

PORT OF BROOKINGS HARBOR
ANNUAL FINANCIAL REPORT

For the year ended June 30, 2021

Prepared by Port Administration



Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848
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

BOARD OF COMMISSION

Position Number	Name and Address	Term Starts	Term Ends
1	Joseph Speir – Vice President P.O. Box 651 Brookings, OR 97415 Mobile Phone: (541) 661-0757 Email: joe@portofbrookingsharbor.com	July 1, 2019	June 30, 2021
2	Sharon Hartung – Secretary/Treasurer 97865 Chilcote Lane Brookings, OR 97415 Home Phone: (541) 469-4633 Email: sharon@portofbrookingsharbor.com	July 1, 2019	June 30, 2023
3	VACANT	July 1, 2019	June 30, 2023
4	Richard Heap – President 95975 N Brookside Dr. Brookings, OR 97415 Mobile Phone: (541) 661-7078 Email: richard@portofbrookingsharbor.com	July 1, 2019	June 30, 2021
5	Kenneth Range – Board Member 96197 Cape Ferrelo Road Brookings, OR 97415 Mobile Phone: (541) 661-1247 Email: ken@portofbrookingsharbor.com	July 1, 2019	June 30, 2021

Registered Agent

Gary Dehlinger, Port Manager
P.O. Box 848
Brookings, Oregon 97415
Email: portmanager@portofbrookingsharbor.com

**PORT OF BROOKINGS HARBOR
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Transmittal Letter.....	I
Elected Board of Commissioners.....	II
Administration.....	III
Port Organization Chart.....	IV
Port Geographic Boundaries.....	V

FINANCIAL SECTION

<u>Independent Auditor's Report</u>	1-2
--	-----

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position – Modified Cash Basis.....	3
Statement of Activities – Modified Cash Basis.....	4
Fund Financial Statements:	
Balance Sheet – Modified Cash Basis – Governmental Funds.....	5
Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Governmental Funds.....	6
Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Budget and Actual	
General Fund.....	7
Debt Service Fund.....	8
Revenue Bond Fund.....	9
RV Park Improvement Debt Service Fund.....	10
Capital Projects Fund.....	11
Port Construction Fund.....	12
Reserve Fund.....	13
Notes to Basic Financial Statements.....	14-28
Notes to Budget Presentations.....	29-30

Supplemental Schedules

Schedule of Property Tax Transactions – Modified Cash Basis.....	31
Schedule of Long-Term Debt Principal and Interest Transactions.....	32
Schedules of Future Cash Requirements for Payment of Long-Term Debt	
Revenue Bond Series 2000.....	33
Combined IFA Notes Payable.....	34
Notes Payable.....	35
RV Park Improvement Note Payable.....	36

Other Information – Unaudited

Trend Information Since Adoption of the Modified Cash Basis of Accounting.....	37-39
--	-------

<u>Independent Auditor's Report Required by State Regulations</u>	40-41
--	-------

INTRODUCTORY SECTION



Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848
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

December 8, 2021

Fiscal Year June 30, 2021

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, 2021. 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, 2021. 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 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 two changes to the adopted and appropriated budget during 2020-21 through the adoption of two supplemental budgets. 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	
	2020-21	2019-20
Total assets	\$ 1,511,110	\$ 627,675
Total liabilities	56,715	23,863
Net position:		
Restricted	125,111	196,352
Committed	1,329,284	407,460
Unrestricted	-	-
Total net position	<u>\$ 1,454,395</u>	<u>\$ 603,812</u>

For the year ended June 30, 2021, the overall modified cash basis Governmental Activities net position has increased by \$850,583. The primary reason for the increase is due to funds loaned for the Beachfront RV Park Improvement Project. Other reasons for the increase are due to effective management controls and Port Commission oversight.

Summarized statement of changes in net position:

	Governmental Activities	
	2020-21	2019-20
Expenses	\$ 3,686,533	\$ 3,056,248
Program revenues	3,538,871	2,930,250
Net expense	(147,662)	(125,998)
General revenues	298,245	284,459
Loan Proceeds	700,000	
Change in net position	<u>\$ 850,583</u>	<u>\$ 158,461</u>

Governmental Funds

For the fiscal year ended June 30, 2021, the governmental funds reported a combined fund balance of \$1,454,395 consisting of the General Fund balance of \$532,465, Debt Service Fund balance of \$22,759, Revenue Bond Fund balance of \$102,352, Capital Projects Fund balance of \$40,431, Port Construction Fund of \$569,449 and the Reserve Fund Balance of \$186,939.

General Fund Budget

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

Final budget compared to actual results. On the upside, actual Port service expenditures were under budget estimates by \$180,616. Also, on the upside, actual Port service revenues were over budget estimates by \$81,764. Combined, these budget variances amounted to \$262,380 more resources than anticipated.

With respect to Port operations, actual personnel service expenditures were less than budgeted by \$52,840. Materials and service expenditures were also less than budget by \$127,776. Capital outlay expenditures were less than budget by \$4,630. There were no contingency expenditures against a budget of \$76,363. As a result, total actual General Fund spending was \$261,609 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 \$61,370 in the General Fund that consisted of Security System, Shelter for the Boat Launch Kiosk and Fuel Dispenser (Pump). Capital outlay in the Capital Projects Fund was \$710,101 and consisted of long-term improvements to Port property.

Long term debt – modified cash basis. At June 30, 2021 the Port’s long-term debt consists of revenue bonds, State of Oregon financing assistance, and three notes payable and totals \$3,184,172. 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.

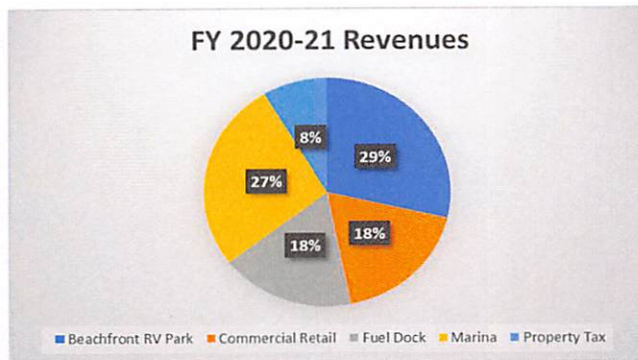


Figure 1. Revenues from Port Operations

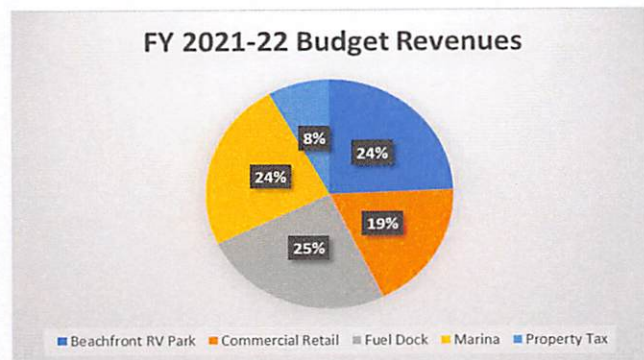


Figure 2. Budget Estimates for Port Operations

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 could become unusable causing financial issues.

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.



Photo 1. Closed Basin 2 C Dock

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.

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.

The Port completed the refurbishing / repairs to the fuel, transient and work docks (Photos 2 – 5). Completed work will allow the Port to continue receiving revenues from customers buying fuel and moorage on the transient dock.

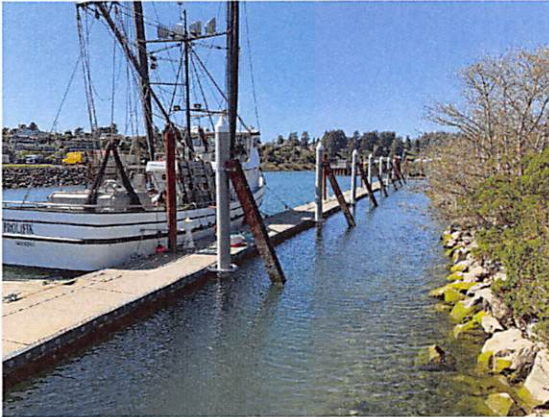


Photo 2. New Transient Dock Piling



Photo 3. New Work Dock Piling



Photo 4. New Fuel Dock Ramp



Photo 5. New Restoration Work

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.

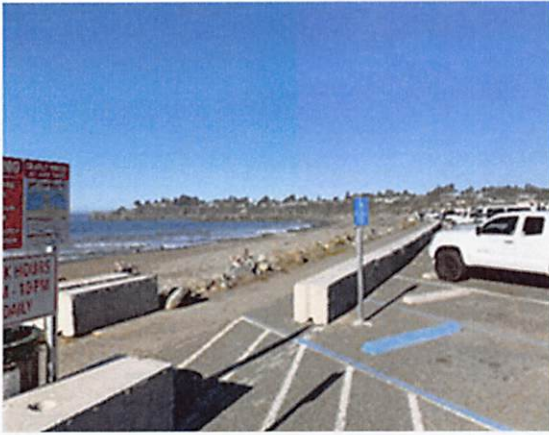


Photo 6. New Block Seawall

The Port installed a 1,400-foot-long seawall along its southerly facing beach (Photo 6). The seawall consists of 2' high concrete interlocking blocks that will reduce storm related wave damage to the RV Park. The seawall also created a safe walkway along the beachfront for pedestrians. New beach warning signs, parking stalls and beach access were also installed.

The main RV Park restroom and showers were refurbished and reopened to the public. Construction drawings and permitting for the new RV sites and upgrade utilities continued through the end of the fiscal year. Construction upgrades are scheduled to 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.

State COVID-19 mandates continued to alter how employers conduct their business. Financial effects from the mandates will not be fully understood until the end of the fiscal year. Financial predictions from the leases are not expected to be impacted.

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 7). As a result, reducing the haul out activities and possible revenues. The FEMA project is scheduled to remove the sediment when approved.



Photo 7. Sediment Impacts to Travel Lift



Photo 8. Port Shop & Operations

The Port Shop and operations was moved near the retail area which handles waste oil facility for mariners, equipment and material storage, and trash. Two new offices were built in the Port Shop with COVID relief funds to meet the new guidelines reducing the number of employees working in the same office space.

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 contaminates from the industrial zones from the boat yard and gear storage. The Port has taken steps to reduce the contaminates, 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 continues to pay its debts on time and has increased payments to recoup on missed payments during the 2011 Tsunami disaster rebuilding. Plans are being made with Business Oregon to pay off the debt by the end of the terms. COVID and other State natural disasters have slowed the process to complete the restructuring plan.

Infrastructure maintenance and repairs will continue to be on the forefront of the budgeting process. Possible federal funding for wastewater treatment plant may happen during the FY 2021-22 which will require 20% matching. The wastewater treatment plant would secure the fish processing plant operation for the entirety of the lease (30 years). The fish processing plant currently operates under a temporary discharge permit which could end at some point in the near future.

Financial Policies

The Port adopted a Financial Management Policy that 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.

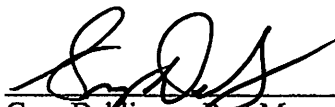
Strategic Business Plan. The Port has met the Strategic Business Plan recommendation of having the General Fund maintain an operating reserve of 90 days of expenditures. The Port has plans to meet the dredging goals using the FEMA Project. Under the FEMA Project, the Port will purchase a dredge machine 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.

Acknowledgements

The preparation of this report could not have been accomplished without the commitment and dedication of the Financial Officer and CPA. Credit must also be given to the Board of Commissioners for their leadership and unflinching 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

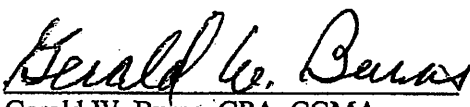


Gary Dehlinger, Port Manager



Kim Boom, Financial Officer

Financial Information and Analysis



Gerald W. Burns, CPA, CGMA



Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848
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

BOARD OF COMMISSION

Position Number	Name and Address	Term Starts	Term Ends
1	Joseph Speir – Vice President P.O. Box 651 Brookings, OR 97415 Mobile Phone: (541) 661-0757 Email: joe@portofbrookingsharbor.com	July 1, 2019	June 30, 2021
2	Sharon Hartung – Secretary/Treasurer 97865 Chilcote Lane Brookings, OR 97415 Home Phone: (541) 469-4633 Email: sharon@portofbrookingsharbor.com	July 1, 2019	June 30, 2023
3	VACANT	July 1, 2019	June 30, 2023
4	Richard Heap – President 95975 N Brookside Dr. Brookings, OR 97415 Mobile Phone: (541) 661-7078 Email: richard@portofbrookingsharbor.com	July 1, 2019	June 30, 2021
5	Kenneth Range – Board Member 96197 Cape Ferrelo Road Brookings, OR 97415 Mobile Phone: (541) 661-1247 Email: ken@portofbrookingsharbor.com	July 1, 2019	June 30, 2021

Registered Agent

Gary Dehlinger, Port Manager
P.O. Box 848
Brookings, Oregon 97415
Email: portmanager@portofbrookingsharbor.com



Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848

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

ADMINISTRATION

REGISTERED AGENT

Port Manager

Gary Dehlinger

Harbormaster

Travis Webster

Financial Officer

Kim Boom



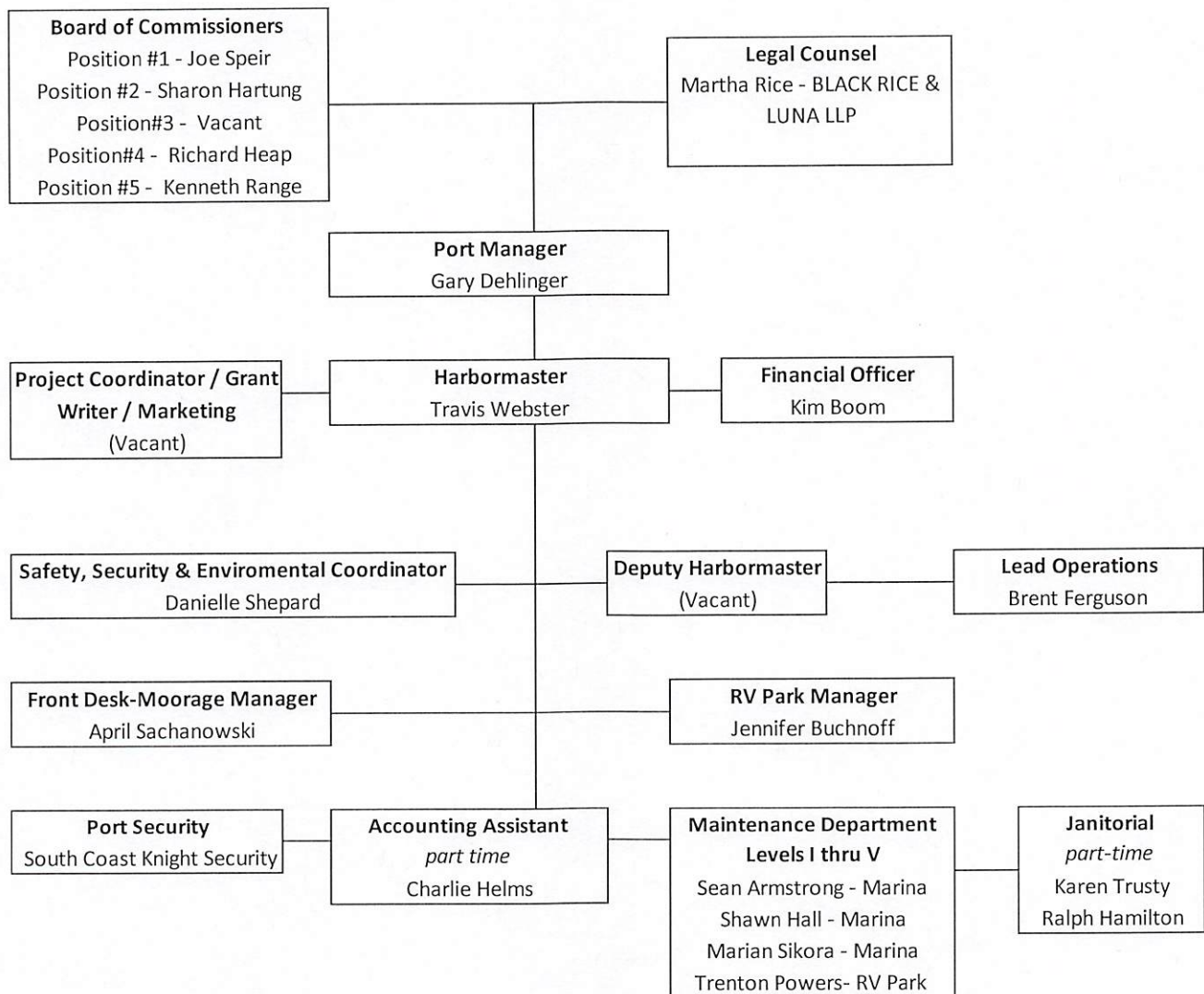
Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848
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

PORT of BROOKINGS HARBOR Organization Chart





Port of Brookings Harbor

16330 Lower Harbor Road / PO Box 848
Brookings, Oregon 97415
Phone (541) 469-2218
Fax (541) 359-3999
www.portofbrookingsharbor.com

Board of Commissioners

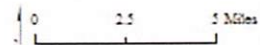
Richard Heap, President
Joseph Speir, Vice-President
Sharon Hartung, Secretary/Treasurer
Kenneth Range
Larry Jonas

Port of Brookings Harbor Geographic Boundaries



Brookings Area Special Districts

Community Library, Cemetery, Port



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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis described in Note 1; this includes 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates, made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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, 2021, and the respective changes in modified cash basis financial position and the respective budgetary comparison statements for each major fund for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Emphasis of a Matter

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The Port of Brookings Harbor, Oregon, prepares its financial statements 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.

Other Matters

Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Port of Brookings Harbor's basic financial statements. The supplementary information, which includes the supplemental 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, and notes payable, along with introductory section of the Port's annual financial report and the trend information since adoption of the modified cash basis of accounting, all of which are listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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, and notes payable, presented on pages 31 through 36, 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. Such 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 information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The Introductory Section of the Port's annual financial report and the trend information since adoption of the modified cash basis of accounting, which accompany the financial statements, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

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 December 8, 2021, on my consideration of the Port'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

December 8, 2021

Basic Financial Statements

Government-wide Financial Statements

PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2021

	Governmental Activities
Assets:	
Cash and Investments	\$ 1,511,009
Employee Advances	101
Other Assets	-
	<hr/>
Total Assets	1,511,110
	<hr/>
Liabilities:	
Other Liabilities	37,042
Deferred Revenue	19,673
	<hr/>
Total Liabilities	56,715
	<hr/>
Net Position:	
Restricted for:	
Debt Service	125,111
	<hr/>
Committed for:	
Port Operations	532,465
Capital Projects	796,819
Total Committed	1,329,284
	<hr/>
Total Net Position	\$ 1,454,395
	<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, 2021**

FUNCTIONS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION
		PORT SERVICES	SALVAGE SALES	GRANTS	
Governmental Activities					
Port Operations	\$ 2,174,710	\$ 2,756,764	\$ 1,475	\$ 780,632	\$ 1,364,161
Capital Outlay	891,630	-	-	-	(891,630)
Debt Service	620,193	-	-	-	(620,193)
Total Governmental Activities	\$ 3,686,533	\$ 2,756,764	\$ 1,475	\$ 780,632	(147,662)
		General Revenues			
					255,917
					9,341
					32,987
					298,245
		Transfers			
					1,329,095
					(1,329,095)
					-
					700,000
					850,583
					603,812
					\$ 1,454,395

See accompanying notes to basic financial statements.

Fund Financial Statements

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

**BALANCE SHEET - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
MAJOR GOVERNMENTAL FUNDS - GOVERNMENTAL ACTIVITIES
June 30, 2021**

	General Fund	Debt Service Fund	Revenue Bond Fund	RV Park Debt Service Fund	Capital Projects Fund	Port Construction Fund	Reserve Fund	Total Governmental Funds
ASSETS:								
Cash and Investments	\$ 589,079	\$ 22,759	\$ 102,352	\$ -	\$ 40,431	\$ 569,449	\$ 186,939	\$ 1,511,009
Employee advances	101	-	-	-	-	-	-	101
Total Assets	<u>\$ 589,180</u>	<u>\$ 22,759</u>	<u>\$ 102,352</u>	<u>\$ -</u>	<u>\$ 40,431</u>	<u>\$ 569,449</u>	<u>\$ 186,939</u>	<u>\$ 1,511,110</u>
LIABILITIES AND FUND BALANCE:								
Liabilities:								
Lodging tax payable	\$ 37,042	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 37,042
Deferred revenue	19,673	-	-	-	-	-	-	19,673
Total Liabilities	<u>56,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,715</u>
Fund Balance:								
Restricted	-	22,759	102,352	-	-	-	-	125,111
Committed	532,465	-	-	-	40,431	569,449	186,939	1,329,284
Total Fund Balance	<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>
Total Liabilities and Fund Balance	<u>\$ 589,180</u>	<u>\$ 22,759</u>	<u>\$ 102,352</u>	<u>\$ -</u>	<u>\$ 40,431</u>	<u>\$ 569,449</u>	<u>186,939</u>	<u>\$ 1,511,110</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
MAJOR GOVERNMENTAL FUNDS - GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2021**

	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	\$ 255,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,917
Charges for Port Services	2,756,764	-	-	-	-	-	-	2,756,764
Salvage Sales	1,475	-	-	-	-	-	-	1,475
Grants	104,786	-	-	-	675,846	-	-	780,632
Interest	2,021	549	698	-	-	4,699	1,374	9,341
Miscellaneous	32,987	-	-	-	-	-	-	32,987
TOTAL REVENUES	3,153,950	549	698	-	675,846	4,699	1,374	3,837,116
EXPENDITURES								
Current								
Port Operations	2,174,710	-	-	-	-	-	-	2,174,710
Capital Outlay	61,370	-	-	-	711,010	119,250	-	891,630
Debt Service	-	437,165	130,120	52,908	-	-	-	620,193
TOTAL EXPENDITURES:	2,236,080	437,165	130,120	52,908	711,010	119,250	-	3,686,533
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	917,870	(436,616)	(129,422)	(52,908)	(35,164)	(114,551)	1,374	150,583
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	364,681	130,116	52,908	73,095	684,000	24,295	1,329,095
Operating Transfers Out	(1,329,095)	-	-	-	-	-	-	(1,329,095)
Loan Proceeds	700,000	-	-	-	-	-	-	700,000
TOTAL OTHER FINANCING SOURCES (USES)	(629,095)	364,681	130,116	52,908	73,095	684,000	24,295	700,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	288,775	(71,935)	694	-	37,931	569,449	25,669	850,583
FUND BALANCE, July 1, 2020	243,690	94,694	101,658	-	2,500	-	161,270	603,812
FUND BALANCE, June 30, 2021	\$ 532,465	\$ 22,759	\$ 102,352	\$ -	\$ 40,431	\$ 569,449	\$ 186,939	\$ 1,454,395

See accompanying notes to the basic financial statements

Governmental Funds

Governmental Activities

General Fund

The **General Fund** accounts for the administration and Port operation. 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 improvement 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 Funds

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 are provided by operating transfers from the General Fund.

Reserve Fund

The **Reserve Fund** was established by Resolution No. 307 to accumulate funds to pay for dock maintenance and future dock replacement. Resources are provided by operating transfers from the General Fund.

**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, 2021**

<u>GENERAL FUND</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Property Taxes	\$ 239,500	\$ 254,500	\$ 255,917	\$ 1,417
Charges for Port Services	2,766,215	2,675,000	2,756,764	81,764
Salvage Sales	6,000	6,000	1,475	(4,525)
Grants	-	105,000	104,786	(214)
Interest	3,570	2,500	2,021	(479)
Miscellaneous	29,652	50,000	32,987	(17,013)
TOTAL REVENUES	<u>3,044,937</u>	<u>3,093,000</u>	<u>3,153,950</u>	<u>60,950</u>
EXPENDITURES				
Current				
Port Operations				
Personnel Services	660,075	776,554	723,714	52,840
Materials and Services	1,708,495	1,578,772	1,450,996	127,776
Total Current	<u>2,368,570</u>	<u>2,355,326</u>	<u>2,174,710</u>	<u>180,616</u>
Capital Outlay	715,000	66,000	61,370	4,630
Operating Contingency	35,000	76,363	-	76,363
TOTAL EXPENDITURES :	<u>3,118,570</u>	<u>2,497,689</u>	<u>2,236,080</u>	<u>261,609</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(73,633)</u>	<u>595,311</u>	<u>917,870</u>	<u>322,559</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(656,367)	(1,334,311)	(1,329,095)	5,216
Loan Proceeds	715,000	700,000	700,000	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>58,633</u>	<u>(634,311)</u>	<u>(629,095)</u>	<u>5,216</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(15,000)</u>	<u>(39,000)</u>	<u>288,775</u>	<u>327,775</u>
FUND BALANCE, July 1, 2020	<u>60,000</u>	<u>319,000</u>	<u>243,690</u>	<u>(75,310)</u>
FUND BALANCE, June 30, 2021	<u>\$ 45,000</u>	<u>\$ 280,000</u>	<u>\$ 532,465</u>	<u>\$ 252,465</u>

See accompanying notes to 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, 2021**

DEBT SERVICE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 549	\$ (951)
TOTAL REVENUES	<u>1,500</u>	<u>1,500</u>	<u>549</u>	<u>(951)</u>
EXPENDITURES				
Debt Service				
Principal	394,699	428,670	421,805	6,865
Interest	32,548	12,113	15,360	(3,247)
TOTAL EXPENDITURES	<u>427,247</u>	<u>440,783</u>	<u>437,165</u>	<u>3,618</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(425,747)</u>	<u>(439,283)</u>	<u>(436,616)</u>	<u>2,667</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	427,247	368,283	364,681	(3,602)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>427,247</u>	<u>368,283</u>	<u>364,681</u>	<u>(3,602)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,500	(71,000)	(71,935)	(935)
FUND BALANCE, July 1, 2020	23,602	96,102	94,694	(1,408)
FUND BALANCE, June 30, 2021	<u>\$ 25,102</u>	<u>\$ 25,102</u>	<u>\$ 22,759</u>	<u>\$ (2,343)</u>

See accompanying notes to 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, 2021**

REVENUE BOND FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 698	\$ (1,302)
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>698</u>	<u>(1,302)</u>
EXPENDITURES				
Debt Service				
Principal	76,112	76,112	76,091	21
Interest	54,008	54,008	54,029	(21)
TOTAL EXPENDITURES	<u>130,120</u>	<u>130,120</u>	<u>130,120</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(128,120)</u>	<u>(128,120)</u>	<u>(129,422)</u>	<u>(1,302)</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	2,000	2,000	694	(1,306)
FUND BALANCE, July 1, 2020	98,395	98,395	101,658	3,263
FUND BALANCE, June 30, 2021	<u>\$ 100,395</u>	<u>\$ 100,395</u>	<u>\$ 102,352</u>	<u>\$ 1,957</u>

See accompanying notes to 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, 2021**

RV PARK IMPROVEMENT DEBT SERVICE FUND

	Original Budget	Final Budget	Actual	Final Budget Variance
REVENUES				
Interest	\$	-	-	-
TOTAL REVENUES		-	-	-
EXPENDITURES				
Debt Service				
Principal		34,540	34,538	2
Interest		18,368	18,370	(2)
TOTAL EXPENDITURES		52,908	52,908	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(52,908)	(52,908)	-
OTHER FINANCING SOURCES (USES)				
Operating Transfers In		52,908	52,908	-
Operating Transfers Out		-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)		52,908	52,908	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		-	-	-
FUND BALANCE, July 1, 2020		-	-	-
FUND BALANCE, June 30, 2021	\$	-	-	-

See accompanying notes to financial statements
See accompanying notes to 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, 2021**

CAPITAL PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Grants	\$ 4,049,825	\$ 676,000	\$ 675,846	\$ (154)
Interest	-	-	-	-
TOTAL REVENUES	<u>4,049,825</u>	<u>676,000</u>	<u>675,846</u>	<u>(154)</u>
EXPENDITURES				
Capital Outlay	<u>4,124,825</u>	<u>751,000</u>	<u>711,010</u>	<u>39,990</u>
TOTAL EXPENDITURES	<u>4,124,825</u>	<u>751,000</u>	<u>711,010</u>	<u>39,990</u>
				-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(75,000)</u>	<u>(75,000)</u>	<u>(35,164)</u>	<u>39,836</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	75,000	75,000	73,095	(1,905)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>75,000</u>	<u>75,000</u>	<u>73,095</u>	<u>(1,905)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	37,931	37,931
FUND BALANCE, July 1, 2020	2,500	2,500	2,500	-
FUND BALANCE, June 30, 2021	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 40,431</u>	<u>\$ 37,931</u>

See accompanying notes to 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, 2021**

PORT CONSTRUCTION FUND

	Original Budget	Final Budget	Actual	Final Budget Variance
REVENUES				
Interest	\$ -	\$ 5,000	\$ 4,699	\$ (301)
TOTAL REVENUES	-	5,000	4,699	(301)
EXPENDITURES				
Capital Outlay	-	689,000	119,250	569,750
TOTAL EXPENDITURES	-	689,000	119,250	569,750
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(684,000)	(114,551)	569,449
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	684,000	684,000	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	-	684,000	684,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	569,449	569,449
FUND BALANCE, July 1, 2020	-	-	-	-
FUND BALANCE, June 30, 2021	\$ -	\$ -	\$ 569,449	\$ 569,449

See accompanying notes to financial statements
See accompanying notes to 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, 2021**

RESERVE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 3,000	\$ 3,000	\$ 1,374	\$ (1,626)
TOTAL REVENUES	<u>3,000</u>	<u>3,000</u>	<u>1,374</u>	<u>(1,626)</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>1,374</u>	<u>(1,626)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	24,000	24,000	24,295	295
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>24,000</u>	<u>24,000</u>	<u>24,295</u>	<u>295</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>27,000</u>	<u>27,000</u>	<u>25,669</u>	<u>(1,331)</u>
FUND BALANCE, July 1, 2020	130,000	130,000	161,270	31,270
FUND BALANCE, June 30, 2021	<u>\$ 157,000</u>	<u>\$ 157,000</u>	<u>\$ 186,939</u>	<u>\$ 29,939</u>

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

Notes to Basic Financial Statements

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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 of 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.

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

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Loan Fund – Used to account principal and interest on the improvement loan. 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.

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.

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 are designed to indicate the nature of such limitations. Financial statements of governmental funds report up to five components of fund balance.

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 two changes to the adopted and appropriated 2020-21 budget during 2020-21. There were no over-expenditures of appropriations in the funds. This outcome is attributed to effective management control and Port Commission oversight.

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.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Deposits with financial institutions are in four bank demand deposit checking accounts and six accounts with the Local Government Investment Pool. At June 30, 2021, the bank balances were \$187,181 in the checking accounts, \$5,036 in money market accounts and \$1,341,921 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, 2021.

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 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.

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, 2021, the Port's cash accounts consisted of the following:

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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

		<u>Carrying Amounts</u>
Counter and Petty cash	\$	1,847
Deposits:		
Bank checking accounts	\$ 162,205	
Bank money market accounts	5,036	
Local Government Investment Pool accounts	1,341,921	1,509,162
Total cash		<u>\$ 1,511,009</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, 2021. 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 changes each month; ranged from 1.30% to .60% and averaged .82% 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.

Operating transfers between the Port's funds for the year ended June 30, 2021 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 1,329,095
Debt Service Fund	364,681	-
Revenue Bond Fund	130,116	-
RV Park Loan Fund	52,908	-
Capital Projects Fund	73,095	-
Port Construction Fund	684,000	-
Reserve Fund	24,295	-
Total All Funds	<u>\$ 1,329,095</u>	<u>\$ 1,329,095</u>

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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 December 8, 2021, 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, 2021 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 2020-21 year several new GASB pronouncements had effective dates deferred. 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 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

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 4 – OTHER INFORMATION (Continued)

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. The minimum future lease payments to be received under such leases are as follows:

Fiscal Year Ending	Amount
2022	\$ 518,908
2023	460,352
2024	330,518
2025	276,541
2026	276,541
2027-31	558,998
2032-36	532,329
2037-41	421,105
2042-46	375,431
2047-51	303,953
Total	<u>\$ 4,054,676</u>

These commercial leases are a significant source of revenue to the Port. There are currently 42 leases in effect relating to retail stores, warehouse shop/storage, land rental and commercial receiving docks. Square footage under lease totals 229,483. Estimated value of the leased property, as reported in a 2015 professional appraisal, is \$4,880,000.

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

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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 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>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>\$ 1,004,497</u>

Debt service requirements to maturity are:

<u>Fiscal Year End June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 79,917	\$ 50,203	\$ 130,120
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
2027-31	<u>562,904</u>	<u>87,023</u>	<u>649,927</u>
Totals	<u>\$ 1,004,497</u>	<u>\$ 296,030</u>	<u>\$ 1,300,527</u>

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 6 – LONG TERM DEBT (Continued)

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 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.	
	\$ 1,334,493

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 \$62,500.00 quarterly payments until the deferred amount has been satisfied. Should the Port default or stop making payments without notice to IFA, the frozen interest will be recalculated at the original interest rates and added to the deferred outstanding.

Beginning in 2019-20, the Port has 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
2022	\$ 290,000	\$ -	\$ 290,000
2023	290,000	-	290,000
2024	290,000	-	290,000
2025	290,000	-	290,000
2026	174,493	3,148,768	3,323,261
Totals	\$ 1,334,493	\$ 3,148,768	\$ 4,483,261

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 6 – LONG TERM DEBT (Continued)

The deferred interest arrangement continued.

Deferred Interest		Balance
Deferred, June 30, 2020		\$ 3,142,262
Current year deferral	\$ 9,673	
Current year payments	<u>3,167</u>	6,506
Deferred, June 30, 2021		<u>\$ 3,148,768</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:

<p>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.</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: right;">Balance</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;"><u>\$ 122,088</u></td> </tr> </tbody> </table>	Balance	<u>\$ 122,088</u>
Balance			
<u>\$ 122,088</u>			
<p>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.</p>	<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: right;"><u>57,632</u></td> </tr> </tbody> </table>	<u>57,632</u>	
<u>57,632</u>			
Total Notes Payable	<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: right;"><u>\$ 179,720</u></td> </tr> </tbody> </table>	<u>\$ 179,720</u>	
<u>\$ 179,720</u>			

Fiscal Year End June 30	Principal	Interest	Total
2022	\$ 64,915	\$ 8,569	\$ 73,484
2023	68,667	4,817	73,484
2024	34,882	1,379	36,261
2025	11,256	263	11,519
Totals	<u>\$ 179,720</u>	<u>\$ 15,028</u>	<u>\$ 194,748</u>

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

NOTE 6 – LONG TERM DEBT (Continued)

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

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. 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.		Balance
		\$ 665,462

Fiscal Year End June 30	Principal	Interest	Balance
2022	\$ 38,751	\$ 18,967	\$ 57,718
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
2027-2031	237,973	50,617	288,590
2032-2036	221,888	13,794	235,682
Totals	\$ 665,462	\$ 147,400	\$ 812,862

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

Fiscal Year End June 30	Principal	Interest	Balance
2022	\$ 103,666	\$ 27,536	\$ 131,202
2023	108,568	22,634	131,202
2024	75,967	18,012	93,979
2025	53,560	15,677	69,237
2026	43,560	14,158	57,718
2027-2031	237,973	50,617	288,590
2032-2036	221,888	13,794	235,682
Total	\$ 845,182	\$ 162,428	\$ 1,007,610

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2021**

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, 2021:

<u>Transactions</u>	<u>Revenue Bond</u>	<u>IFA Notes</u>	<u>Notes Payable</u>	<u>Total</u>
Payable, June 30, 2020	\$ 1,080,588	\$ 1,695,005	\$ 241,013	\$ 3,016,606
New long term debt	-	-	700,000	700,000
Principal payments	<u>(76,091)</u>	<u>(360,512)</u>	<u>(95,651)</u>	<u>(532,254)</u>
Payable, June 30, 2021	<u>\$ 1,004,497</u>	<u>\$ 1,334,493</u>	<u>\$ 845,362</u>	<u>\$ 3,184,352</u>
Interest payments	<u>\$ 54,029</u>	<u>\$ 3,168</u>	<u>\$ 30,562</u>	<u>\$ 87,759</u>
Future Principal Payments:				
Due within one year	\$ 79,917	\$ 290,000	\$ 103,666	\$ 473,583
Due after one year	<u>924,580</u>	<u>1,044,493</u>	<u>741,516</u>	<u>2,710,589</u>
Payable, June 30, 2021	<u>\$ 1,004,497</u>	<u>\$ 1,334,493</u>	<u>\$ 845,182</u>	<u>\$ 3,184,172</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, 2021 is approximately \$27,000.

Notes to Budget Presentations

PORT OF BROOKINGS HARBOR
NOTES TO BUDGET PRESENTATIONS
June 30, 2021

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, 2021

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.

2020-21 Budget - The Board of Commissioners adopted and appropriated the 2020-21 budget as outlined in Oregon Local Budget Law and made two changes to the original budget. 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.

2021-22 Budget -The Board of Commissioners adopted and appropriated 2021-22 budget as outlined in Oregon Local Budget Law.

Supplemental Information

**PORT OF BROOKINGS HARBOR
SCHEDULE OF PROPERTY TAX TRANSACTIONS
MODIFIED CASH BASIS
For the year ended June 30, 2021**

	General Fund
Uncollected, July 1, 2020	\$ 37,612
2020-21 property tax levy	262,239
Total property taxes to collect	299,851
Less:	
Property taxes collected:	
Current	245,690
Prior	10,227
Total property taxes collected	255,917
Discounts, adjustments and other	14,554
Uncollected, June 30, 2021	\$ 29,380
Uncollected property taxes consist of:	
2020-21 Property tax levy	\$ 9,376
2019-20 Property tax levy	4,909
Prior year levies	15,095
Uncollected , June 30 2021	\$ 29,380

**PORT OF BROOKINGS HARBOR
SCHEDULE OF LONG TERM DEBT
PRINCIPAL AND INTEREST TRANSACTIONS
For the year ended June 30, 2021**

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
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

<u>Maturity Dates</u>	<u>Original Amount of Debt</u>	<u>Outstanding July 1, 2020</u>	<u>PRINCIPAL</u>		<u>Outstanding June 30, 2021</u>
			<u>Issued</u>	<u>Redeemed</u>	
March-30	\$ 4,080,618	\$ 1,695,005	\$ -	\$ 360,512	\$ 1,334,493
November-23	324,200	169,765	-	47,677	122,088
February-25	100,000	71,248	-	13,616	57,632
	<u>424,200</u>	<u>241,013</u>	<u>-</u>	<u>61,293</u>	<u>179,720</u>
	<u>\$ 4,504,818</u>	<u>\$ 1,936,018</u>	<u>\$ -</u>	<u>\$ 421,805</u>	<u>\$ 1,514,213</u>
November-30	<u>\$ 2,000,000</u>	<u>\$ 1,080,588</u>	<u>\$ -</u>	<u>\$ 76,091</u>	<u>\$ 1,004,497</u>
July-35	<u>\$ 700,000</u>	<u>-</u>	<u>\$ 700,000</u>	<u>\$ 34,538</u>	<u>\$ 665,462</u>
			<u>INTEREST</u>		
	<u>Outstanding July 1, 2020</u>	<u>Matured</u>	<u>Paid</u>	<u>Outstanding June 30, 2021</u>	
March-30	\$ 3,142,262	\$ 9,673	\$ 3,167	\$ 3,148,768	
November-23	-	8,231	8,231	-	
February-25	-	3,961	3,961	-	
	<u>-</u>	<u>12,192</u>	<u>12,192</u>	<u>-</u>	
	<u>\$ 3,142,262</u>	<u>\$ 21,865</u>	<u>\$ 15,359</u>	<u>\$ 3,148,768</u>	
November-30	<u>\$ -</u>	<u>\$ 54,029</u>	<u>\$ 54,029</u>	<u>\$ -</u>	
July-35	<u>\$ -</u>	<u>\$ 18,370</u>	<u>\$ 18,370</u>	<u>\$ -</u>	

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
REVENUE BOND PRINCIPAL AND INTEREST MATURITIES
June 30, 2021**

Series 2000 Issue			
Fiscal Year Paid	Principal	Interest	Total
2021-22	\$ 79,917	\$ 50,203	\$ 130,120
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	123,284	6,163	129,447
	\$ 1,004,497	\$ 296,030	\$ 1,300,527

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
COMBINED IFA NOTES PAYABLE
June 30, 2021**

IFA NOTES PAYABLE							
	<u>Restructured Payments</u>		<u>Deferred Interest</u>		<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Current</u>	<u>Accumulated</u>			
2021-22	\$ 290,000	\$ -	\$ -	\$ -	\$ 290,000	\$ -	\$ 290,000
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	174,493	-	-	-	174,493	-	174,493
2026-27	-	-	-	3,148,768	-	3,148,768	3,148,768
	<u>\$ 1,334,493</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 3,148,768</u>	<u>\$ 1,334,493</u>	<u>\$ 3,148,768</u>	<u>\$ 4,483,261</u>

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
NOTES PAYABLE PRINCIPAL AND INTEREST MATURITIES
June 30, 2021**

	NOTES PAYABLE						
	<u>Travel Lift</u>		<u>Fork Lift</u>		<u>Total Principal</u>	<u>Total Interest</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>			
2021-22	\$ 50,447	\$ 5,461	\$ 14,468	\$ 3,108	\$ 64,915	\$ 8,569	\$ 73,484
2022-23	53,293	2,615	15,374	2,202	68,667	4,817	73,484
2023-24	18,348	336	16,534	1,043	34,882	1,379	36,261
2024-25	-	-	11,256	263	11,256	263	11,519
	<u>122,088</u>	<u>8,412</u>	<u>57,632</u>	<u>6,616</u>	<u>179,720</u>	<u>15,028</u>	<u>194,748</u>

PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
RV PARK NOTE PAYABLE PRINCIPAL AND INTEREST MATURITIES
June 30, 2021

<u>Fiscal Year Paid</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021-22	\$ 38,751	\$ 18,967	\$ 57,718
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	4,801	9	4,810
	<u>\$ 665,462</u>	<u>\$ 147,400</u>	<u>\$ 812,862</u>

Other Information - Unaudited

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

**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>
Assets:				
Cash and Investments	\$ 304,919	\$ 445,351	\$ 554,775	\$ 1,511,009
Employee Advances	-	-	400	101
Other Assets	-	-	72,500	-
	<u>304,919</u>	<u>445,351</u>	<u>627,675</u>	<u>1,511,110</u>
Liabilities:				
Lodging Tax Payable	-	-	17,295	37,042
Deferred Revenue	-	-	5,938	19,673
	<u>-</u>	<u>-</u>	<u>23,233</u>	<u>56,715</u>
Net Position:				
Restricted for:				
Debt Service	<u>122,894</u>	<u>120,904</u>	<u>196,352</u>	<u>125,111</u>
Committed for:				
Port Operations	167,030	280,776	246,190	532,465
Capital Projects	14,995	43,671	161,270	796,819
Total	<u>182,025</u>	<u>324,447</u>	<u>407,460</u>	<u>1,329,284</u>
Total Net Position	<u>\$ 304,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</u>	<u>\$ 1,454,395</u>

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

**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>
REVENUES				
Property Taxes	\$ 237,622	\$ 235,810	\$ 245,700	\$ 255,917
Charges for Port Services	2,310,267	2,537,811	2,723,356	2,756,764
Salvage Sales	79,427	51,908	5,742	1,475
Grants	275,398	670,632	201,152	780,632
Interest	3,079	9,643	7,724	9,341
Miscellaneous	-	25,217	31,035	32,987
TOTAL REVENUES	<u>2,905,793</u>	<u>3,531,021</u>	<u>3,214,709</u>	<u>3,837,116</u>
EXPENDITURES				
Current				
Port Operations	1,883,211	1,992,377	2,534,133	2,174,710
Capital Outlay	600,327	845,953	81,137	891,630
Debt Service	444,864	552,259	440,978	620,193
TOTAL EXPENDITURES:	<u>2,928,402</u>	<u>3,390,589</u>	<u>3,056,248</u>	<u>3,686,533</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(22,609)</u>	<u>140,432</u>	<u>158,461</u>	<u>150,583</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	621,981	2,136,067	922,820	1,329,095
Operating Transfers Out	(621,981)	(2,136,067)	(922,820)	(1,329,095)
Loan Proceeds	-	-	-	700,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(22,609)</u>	<u>140,432</u>	<u>158,461</u>	<u>850,583</u>
FUND BALANCE, July 1	230,100	304,919	445,351	603,812
Accounting Basis Change	(2,572)	-	-	-
FUND BALANCE, June 30	<u>\$ 204,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</u>	<u>\$ 1,454,395</u>

Independent Auditor's Report Required By State Regulations

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 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, 2021, and have issued my report thereon dated December 8, 2021. 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

December 8, 2021