



PORT OF BROOKINGS HARBOR OREGON

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2020

Prepared by Port Administration



BOARD OF COMMISSION

<u>Position Number</u>	<u>Name and Address</u>	<u>Starts</u>	<u>Term Ends</u>
1	Joseph Speir - Treasurer P.O. Box 651 Brookings, OR 97415 Email: joe@portofbrookingsharbor.com	7-1-19	6-30-21
2	Sharon Hartung – Secretary 97865 Chilcote Ln. Brookings, OR 97415 Email: sharon@portofbrookingsharbor.com	7-1-19	6-30-23
3	Roy Davis - Chairman P. O. Box 2679 Brookings, OR 97415 Email: roy@portofbrookingsharbor.com	7-1-19	6-30-23
4.	Richard Heap – Co-Chairman 95975 N Brookside Dr. Brookings, OR 97415 Email: richard@portofbrookingsharbor.com	7-1-19	6-30-21
5	Kenneth Range – Board Member 96197 Cape Ferrelo Road Brookings, OR 97415 Email: ken@portofbrookingsharbor.com	7-1-19	6-30-21

Registered Agent

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

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PORT
of
BROOKINGS
HARBOR

INTRODUCTORY SECTION



November 13, 2020

Fiscal Year June 30, 2020

To the 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, 2020. 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 of 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, 2020. 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 2019-20 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 Debt Service Fund, the Revenue Bond Fund, the Capital Projects 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	
	2019-20	2018-19
Total assets	\$ 627,675	\$ 445,351
Total liabilities	23,863	-
Net position:		
Restricted	196,352	120,904
Committed	407,460	324,447
Unrestricted	-	-
Total net position	<u>\$ 603,812</u>	<u>\$ 445,351</u>

For the year ended June 30, 2020, the overall modified cash basis Governmental Activities net position has increased by \$158,461. The primary reasons for the increase are due to effective management controls and Port Commission oversight.

Summarized statement of changes in net position:

	Governmental Activities	
	2019-20	2018-19
Expenses	\$ 3,056,248	\$ 3,390,589
Program revenues	2,930,250	3,260,351
Net expense	(125,998)	(130,238)
General revenues	284,459	270,670
Change in net position	<u>\$ 158,461</u>	<u>\$ 140,432</u>

Governmental Funds

For the fiscal year ended June 30, 2020, the governmental funds reported a combined fund balance of \$603,812 consisting of the General Fund balance of \$243,690, Debt Service Fund balance of \$94,694, Revenue Bond Fund balance of \$101,658, Capital Projects Fund balance of \$2,500 and the Reserve Fund Balance of \$161,270.

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 \$242,980. Also, on the upside, actual Port service revenues were over budget estimates by \$13,832. Combined, these budget variances amounted to \$256,812 more resources than anticipated.

With respect to Port operations, actual personnel service expenditures were less than budgeted by \$77,313. Materials and service expenditures were also less than budget by \$105,242. Capital outlay expenditures were less than budget by \$50,276. There were no contingency expenditures against a budget of \$10,149. As a result, total actual General Fund spending was \$242,980 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.

Change in accounting basis. The Port changed its accounting basis during 2017-18 from the full accrual basis in accordance with generally accepted accounting principles to the modified cash basis of accounting - another comprehensive basis of accounting. The reason for the change is that generally accepted accounting principles are becoming more complex and difficult to apply in local governments. The Port's GAAP accounting basis had been in operation for many years, but in recent years the Port had delays in completing its annual audit and in preparing its annual financial report. The delays were attributable to the increasing complexity of governmental GAAP. The change in accounting has resulted in the Annual Financial Report of the Port for 2018-19 and 2019-20 being completed within the expected time frame of 180 days following of the fiscal year end as set by the state of Oregon.

The change in accounting basis has resulted in the following benefits:

1. Easier to manage the bookkeeping and accounting.
2. Lower cost to draft the financial statements.
3. Lower cost to audit the financial statements.
4. Requires less experienced and educated staff.
5. Allows a more-timely annual accounting close and open for the new fiscal year.
6. Closer alignment with annual Port budget.
7. More aligned with the short-term management focus of the elected commissioners and budget committee.
8. Acceptable accounting basis under Oregon Local Budget Law and the Oregon Municipal Audit Law.

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 from service have a value of approximately \$18,000,000 that has been insured for.

Current year capital outlay expenditures were \$29,724 in the General Fund that consisted of two pick up trucks. Capital outlay in the Capital Projects Fund was \$51,413 and consisted of long-term improvements to Port property.

Long term debt – modified cash basis

At June 30, 2020 the Port's long-term debt consists of revenue bonds and three notes payable and totals \$3,016,606. All required debt payments were made and management expects to make the required debt payments as they mature.

More detailed information – capital assets and long-term debt

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.

Factors affecting financial condition – local economy

Marina - Basins 1 & 2

FEMA approved disasters DR-4432, February 24, 2019 storm and DR-4452, April 6, 2019 storm are being reviewed by FEMA administration on how to proceed with the projects. These disasters damaged the basin slopes and caused more sediment accumulation. No action from FEMA was finalized during this fiscal year.

Approximately half of Basin 2 docks are over 45 years old and need major restoration work or replacement. Port staff completed some restoration work on sections of docks throughout this fiscal year.

Basin 2 C Dock continues to be out of service due to failing slopes and the need for dredging. Other docks along the westside of Basin 2 will be impacted if slope repair and dredging are delayed.

Fuel Dock

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

Business Oregon and the Port agreed to secure Lottery Bond funds to repair the failing Fuel Dock Access Structure, replace wood dock piling and refurbish hardware on the transient dock, and rebuild the work dock. Contractor was selected for this work and plans are in place for the work to be done during the 2020 In-Water Work permit period.

Beachfront RV Park

RV Park continues to provide the Port with valuable revenue to pay outstanding debts, maintenance of Port facilities and other Port related operations.

Plans are being developed to replaced lost amenities and to protect the RV Park from severe winter storms. Port will be securing funding through a new construction loan for this work.

COVID-19 restrictions shutdown the RV Park from late March through May. RV Park was closed for 62 days. When the RV Park reopened, it opened at half capacity for 12 days. The RV Park began operating at full capacity when the County entered Phase 2 reopening guidelines. COVID-19 training and information to guests continued throughout the fiscal year. The full financial impact from COVID-19 restrictions are still under review.

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-five (35) tenants throughout the Port. Types of leases range from retail stores, restaurants, warehouse shop/storage, land rental and commercial receiving docks.

COVID-19 restrictions temporarily closed some business and altered how others conducted business. Seven businesses fell behind on their monthly rent and will be under the State's voluntary repayment plan.

Boat Yard

The boat yard is a do-it-yourself boat maintenance and minor boat rebuilding. Port Staff operates the 50-ton travel lift for hauling out boats. Revenue is generated by haul outs and yard days and is dependent solely on the number of haul outs and boat repair work. The boat yard also includes a Port shop, waste oil facility for mariners, equipment and material storage.

The travel lift ramp continues to be impacted by storm flow sediment reducing the effectiveness of haul-outs to only during high tides.

Port Office and Operations

The Port is continuing to follow the DEQ 1200-Z NPDES Industrial Storm Water Permit and is currently under Tier 1 guidelines. Storm water tests are showing contaminates from the industrial zones throughout the Port. 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 throughout the Port. The future changes will have future impacts to the current Port functions.

The Port continues to pay its debts on time and has increased payments to recoup on missed payments during the 2011 Tsunami disaster rebuilding.

Infrastructure maintenance will continue to be on the forefront of the budgeting process.

COVID-19 impacts reduced staff size and changed how it normally operated. Port Office was closed to the general public for a period of time, conducted business by phone, zoom meetings and social distancing.

Financial policies


It has been the Port's governing body and management to budget intent to plan and spend conservatively. The unwritten policy of conservatism has been beneficial and helped conserve Port resources and continue to provide Port services.

Acknowledgements

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

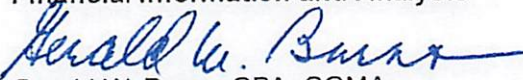
Respectfully submitted,

Port Profile and Governance Information


Gary Dehlinger, Port Manager


Kim Boom, Financial Officer

Financial Information and Analysis


Gerald W. Burns, CPA, CGMA



BOARD OF COMMISSION

<u>Position Number</u>	<u>Name and Address</u>	<u>Starts</u>	<u>Term Ends</u>
1	Joseph Speir - Treasurer P.O. Box 651 Brookings, OR 97415 Email: joe@portofbrookingsharbor.com	7-1-19	6-30-21
2	Sharon Hartung – Secretary 97865 Chilcote Ln. Brookings, OR 97415 Email: sharon@portofbrookingsharbor.com	7-1-19	6-30-23
3	Roy Davis - Chairman P. O. Box 2679 Brookings, OR 97415 Email: roy@portofbrookingsharbor.com	7-1-19	6-30-23
4.	Richard Heap – Co-Chairman 95975 N Brookside Dr. Brookings, OR 97415 Email: richard@portofbrookingsharbor.com	7-1-19	6-30-21
5	Kenneth Range – Board Member 96197 Cape Ferrelo Road Brookings, OR 97415 Email: ken@portofbrookingsharbor.com	7-1-19	6-30-21

Registered Agent

Gary Dehlinger, Port Manager
P.O. Box 848
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ADMINISTRATION

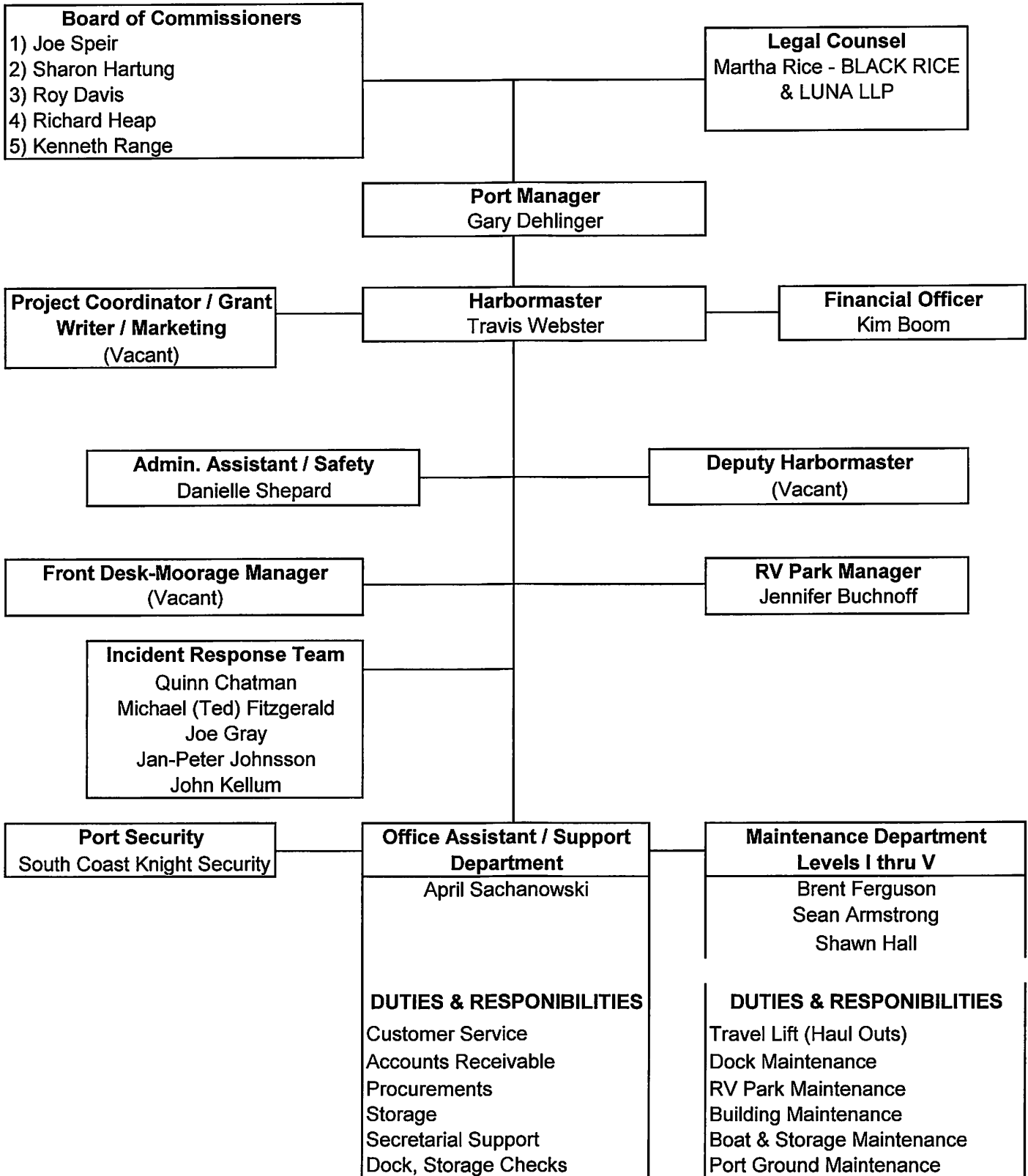
REGISTERED AGENT

Port Manager
Gary Dehlinger

Harbormaster
Travis Webster

Financial Officer
Kim Boom

**PORT
of
BROOKINGS HARBOR
Organization Chart**



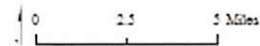


Port of Brookings Harbor Geographic Boundaries



Brookings Area Special Districts

Community Library, Cemetery, Port



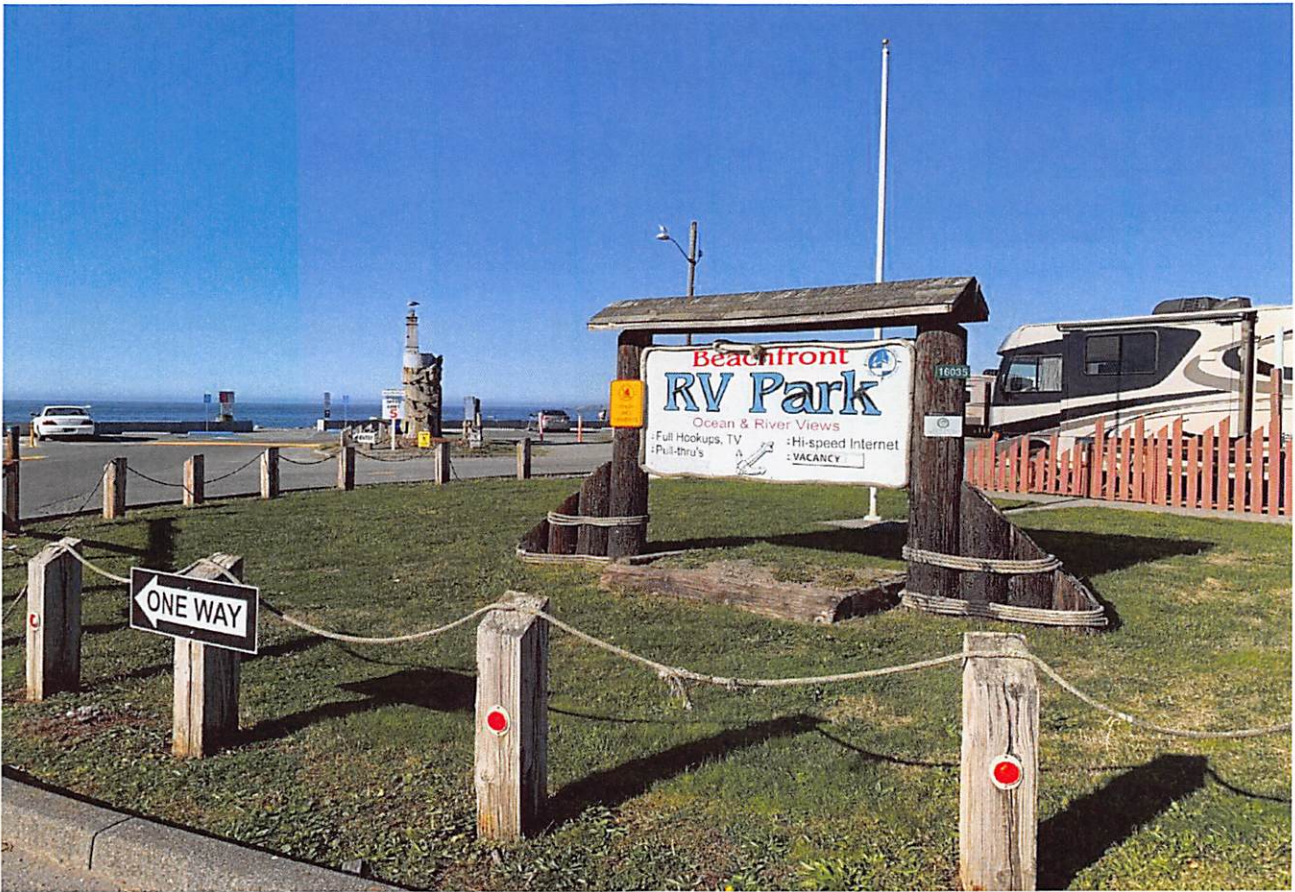
Port of Brookings Harbor Pictures



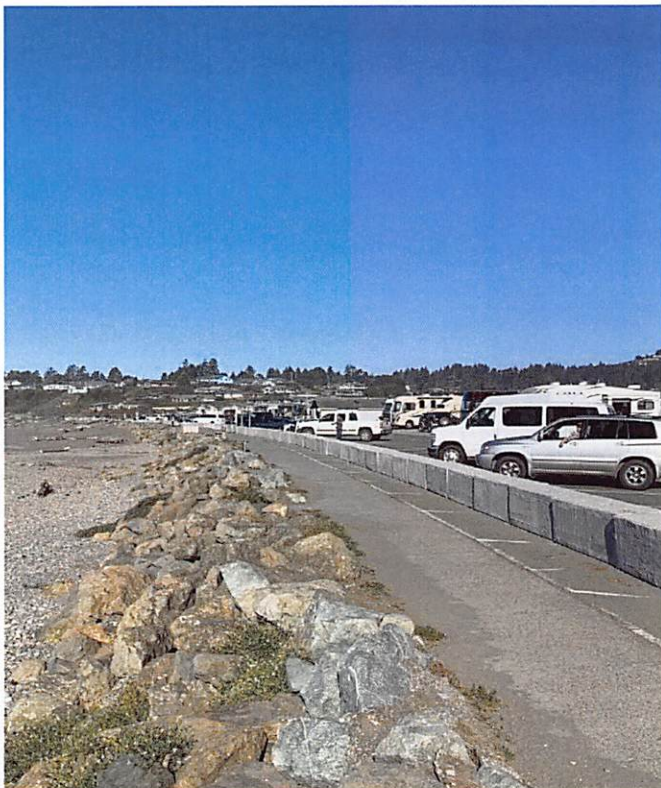
Welcome Signage



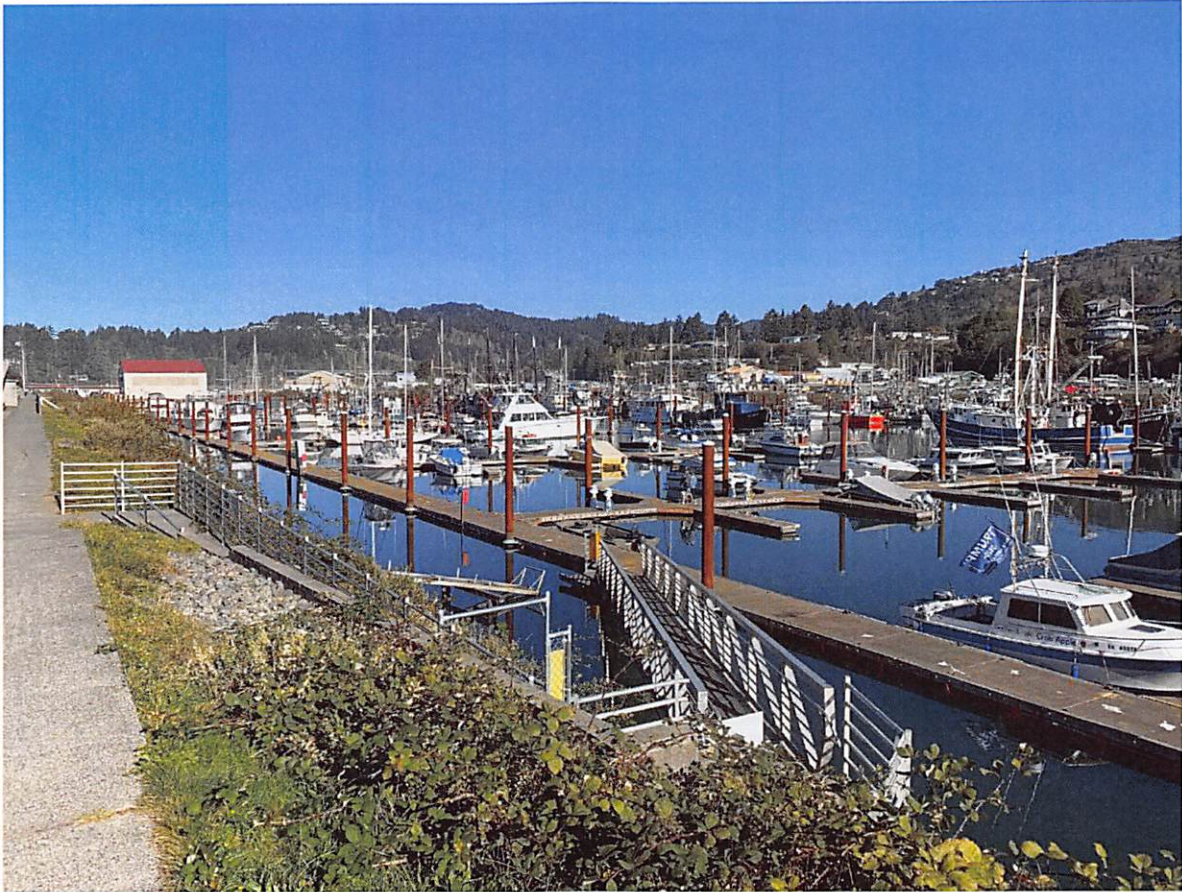
Port Office ADA Approach



Beachfront RV Park



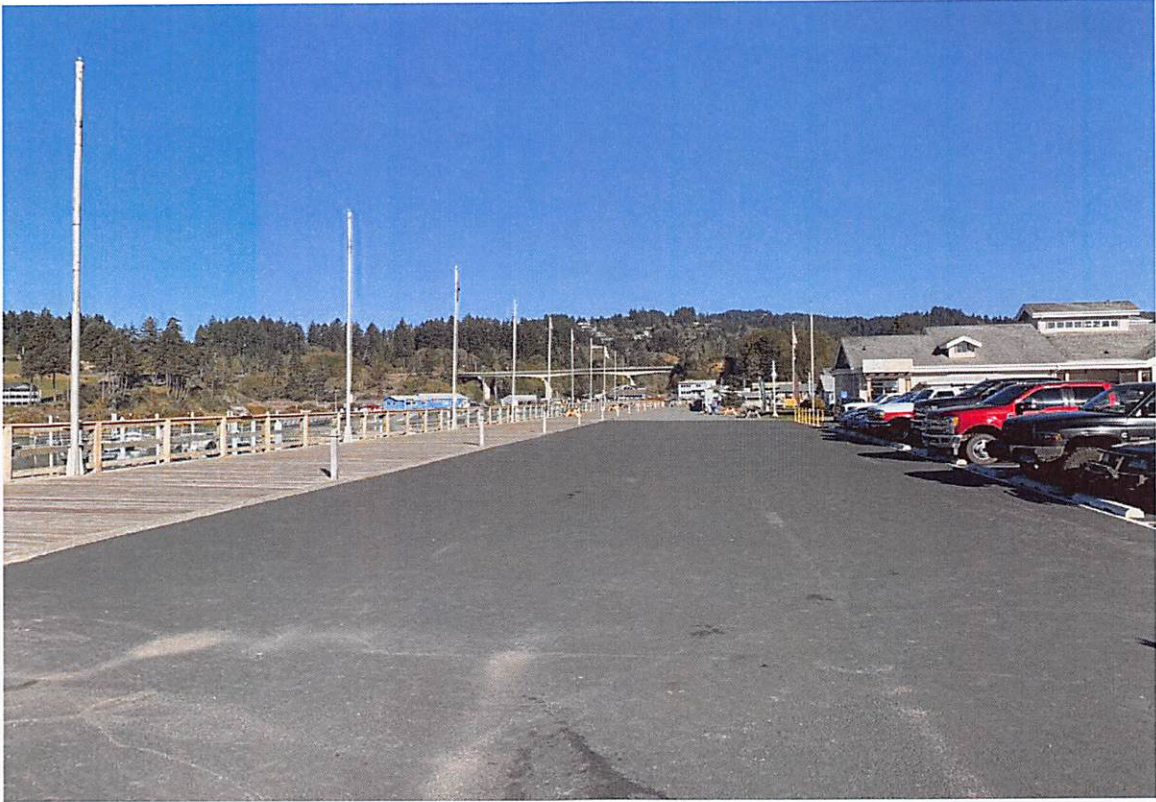
Seawall at Beachfront RV Park



Basin 2



Resulting Area after Demo of "Green Building"



Boardwalk



Commercial Retail

FINANCIAL SECTION



PORT
of
BROOKINGS
HARBOR

Independent Auditor's Report

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

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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, 2020, 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, 2020, 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 28 through 32, 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 November 13, 2020, 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

November 13, 2020



PORT
of
BROOKINGS
HARBOR

Basic Financial Statements



PORT
of
BROOKINGS
HARBOR

Government-wide Financial Statements

PORT OF BROOKINGS HARBOR
CURRY COUNTY, OREGON

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2020

	Governmental Activities
Assets:	
Cash and Investments	\$ 554,775
Employee Advances	400
Other Assets	<u>72,500</u>
Total Assets	<u>627,675</u>
Liabilities:	
Other Liabilities	17,925
Deferred Revenue	<u>5,938</u>
Total Liabilities	<u>23,863</u>
Net Position:	
Restricted for:	
Debt Service	<u>196,352</u>
Committed for:	
Port Operations	243,690
Capital Projects	163,770
Total Committed	<u>407,460</u>
Total Net Position	<u><u>\$ 603,812</u></u>

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, 2020**

FUNCTIONS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION
	EXPENSES	PORT SERVICES	SALVAGE SALES	GRANTS	
Governmental Activities					
Port Operations	\$ 2,534,133	\$ 2,723,356	\$ 5,742	\$ 201,152	\$ 396,117
Capital Outlay	81,137	-	-	-	(81,137)
Debt Service	440,978	-	-	-	(440,978)
Total Governmental Activities	<u>\$ 3,056,248</u>	<u>\$ 2,723,356</u>	<u>\$ 5,742</u>	<u>\$ 201,152</u>	<u>(125,998)</u>
		General Revenues			
		Property Taxes			245,700
		Interest			7,724
		Miscellaneous			31,035
		Total General Revenues			<u>284,459</u>
		Operating Transfers In			922,820
		Operating Transfers Out			<u>(922,820)</u>
		Change In Net Position			158,461
		Net Position - Beginning			<u>445,351</u>
		Net Position - Ending			<u>\$ 603,812</u>

See accompanying notes to basic financial statements.



PORT
of
BROOKINGS
HARBOR

Fund Financial Statements

Governmental Funds

Governmental Activities

General Fund

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

Debt Services Funds

The **Debt Service Fund** is used to account for the principal and interest paid on the Port's debt other than the revenue obligation bond. 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.

Capital Projects Fund

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

Reserve Fund

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

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

**BALANCE SHEET - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS
MAJOR GOVERNMENTAL FUNDS - GOVERNMENTAL ACTIVITIES
June 30, 2020**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Revenue Bond Fund</u>	<u>Capital Projects Fund</u>	<u>Reserve Fund</u>	<u>Total Governmental Funds</u>
ASSETS:						
Cash and Investments	\$ 267,153	\$ 22,194	\$ 101,658	\$ 2,500	\$ 161,270	\$ 554,775
Employee advances	400	-	-	-	-	400
Refund	-	72,500	-	-	-	72,500
Total Assets	<u>\$ 267,553</u>	<u>\$ 94,694</u>	<u>\$ 101,658</u>	<u>\$ 2,500</u>	<u>\$ 161,270</u>	<u>\$ 627,675</u>
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Lodging tax payable	\$ 17,925	\$ -	\$ -	\$ -	\$ -	\$ 17,925
Deferred revenue	5,938	-	-	-	-	5,938
Total Liabilities	<u>23,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,863</u>
Fund Balance:						
Restricted	-	94,694	101,658	-	-	196,352
Committed	243,690	-	-	2,500	161,270	407,460
Total Fund Balance	<u>243,690</u>	<u>94,694</u>	<u>101,658</u>	<u>2,500</u>	<u>161,270</u>	<u>603,812</u>
Total Liabilities and Fund Balance	<u>\$ 267,553</u>	<u>\$ 94,694</u>	<u>\$ 101,658</u>	<u>\$ 2,500</u>	<u>161,270</u>	<u>\$ 627,675</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, 2020**

	General Fund	Debt Service Fund	Revenue Bond Fund	Capital Projects Fund	Reserve Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 245,700	\$ -	\$ -	\$ -	\$ -	\$ 245,700
Charges for Port Services	2,723,356	-	-	-	-	2,723,356
Salvage Sales	5,742	-	-	-	-	5,742
Grants	-	-	-	201,152	-	201,152
Interest	2,904	1,082	1,760	-	1,978	7,724
Miscellaneous	31,035	-	-	-	-	31,035
TOTAL REVENUES	<u>3,008,737</u>	<u>1,082</u>	<u>1,760</u>	<u>201,152</u>	<u>1,978</u>	<u>3,214,709</u>
EXPENDITURES						
Current						
Port Operations	2,534,133	-	-	-	-	2,534,133
Capital Outlay	29,724	-	-	51,413	-	81,137
Debt Service	-	310,858	130,120	-	-	440,978
TOTAL EXPENDITURES:	<u>2,563,857</u>	<u>310,858</u>	<u>130,120</u>	<u>51,413</u>	<u>-</u>	<u>3,056,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>444,880</u>	<u>(309,776)</u>	<u>(128,360)</u>	<u>149,739</u>	<u>1,978</u>	<u>158,461</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	220,427	383,464	130,120	82,609	126,200	922,820
Operating Transfers Out	(702,393)	-	-	(220,427)	-	(922,820)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(481,966)</u>	<u>383,464</u>	<u>130,120</u>	<u>(157,818)</u>	<u>126,200</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(37,086)</u>	<u>73,688</u>	<u>1,760</u>	<u>(8,079)</u>	<u>128,178</u>	<u>158,461</u>
FUND BALANCE, July 1, 2019	<u>280,776</u>	<u>21,006</u>	<u>99,898</u>	<u>10,579</u>	<u>33,092</u>	<u>445,351</u>
FUND BALANCE, June 30, 2020	<u>\$ 243,690</u>	<u>\$ 94,694</u>	<u>\$ 101,658</u>	<u>\$ 2,500</u>	<u>\$ 161,270</u>	<u>\$ 603,812</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - BUDGET AND ACTUAL
For the Year Ended June 30, 2020**

GENERAL FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Property Taxes	\$ 234,000	\$ 234,000	\$ 245,700	\$ 11,700
Charges for Port Services	2,415,473	2,727,878	2,723,356	(4,522)
Salvage Sales	5,066	5,066	5,742	676
Interest	7,304	7,304	2,904	(4,400)
Miscellaneous	20,657	20,657	31,035	10,378
TOTAL REVENUES	<u>2,682,500</u>	<u>2,994,905</u>	<u>3,008,737</u>	<u>13,832</u>
EXPENDITURES				
Current				
Port Operations				
Personnel Services	801,726	801,725	724,412	77,313
Materials and Services	1,471,757	1,914,963	1,809,721	105,242
Total Current	2,273,483	2,716,688	2,534,133	182,555
Capital Outlay	115,000	80,000	29,724	50,276
Operating Contingency	10,149	10,149	-	10,149
TOTAL EXPENDITURES :	<u>2,398,632</u>	<u>2,806,837</u>	<u>2,563,857</u>	<u>242,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>283,868</u>	<u>188,068</u>	<u>444,880</u>	<u>256,812</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	795,500	220,427	(575,073)
Operating Transfers Out	(618,868)	(1,278,568)	(702,393)	576,175
Long Term Borrowing	-	700,000	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>(618,868)</u>	<u>216,932</u>	<u>(481,966)</u>	<u>1,102</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(335,000)</u>	<u>405,000</u>	<u>(37,086)</u>	<u>257,914</u>
FUND BALANCE, July 1, 2019	<u>375,000</u>	<u>285,000</u>	<u>280,776</u>	<u>(4,224)</u>
FUND BALANCE, June 30, 2020	<u>\$ 40,000</u>	<u>\$ 690,000</u>	<u>\$ 243,690</u>	<u>\$ (446,310)</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, 2020**

DEBT SERVICE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 600	\$ 600	\$ 1,082	\$ 482
TOTAL REVENUES	<u>600</u>	<u>600</u>	<u>1,082</u>	<u>482</u>
EXPENDITURES				
Debt Service				
Principal	348,869	376,332	295,195	81,137
Interest	15,479	20,584	15,663	4,921
TOTAL EXPENDITURES	<u>364,348</u>	<u>396,916</u>	<u>310,858</u>	<u>86,058</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(363,748)</u>	<u>(396,316)</u>	<u>(309,776)</u>	<u>86,540</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	363,748	397,248	383,464	(13,784)
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>363,748</u>	<u>397,248</u>	<u>383,464</u>	<u>(13,784)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	932	73,688	72,756
FUND BALANCE, July 1, 2019	23,602	23,602	21,006	(2,596)
FUND BALANCE, June 30, 2020	<u>\$ 23,602</u>	<u>\$ 24,534</u>	<u>\$ 94,694</u>	<u>\$ 70,160</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, 2020**

REVENUE BOND FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ 700	\$ 700	\$ 1,760	\$ 1,060
TOTAL REVENUES	<u>700</u>	<u>700</u>	<u>1,760</u>	<u>1,060</u>
EXPENDITURES				
Debt Service				
Principal	72,487	72,487	72,467	20
Interest	57,633	57,633	57,653	(20)
TOTAL EXPENDITURES	<u>130,120</u>	<u>130,120</u>	<u>130,120</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(129,420)</u>	<u>(129,420)</u>	<u>(128,360)</u>	<u>1,060</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	130,120	130,120	130,120	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>130,120</u>	<u>130,120</u>	<u>130,120</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>700</u>	<u>700</u>	<u>1,760</u>	<u>1,060</u>
FUND BALANCE, July 1, 2019	98,395	98,395	99,898	1,503
FUND BALANCE, June 30, 2020	<u>\$ 99,095</u>	<u>\$ 99,095</u>	<u>\$ 101,658</u>	<u>\$ 2,563</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, 2020**

CAPITAL PROJECTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Grants	\$ 4,785	\$ 786,785	\$ 201,152	\$ (585,633)
Interest	-	-	-	-
TOTAL REVENUES	<u>4,785</u>	<u>786,785</u>	<u>201,152</u>	<u>(585,633)</u>
EXPENDITURES				
Capital Outlay	4,785	624,785	51,413	573,372
TOTAL EXPENDITURES	<u>4,785</u>	<u>624,785</u>	<u>51,413</u>	<u>573,372</u>
				-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	162,000	149,739	(12,261)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	625,000	62,609	(562,391)
Operating Transfers Out	-	(795,500)	(220,427)	575,073
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>(170,500)</u>	<u>(157,818)</u>	<u>12,682</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(8,500)	(8,079)	421
FUND BALANCE, July 1, 2019	25,000	11,000	10,579	(421)
FUND BALANCE, June 30, 2020	<u>\$ 25,000</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ -</u>

See accompanying notes to financial statements
See accompanying 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, 2020**

RESERVE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance</u>
REVENUES				
Interest	\$ -	\$ 2,500	\$ 1,978	\$ (522)
TOTAL REVENUES	<u>-</u>	<u>2,500</u>	<u>1,978</u>	<u>(522)</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,500</u>	<u>1,978</u>	<u>(522)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	125,000	126,200	126,200	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>125,000</u>	<u>126,200</u>	<u>126,200</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>125,000</u>	<u>128,700</u>	<u>128,178</u>	<u>(522)</u>
FUND BALANCE, July 1, 2019	24,390	24,390	33,092	8,702
FUND BALANCE, June 30, 2020	<u>\$ 149,390</u>	<u>\$ 153,090</u>	<u>\$ 161,270</u>	<u>\$ 8,180</u>

See accompanying to financial statements
See accompanying notes to budget presentations



PORT
of
BROOKINGS
HARBOR

Notes to Basic Financial Statements

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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, 2020

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, 2020

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 the Port's long-term debt other than the revenue obligation bond. 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.

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.

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.

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.

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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 2019-20 budget during 2019-20. There were no over-expenditures of appropriations in the funds – General Fund, Debt Service Fund, the Revenue Bond Fund, the Capital Projects Fund or the Reserve Fund. 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.

Deposits with financial institutions are in three bank demand deposit checking accounts and three accounts with the Local Government Investment Pool. At June 30, 2020, the bank balances were \$33,787 in the checking accounts, \$7,530 in money market accounts and \$519,627 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

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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, 2020.

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, three notes payable to private parties 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, 2020, the Port's cash accounts consisted of the following:

		<u>Carrying Amounts</u>
Counter and Petty cash		\$ 1,955
Deposits:		
Bank checking accounts	\$ 25,663	
Bank money market accounts	7,530	
Local Government Investment Pool accounts	<u>519,627</u>	<u>552,820</u>
Total cash		<u><u>\$ 554,775</u></u>

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

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

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, 2020. 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”) is 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 2.75% to 1.30% and averaged 2.2% 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, 2020 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 220,427	\$ 702,393
Debt Service Fund	383,464	-
Revenue Bond Fund	130,120	-
Capital Projects Fund	62,609	220,427
Reserve Fund	126,200	-
Total All Funds	<u>\$ 922,820</u>	<u>\$ 922,820</u>

NOTE 4 – OTHER INFORMATION

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

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

Subsequent events - No events have occurred subsequent to the end of the fiscal year through November 13, 2020, 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, 2020 of the Port of Brookings Harbor. However, on July 31, 2020 the state of Oregon refunded \$ 72,500 of debt service payments made by the Port during 2019-20

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 4 – OTHER INFORMATION (Continued)

on the IFA debt described in Note 6 in an effort to mitigate the effects of the Covid-19 Pandemic on Port operations.

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 2019-20 year several new GASB pronouncements became effective. 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 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:

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 4 – OTHER INFORMATION (Continued)

Fiscal Year Ending	Amount
2021	\$ 485,069
2022	300,424
2023	233,569
2024	179,771
2025	179,771
2026-30	831,647
2031-35	562,362
2036-40	409,076
2041-45	383,797
2046-50	171,475
Total	\$ 3,736,961

These commercial leases are a significant source of revenue to the Port. There are currently 34 leases in effect relating to retail stores, warehouse shop/storage, land rental and commercial receiving docks. 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 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.

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6 – LONG TERM DEBT

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

Revenue Bond

<u>Installment Revenue Bond No. 1, Series 2000</u>	<u>Remaining Balance</u>
Annual payments of \$130,120, consisting of principal and 5% interest, due on November 6 of each year.	
Proceeds used for the construction and improvements to the boat basin. Source of repayment is from the unobligated net revenues of the Port and made from the Revenue Bond Fund.	
	<u>\$ 1,080,588</u>

Debt service requirements to maturity are:

<u>Fiscal Year End June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 76,112	\$ 54,008	\$ 130,120
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
2026-30	536,760	113,840	650,600
2030-31	123,263	6,163	129,426
Totals	<u>\$ 1,080,588</u>	<u>\$ 350,038</u>	<u>\$ 1,430,626</u>

Oregon Business Development Department Infrastructure Financing Authority (IFA)

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

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6 – LONG TERM DEBT (Continued)

IFA Restructured Debt

IFA Restructured Debt Requirements	Remaining Balance
Quarterly payments of \$ 62,042 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.	\$ 1,695,005

Beginning in 2019-20, the Port has decided to increase the required quarterly payments of \$62,042 to \$72,500 in order to accelerate the payoff of the current balance of suspended payments. However, during the year IFA refunded the June 2020 payment of \$72,500 to assist with COVID 19 Pandemic mitigation efforts.

Debt service requirements to maturity are:

Fiscal Year End June 30,	Principal	Interest	Total
2021	\$ 290,000	\$ -	\$ 290,000
2022	290,000	-	290,000
2023	290,000	-	290,000
2024	290,000	-	290,000
2025	290,000	-	290,000
2025-27	245,005	3,142,262	3,387,267
Totals	\$ 1,695,005	\$ 3,142,262	\$ 4,837,267

The deferred interest arrangement continued.

Deferred Interest	Balance
Deferred, June 30, 2019	\$ 3,045,171
Current year deferral	\$ 97,150
Current year payments	97,091
Deferred, June 30, 2020	\$ 3,142,262

**PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020**

NOTE 6 – LONG TERM DEBT (Continued)

Notes Payable

The Port is obligated under the terms of three notes payable relating to the purchase of a building and equipment are described as follows:

	Remaining Balance
Tidewinds: In March of 2016, the Port purchased a building on Port property for \$18,000. Under the terms of the purchase agreement, principal only payments were required and as computed by a formula, resulting in a payoff in 2037. However, during 2019-20 The Port elected to payoff the note in its entirety	\$ -
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.	169,765
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.	71,248
Total Notes Payable	\$ 241,013

Fiscal Year End June 30	Principal	Interest	Total
2021	\$ 61,369	\$ 12,115	\$ 73,484
2022	64,915	8,569	73,484
2023	68,667	4,817	73,484
2024	34,806	1,530	36,336
2025	11,256	263	11,519
Totals	\$ 241,013	\$ 27,294	\$ 268,307

PORT OF BROOKINGS HARBOR
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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, 2020:

<u>Transactions</u>	<u>Revenue Bond</u>	<u>IFA Notes</u>	<u>Notes Payable</u>	<u>Total</u>
Payable, June 30, 2019	\$ 1,153,056	\$ 1,917,127	\$ 314,086	\$ 3,384,269
New long term debt	-	-	-	-
Principal payments	(72,468)	(222,122)	(73,073)	(367,663)
Payable, June 30, 2020	<u>\$ 1,080,588</u>	<u>\$ 1,695,005</u>	<u>\$ 241,013</u>	<u>\$ 3,016,606</u>
Interest payments	<u>\$ 57,653</u>	<u>\$ 59</u>	<u>\$ 15,604</u>	<u>\$ 73,316</u>
Future Principal Payments:				
Due within one year	\$ 76,112	\$ 290,000	\$ 61,369	\$ 427,481
Due after one year	1,004,476	1,405,005	179,644	2,589,125
Payable, June 30, 2020	<u>\$ 1,080,588</u>	<u>\$ 1,695,005</u>	<u>\$ 241,013</u>	<u>\$ 3,016,606</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, 2020 is approximately \$21,080.



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Notes to Budget Presentations

PORT OF BROOKINGS HARBOR
NOTES TO BUDGET PRESENTATIONS
June 30, 2020

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, 2020

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 is by personnel services, materials and services, capital outlay, operating transfers, and contingency. The level of control for the Debt Service Fund and the Revenue Bond Fund is by total debt service. 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.

2019-20 Budget - The Board of Commissioners adopted and appropriated the 2019-20 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, the Revenue Bond Fund, the Capital Projects Fund or the Reserve Fund. This outcome is attributed to effective management control and Port Commission oversight.

2020-21 Budget -The Board of Commissioners adopted and appropriated 2020-21 budget as outlined in Oregon Local Budget Law.



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Supplemental Schedules



**PORT OF BROOKINGS HARBOR
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 MODIFIED CASH BASIS
 For the year ended June 30, 2020**

	<u>General Fund</u>
Uncollected, July 1, 2019	\$ <u>27,676</u>
2019-20 property tax levy	<u>252,950</u>
Total property taxes to collect	<u>280,626</u>
Less:	
Property taxes collected:	
Current	235,948
Prior	<u>9,752</u>
Total property taxes collected	<u>245,700</u>
Discounts, adjustments and other	<u>2,686</u>
Uncollected, June 30, 2020	<u>\$ <u>37,612</u></u>
Uncollected property taxes consist of:	
2019-20 Property tax levy	\$ 18,208
2018-19 Property tax levy	12,929
Prior year levies	<u>6,475</u>
Uncollected , June 30 2020	<u>\$ <u>37,612</u></u>

**PORT OF BROOKINGS HARBOR
SCHEDULE OF LONG TERM DEBT
PRINCIPAL AND INTEREST TRANSACTIONS
For the year ended June 30, 2020**

LONG TERM DEBT	Date of Issue	Average Interest Rates
Debt Service Fund		
Notes Payable		
IFA Combined Notes	January-10	5.0 Deferred
Other Notes:		
Tidewinds	March-16	0.0
Travel Lift	October-16	5.5
Umpqua	February-18	6.0
Total Other Notes		
Total Debt Service Fund		
Revenue Bond Fund		
No. 1 Series 2000	November-00	5.0
Debt Service Fund		
Notes Payable		
IFA Combined Notes	January-10	5.0 Deferred
Other Notes:		
Tidewinds	March-16	0.0
Travel Lift	October-16	5.5
Umpqua	February-18	6.0
Total Other Notes		
Total Debt Service Fund		
Revenue Bond Fund		
No. 1 Series 2000	November-00	5.0

<u>Maturity Dates</u>	<u>Original Amount of Debt</u>	<u>Outstanding July 1, 2019</u>	<u>PRINCIPAL</u>		<u>Outstanding June 30, 2020</u>
			<u>Issued</u>	<u>Redeemed</u>	
March-30	\$ 4,080,618	\$ 1,917,127	\$ -	\$ 222,122	\$ 1,695,005
March-37	18,000	15,192	-	15,192	-
November-23	324,200	214,844	-	45,079	169,765
February-25	100,000	84,050	-	12,802	71,248
	<u>442,200</u>	<u>314,086</u>	<u>-</u>	<u>73,073</u>	<u>241,013</u>
	<u>\$ 4,522,818</u>	<u>\$ 2,231,213</u>	<u>\$ -</u>	<u>\$ 295,195</u>	<u>\$ 1,936,018</u>
November-30	<u>\$ 2,000,000</u>	<u>\$ 1,153,056</u>	<u>\$ -</u>	<u>\$ 72,468</u>	<u>\$ 1,080,588</u>
			<u>INTEREST</u>		
	<u>Outstanding July 1, 2019</u>	<u>Matured</u>	<u>Paid</u>	<u>Outstanding June 30, 2020</u>	
March-30	\$ 3,045,171	\$ 97,150	\$ 59	\$ 3,142,262	
March-37	-	-	-	-	
November-23	-	10,829	10,829	-	
February-25	-	4,775	4,775	-	
	<u>-</u>	<u>15,604</u>	<u>15,604</u>	<u>-</u>	
	<u>\$ 3,045,171</u>	<u>\$ 112,754</u>	<u>\$ 15,663</u>	<u>\$ 3,142,262</u>	
November-30	<u>\$ -</u>	<u>\$ 57,653</u>	<u>\$ 57,653</u>	<u>\$ -</u>	

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
REVENUE BOND PRINCIPAL AND INTEREST MATURITIES
June 30, 2020**

Series 2000 Issue			
Fiscal Year Paid	Principal	Interest	Total
2020-21	\$ 76,112	\$ 54,008	\$ 130,120
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	123,263	6,163	129,426
	\$ 1,080,588	\$ 350,038	\$ 1,430,626

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
COMBINED IFA NOTES PAYABLE
June 30, 2020**

	IFA NOTES PAYABLE						
	Restructured Payments		Deferred Interest		Total Principal	Total Interest	Total
	Principal	Interest	Current	Accumulated			
2020-21	\$ 290,000	\$ -	\$ -	\$ -	\$ 290,000	\$ -	\$ 290,000
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	245,005	-	-	-	245,005	-	245,005
2026-27	-	-	-	3,142,262	-	3,142,262	3,142,262
	\$ 1,695,005	\$ -	-	\$ 3,142,262	\$ 1,695,005	\$ 3,142,262	\$ 4,837,267

**PORT OF BROOKINGS HARBOR
SCHEDULE OF FUTURE CASH REQUIREMENTS FOR
NOTES PAYABLE PRINCIPAL AND INTEREST MATURITIES
June 30, 2020**

	NOTES PAYABLE						
	Travel Lift		Fork Lift		Total Principal	Total Interest	Total
	Principal	Interest	Principal	Interest			
2020-21	\$ 47,752	\$ 8,156	\$ 13,617	\$ 3,959	\$ 61,369	\$ 12,115	\$ 73,484
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	18,273	486	16,533	1,044	34,806	1,530	36,336
2024-25	-	-	11,256	263	11,256	263	11,519
	<u>\$ 169,765</u>	<u>\$ 16,718</u>	<u>\$ 71,248</u>	<u>\$ 10,576</u>	<u>\$ 241,013</u>	<u>\$ 27,294</u>	<u>\$ 268,307</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>
Assets:			
Cash and Investments	\$ 304,919	\$ 445,351	\$ 554,775
Employee Advances	-	-	400
Other Assets	-	-	72,500
Total Assets	<u>304,919</u>	<u>445,351</u>	<u>627,675</u>
Liabilities:			
Lodging Tax Payable	-	-	17,925
Deferred Revenue	-	-	5,938
Total Liabilities	<u>-</u>	<u>-</u>	<u>23,863</u>
Net Position:			
Restricted for:			
Debt Service	<u>122,894</u>	<u>120,904</u>	<u>196,352</u>
Committed for:			
Port Operations	167,030	280,776	246,190
Capital Projects	14,995	43,671	161,270
Total	<u>182,025</u>	<u>324,447</u>	<u>407,460</u>
Total Net Position	<u>\$ 304,919</u>	<u>\$ 445,351</u>	<u>603,812</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 2020</u>
EXPENSES			
Governmental Activities :			
Port Operations	\$ 1,883,211	\$ 1,992,377	\$ 2,534,133
Capital Outlay	600,327	845,953	81,137
Debt Service	444,864	552,259	440,978
Total Governmental Activities	<u>2,928,402</u>	<u>3,390,589</u>	<u>3,056,248</u>
Program Revenues:			
Port Services	2,310,267	2,537,811	2,723,356
Salvage Sales	79,427	51,908	5,742
Grants	275,398	670,632	201,152
Total Program Revenues	<u>2,665,092</u>	<u>3,260,351</u>	<u>2,930,250</u>
Net (Expenses) Revenues	<u>(263,310)</u>	<u>(130,238)</u>	<u>(125,998)</u>
General Revenues:			
Property Taxes	237,622	235,810	245,700
Interest	3,079	9,643	7,724
Miscellaneous	-	25,217	31,035
Total General Revenues	<u>240,701</u>	<u>270,670</u>	<u>284,459</u>
Operating Transfers In	621,981	2,136,067	922,820
Operating Transfers Out	(621,981)	(2,136,067)	(922,820)
Loan Proceeds	<u>100,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	77,391	140,432	158,461
Net Position - Beginning	230,100	304,919	445,351
Accounting Basis Change	(2,572)	-	-
Net Position - Ending	<u>\$ 304,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</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>
REVENUES			
Property Taxes	\$ 237,622	\$ 235,810	\$ 245,700
Charges for Port Services	2,310,267	2,537,811	2,723,356
Salvage Sales	79,427	51,908	5,742
Grants	275,398	670,632	201,152
Interest	3,079	9,643	7,724
Miscellaneous	-	25,217	31,035
TOTAL REVENUES	<u>2,905,793</u>	<u>3,531,021</u>	<u>3,214,709</u>
EXPENDITURES			
Current			
Port Operations	1,883,211	1,992,377	2,534,133
Capital Outlay	600,327	845,953	81,137
Debt Service	444,864	552,259	440,978
TOTAL EXPENDITURES:	<u>2,928,402</u>	<u>3,390,589</u>	<u>3,056,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(22,609)</u>	<u>140,432</u>	<u>158,461</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	621,981	2,136,067	922,820
Operating Transfers Out	(621,981)	(2,136,067)	(922,820)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</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>
FUND BALANCE, July 1	230,100	304,919	445,351
Accounting Basis Change	(2,572)	-	-
FUND BALANCE, June 30	<u>\$ 204,919</u>	<u>\$ 445,351</u>	<u>\$ 603,812</u>

Independent Auditor's Report Required By State Regulations

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

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Oregon Society of CPA's

INDEPENDENT AUDITOR'S REPORT REQUIRED BY STATE REGULATIONS

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

I have audited the modified cash basis of accounting basic financial statements of the Port of Brookings Harbor, Oregon, as of and for the year ended June 30, 2020, and have issued my report thereon dated November 13, 2020. 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 is free of material misstatement.

Compliance

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

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

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

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

In connection with my testing nothing came to my attention that caused me to believe the Port of Brookings Harbor was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-010-0230 Internal Control

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

Purpose of this Report

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

Constance J. Huntsman, CPA

Constance J. Huntsman, CPA

November 13, 2020



PORT
of
BROOKINGS
HARBOR