,349	\$ 18,520	\$ 10,000	\$ 368,332
Capital Outlay	371,562	-	-	-	(371,562)
Debt Service	586,139	-	-	-	(586,139)
Total Governmental Activities	\$ 3,716,238	\$ 3,098,349	\$ 18,520	\$ 10,000	(589,369)
		General Revenues			
		Property Taxes			266,856
		Interest			7,486
		Miscellaneous			113,634
		Total General Revenues			387,976
		Transfers			
		Operating Transfers In			713,858
		Operating Transfers Out			(713,858)
		Net Transfers			-
		Change In Net Position			(201,393)
		Net Position - Beginning			1,454,395
		Net Position - Ending			\$ 1,253,002

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

Governmental Activities

General Fund

The **General Fund** accounts for the administration and Port operations. Principal sources of revenue consist of property taxes, charges for Port operations services, grants from other agencies, and interest earnings. Major expenditures are for personnel services, operating supplies, repairs and maintenance, and professional contracted services relating to the administration and Port operations and capital outlay for equipment.

Debt Service Funds

The **Debt Service Fund** is used to account for the principal and interest paid on notes payable relating to equipment purchases and various improvements to Port properties. Resources are provided by operating transfers from the General Fund and interest earnings.

The **Revenue Bond Fund** is used to account for principal and interest payments on the revenue bond. Resources are provided by operating transfers from the General Fund and interest earnings.

The **RV Park Improvement Debt Service Fund** is used to account for principal and interest payments on the note payable to Umpqua Bank. Resources are provided by operating transfers from the General Fund and interest earnings.

Capital Projects Fund

The **Capital Projects Fund** is used to account for expenditures on major construction and improvement projects of the Port. Resources are provided by capital grants, loans and operating transfers from the General Fund.

The **Port Construction Fund** is used to account for expenditures relating to major construction projects of the Port. Resources provided are provided by operating transfers from the General Fund.

Reserve Fund

The **Reserve Fund** was established by Resolution 307 to accumulate funds to pay for dock maintenance and future dock replacements. Resources are provided by operating transfers from the General Fund.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
MAJOR GOVERNMENTAL FUNDS - GOVERNMENTAL ACTIVITIES
June 30, 2022**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Revenue Bond Fund</u>	<u>RV Park Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Port Construction Fund</u>	<u>Reserve Fund</u>	<u>Total Governmental Funds</u>
ASSETS:								
Cash and Investments	\$ 381,392	\$ 23,094	\$ 102,842	\$ -	\$ 2,500	\$ 574,019	\$ 215,800	\$ 1,299,647
Employee advances	733	-	-	-	-	-	-	733
Due from other funds	103,119	-	-	-	-	-	-	103,119
Total Assets	<u>\$ 485,244</u>	<u>\$ 23,094</u>	<u>\$ 102,842</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 574,019</u>	<u>\$ 215,800</u>	<u>\$ 1,403,499</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Lodging tax payable	\$ 33,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,414
Deferred revenue	13,964	-	-	-	-	-	-	13,964
Due to other funds	-	-	-	-	103,119	-	-	103,119
Total Liabilities	<u>47,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,119</u>	<u>-</u>	<u>-</u>	<u>150,497</u>
Fund Balance:								
Restricted	-	23,094	102,842	-	-	574,019	-	699,955
Committed	-	-	-	-	(100,619)	-	215,800	115,181
Assigned	-	-	-	-	-	-	-	-
Unassigned	437,866	-	-	-	-	-	-	437,866
Total Fund Balance	<u>437,866</u>	<u>23,094</u>	<u>102,842</u>	<u>-</u>	<u>(100,619)</u>	<u>574,019</u>	<u>215,800</u>	<u>1,253,002</u>
Total Liabilities and Fund Balance	<u>\$ 485,244</u>	<u>\$ 23,094</u>	<u>\$ 102,842</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 574,019</u>	<u>\$ 215,800</u>	<u>\$ 1,403,499</u>

See accompanying notes to basic financial statements.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENT FUNDS - MODIFIED CASH BASIS
MAJOR GOVERNMENTAL FUNDS - GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2022**

	General Fund	Debt Service Fund	Revenue Bond Fund	RV Park Improvement Fund	Capital Projects Fund	Port Construction Fund	Reserve Fund	Total Governmental Funds
REVENUES								
Property Taxes	\$ 266,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,856
Charges for Port Services	3,098,349	-	-	-	-	-	-	3,098,349
Salvage Sales	18,520	-	-	-	-	-	-	18,520
Grants	10,000	-	-	-	-	-	-	10,000
Interest	2,245	316	494	-	-	3,274	1,157	7,486
Miscellaneous	113,634	-	-	-	-	-	-	113,634
TOTAL REVENUES	<u>3,509,604</u>	<u>316</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>3,274</u>	<u>1,157</u>	<u>3,514,845</u>
EXPENDITURES								
Current								
Port Operations	2,758,537	-	-	-	-	-	-	2,758,537
Capital Outlay	131,808	-	-	-	141,050	98,704	-	371,562
Debt Service	-	398,301	130,120	57,718	-	-	-	586,139
TOTAL EXPENDITURES:	<u>2,890,345</u>	<u>398,301</u>	<u>130,120</u>	<u>57,718</u>	<u>141,050</u>	<u>98,704</u>	<u>-</u>	<u>3,716,238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>619,259</u>	<u>(397,985)</u>	<u>(129,626)</u>	<u>(57,718)</u>	<u>(141,050)</u>	<u>(95,430)</u>	<u>1,157</u>	<u>(201,393)</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	398,320	130,116	57,718	-	100,000	27,704	713,858
Operating Transfers Out	(713,858)	-	-	-	-	-	-	(713,858)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(713,858)</u>	<u>398,320</u>	<u>130,116</u>	<u>57,718</u>	<u>-</u>	<u>100,000</u>	<u>27,704</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(94,599)</u>	<u>335</u>	<u>490</u>	<u>-</u>	<u>(141,050)</u>	<u>4,570</u>	<u>28,861</u>	<u>(201,393)</u>
FUND BALANCE, July 1, 2021	<u>532,465</u>	<u>22,759</u>	<u>102,352</u>	<u>-</u>	<u>40,431</u>	<u>569,449</u>	<u>186,939</u>	<u>1,454,395</u>
FUND BALANCE, June 30, 2022	<u>\$ 437,866</u>	<u>\$ 23,094</u>	<u>\$ 102,842</u>	<u>\$ -</u>	<u>\$ (100,619)</u>	<u>\$ 574,019</u>	<u>\$ 215,800</u>	<u>\$ 1,253,002</u>

See accompanying notes to basic financial statements.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

<u>GENERAL FUND</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Property Taxes	\$ 249,000	\$ 269,000	\$ 266,856	\$ (2,144)
Charges for Port Services	2,821,280	2,975,280	3,098,349	123,069
Salvage Sales	50,000	20,000	18,520	(1,480)
Grants	80,000	20,000	10,000	(10,000)
Interest	2,000	2,000	2,245	245
Miscellaneous	31,500	51,720	113,634	61,914
TOTAL REVENUES	<u>3,233,780</u>	<u>3,338,000</u>	<u>3,509,604</u>	<u>171,604</u>
EXPENDITURES				
Current				
Port Operations				
Personnel Services	796,295	816,800	792,183	24,617
Materials and Services	1,767,162	1,966,577	1,966,354	223
Total Current	<u>2,563,457</u>	<u>2,783,377</u>	<u>2,758,537</u>	<u>24,840</u>
Capital Outlay	155,000	153,000	131,808	21,192
Operating Contingency	20,000	20,000	-	20,000
TOTAL EXPENDITURES	<u>2,738,457</u>	<u>2,956,377</u>	<u>2,890,345</u>	<u>66,032</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>495,323</u>	<u>381,623</u>	<u>619,259</u>	<u>237,636</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(745,323)	(745,323)	(713,858)	31,465
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(745,323)</u>	<u>(745,323)</u>	<u>(713,858)</u>	<u>31,465</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(250,000)	(363,700)	(94,599)	269,101
FUND BALANCE, July 1, 2021	300,000	532,000	532,465	465
FUND BALANCE, June 30, 2022	<u>\$ 50,000</u>	<u>\$ 168,300</u>	<u>\$ 437,866</u>	<u>\$ 269,566</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

<u>DEBT SERVICE FUND</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 450	\$ 450	\$ 316	\$ (134)
TOTAL REVENUES	<u>450</u>	<u>450</u>	<u>316</u>	<u>(134)</u>
EXPENDITURES				
Debt Service				
Principal	414,916	414,916	389,682	25,234
Interest	8,569	8,569	8,619	(50)
TOTAL EXPENDITURES	<u>423,485</u>	<u>423,485</u>	<u>398,301</u>	<u>25,184</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(423,035)</u>	<u>(423,035)</u>	<u>(397,985)</u>	<u>25,050</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	423,485	423,485	398,320	(25,165)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>423,485</u>	<u>423,485</u>	<u>398,320</u>	<u>(25,165)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	450	450	335	(115)
FUND BALANCE, July 1, 2021	27,420	27,420	22,759	(4,661)
FUND BALANCE, June 30, 2022	<u>\$ 27,870</u>	<u>\$ 27,870</u>	<u>\$ 23,094</u>	<u>\$ (4,776)</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

REVENUE BOND FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 500	\$ 500	\$ 494	\$ (6)
TOTAL REVENUES	<u>500</u>	<u>500</u>	<u>494</u>	<u>(6)</u>
EXPENDITURES				
Debt Service				
Principal	79,917	79,917	79,895	22
Interest	50,203	50,203	50,225	(22)
TOTAL EXPENDITURES	<u>130,120</u>	<u>130,120</u>	<u>130,120</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(129,620)</u>	<u>(129,620)</u>	<u>(129,626)</u>	<u>(6)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	130,120	130,120	130,116	(4)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>130,120</u>	<u>130,120</u>	<u>130,116</u>	<u>(4)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	500	500	490	(10)
FUND BALANCE, July 1, 2021	102,380	102,380	102,352	(28)
FUND BALANCE, June 30, 2022	<u>\$ 102,880</u>	<u>\$ 102,880</u>	<u>\$ 102,842</u>	<u>\$ (38)</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

RV PARK IMPROVEMENT DEBT SERVICE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service				
Principal	38,751	38,751	38,750	1
Interest	18,967	18,967	18,968	(1)
TOTAL EXPENDITURES	<u>57,718</u>	<u>57,718</u>	<u>57,718</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(57,718)</u>	<u>(57,718)</u>	<u>(57,718)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	57,718	57,718	57,718	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>57,718</u>	<u>57,718</u>	<u>57,718</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

CAPITAL PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Grants	\$ 2,000,000	\$ 1,860,000	\$ -	\$ (1,860,000)
Interest	-	-	-	-
TOTAL REVENUES	<u>2,000,000</u>	<u>1,860,000</u>	<u>-</u>	<u>(1,860,000)</u>
EXPENDITURES				
Capital Outlay	2,060,000	1,897,500	141,050	1,756,450
TOTAL EXPENDITURES	<u>2,060,000</u>	<u>1,897,500</u>	<u>141,050</u>	<u>1,756,450</u>
				-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(60,000)</u>	<u>(37,500)</u>	<u>(141,050)</u>	<u>(103,550)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(60,000)</u>	<u>(37,500)</u>	<u>(141,050)</u>	<u>(103,550)</u>
FUND BALANCE, July 1, 2021	62,500	40,000	40,431	431
FUND BALANCE, June 30, 2022	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ (100,619)</u>	<u>\$ (103,119)</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

PORT CONSTRUCTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 3,274	\$ 1,274
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>3,274</u>	<u>1,274</u>
EXPENDITURES				
Capital Outlay	677,000	677,000	98,704	578,296
TOTAL EXPENDITURES	<u>677,000</u>	<u>677,000</u>	<u>98,704</u>	<u>578,296</u>
				-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(675,000)</u>	<u>(675,000)</u>	<u>(95,430)</u>	<u>579,570</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	100,000	100,000	100,000	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(575,000)</u>	<u>(575,000)</u>	<u>4,570</u>	<u>579,570</u>
FUND BALANCE, July 1, 2021	<u>575,000</u>	<u>575,000</u>	<u>569,449</u>	<u>(5,551)</u>
FUND BALANCE, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,019</u>	<u>\$ 574,019</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2022**

<u>RESERVE FUND</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 1,200	\$ 1,200	\$ 1,157	\$ (43)
TOTAL REVENUES	<u>1,200</u>	<u>1,200</u>	<u>1,157</u>	<u>(43)</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,200</u>	<u>1,200</u>	<u>1,157</u>	<u>(43)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	34,000	34,000	27,704	(6,296)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>34,000</u>	<u>34,000</u>	<u>27,704</u>	<u>(6,296)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>35,200</u>	<u>35,200</u>	<u>28,861</u>	<u>(6,339)</u>
FUND BALANCE, July 1, 2021	<u>186,575</u>	<u>186,575</u>	<u>186,939</u>	<u>364</u>
FUND BALANCE, June 30, 2022	<u>\$ 221,775</u>	<u>\$ 221,775</u>	<u>\$ 215,800</u>	<u>\$ (5,975)</u>

See accompanying notes to basic financial statements.
See accompanying notes to budget presentations.



Notes to Basic Financial Statements

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial reporting entity

The Port of Brookings Harbor (“the Port”) financial reporting entity is composed solely of the primary government. In determining the financial reporting entity, the Port considered all provisions of applicable accounting standards. Although there are various other governmental agencies and special service entities which provide services within the Port’s boundaries, the Port is not financially accountable for any of these entities and accordingly, their financial information is not included in these financial statements. There are no other entities for which the Port has responsibility, exercises control or is financially accountable.

The Port of Brookings Harbor was approved by the voters at a special election in 1956. The Port is organized and operates under the laws of the State of Oregon pertaining to Port districts. The Port provides port services and facilities to recreational and commercial users on the southern Oregon coast. A five-member Board of Commissioners governs over its operations.

The Port has a permanent tax rate of \$0.1316 cents per \$1,000 of assessed property value that is levied each year on all taxable property within the Port boundaries. The Port District includes the areas of the City of Brookings, the neighboring community of Harbor and surrounding unincorporated areas of Curry County. The estimated population of those living in the Port District boundaries is 11,000.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. These statements distinguish between governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and both exchange and non-exchange revenues. Business-type activities are financed in whole or part by fees charged to external parties for goods and services. The Port reports only governmental activities.

The government-wide financial statements are reported on a modified cash basis of accounting. The modified cash basis of accounting used is based on the recording of cash and cash equivalents, and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles. While there is no standard setting body that establishes accounting standards for the modified cash basis of accounting, both the Government Finance Officers Association (GFOA) and the American Institute of CPAs (AICPA) publish guidance and example materials used in preparing modified cash basis financial statements. The Port used these application materials published by the GFOA and the AICPA in preparing these financial statements. Generally accepted accounting principles are defined by the Governmental Accounting Standards Board (GASB) through their pronouncements.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

This modified cash basis of accounting differs from generally accepted accounting principles in that not all GASB pronouncements apply to the presentation and disclosures contained in financial statements. Only cash and items that involve the receipt or disbursement of cash during the fiscal year are recognized, except for the following modifications:

- (1) Interfund receivables and payables that arise from transactions and events involving cash are recognized;
- (2) Assets that normally convert to cash that arise from transactions and events involving cash are recognized;
- (3) Liabilities for cash (or cash equivalents) held on behalf of others, held in escrow, or received in advance of being earned or meeting eligibility requirements are recognized.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded or presented in the basic financial statements. For example, accounts receivable and revenue for billed or provided services that have not been collected in cash are not accrued as revenue or receivables. Additionally, capital assets such as property, equipment, and infrastructure are not reported and long-term liabilities such as debt and compensated absences are also not reported in the basic financial statements. However, any long-term liabilities and compensated absences are described in the notes to the basic financial statements.

The modified cash basis of accounting is an acceptable accounting framework recognized by Oregon law for use by local governments.

Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate basic financial statements are provided for each of the Port's individual funds.

The government-wide financial statements are presented on the modified cash basis of accounting.

Basis of presentation - fund financial statements

The fund financial statements provide information about the Port's funds. Separate statements for each fund are presented. The emphasis of fund financial statements is on major funds, and each is displayed in a separate column. Under GASB pronouncements, a fund is considered major if it is the primary operating fund of the District or if total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10% of the total for all governmental funds. A fund can also be considered major if the governing

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

body – the Port Board of Commissioners - chooses to do so. Funds that are not major funds are aggregated and reported as nonmajor funds. The fund financial statements are also presented on the modified cash basis of accounting. There are no nonmajor funds.

The Port reports the following major governmental funds:

General Fund – Used to account for financial resources of the Port not accounted for in any other fund. Principal sources of revenue consist of property taxes, charges for Port services, grants from other agencies and interest earnings. Major expenditures are for personnel services, operating supplies, repairs and maintenance, utilities and professional contracted services relating to administration and Port operations. Expenditures also include capital outlay for equipment.

Debt Service Fund – Used to account for the principal and interest paid on notes payable relating to equipment purchases and improvements to Port properties. Resources are provided by operating transfers from the General Fund and interest earnings.

Revenue Bond Fund – Used to account for principal and interest paid on the revenue bond. Resources are provided by operating transfers from the General Fund and interest earnings.

RV Park Improvement Debt Service Fund – Used to account principal and interest payments on a note payable relating to park improvements. Resources are provided by operating transfers from the General Fund and interest earnings.

Capital Projects Fund – Used to account for expenditures relating to major construction and improvement projects of the Port. Resources are provided by capital grants, loans and operating transfers from the General Fund.

Port Construction Fund – Used to account for expenditures relating to major construction and improvement projects of the Port. Resources are provided by operating transfers from the General Fund.

Reserve Fund - Used to provide future resources for major dock repairs and replacements. Resources are provided by operating transfers from the General Fund and interest earnings. This fund was established under the provisions of Oregon Local Budget Law by Port Resolution 307.

Assets, liabilities and net position/fund balance –

Cash - The Port's cash is considered to be cash on hand, demand deposits, and savings accounts. There are no cash equivalents.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Port deposits cash in checking and money market accounts at a local bank approved by the Oregon State Treasurer. The bank maintains depository insurance under the federal depository insurance program and participates in the State of Oregon collateral pool sufficient to cover the Port's cash deposits as required by Oregon law.

The Port also maintains accounts with the Oregon Local Investment Pool managed by the Oregon State Treasurer.

The Port maintains an account with the Curry County Treasurer for the purpose of receiving the Port's share of property taxes. Property tax collections are generally transferred to the Port's general checking account within a few weeks of collection.

Net position flow assumption - Sometimes the Port will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Port's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Restricted net position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – Consists of all other net assets that do not meet the definition of "restricted".

Fund balance policies - Fund balance of the governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Port itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Port's highest level of decision-making authority. The Port Board of Commissioners is the highest level of decision-making authority for the Port that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts, if any, in the assigned fund balance classification are intended to be used by the Port for specific purposes but do not meet the criteria to be classified as committed. The Board of Commissioners by

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

resolution directs the Port Manager to assign fund balance. The Board of Commissioners may also assign fund balance - as it does when it appropriates fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, the constraints upon resources resulting from assignments are more easily removed or modified.

Fund financial statements – Governmental fund equity is classified as fund balance. As an approximate measure of liquidity, fund balance is similar to the working capital of a private-sector business. As such, there are limitations that may be placed on the use of fund balance resources. The various components of fund balance is designed to indicate the nature of such limitations. Financial statements of governmental funds report up to five components of fund balance.

Non-spendable fund balance - Inherently non-spendable resources are, because of their form, unable to be spent, or must remain intact.

Restricted fund balance - Externally enforceable limitations on resource use have been imposed by creditors, grantors, contributors, laws and regulations of other governments or by through constitutional provisions or enabling legislation.

Committed fund balance - Self-imposed limitations on spending set by the Board of Commissioners prior to the end of the fiscal year by formal action – a resolution - that requires formal action to remove such self-imposed restrictions.

Assigned fund balance - Self-imposed limitation resulting from intended use established by the Board of Commissioners such as through the adoption of the Port budget. No other body or official can assign fund balance.

Unassigned fund balance - Residual net resources the expenditure of which has not been limited in any way.

Revenues, Expenditures and Expenses – The Port's modified cash basis of accounting reports revenues, expenditures and expenses as appropriate.

Government-wide statements – In the Statement of Activities, modified cash basis revenues that are derived directly from each governmental activity or from parties outside the Port's taxpayers are reported as program revenues. Program revenues include fees for Port services charged to customers, and grants that are restricted to specific functions and activities. All other governmental revenues are reported as general. All taxes levied by the Port are classified general revenue as is miscellaneous revenue.

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements – In the fund financial statements, revenues are reported by source and expenditures are reported as current, capital outlay, and debt service.

Interfund balances and activities – The Port’s modified cash basis of accounting reports interfund fund transfers, balances and activities as appropriate.

Government-wide financial statements – In the process of aggregating the financial information for the government-wide financial statements interfund activity and balances are eliminated.

Fund financial statements – Interfund activity and balances within and among the governmental funds is reported in the fund financial statements as (1) interfund loans provided with a requirement for repayment are reported as interfund receivables and payables, and (2) interfund transfers where repayment is not expected are reported as transfers in and out.

Significance – As a local government, the Port is subject to various federal, state and local laws and regulations and contractual requirements. The more important, and potentially material, areas of compliance include the Port’s budget and appropriations, cash deposit and investment accounts, collateralization of cash deposits and investments, long-term debt agreements, grant agreements and payroll.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget and appropriations – Oregon local governments are required by state law to budget all funds each year, except in the first year of operation.

A budget is prepared for all funds in accordance with the legal requirements set forth in the Oregon Local Budget Law and the modified cash basis of accounting. The funds included in the budget include all funds included in the fund financial statements. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the Port Board of Commissioners. Oregon Local Budget Law does not allow management to change the adopted or supplemental budgets in any way. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Port lapses as of year-end.

The Board of Commissioners made changes to the adopted and appropriated 2021-22 budget during 2021-22 by adopting and appropriating one supplemental budget. There were no over-expenditures of appropriations in the funds for 2021-22. This outcome is attributed to effective management control and Port Commission oversight.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Cash and investments – The Board of Commissioners has no deposit and investment policies that limit allowable deposits or investments or address specific deposit and investment risks. The Port complies with state statutes relating to deposits, investments and related risks.

Statutes authorize the Port to invest in its own bonds, legally issued general obligations of the United States and the states of Oregon, Washington, Idaho, or California, legally issued general obligation bonds of any city within the state of Oregon issued for utility services, open accounts, certificates of deposit and savings accounts of banks which maintain a head office in Oregon, bankers' acceptances that are guaranteed by a qualified financial institution, certain other investments related to deferred compensation plans, and local government investment pools managed by the local county Treasurer or the state Treasurer.

The Port has selected a bank that is identified as an approved depository in the Oregon statutes. In accordance with Oregon law, deposits of municipal funds can only be deposited in approved financial institutions identified by the state of Oregon Treasurer. In addition, Oregon law requires that all deposits be covered by federal depository insurance and account balances in excess of the federal depository insurance be secured with acceptable collateral. All approved depositories participate in the collateral pool managed by the Treasurer of the state of Oregon who is the responsible official concerning all matters relating to collateral coverage.

Deposits with financial institutions are in four bank demand deposit checking accounts and six accounts with the Local Government Investment Pool. At June 30, 2022, the bank balances were \$151,095 in the checking accounts, \$5,037 in money market accounts and \$1,157,708 in the Local Government Investment Pool deposit accounts. The bank accounts are covered by \$250,000 of federal depository insurance. In addition, the banks holding the deposits are approved by the state of Oregon Treasurer to receive deposits from local governments. As state approved depositories, the banks have pledged collateral to a state managed pool, considered sufficient by the state of Oregon Treasurer, to cover local government deposits in excess of the federal depository insurance. Since the Port's bank deposits at year-end were covered by federal depository insurance and were deposited in approved depositories, the Port is in compliance with state-mandated deposit insurance and collateral requirements at June 30, 2022.

Long-term debt - The Port's long-term debt includes a revenue bond payable to the United States Department of Agriculture, nine notes payable to the Oregon Business Development Department Infrastructure Financing Authority, two notes payable to private parties, one full faith and credit note payable to Umpqua Bank and compensated absences owed to employees.

Property tax revenue - The Port of Brookings Harbor levies a permanent tax rate property tax levy. By July 15 of each year, the Port certifies its property tax levies to Curry County, Oregon. Curry County makes all assessments of property value, and levies, collects, and distributes property taxes for all taxing districts within its boundaries.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Assessments of property values are as of July 1 of each year, and the taxes levied are a lien on the properties as of July 1 of the year levied. Taxes are payable in three installments, on November 15, February 15, and May 15, following the levy date and become delinquent May 15. The County pools all tax collections and makes distributions to taxing districts according to their pro-rata share of the total levy of each fiscal year for which collections are received. Property tax receipts, resulting from modified cash basis transactions, are recognized as revenue when received. Uncollected property taxes are not reported on the modified cash basis of accounting.

Laws, regulations, and contracts - During the ordinary course of conducting operations and accounting for its fiscal affairs, the Port is subject to various laws, regulations, and contractual requirements. The Port has designed management controls that it believes assure compliance with those applicable laws, regulations, and contracts.

NOTE 3 – DETAILED NOTES – ACCOUNT BALANCES/TRANSACTIONS

Cash – At June 30, 2022, the Port’s cash accounts consisted of the following:

		<u>Carrying Amounts</u>
Counter and Petty cash	\$	2,124
Deposits:		
Bank checking accounts	\$	134,778
Bank money market accounts		5,037
Local Government Investment Pool accounts	<u>1,157,708</u>	<u>1,297,523</u>
Total cash	\$	<u>1,299,647</u>

Custodial risk of cash deposits in the Port’s checking and savings accounts have been mitigated as they are fully insured or collateralized at June 30, 2022. The deposit in the bank money market account is subject to interest rate risk and remained in the less than 1% range during the fiscal year.

The Port’s deposits in the Local Government Investment Pool (“LGIP”) are subject to credit risk and interest rate risk, but not to concentration of credit risk, custodial risk or foreign currency risk. The LGIP itself is not rated, but the holdings of the LGIP are rated and those ratings met the requirements of the LGIP’s investment policies. This is a deposit-type investment recorded at fair value with a less than three-month maturity. The interest rate changed eight times during the fiscal year; ranged from .60% to 1.15% and averaged .70% per month for the fiscal year.

Transfers - Transfers are used to move available resources from the General Fund to the debt service funds for debt service expenditures, and from the General Fund to the Capital Projects Fund as local match for various grant and loan fund projects and for costs ineligible for reimbursement.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 3 – DETAILED NOTES – ACCOUNT BALANCES/TRANSACTIONS (Continued)

Operating transfers between the Port’s funds for the year ended June 30, 2022 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 713,858
Debt Service Fund	398,320	-
Revenue Bond Fund	130,116	-
RV Park Loan Fund	57,718	-
Capital Projects Fund	-	-
Port Construction Fund	100,000	-
Reserve Fund	27,704	-
Total All Funds	<u>\$ 713,858</u>	<u>\$ 713,858</u>

NOTE 4 – OTHER INFORMATION

Risk management - The Port is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Port manages these risks by securing commercial insurance through a pooling arrangement managed by the Oregon Special Districts Association.

The purpose of the insurance pool is to realize lower premiums through a group purchase and the pooling does not extend to the actual claims liabilities which remain solely the responsibility of the participating members. Management believes that such insurance coverage is sufficient to preclude any significant uninsured losses. During the past three years settled claims have not exceeded this insurance coverage.

Subsequent events - No events have occurred subsequent to the end of the fiscal year through November 30, 2022, the date of the independent auditor’s report that have had an adverse impact on the basic financial statements as of and for the year ended June 30, 2022 of the Port of Brookings Harbor.

New accounting standards - As described in Note 1 to these financial statements, generally accepted accounting principles (GAAP), as expressed in pronouncements of the Governmental Accounting Standards Board (GASB), may apply to Port’s modified cash basis of accounting or to financial statement presentation and disclosures included in the Port’s financial statements. During the 2021-22 year several new GASB pronouncements became effective or had effective dates deferred. Except for GASB Statement 87, titled Leases, none were applicable to the Port’s modified cash basis of accounting.

Accounting framework – As explained in Note 1, the Port has adopted the modified cash basis as its accounting framework. While there is no standard setting body that establishes standards for the modified

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 4 – OTHER INFORMATION (Continued)

cash basis of accounting, guidance materials are available from the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA) that assist in preparing financial statements that have general support in the United States. However, there are differences between the AICPA and GFOA modified cash basis of accounting guidance materials. A significant difference is that the AICPA guidance provides that capital asset costs and related depreciation, and long-term liabilities are reported on the government wide financial statements, while the GFOA guidance does not include the reporting of capital assets and long-term debt in the government wide financial statements. The AICPA accounting framework attempts to apply all Governmental Accounting Standards Board accounting standards within the context of cash transactions, where the GFOA accounting framework focuses on cash receipts and disbursements of the current fiscal year and disclosure of future cash disbursement obligations and commitments. Both AICPA and GFOA disclose capital assets and long-term debt in the notes to the financial statements.

Property taxes and abatement – The Oregon Constitution contains limits on property taxes for schools and non-school government operations. Property taxes for non-school operations are limited to \$10 for each \$1,000 of property market value. The limitation does not apply to taxes levied for principal and interest on general obligation bonds. A limit is also placed on the growth property values to no more than 3% per year, subject to certain exceptions – including the general obligation bonded debt. Oregon Revised Statutes allow property tax abatements through various state programs that reduce levied property taxes. Such abatements are generally related to economic development. Based on information provided by Curry County, there are no material or significant property tax abatements currently in effect that reduce the Port's annual property tax levy.

Port as lessor – The Port owns and leases certain properties to independent commercial businesses under long-term noncancelable operating leases.

These commercial leases are a significant source of revenue to the Port. There are currently 34 leases in effect relating to retail stores, warehouse shop/storage, land rental and commercial receiving docks. The time periods of leases vary, and include month-to-month leases, and others for periods of two years to 50 years. Rental amounts are tied to the Consumer Price Index ("CPI"). Tenants are also required to reimburse the property taxes paid by the Port and provide insurance on each rental space. Square footage under lease totals 229,483. Estimated value of the leased property, as reported in a 2015 professional appraisal, is \$4,880,000.

Beginning this fiscal year, GASB Statement 87 has provided new guidance on the accounting for and reporting of these leases in accordance with generally accepted accounting principles. Since the Port uses the modified cash basis of accounting, the guidance is not required but only advisory, and is considered in

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 4 – OTHER INFORMATION (Continued)

the preparation of the annual financial report disclosures. In fiscal year 2021-22, the Port received \$566,280 of lease revenues that are included in program revenues as Charges for Port Services.

The minimum future lease payments to be received under such leases that will be recognized as program service revenues are as follows:

Fiscal Year	Amount
<u>Ending</u>	
2023	\$ 503,466
2024	366,761
2025	308,752
2026	296,532
2027	182,751
2028-32	745,393
2033-37	543,514
2038-42	515,708
2043-47	404,485
2048-52	298,928
Total	<u>\$ 4,166,290</u>

Actual program service revenue from future lease payments will vary due to future CPI increases, expiring leases and new leases.

Capital assets and long-term obligations - As a result of using the modified cash basis of accounting, capital assets and long-term debt obligations and other obligations not directly related to a cash transaction incurred during the current fiscal year are not reported as assets or liabilities in the basic financial statements. However, these capital assets and long-term debt obligations are disclosed in the following notes to the basic financial statements.

NOTE 5 – CAPITAL ASSETS

Capital assets - The Port has acquired capital assets such as, equipment, docking facilities, and commercial buildings that are rented to various tenants, and an RV park open to the public. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and recorded as capital outlay expenditures having an estimated useful life in excess of five years. The costs of normal maintenance and repairs, or minor upgrades and improvements, of capital assets that do not add to the asset value or materially extend the capital asset useful life are not considered to be capital assets. Capital assets are not depreciated over their estimated useful lives for accounting purposes under the modified cash basis of

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 5 – CAPITAL ASSETS (Continued)

accounting framework used by the Port. Further, the useful life threshold is based solely on operational and budgetary considerations and not accounting principles. The accumulated investment in capital assets compared to capital asset insurance coverage is provided as unaudited supplemental information in the Letter of Transmittal.

NOTE 6 – LONG TERM DEBT

Long-term debt - The Port has incurred long-term debt arising from cash transactions that include a revenue bond, infrastructure financing agreements payable to the State of Oregon, and three notes payable. The Port has obligations to its employees for outstanding compensated absences earned by employees for vacation and overtime.

Revenue Bond

<u>Installment Revenue Bond No. 1, Series 2000</u>	<u>Remaining Balance</u>
Annual payments of \$130,120, consisting of principal and 5% interest, due on November 6 of each year. Proceeds used for the construction and improvements to the boat basin. Source of repayment is from the unobligated net revenues of the Port and made from the Revenue Bond Fund.	
	<u>\$ 924,602</u>

Debt service requirements to maturity are:

<u>Fiscal Year End June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 83,913	\$ 46,207	\$ 130,120
2024	88,109	42,011	130,120
2025	92,514	37,606	130,120
2026	97,140	32,980	130,120
2027	101,997	28,123	130,120
2028-31	460,929	58,900	519,829
Totals	<u>\$ 924,602</u>	<u>\$ 245,827</u>	<u>\$ 1,170,429</u>

Oregon Business Development Department Infrastructure Financing Authority (IFA)

The IFA has provided nine loans to the Port for the construction of various improvements over the years. These loans are secured by these Port improvements and bear interest ranging from 4.88% to 7.00%. In

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 6 – LONG TERM DEBT (Continued)

March 2011 the Port sustained substantial damage from a tsunami that severely degraded the Port's revenue generating facilities. To assist the Port in its financial recovery from the tsunami, the State of Oregon suspended payments on the outstanding loans until such time that the Port returns to normal operations. For payment purposes the loans are considered to have been consolidated. In 2009, the IFA restructured the payment schedule to require payment of principal only with the interest being deferred until such time as the principal has been fully repaid at which time the interest may be forgiven.

IFA Restructured Debt

IFA Restructured Debt Requirements	Remaining Balance
Quarterly payments of \$ 62,500 applied to principal.	
Matured but unpaid interest is accrued but deferred until the underlying loans are paid off and may ultimately be forgiven. Proceeds from the sale of any secured properties or assets will be applied to the oldest loan's principal.	
	\$ 1,009,676

In response to COVID -19 financial impacts facing the Port, the State of Oregon, during May 2020, provided relief assistance by freezing the interest rate on the IFA outstanding balances at 0.00% indefinitely. The interest deferred to date is still due, and the Port will still be responsible to make the \$62,500 quarterly payments until the deferred amount has been satisfied. Should the Port default or stop making payments without notice to the IFA, the frozen interest will be recalculated at the original interest rates and added to the deferred interest outstanding.

Beginning in 2019-20, the Port decided to increase the required quarterly payments to \$72,500 - \$290,000 annually - in order to accelerate the payoff of the current balance of suspended payments.

Debt service requirements to maturity are:

Fiscal Year End June 30,	Principal	Interest	Total
2023	\$ 290,000	\$ -	\$ 290,000
2024	290,000	-	290,000
2025	290,000	-	290,000
2026	139,676	3,225,234	3,364,910
Totals	\$ 1,009,676	\$ 3,225,234	\$ 4,234,910

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 6 – LONG TERM DEBT (Continued)

The deferred interest arrangement continued.

Deferred Interest		Balance
Deferred, June 30, 2021		\$ 3,148,768
Current year deferral	\$ 76,466	
Current year payments	<u>-</u>	76,466
Deferred, June 30, 2022		<u>\$ 3,225,234</u>

Notes Payable

The Port is obligated under the terms of three notes payable relating to the purchase of equipment and improvements to the Port's RV Park described as follows:

	Balance
Travel Lift: In October 2016, the Port purchased a 50 ton hoist for placing and removing boats from the boat basin or trailers for \$324,000. Monthly payments of \$4,659, including 5.502% interest, are required. The contract will be fully paid in 2024.	<u>\$ 71,691</u>
Forklift: In February 2018, the Port purchased a forklift for use in Port operations. Monthly payments of \$1,465, including 6.0% interest, are required. The note will be fully paid in 2025.	<u>43,164</u>
Total Notes Payable	<u>\$ 114,855</u>

Fiscal Year End June 30	Principal	Interest	Total
2023	\$ 68,667	\$ 4,817	\$ 73,484
2024	34,932	1,380	36,312
2025	11,256	263	11,519
Totals	<u>\$ 114,855</u>	<u>\$ 6,460</u>	<u>\$ 121,315</u>

The Port is obligated under the terms of a note payable relating to major improvements undertaken at the Port's RV Park.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 6 – LONG TERM DEBT (Continued)

	Balance
RV Park Improvements - In August 2020 the Port undertook a major improvement of the RV Park to upgrade all aspects of the Park at a cost of \$700,000.	\$ 626,712
Monthly payments of \$4,810, including 2.928%, are required. The loan is secured by the full faith and credit of the Port. The loan will be fully paid in 2035.	

Debt service payments to maturity RV Park note payable are as follows:

Fiscal Year End June 30	Principal	Interest	Balance
2023	\$ 39,901	\$ 17,817	\$ 57,718
2024	41,085	16,633	57,718
2025	42,304	15,414	57,718
2026	43,560	14,158	57,718
2027	44,852	12,866	57,718
2028-2032	245,036	43,554	288,590
2033-2035	169,974	7,990	177,964
Totals	\$ 626,712	\$ 128,432	\$ 755,144

The future debt service payments of all three notes payable are:

Fiscal Year End June 30	Principal	Interest	Balance
2023	\$ 108,568	\$ 22,634	\$ 131,202
2024	76,017	18,013	94,030
2025	53,560	15,677	69,237
2026	43,560	14,158	57,718
2027	44,852	12,866	57,718
2028-2032	245,036	43,554	288,590
2033-2036	169,974	7,990	177,964
Total	\$ 741,567	\$ 134,892	\$ 876,459

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 6 – LONG TERM DEBT (Continued)

Debt Service Summary – The following is a summary of the long-term debt transactions of the Port for the year ended June 30, 2022:

<u>Transactions</u>	<u>Revenue Bond</u>	<u>IFA Notes</u>	<u>Notes Payable</u>	<u>Total</u>
Payable, June 30, 2021	\$ 1,004,497	\$ 1,334,493	\$ 845,182	\$ 3,184,172
New long term debt	-	-	-	-
Principal payments	<u>(79,895)</u>	<u>(324,817)</u>	<u>(103,615)</u>	<u>(508,327)</u>
Payable, June 30, 2022	<u>\$ 924,602</u>	<u>\$ 1,009,676</u>	<u>\$ 741,567</u>	<u>\$ 2,675,845</u>
Interest payments	<u>\$ 50,225</u>	<u>\$ -</u>	<u>\$ 27,589</u>	<u>\$ 77,814</u>
Future Principal Payments:				
Due within one year	\$ 83,913	\$ 290,000	\$ 108,568	\$ 482,481
Due after one year	<u>840,689</u>	<u>719,676</u>	<u>632,999</u>	<u>2,193,364</u>
Payable, June 30, 2022	<u>\$ 924,602</u>	<u>\$ 1,009,676</u>	<u>\$ 741,567</u>	<u>\$ 2,675,845</u>

Compensated absences - As a result of the modified cash basis of accounting used by the Port for financial reporting purposes, obligations related to accrued compensated absences, including vacation, are not reported as liabilities in the financial statements. Expenditures/expenses related to compensated absences are recorded when paid. The amount of the Port's obligation related to accrued compensated absences for accumulated, unpaid compensatory time that would be due employees upon termination, as of June 30, 2022 is approximately \$24,000.

Leases – GASB Statement 87 changes the way equipment leases are accounted for. Previously payments made on equipment leases were considered an operating expense or the purchase of equipment depending on the terms of the lease. GASB Statement 87 defines equipment leases as financing arrangements. The Port has two equipment leases underway that have been considered operating leases and the payments have been accounted for as materials and services expenditures. GASB Statement 87 considers the nature of the transaction no longer an operating expenditure but a debt service expenditure. The only exception is for "short term" leases where the lease runs for less than one year. If lease financing agreements do not state an interest rate one must be imputed to comply with the GASB Statement 87 disclosures

The Port is a party to two lease financing agreements for the right to use a postage meter and an office copier/printer/scanner. Through June 30, 2022 the lease payments have been budgeted and accounted for as an operating expenditure in the General Fund. GASB Statement 87 provisions have been applied to the Port by reporting the future debt service payments on the lease financing agreements as long term debt at June 30, 2022. These future payments will be reported as debt service principal and interest in the year paid. The 2022-23 fiscal year budget will be modified to reflect this change. Since the two lease financing agreements do not state an interest rate one, an interest rate is imputed to comply with the GASB Statement 87 disclosures.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 6 – LONG TERM DEBT (Continued)

The lease financing agreements are described as follows:

	Balance
Copier/printer/scanner: In October 2020, the Port leased an office copier/printer/scanner and financed the payments that total \$14,082. Interest has been imputed at 2.9% leaving principal of \$13,029. Monthly payments of \$223 are required and the lease financing agreement will be fully paid in 2025.	\$ 8,904
Postage Meter: In February 2021, the Port leased a postage meter and financed the payments that total \$8,462. Interest has been imputed at 2.9% leaving principal of \$7,868. Monthly payments of \$141 are required and the lease financing agreement will be fully paid in 2025.	5,626
Total Lease Financings Payable	\$ 14,530

Fiscal Year End June 30	Principal	Interest	Total
2023	\$ 4,002	\$ 369	\$ 4,371
2024	4,120	251	4,371
2025	4,241	129	4,370
2026	2,167	18	2,185
Totals	\$ 14,530	\$ 767	\$ 15,297
Future Payments			
2023	\$ 4,002	\$ 369	\$ 4,371
2023-2026	10,528	398	10,926
Totals	\$ 14,530	\$ 767	\$ 15,297

Notes to Budget Presentations

**PORT OF BROOKINGS HARBOR
NOTES TO BUDGET PRESENTATIONS
JUNE 30, 2022**

Oregon Local Budget Law - The Port is required by state law to budget all funds. A budget is prepared for all funds in accordance with the modified cash basis of accounting and legal requirements set forth in the Oregon Local Budget Law.

Oregon Local Budget Law does two important things:

1. It establishes standard procedures for preparing, presenting and administering the budget.
2. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

The budget process includes five significant steps:

1. Preparing the budget:
 - a. Governing body appoints the budget officer.
 - b. Budget officer prepares, or supervises the preparation, of the proposed budget.
2. Approving the budget:
 - a. Budget officer publishes notice of the budget committee meeting at least twice during the 5 to 30 days before the meeting with at least 5 days between notices.
 - b. Budget committee meets at least once to discuss and approve the budget.
 - c. Budget committee meetings are subject to the Oregon Open Meetings Law and Public Documents Law.
 - d. Budget officer presents the proposed budget.
 - e. Budget officer describes the proposed budget in the "Budget Message".
 - f. Budget committee discusses the proposed budget.
 - g. Budget committee allows for public input at the meetings.
 - h. Budget committee approves total proposed expenditures and total property tax levy.
3. Advertising and holding public hearing:
 - a. Budget summary and notice of budget hearing is published 5 to 30 days before the scheduled hearing.
 - b. Governing body conducts public hearing to receive citizen testimony.
4. Adopting the budget:
 - a. Budget adopted, appropriations made, tax levy declared and categorized by approving resolutions.
 - b. Budget is filed with the county clerk and the levy is certified to the county tax collector.
5. Administering the budget:
 - a. Expenditures cannot legally exceed the adopted appropriation.
 - b. The legal level of budgetary control for all funds is at the object category totals of personnel services, materials and services, capital outlay, debt service, operating transfers and contingency.
 - c. The governing body can modify the budget by adopting resolutions approving appropriation transfers, increases or supplemental budgets.

**PORT OF BROOKINGS HARBOR
NOTES TO BUDGET PRESENTATIONS
JUNE 30, 2022**

The adopted budget - The Port Board of Commissioners resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for the General Fund, Capital Projects Funds and the Reserve Fund is by personnel services, materials and services, capital outlay, operating transfers, and contingency. The level of control for the Debt Service Funds is by total debt service of principal and interest. The amounts appropriated are in agreement with the amounts of expenditures included in the adopted budget. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget and appropriated for expenditure through the use of a supplemental budget. The original budget process requires approval of the budget committee, hearings before the public, publications in newspapers, and approval by the Port Board of Commissioners. Oregon Local Budget Law does not require the involvement of the budget committee during a supplemental process.

Oregon Local Budget Law does not allow management to change the adopted or supplemental budgets in any way. Only the Board of Commissioners may change the budget. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval of the Board of Commissioners by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised final budget appropriations as approved by the Board of Commissioners. Appropriations are limited to a single fiscal year; therefore, all spending authority of the Port lapses as of year-end.

2021-22 Budget - The Board of Commissioners adopted and appropriated the 2021-22 budget as outlined in Oregon Local Budget Law. One supplemental budget was adopted and appropriated that made changes to the General Fund and Capital Projects Fund budgets. There were no over-expenditures of budget appropriations in any fund - General Fund, Debt Service Fund, Revenue Bond Fund, RV Park Improvement Loan Fund, the Capital Projects Fund, Port Construction Fund or the Reserve Fund. This outcome is attributed to effective management control and Port Commission oversight.

2022-23 Budget -The Board of Commissioners adopted and appropriated 2022-23 budget as outlined in Oregon Local Budget Law.



Supplemental Schedules



**PORT OF BROOKINGS HARBOR
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 MODIFIED CASH BASIS
 For the year ended June 30, 2022**

	General Fund
Uncollected, July 1, 2021	\$ 29,380
2021-22 property tax levy	271,897
Total property taxes to collect	301,277
Less:	
Property taxes collected:	
Current	256,624
Prior	10,406
Total property taxes collected	267,030
Discounts, adjustments and other	6,438
Uncollected, June 30, 2022	\$ 27,809
Uncollected property taxes consist of:	
2021-22 tax levy	\$ 7,810
2020-21 tax levy	4,063
2019-20 tax levy	3,073
2018-19 tax levy	2,014
2017-18 tax levy	1,240
Prior year levies	9,609
Uncollected , June 30 2022	\$ 27,809

**PORT OF BROOKINGS HARBOR
SCHEDULE OF LONG TERM DEBT
PRINCIPAL AND INTEREST TRANSACTIONS
For the year ended June 30, 2022**

LONG TERM DEBT	Date of Issue	Average Interest Rates
Debt Service Fund		
Notes Payable		
IFA Combined Notes	January-10	5.0 Deferred
Other Notes:		
Travel Lift	October-16	5.5
Fork Lift	February-18	6.0
Total Other Notes		
Total Debt Service Fund		
Revenue Bond Fund		
No. 1 Series 2000	November-00	5.0
RV Park Improvement Fund		
Umpqua Bank Note Payable		
Restroom and Laundry Upgrade	July-20	2.928
General Fund		
Lease Financing Agreements		
Copier/Printer/Scanner	October-20	2.9
Postage Meter	January-21	2.9
Total Lease Financing Agreements		
Debt Service Fund		
Notes Payable		
IFA Combined Notes	January-10	5.0 Deferred
Other Notes:		
Travel Lift	October-16	5.5
Fork Lift	February-18	6.0
Total Other Notes		
Total Debt Service Fund		
Revenue Bond Fund		
No. 1 Series 2000	November-00	5.0
RV Park Improvement Fund		
Umpqua Bank Note Payable		
Restroom and Laundry Upgrade	July-20	2.928
General Fund		
Lease Financing Agreements		
Copier/Printer/Scanner	October-20	2.9
Postage Meter	January-21	2.9
Total Lease Financing Agreements		

PRINCIPAL

Maturity Dates	Original Amount of Debt	Outstanding July 1, 2021	Issued	Redeemed	Outstanding June 30, 2022
March-30	\$ 4,080,618	\$ 1,334,493	\$ -	\$ 324,817	\$ 1,009,676
November-23	324,200	122,088	-	50,397	71,691
February-25	100,000	57,632	-	14,468	43,164
	<u>424,200</u>	<u>179,720</u>	<u>-</u>	<u>64,865</u>	<u>114,855</u>
	<u>\$ 4,504,818</u>	<u>\$ 1,514,213</u>	<u>\$ -</u>	<u>\$ 389,682</u>	<u>\$ 1,124,531</u>
November-30	<u>\$ 2,000,000</u>	<u>\$ 1,004,497</u>	<u>\$ -</u>	<u>\$ 79,895</u>	<u>\$ 924,602</u>
July-35	<u>\$ 700,000</u>	<u>\$ 665,462</u>	<u>\$ -</u>	<u>\$ 38,750</u>	<u>\$ 626,712</u>
December-25	\$ 13,029	\$ 11,287	\$ 2,383	\$ -	\$ 8,904
December-25	7,868	7,131	1,505	-	5,626
	<u>\$ 20,897</u>	<u>\$ 18,418</u>	<u>\$ 3,888</u>	<u>\$ -</u>	<u>\$ 14,530</u>

INTEREST

	July 1, 2021	Matured	Paid	June 30, 2022
March-30	\$ 3,148,768	\$ 76,466	\$ -	\$ 3,225,234
November-23	-	5,510	5,510	-
February-25	-	3,109	3,109	-
	<u>-</u>	<u>8,619</u>	<u>8,619</u>	<u>-</u>
	<u>\$ 3,148,768</u>	<u>\$ 85,085</u>	<u>\$ 8,619</u>	<u>\$ 3,225,234</u>
November-30	<u>\$ -</u>	<u>\$ 50,225</u>	<u>\$ 50,225</u>	<u>\$ -</u>
July-35	<u>\$ -</u>	<u>\$ 18,969</u>	<u>\$ 18,969</u>	<u>\$ -</u>
December-25	\$ -	\$ 187	\$ 187	\$ -
December-25	-	296	296	-
	<u>\$ -</u>	<u>\$ 483</u>	<u>\$ 483</u>	<u>\$ -</u>

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
REVENUE BOND PRINCIPAL AND INTEREST MATURITIES
June 30, 2022**

Series 2000 Issue			
Fiscal Year Paid	Principal	Interest	Total
2022-23	\$ 83,913	\$ 46,207	\$ 130,120
2023-24	88,109	42,011	130,120
2024-25	92,514	37,606	130,120
2025-26	97,140	32,980	130,120
2026-27	101,997	28,123	130,120
2027-28	107,097	23,023	130,120
2028-29	112,452	17,668	130,120
2029-30	118,074	12,046	130,120
2030-31	123,306	6,163	129,469
	\$ 924,602	\$ 245,827	\$ 1,170,429

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
COMBINED IFA NOTES PAYABLE
June 30, 2022**

IFA NOTES PAYABLE							
	Restructured Payments		Deferred Interest				
	Principal	Interest	Current	Accumulated	Total Principal	Total Interest	Total
2022-23	\$ 290,000	\$ -	\$ -	\$ -	\$ 290,000	\$ -	\$ 290,000
2023-24	290,000	-	-	-	290,000	-	290,000
2024-25	290,000	-	-	-	290,000	-	290,000
2025-26	139,676	-	-	-	139,676	-	139,676
2026-27	-	-	-	3,225,234	-	3,225,234	3,225,234
	\$ 1,009,676	\$ -	\$ -	\$ 3,225,234	\$ 1,009,676	\$ 3,225,234	\$ 4,234,910

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
NOTES PAYABLE PRINCIPAL AND INTEREST MATURITIES
June 30, 2022**

	NOTES PAYABLE						
	Travel Lift		Fork Lift		Total Principal	Total Interest	Total
	Principal	Interest	Principal	Interest			
2022-23	\$ 53,293	\$ 2,615	\$ 15,374	\$ 2,202	\$ 68,667	\$ 4,817	\$ 73,484
2023-24	18,398	336	16,534	1,044	34,932	1,380	36,312
2024-25	-	-	11,256	263	11,256	263	11,519
	<u>\$ 71,691</u>	<u>\$ 2,951</u>	<u>\$ 43,164</u>	<u>\$ 3,509</u>	<u>\$ 114,855</u>	<u>\$ 6,460</u>	<u>\$ 121,315</u>

PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
RV PARK IMPROVEMENTS NOTE PAYABLE PRINCIPAL AND INTEREST MATURITIES
June 30, 2022

<u>Fiscal Year Paid</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-23	\$ 39,901	\$ 17,817	\$ 57,718
2023-24	41,085	16,633	57,718
2024-25	42,304	15,414	57,718
2025-26	43,560	14,158	57,718
2026-27	44,852	12,866	57,718
2027-28	46,184	11,534	57,718
2028-29	47,554	10,164	57,718
2029-30	48,965	8,753	57,718
2030-31	50,418	7,300	57,718
2031-32	51,915	5,803	57,718
2032-33	53,455	4,263	57,718
2033-34	55,042	2,676	57,718
2034-35	56,675	1,043	57,718
2035-36	4,802	8	4,810
	<u>\$ 626,712</u>	<u>\$ 128,432</u>	<u>\$ 755,144</u>

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
LEASE FINANCING AGREEMENTS PRINCIPAL AND INTEREST MATURITIES
June 30, 2022**

	LEASE FINANCING AGREEMENTS						
	Copier/Printer/Scanner		Postage Meter		Total Principal	Total Interest	Total
	Principal	Imputed Interest	Principal	Imputed Interest			
2022-23	\$ 2,452	\$ 226	\$ 1,550	\$ 143	\$ 4,002	\$ 369	\$ 4,371
2023-24	2,525	154	1,595	97	4,120	251	4,371
2024-25	2,599	79	1,642	50	4,241	129	4,370
2025-26	1,328	11	839	7	2,167	18	2,185
	<u>\$ 8,904</u>	<u>\$ 470</u>	<u>\$ 5,626</u>	<u>\$ 297</u>	<u>\$ 14,530</u>	<u>\$ 767</u>	<u>\$ 15,297</u>

Other Information - Unaudited

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**NET POSITION - MODIFIED CASH BASIS
UNAUDITED**

	Fiscal Year 2,018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Assets:					
Cash and Investments	\$ 304,919	\$ 445,351	\$ 554,775	\$ 1,511,009	\$ 1,299,647
Employee Advances	-	-	400	101	733
Other Assets	-	-	72,500	-	-
Total Assets	304,919	445,351	627,675	1,511,110	1,300,380
Liabilities:					
Lodging Tax Payable	-	-	17,295	37,042	33,414
Deferred Revenue	-	-	5,938	19,673	13,964
Total Liabilities	-	-	23,233	56,715	47,378
Net Position:					
Restricted for:					
Debt Service	122,894	120,904	196,352	125,111	125,936
Capital Projects	-	-	-	569,449	574,019
Total	122,894	120,904	196,352	694,560	699,955
Unrestricted for:					
Port Operations	167,030	280,776	246,190	532,465	437,866
Capital Projects	14,995	43,671	161,270	227,370	227,370
Total	182,025	324,447	407,460	759,835	665,236
Total Net Position	\$ 304,919	\$ 445,351	\$ 604,442	\$ 1,454,395	\$ 1,253,002

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**CHANGES IN NET POSITION - MODIFIED CASH BASIS
UNAUDITED**

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>
EXPENSES					
Governmental Activities :					
Port Operations	\$ 1,883,211	\$ 1,992,377	\$ 2,534,133	\$ 2,174,710	\$ 2,758,537
Capital Outlay	600,327	845,953	81,137	891,630	371,562
Debt Service	444,864	552,259	440,978	620,193	586,139
Total Governmental Activities	<u>2,928,402</u>	<u>3,390,589</u>	<u>3,056,248</u>	<u>3,686,533</u>	<u>3,716,238</u>
Program Revenues:					
Port Services	2,310,267	2,537,811	2,723,356	2,756,764	3,098,349
Salvage Sales	79,427	51,908	5,742	1,475	18,520
Grants	275,398	670,632	201,152	780,632	10,000
Total Program Revenues	<u>2,665,092</u>	<u>3,260,351</u>	<u>2,930,250</u>	<u>3,538,871</u>	<u>3,126,869</u>
Net (Expenses) Revenues	<u>(263,310)</u>	<u>(130,238)</u>	<u>(125,998)</u>	<u>(147,662)</u>	<u>(589,369)</u>
General Revenues:					
Property Taxes	237,622	235,810	245,700	255,917	266,856
Interest	3,079	9,643	7,724	9,341	7,486
Miscellaneous	-	25,217	31,035	32,987	113,634
Total General Revenues	<u>240,701</u>	<u>270,670</u>	<u>284,459</u>	<u>298,245</u>	<u>387,976</u>
Transfers:					
Operating Transfers In	621,981	2,136,067	922,820	1,329,095	713,858
Operating Transfers Out	(621,981)	(2,136,067)	(922,820)	(1,329,095)	(713,858)
Net Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan Proceeds	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
Change in Net Position	77,391	140,432	158,461	850,583	(201,393)
Net Position - Beginning	230,100	304,919	445,351	603,812	1,454,395
Accounting Basis Change	(2,572)	-	-	-	-
Net Position - Ending	<u>\$ 304,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</u>	<u>\$ 1,454,395</u>	<u>\$ 1,253,002</u>

**PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON**

**CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
UNAUDITED**

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2022</u>
REVENUES					
Property Taxes	\$ 237,622	\$ 235,810	\$ 245,700	\$ 255,917	\$ 266,856
Charges for Port Services	2,310,267	2,537,811	2,723,356	2,756,764	3,098,349
Salvage Sales	79,427	51,908	5,742	1,475	18,520
Grants	275,398	670,632	201,152	780,632	10,000
Interest	3,079	9,643	7,724	9,341	7,486
Miscellaneous	-	25,217	31,035	32,987	113,634
TOTAL REVENUES	<u>2,905,793</u>	<u>3,531,021</u>	<u>3,214,709</u>	<u>3,837,116</u>	<u>3,514,845</u>
EXPENDITURES					
Current					
Port Operations	1,883,211	1,992,377	2,534,133	2,174,710	2,758,537
Capital Outlay	600,327	845,953	81,137	891,630	371,562
Debt Service	444,864	552,259	440,978	620,193	586,139
TOTAL EXPENDITURES:	<u>2,928,402</u>	<u>3,390,589</u>	<u>3,056,248</u>	<u>3,686,533</u>	<u>3,716,238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(22,609)</u>	<u>140,432</u>	<u>158,461</u>	<u>150,583</u>	<u>(201,393)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	621,981	2,136,067	922,820	1,329,095	713,858
Operating Transfers Out	(621,981)	(2,136,067)	(922,820)	(1,329,095)	(713,858)
Loan Proceeds	100,000	-	-	700,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>77,391</u>	<u>140,432</u>	<u>158,461</u>	<u>850,583</u>	<u>(201,393)</u>
FUND BALANCE, July 1	230,100	304,919	445,351	603,812	1,454,395
Accounting Basis Change	(2,572)				
FUND BALANCE, June 30	<u>\$ 304,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</u>	<u>\$ 1,454,395</u>	<u>\$ 1,253,002</u>

Independent Auditor's Report Required By State Regulations

C. J. Huntsman, CPA, P.C.

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Oregon Society of CPA's

INDEPENDENT AUDITOR'S REPORT REQUIRED BY STATE REGULATIONS

To the Board of Commissioners
Port of Brookings Harbor
Brookings, OR 97415

I have audited the modified cash basis of accounting basic financial statements of the Port of Brookings Harbor, Oregon, as of and for the year ended June 30, 2022, and have issued my report thereon dated November 30, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that I plan and perform the audit to obtain assurance about whether the modified cash basis of accounting basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the Port of Brookings Harbor's modified cash basis of accounting basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0230 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent 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).

The independently elected officials of Port of Brookings Harbor do not collect or receive money and are, therefore, not subject to the requirements of OAR 162-010-0140.

In connection with my testing nothing came to my attention that caused me to believe the Port of Brookings Harbor 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 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-010-0230 Internal Control

In planning and performing my audit, I considered the Port of Brookings Harbor's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the modified cash basis of accounting basic financial statements, but not the purpose of expressing an opinion on the effectiveness of Port of Brookings Harbor's internal control. Accordingly, I do not express an opinion on the effectiveness of Port of Brookings Harbor's internal control over financial reporting.

Purpose of this Report

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

Constance J. Huntsman, CPA

Constance J. Huntsman, CPA

November 30, 2022

