



PUBLIC MEETING: Port Commission Meeting

DATE: Tuesday, **July 21, 2026, 6:00 PM**

LOCATION: Cascade Locks City Hall, 140 Wa Na Pa St, Cascade Locks, OR 97014

Link to join the meeting virtually: <https://us02web.zoom.us/j/85806615790>

AGENDA

- 1) Commission meeting called to order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Modifications, Additions, and Changes to the Agenda
- 2) Elections of Officers ([Page 3](#))
- 3) Committee Assignments ([Page 5](#))
- 4) Consent Agenda*
 - a. Approval of minutes for the June 30, 2026 Regular Session ([Page 7](#))
 - b. Ratification of bills from June 23, 2026 – July 15, 2026 in the amount of \$84,000.90 ([Page 11](#))
 - c. Approval of payroll for July 3 in the amount of \$38,082.48 and for July 17 in the amount of \$45,183.24
- 5) Public Comment (Speakers may be limited to three (3) minutes)
- 6) Reports and Presentations
 - a. FY 2022-23 Audit Report, Matt Apken, Merina + Co. ([Page 17](#))
- 7) Commissioner Comments and Sub-Committee Reports
- 8) Executive Director Report
- 9) Business Action Items
 - a. Consider updates to Port Economic Development Grant Program for FY 2026-27 ([Page 99](#))
- 10) Adjourn

IMPORTANT DATES

August 18 – Commission Meeting

September 18 – Bridge of the Gods Centennial Celebration

** Consent Agenda may be approved in its entirety in a single motion. Items are considered routine. Any Commissioner may make a motion to remove any items from the Consent Agenda for individual discussion.*

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PORT COMMISSION REPORT

TO: PORT COMMISSION

FROM: JEREMIAH BLUE, EXECUTIVE DIRECTOR

SUBJECT: ELECTION OF PORT COMMISSION OFFICERS

DATE: JULY 21, 2026

Introduction:

In accordance with the Port Commission Duties & Responsibilities Policy Manual, the Port of Cascade Locks Commission elects its officers annually. The election ensures the continuity of leadership and adherence to established governance procedures.

President

The Commission President presides over meetings, working with the Port Executive Director on agenda preparation, and ensures order while enforcing Port policies. They can call special meetings per Oregon law, sign official Port documents, and act as the main contact for the Port's general counsel when authorized by the Commission majority. Importantly, the President retains full voting and debating rights, just like any other Commissioner.

Vice-President

In the President's absence, the Commission Vice-President steps in as President Pro Tempore. In this role, they fully assume all powers and duties of the President. This includes adhering to responsibilities outlined in the Commission Policy Manual and all other Port policies.

Secretary

The Commission Secretary is responsible for ensuring accurate meeting minutes are kept, transcribed, and distributed to Commissioners promptly, as required by Oregon law. They must also permanently maintain authenticated official minutes in chronological order within the Port's records. While minute-taking duties can be delegated to staff by Commission vote, the Secretary retains supervision and ultimate responsibility; additionally, the Secretary can act as President Pro Tempore if both the President and Vice-President are absent.

Treasurer

The Commission Treasurer is responsible for ensuring the Port maintains accurate accounting and financial records, along with adhering to Oregon's Local Budget Law. They provide the Commission with regular financial updates as requested. While accounting duties can be delegated to staff by Commission vote, the Treasurer retains supervision and ultimate responsibility.

The following individuals were duly elected by the Board of Commissioners to serve in the respective officer positions for the 2025–2026 fiscal year:

President – Brad Lorang
Vice President – Carrie Klute
Secretary – Albert Nance
Treasurer – Travis Gann

Recommendation:

Staff recommends the Commission make nominations and hold elections for Commission officers for FY2026-2027, ensuring the continued effective governance of the Port of Cascade Locks and demonstrates adherence to established policy.

Commission Options:

1. Appoint [_____] as President.
2. Appoint [_____] as Vice President.
3. Appoint [_____] as Secretary.
4. Appoint [_____] as Treasurer.
5. Other action.

PORT COMMISSION REPORT

TO: PORT COMMISSION

FROM: JEREMIAH BLUE, EXECUTIVE DIRECTOR

SUBJECT: COMMISSIONER COMMITTEE ASSIGNMENTS

DATE: JULY 21, 2026

Introduction:

The Port of Cascade Locks engages in a variety of vital committees that contribute significantly to its strategic planning and community engagement. To ensure these committees are effective, representative, and leverage the best available expertise, each Port Commissioner has the opportunity to serve as the Commission's representative on various internal and external committees and organizations.

The attached chart reflects the Commissioner assignments up for appointment for FY2026-27.

Recommendation:

Staff recommends the Commission make nominations and appoint representatives for Commission officers for FY 26–27.

Commissioner Options:

As attached.

Committee Membership
2025-26 Fiscal Year
as indicated in Governance Policy

Committee	Staff	Commissioners	Community Representative
Bridge of the Gods Advisory Committee	Blue		Leckie (2025); Waters (2025); Wootten (2025)
Bridge of the Gods Centennial Celebration Advisory Committee	Blue	Klute	Berge (2024); Crane (2024); Palermo (2024); Stipan (2024)
Hood River County Energy Council		Nance (2025)	Eight (8) municipal representatives
Mid-Columbia Economic Development District Board of Directors		Lorang (2024)	



PUBLIC MEETING: Port Commission Special Meeting

DATE: Tuesday, **May 19, 2026, 6:00 PM**

LOCATION: Cascade Locks City Hall 140 Wa Na Pa St, Cascade Locks, OR 97014

<https://us02web.zoom.us/j/85806615790>

MINUTES

- 1) Commission meeting called to order at 6:00 PM
 - a. Pledge of Allegiance
 - b. Roll Call
 - i. President Lorang (excused)
 - ii. Vice-President Klute
 - iii. Commissioner Nance
 - iv. Commissioner Gann
 - v. Commissioner Dodd
 - vi. Members of the Staff and Other Support – Executive Director Jeremiah Blue; Deputy Executive Director Genevieve Scholl; Administrative Specialist Keriane Stocker; Operations Manager Parker Nelson; Tommy Brooks – Legal Counsel, Cable Huston; Dan Mahr – Government Affairs Consultant, Mahr Strategies
 - c. Modifications, Additions, and Changes to the Agenda
- 2) Consent Agenda
 - a. Approval of minutes for the April 7, 2026 RV Park Open House and the May 19, 2026 Regular Session
 - b. Ratification of bills from May 12, 2026 – June 22, 2026 in the amount of \$744,685.26
 - c. Approval of payroll for for May 19 through June 18, 2026 in the amount of \$114,974.35

MOTION: To approve the consent agenda

MOVE: Travis Gann

SECOND: Albert Nance

VOTE: **Aye:** Carrie Klute, Albert Nance, Travis Gann, and Ted Dodd
Absent: Brad Lorang

VIDEO TIMESTAMP: **00:01:05**
- 3) Public Comment (Speakers may be limited to three (3) minutes)
- 4) Reports and Presentations
 - a. PNWA Mission to Washington DC Report – Dan Mahr
- 5) Commissioner Comments and Sub-Committee Reports
 - a. C Nance added to Mahr’s presentation on the trip to Washington DC, highlighting the importance of face-to-face meetings with representatives and senators and emphasizing the importance of continuing to build relationships with federal representatives.
 - b. C Dodd reported on the designation of Cascade Locks as a Trail Town.
 - c. C Gann shared his experience at the PNWA Summer Conference in Newport. Gann proposed the idea of a port-and-school collaboration, possibly involving field trips for students to learn about the port and its operations.
 - d. VP Klute updated the Commission on the planning of the Bridge of the Gods Centennial Celebration, including the need for more vendors.
- 6) Executive Director Report

During ED Blue’s report, C Nance and C Dodd expressed concern regarding the impact the McCord Bridge construction on I-84 was having on the community and on local businesses.

ED Blue explained the challenges of implementing electronic tolling and the current limitations of the tolling system. C Nance and C Dodd suggested improved signage and messaging to help drivers prepare for the tollbooth. The Commission discussed the importance of participating in the city's transportation system plan (TSP) to address long-term traffic issues.

ED Blue provided an update on the proposed campground and RV park. The Commission discussed the financial feasibility of the campground and the need for additional studies or reviews. C Nance and C Dodd supported moving forward with the campground project and the importance of securing funding and support from the community.

7) Business Action Items

a. Approve FY 2026-27 Master Rate and Fee Schedule

The Commission took a short recess from 7:10 PM and reconvened at 7:12 PM

MOTION 1: To approve the FY 2026-27 Master Rate and Fee Schedule, with the exception that the Bridge, Campground, Parking and Office fees remain unchanged, and increase solely to the Marina fees

MOVE: Ted Dodd

SECOND: Travis Gann

DISCUSSION: ED Blue presented the proposed Master Rate and Fee Schedule for the FY 2026-27 which originally included a 5% increase across all fees.

VOTE: **Failed (2-2)**

Aye: Albert Nance and Ted Dodd

Nay: Carrie Klute and Travis Gann

Absent: Brad Lorang

VIDEO TIMESTAMP: **01:07:23**

ACTION: Following the vote, Ted Dodd requested to withdraw the approved motion to allow for an amendment. By unanimous consent of the Commission, the previous vote was rescinded.

MOTION 2: To table the Bridge toll rate discussion until the next meeting when deeper analysis can be provided; to make no changes to the current Campground and Office fees; and to approve the proposed fee increases for the Marina and Parking

MOVE: Ted Dodd

SECOND: Albert Nance

DISCUSSION: C Nance inquired regarding the projected fiscal impact of a 5% rate increase. The Commission also debated whether to increase bridge tolls on Class 4 vehicles and higher. ED Blue stated that a deeper analysis, especially on the impact of trucking on the bridge, would be needed to provide more precise projections. ED Blue noted that while a 5% increase in Campground fees has a nominal revenue impact (approximately \$7,000), it provides a necessary buffer against rising fuel, labor, and municipal utility costs. Commissioners debated whether the campground's current amenities justified higher rates compared to regional competitors.

VOTE: **Aye:** Carrie Klute, Travis Gann, and Ted Dodd
Nay: Albert Nance
Absent: Brad Lorang

VIDEO TIMESTAMP: **01:29:53**

- b. Approve Project Scope, Budget Changes for FY26 Economic Development Grant Recipients

- i. Native Cider dba Son of Man Cider

MOTION: To approve the Son of Man Grant Agreement Amendment to reallocate marketing funds to fermentation tank installation expenses

MOVE: Carrie Klute

SECOND: Travis Gann

DISCUSSION: DED Scholl informed the Commission that due to cost overruns on a fermentation tank installation, the recipient requested the applicant requested to reallocate funds originally designated for a Cascade Locks-branded marketing campaign with the Portland Pickles to cover the construction gap, thereby removing the marketing campaign from their deliverables.

VOTE: **Failed (2-2)**
Aye: Carrie Klute and Travis Gann
Nay: Albert Nance and Ted Dodd
Absent: Brad Lorang

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- ii. Columbia Inn

MOTION: To approve the Columbia Inn Grant Agreement Amendment to remove the Porch Cover element and reallocate funds to lighting, signage, and curb appeal projects

MOVE: Carrie Klute

SECOND: Ted Dodd

DISCUSSION: DED Scholl reported that due to contractor procurement challenges, the Columbia Gorge Inn proposed a revised scope of work that removes the porch awning deliverable and replaces it with alternative signage and aesthetic upgrades alongside the planned LED lighting. DED also noted that due to ongoing design, permitting, and contractor hiring, the project is unlikely to meet the December 31 deadline and will likely require an extension to June 30 of next year. The Commission deliberated that while the loss of the awning was noted as a drawback, the quality of the new design would provide an overall aesthetic benefit to the downtown corridor and that the revised scope still strongly aligned with the Port's economic development goals.

VOTE: **Aye:** Carrie Klute, Albert Nance, Travis Gann, and Ted Dodd
Absent: Brad Lorang

VIDEO TIMESTAMP: **01:51:29**

- 8) Executive Session under ORS192.660(2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions, ORS192.660(2)(f) To consider information or records that are exempt by law from public inspection, and ORS192.660(2)(h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.
 - a. Recess from Regular Session into Executive Session at 7:56 PM
 - b. Recess out of Executive Session into Regular Session at 8:57 PM
- 9) Possible action resulting from Executive Session
- 10) Adjourn 8:58 PM

Port of Cascade Locks

Port Commission President
Brad Lorang

Port Commission Secretary
Albert Nance

Date Approved
Prepared by Keriane Stocker

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
Genevieve L Scholl			
06/18/2026	Bill	OEDA Training mileage/food reimbursement	181.95
06/24/2026	Bill Payment (Check)		-181.95
06/30/2026	Bill	Cell phone reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
Jeremiah Blue			
06/15/2026	Bill	Expense Report for May/June 2026	567.25
06/24/2026	Bill Payment (Check)		-567.25
Staples Business Advantage			
06/20/2026	Bill	HP Printer Ink B/W and Color	134.91
07/10/2026	Bill Payment (Check)		-134.91
International Tactical Security P.C			
06/24/2026	Bill Payment (Check)		-3,500.00
03/10/2026	Bill	Security Services for BOG Centennial	3,500.00
KolorKraze			
06/22/2026	Bill	BOG Centennial Vendor Invite Postcards	78.00
06/24/2026	Bill Payment (Check)		-78.00
Travis Gann			
06/22/2026	Bill	Mileage and Meals for PNWA Summer conference	531.60
06/24/2026	Bill Payment (Check)		-531.60
PERS			
06/29/2026	Bill	PERS	15,916.80
06/29/2026	Bill Payment (Check)		- 15,916.80
Century Link			
07/01/2026	Bill Payment (Check)		-102.68
06/16/2026	Bill	CenturyLink Service to 541-374-8471	102.68

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
Alfonso Barron			
06/30/2026	Bill	Cell phone reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
Jeanetta Blue			
06/30/2026	Bill	Cell phone reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
John Blackwell			
06/30/2026	Bill	Cell Phone Reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
Keriane Stocker			
06/30/2026	Bill	Cell phone reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
MBO Cleaning			
07/01/2026	Bill Payment (Check)		-323.36
06/30/2026	Bill	Office Cleaning Janitorial Service	323.36
Parker Nelson			
07/01/2026	Bill Payment (Check)		-100.00
06/30/2026	Bill	Cell Phone Reimbursement	100.00
Steven Hammrich			
06/30/2026	Bill	Cell phone reimbursement	100.00
07/01/2026	Bill Payment (Check)		-100.00
City of Cascade Locks			
07/01/2026	Bill	Pony Museum	160.65
07/01/2026	Bill	Irrigation Pump	633.86
07/07/2026	Bill Payment (Check)		-9,801.57
07/01/2026	Bill	Park Restrooms	964.60
07/01/2026	Bill	House 3	968.47
07/01/2026	Bill	421 NW Portage Rd	159.22
07/01/2026	Bill	House 2 Admin Offices	1,777.99
07/01/2026	Bill	Cascade Locks Historical Museum	499.53

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
07/01/2026	Bill	50 NE Herman Creek Lane	138.17
07/01/2026	Bill	180 NE Herman Creek Ln (Water)	482.82
07/01/2026	Bill	Maintenance Warehouse	389.65
07/15/2026	Bill	180 NE Herman Creek Ln Ste 101	248.06
07/15/2026	Bill	100 SW Harvey Rd.	1,447.32
07/15/2026	Bill	Next to RV Park Ramp Rtm	1,608.51
07/22/2026	Bill	299 NW Portage Rd - Office	143.92
07/22/2026	Bill	180 NE Herman Creek Ln Ste 104B	178.80
07/07/2026	Bill Payment (Check)		-5,025.87
07/01/2026	Bill	Columbia Gorge Way Lot #2 Irrigation	656.85
07/01/2026	Bill	160 NE Herman Creek Ln (House Panel)	211.11
07/15/2026	Bill	Boat Ramp Restrooms	604.49
07/15/2026	Bill	Pavilion	2,189.81
07/15/2026	Bill	Bridge of the Gods	790.78
07/15/2026	Bill	Port Park Elec	134.10
06/30/2026	Bill	VC Parking Lot Control	319.76
07/01/2026	Bill	180 NE Herman Creek Ln (House Panel)	118.97
Neal Creek Portable Sanitation			
07/01/2026	Bill	Site: Marine Park Beach, SW Portage Rd Cascade Locks, OR 97014	355.20
07/08/2026	Bill Payment (Check)		-559.20
07/01/2026	Bill	Site: Easy Climb Trail, NE Cramblett Way Cascade Locks, OR 97014	204.00
06/23/2026	Bill	4th of July portable toilets	1,800.00
07/14/2026	Bill Payment (Check)		-1,800.00
AKS Engineering & Forestry, LLC			
06/25/2026	Bill	Engineering Services (General)	87.50
07/02/2026	Bill Payment (Check)		-87.50
Elyzabeth Lauryl Nagode			
07/02/2026	Bill Payment (Check)		-743.11

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
07/01/2026	Bill	Campground Mgmt Svcs June 2026	743.11
Signaling System Solutions			
06/30/2026	Bill	Fire Alarm services and battery replacement	541.50
07/02/2026	Bill Payment (Check)		-541.50
07/01/2026	Bill	Annual monitoring services Flex 2 and Flex 4	1,356.00
07/03/2026	Bill Payment (Check)		-1,356.00
Gusto			
07/02/2026	Bill Payment (Check)		-480.00
06/02/2026	Bill	Monthly Payroll Service - June	480.00
Driftwood Drive			
07/02/2026	Bill Payment (Check)		-1,000.00
07/04/2026	Bill	Performance Agreement 4th of July live music	1,000.00
Cable Huston LLP			
07/03/2026	Bill Payment (Check)		-1,789.00
07/01/2026	Bill	Legal services	1,789.00
07/09/2026	Bill	Legal services	324.00
07/14/2026	Bill Payment (Check)		-2,340.00
07/09/2026	Bill	Legal services	2,016.00
Columbia Ace Hardware			
06/30/2026	Bill	Supplies and Small Tools - June	1,220.71
07/03/2026	Bill Payment (Check)		-1,220.71
SAIF Corporation			
07/01/2026	Bill	Workers Compensation Insurance	13,031.02
07/02/2026	Bill Payment (Credit Card)		-
			13,031.02
TWGW Inc. NAPA Auto Parts			
06/25/2026	Bill	Operations Vehicle Maintenance Supplies	26.46
07/02/2026	Bill Payment (Credit Card)		-26.46

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
Print It			
07/08/2026	Bill Payment (Check)		-1,552.00
06/30/2026	Bill	Suicide Hotline, 4th of July sponsor thank you signs	1,552.00
Richard Hallman			
07/06/2026	Bill	4th of July media services	1,000.00
07/08/2026	Bill Payment (Check)		-1,000.00
Western Display Fireworks			
07/08/2026	Bill Payment (Check)		-8,000.00
07/03/2026	Bill	Fireworks	8,000.00
Delta Dental of Oregon			
07/10/2026	Bill Payment (Check)		-453.28
07/07/2026	Bill	Dental Insurance Premium for July 2026	453.28
Coast to Coast Event Services			
07/11/2026	Bill	4th of July Security Services	1,108.00
07/14/2026	Bill Payment (Check)		-1,108.00
Mahr Strategies			
07/14/2026	Bill Payment (Check)		-6,000.00
07/13/2026	Bill	June 2026 Government Affairs	6,000.00
Ricoh USA, Inc.			
07/14/2026	Bill Payment (Check)		-285.97
07/01/2026	Bill	Admin - Copier	285.97
Rotary Club of Hood River			
07/01/2026	Bill	Rotary Club of Hood River Quarterly Dues	470.00
07/14/2026	Bill Payment (Check)		-470.00
Hood River Garbage Service Inc			
07/01/2026	Bill	June 2026 Garbage Service	963.11

PORT OF CASCADE LOCKS

Bills and Payments
June 23-July 15, 2026

Date	Transaction type	Memo/Description	Amount
07/13/2026	Bill Payment (Credit Card)		-963.11
Oregon Department of Revenue			
06/30/2026	Bill	Transient Room Tax Marine Park Campground Period ending June 30, 2026	2,330.05
07/14/2026	Bill Payment (Check)		-2,330.05

TOTAL \$84,000.90

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY
FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223



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January 15, 2026

To the Board of Directors
Port of Cascade Locks
Hood River County, Oregon

We have audited the basic financial statements of the business activities of the Port of Cascade Locks (the Port) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the Port and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Port or to acts by management or employees acting on behalf of the Port. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2022-2023, except for the implementation of GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (SBITAs). We noted no transactions entered during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the financial statements are the actuarial estimate of the Port’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits, Management’s estimate of Accounts Receivable, Capital Asset Depreciation, and Value of Investments, which are based on actuarial assumptions, estimated collectability of receivables, useful lives of assets and fair market values. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit, except for delays in completing the fiscal 2021-2022 audit, which held up the 2022-2023 audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

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

Pauly, Rogers and Co., P.C.

Management Representations

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

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants except for discussions with Merina and Co. CPAs who act as outside consultants.

Other Audit Findings or Issues

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

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the listing of Board members and terms, located before the table of contents, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Other Matters – Best Practices

1. Fidelity Insurance Coverage

In reviewing fidelity (employee honesty) insurance coverage, we noticed that the Port often carries cash and investment balances in excess of the insurance coverage amount. We recommend that the Board examine this exposure risk and make a determination as to the amount of insurance coverage they feel is prudent in regard to their oversight.

2. QuickBooks Accounting Software

QuickBooks accounting software is used. QuickBooks may allow users to delete transactions without any audit trail remaining. We recommend evaluating the risk of using this program and consider reviewing the audit tracker on a periodic basis for unusual transactions to ensure it has not been shut off. This review should be documented.

3. Segregation of Duties

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties. We noted that the General Manager and Accounting Specialist have full access to QuickBooks, where they can create vendors and input bills, access the check stock, print checks, and make changes. Although it is noted that some compensating controls are in place, we recommend that the Board continually monitor the financial activities and consider obtaining additional fidelity insurance (employee honesty) coverage to further mitigate this risk.

4. Payroll Agreements

During our testing of payroll expenditures, we noted that the Port does not have signed employment agreements with the majority of its employees. We recommend that all Port employees have a signed agreement to document salary arrangements for clarity for both employees and management.

5. Expenditure Testing

During our testing of expenditures, we noted that some of the expenses tested did not have sufficient appropriate evidence of approval. We recommend that management ensure all expenditures are properly reviewed and approved to maintain adequate internal controls over disbursements.

6. Federal Form 941s

During our testing of payroll, we noted that the total number of employees reported on the federal Form 941s did not agree with the quarterly payroll reports. We recommend that management review payroll records and filings to ensure consistency and accuracy between payroll reports and tax filings.

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



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022



**12700 SW 72nd Ave.
Tigard, OR 97223**

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**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**2022-2023
FINANCIAL REPORT**

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PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

2022-2023
Board of Commissioners

	<u>TERM EXPIRES</u>
Jess Groves, President	6/30/2025
Brad Lorang, Vice President	6/30/2027
Joeinne Caldwell, Secretary	6/30/2025
John Stipan, Commissioner	6/30/2023
Dean Bump, Commissioner	6/30/2023
Carrie Klute, Commissioner	6/30/2027
Albert Nance, Commissioner	6/30/2027

All Commissioners receive correspondence at the address below

ADMINISTRATION

General Manager and Registered Agent:

Jeremiah Blue
PO Box 307
Cascade Locks, Oregon 97014

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**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632
www.paulyrogersandcocpas.com

January 15, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Port of Cascade Locks
Hood River County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the Port of Cascade Locks (the Port), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Port, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof, and the respective budgetary comparison for the revenue fund for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for twelve months beyond the basic financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of the Port's internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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 our opinion, the supplementary 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.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 15, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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PORT OF CASCADE LOCKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2023

This discussion and analysis of the Port of Cascade Locks (Port) financial performance provides an overview of the financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Port's financial statements, which follow this section.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Port's basic financial statements. This audit report consists of three parts – the basic financial statements (including notes), required supplementary information (RSI), and other supplementary information. This report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB), and also by the Oregon Secretary of State (OSS). The basic financial statements are prepared on the accrual basis, similar to a business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of the statement of net position that include the Port's assets, liabilities, and net position at year-end; statement of activities, which include all revenues, expenses, and grants received for construction for the year; and statement of cash flows, which presents the sources and uses of cash for the year. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the basic financial statements is a section of other supplementary information which further explains and supports the information in the basic financial statements.

Statement of Net Position

The Statement of Net Position presents the current and long-term portions of assets and liabilities separately and may provide a useful indicator of whether the financial position of the Port is improving or deteriorating over time. This statement includes all the Port's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Port's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Port and assessing the liquidity and financial flexibility of the Port.

Statement of Activities

The Statement of Activities presents information showing profitability and credit worthiness as well as how the Port's net position changed during the most recent fiscal year. This statement shows income and expenses from operations, non-operating revenues and expenses, and reconciles the change from one fiscal year to the next. This statement measures the success of the Port's operations over the past year and can be used to determine whether the Port has successfully recovered all its costs through its bridge fees, property leases and other charges.

Statement of Cash Flows

The Statement of Cash Flows is prepared using the direct method and is concerned solely with input and outlay of cash from operating activities, non-capital financing activities, capital and related financing activities and investing activities. This statement includes reconciliation to the Statement of Activities. The primary purpose of this statement is to provide information about the Port's cash receipts and cash payments during the reporting period. It answers such questions as

where the cash came from, what was the cash used for and what was the change in cash balance during the reporting period.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 4 to 37 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes management's discussion and analysis, and pension/OPEB schedules. This information can be found on pages 38 to 40 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Port's budgetary schedule, long-term debt, and property tax transactions. This information can be found on pages 41 and 42 of this report.

FINANCIAL HIGHLIGHTS

- In the basic financial statements, the assets of the Port exceeded its liabilities at June 30, 2023, of which \$3,222,714 represents the Port's net investment in capital assets, \$307,069 restricted and the remaining unrestricted surplus of \$3,729,718 to be used for future operational expenditures.
- The Port's total net position increased by \$1,600,806, this increase was a result of revenues increasing while expenses decreased. Non-operating revenues (expenses) consisted of property taxes of \$5,136, gain on sale of asset \$476, interest income of \$416,923, and interest expense of (\$567,740).
- During the current fiscal year, the Port's long-term debt decreased by \$265,801. The Port did not incur additional debt and made payments on four obligations.

Condensed Financial Information

Table 1

Statement of Net Position

	2023	2022
Assets		
Current and other assets	\$ 7,781,357	\$ 6,405,541
RHIA Asset - Healthcare	18,251	5,452
Lease Receivable, due in more than one year	4,688,943	5,106,169
Depreciable capital assets (net of depreciation)	16,692,713	15,633,126
Total Assets	29,181,264	27,150,288
Deferred Outflows of Resources	355,809	474,890
Total Assets and Pension Related Deferrals	29,537,073	27,625,178
Liabilities		
Current Liabilities	2,866,350	1,595,179
Noncurrent Liabilities	13,850,210	14,127,952
Total Liabilities	16,716,560	15,723,131
Deferred Inflows of resources	5,561,012	6,243,352
Net Position		
Net Investment in Capital Assets	3,222,714	1,897,326
Restricted	307,069	1,284,190
Unrestricted	3,729,718	2,477,179
Total Net Position	7,259,501	5,658,695
Total Liabilities, Deferred Inflows, and Net Position	\$ 29,537,073	\$ 27,625,178

Table 2

Statement of Activities

	2023	2022
Operating Revenue		
Bridge tolls	\$ 3,289,497	\$ 2,642,860
Marina and camping fees	127,805	166,102
Leases, rents and fees	845,249	1,290,489
Miscellaneous	68,529	14,597
Grants & Restricted Revenue	1,067,082	13,514
Donations	5,682	-
Total Operating Revenues	5,403,844	4,127,562
Operating Expenses		
Personal Service	1,296,953	1,221,332
Materials and services	1,530,601	1,741,621
Insurance	290,271	332,632
Depreciation	540,008	441,052
Total Operating Expenses	3,657,833	3,736,637
Total operating income/(loss)	1,746,011	390,925
Non-Operating Revenues (Expenses)		
Interest Income	416,923	297,385
Property Taxes	5,136	4,871
Gain/Loss on sale of assets	476	-
Interest Expense	(567,740)	(279,959)
Total Non-Operating Revenues (expenses)	(145,205)	22,297
Income (Loss) before Capital Contributions	1,600,806	413,222
Capital Contributions	-	274,960
Change in Net Position	1,600,806	688,182
Net position, beginning of year	5,658,695	4,960,535
Prior period Adjustment	-	9,978
Net position, end of year	\$ 7,259,501	\$ 5,658,695

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Port, total assets exceeded total liabilities by \$7,259,501, on June 30, 2023.

Cash and investments, which comprise 22.5 percent of total assets, are available to meet the Port's ongoing obligations to its citizens.

A significant portion of the Port's assets consists of its investment in capital assets (e.g. land, buildings, bridge, vessel, and related equipment). The Port uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Port's long-term debt consists of notes payable used for improvements to the Port's business park and also to finance flex building 1, 2, 4, 5, and 6. Current liabilities of the Port consist of accounts payable, deposits, accrued expenses and unearned revenue.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Total operating revenues increased from the prior year by \$1,276,282. Bridge tolls, grants, donations and miscellaneous revenue all increased. The marina and camping fees decreased, and the new lease accounting principles decreased lease revenue but increased the interest revenue.

Operating expenses decreased over the prior year by \$78,804. This included an increase in personnel expenses and depreciation but decrease in materials and services and insurance.

CAPITAL ASSETS

The Port's investment in capital assets includes land, land improvements, buildings, bridge, vessel, maintenance, office and other equipment and construction in progress. As of June 30, 2023, the Port had invested \$3,222,714, in capital assets, net of depreciation and related debt.

BRIDGE OF THE GODS UPDATE

The Port is working in collaboration with the Oregon Department of Transportation and the Washington State Department of Transportation, has adopted a 15-year maintenance and preservation plan for the Bridge of the Gods. The estimated cost over the 15-year plan is estimated at \$77,841,914 million and will be paid in future periods as work is performed.

LONG-TERM DEBT

At the end of the current fiscal year, the Port had total long-term debt for asset financing of \$13,469,999. No new debt was issued during the year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Port's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jeremiah Blue, General Manager, Port of Cascade Locks, P.O. Box 307, Cascade Locks, OR, 97014.

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PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**STATEMENTS OF NET POSITION
At June 30, 2023 and 2022**

	2023	2022
ASSETS:		
Current Assets:		
Cash and investments	\$ 6,285,546	\$ 4,286,002
Restricted Cash	288,818	1,278,738
Accounts receivable, net	653,901	19,095
Lease Receivable, due within one year	428,096	426,328
Notes Receivable, due within one year	-	293,668
Prepaid expenses	124,996	101,710
Total Current Assets	7,781,357	6,405,541
Noncurrent Assets:		
RHIA Asset - Healthcare	18,251	5,452
Lease Receivable, due in more than one year	4,688,943	5,106,169
Capital assets, net		
Land	378,493	378,493
Construction in progress	1,919,855	5,869,990
Land improvements	1,008,809	974,361
Buildings and improvements	12,612,503	7,535,731
Bridge	613,522	701,638
Vessel	-	12,998
Construction equipment	159,531	159,915
Total Capital Assets, net	16,692,713	15,633,126
Total Noncurrent Assets	21,399,907	20,744,747
Total Assets	29,181,264	27,150,288
Deferred Outflows of Resources:		
Pension Related Deferrals - PERS	349,736	465,053
RHIA Related Deferrals - Healthcare	1,130	4,138
OPEB Related Deferrals - Healthcare	4,943	5,699
Total Deferred Outflows	355,809	474,890
Total Assets and Pension Related Deferrals	\$ 29,537,073	\$ 27,625,178

See accompanying notes to the basic financial statements.

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

STATEMENTS OF NET POSITION
At June 30, 2023 and 2022

	2023	2022
LIABILITIES AND NET POSITION:		
Current Liabilities:		
Accounts payable	\$ 277,844	\$ 263,370
Retainage payable	-	41,321
ODOT Payable	494,747	494,747
Accrued payroll liabilities	67,847	51,851
Accrued interest payable	624,218	277,870
Deposits Payable	60,733	60,233
Unearned Grant Revenue	786,370	-
Unearned Revenue	91,860	79,784
Accrued Compensated Absences	52,012	60,202
Notes payable, due within one year	410,719	265,801
Total Current Liabilities	2,866,350	1,595,179
Long Term Liabilities:		
Proportionate share of Net Pension Liability - PERS	776,724	644,194
Total OPEB Liability - Healthcare	14,206	13,759
Note payable, due in more than one year	13,059,280	13,469,999
Total Long Term Liabilities	13,850,210	14,127,952
Total Liabilities	16,716,560	15,723,131
Deferred Inflows of Resources:		
Deferred Inflows - Lease	5,117,039	5,532,497
Pension Related Deferrals - PERS	432,818	706,458
RHIA Related Deferrals - Healthcare	7,901	1,543
OPEB Related Deferrals - Healthcare	3,254	2,854
Total Deferred Inflows	5,561,012	6,243,352
Net Position		
Net investment in capital assets	3,222,714	1,897,326
Restricted	307,069	1,284,190
Unrestricted	3,729,718	2,477,179
Total Net Position	7,259,501	5,658,695
Total Liabilities and Net Position	\$ 29,537,073	\$ 27,625,178

See accompanying notes to the basic financial statements.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2023 and 2022**

	2023	2022
OPERATING REVENUES		
Bridge Tolls	\$ 3,289,497	\$ 2,642,860
Marina, park, and camping income	127,805	166,102
Leases, rents and fees	845,249	1,290,489
Miscellaneous revenue	68,529	14,597
Grants & Restricted Revenue	1,067,082	13,514
Donations	5,682	-
Total Operating Revenues	<u>5,403,844</u>	<u>4,127,562</u>
OPERATING EXPENSES		
Salaries and wages	943,226	944,663
Payroll taxes and employee benefits	353,727	276,669
Insurance	290,271	332,632
Promotion and advertising	10,712	10,280
Office expense	12,643	10,637
Information technology	81,283	66,029
Dues & subscriptions	61,252	23,115
Repairs and maintenance	119,928	636,400
Supplies and small tools	72,891	111,554
Utilities and telephone	182,077	119,998
Professional services	215,764	416,071
Contracted services	477,405	167,003
Licenses and fees	106,206	66,411
Depreciation	540,008	441,052
Amortization	537	-
Community services	48,819	51,622
Travel and meetings	45,013	37,000
Education	18,360	8,030
Leases and rents	12,442	12,508
Taxes	8,496	4,488
Bad Debt	50,634	-
Miscellaneous	6,139	475
Total Operating Expenses	<u>3,657,833</u>	<u>3,736,637</u>
Operating Income	1,746,011	390,925
NON OPERATING REVENUES (EXPENSES)		
Interest income	416,923	297,385
Property taxes	5,136	4,871
Gain (Loss) on sale of capital assets	476	-
Interest Expense	<u>(567,740)</u>	<u>(279,959)</u>
Total Non-Operating Revenues (Expenses)	(145,205)	22,297
Income (Loss) Before Capital Contributions	1,600,806	413,222
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>274,960</u>
Change in Net Position	1,600,806	688,182
Beginning Net Position	5,658,695	4,960,535
Prior Period Adjustment	<u>-</u>	<u>9,978</u>
Beginning Net Position, Restated	<u>5,658,695</u>	<u>4,970,513</u>
Ending Net Position	<u>\$ 7,259,501</u>	<u>\$ 5,658,695</u>

See accompanying notes to the basic financial statements.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022**

	2023	2022
Cash Flows From Operating Activities:		
Cash received from customers	\$ 5,861,652	\$ 4,165,636
Cash paid to suppliers and vendors	(1,829,684)	(1,480,843)
Cash paid to employees	(1,316,770)	(1,234,417)
Net Cash From Operations	<u>2,715,198</u>	<u>1,450,376</u>
Cash Flows From Non-Capital Financing Activities:		
Property taxes	5,136	4,871
Net Cash (Used) By Non-Capital Financing Activities	<u>5,136</u>	<u>4,871</u>
Cash Flows From Capital and Related Financing Activities:		
Principal payments on note payable and capital lease (net)	(265,801)	1,930,473
Sale of capital assets	476	-
Interest accrued and paid on note payable and capital lease	(221,392)	(546,672)
Capital Contributions	-	274,960
Retainage Payable	(41,321)	(186,480)
(Purchase), sale of property and equipment (net)	(1,599,595)	(797,269)
Net Cash (Used) By Capital and Related Financing Activities	<u>(2,127,633)</u>	<u>675,012</u>
Cash Flows From Investing Activities:		
Investment Earnings	416,923	297,385
Net Cash Provided (Used) By Investing Activities	<u>416,923</u>	<u>297,385</u>
Net Increase in Cash and Investments	1,009,624	2,427,644
Balances - Beginning of Year	5,564,740	3,137,096
Balances - End of Year	<u>\$ 6,574,364</u>	<u>\$ 5,564,740</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Activities to Operating Income		
Operating Income	\$ 1,746,011	\$ 390,925
Adjustments		
Depreciation	540,008	441,052
(Increase), decrease in accounts receivable	(634,806)	(2,291)
(Increase), decrease in leases receivable	415,458	(5,532,497)
(Increase), decrease in capital leases receivable	293,668	5,452
(Increase), decrease in prepaid expenses	(23,286)	(25,949)
Increase, (decrease) in accounts payable	14,474	124,612
Increase, (decrease) in ODOT payable	-	494,747
Increase, (decrease) in accrued payroll liabilities	15,996	(21,272)
Increase, (decrease) in PERS, RHIA, and OPEB related activities	(27,623)	(7,721)
Increase, (decrease) in accrued compensated absences	(8,190)	15,908
Increase, (decrease) in deposits payable	500	9,815
Increase, (decrease) in unearned grant revenue	786,370	-
Increase, (decrease) in unearned revenue	12,076	30,217
Increase, (decrease) in deferred lease inflows	(415,458)	5,532,497
Increase, (decrease) in deferred lease revenue	-	(5,119)
Net Cash From Operations	<u>\$ 2,715,198</u>	<u>\$ 1,450,376</u>

See accompanying notes to the basic financial statements.

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION AND THE FINANCIAL REPORTING ENTITY

The Port of Cascade Locks, Oregon (the Port) is a municipal Oregon corporation governed by an elected Board of Commissioners. The daily management is under the supervision of the General Manager, who is appointed by the Board of Commissioners. As required by the Generally Accepted Accounting Principles, all activities of the Port have been included in these basic financial statements.

The basic financial statements include all financial activities, organizations, and functions for which the Board of Commissioners has financial accountability as defined by GASB Statement No. 61. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the Port's basic financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. No organizational units meet the criteria for inclusion as a component unit.

B. BASIC FINANCIAL STATEMENTS

The basic financial statements categorize all primary activities as business-type.

Government-wide financial statements display information about the Port as a whole. These statements focus on the sustainability of the Port as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position, the Statement of Activities, and the Statement of Cash Flows.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. BASIS OF PRESENTATION

The Port is considered to be a single enterprise similar to a commercial entity for financial reporting purposes. Accordingly, the basic financial statements are maintained on the flow of economic resources measurement focus using the accrual basis of accounting utilizing accounting principles applicable to commercial enterprises. All assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Activities presents increases (revenue) and decreases (expenses) in total Net Position. Under the accrual basis of accounting revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION - CONTINUED

The Port reports the following major fund:

Revenue Fund- This is the Port's only fund and this fund is considered an enterprise fund. This fund was established to account for the revenues and expenses of the Port's operating activities. The primary sources of revenue are the bridge tolls, lease rentals and fees, grant proceeds, and proceeds from the sale of any assets.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The Port is considered to be a single enterprise similar to a commercial entity for financial reporting purposes. Proprietary Fund Financial Statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on equity or a fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of the timing of related cash inflows and outflows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principle operating revenues of the enterprise fund are bridge tolls, lease rentals and fees, and operating grants. Operating expenses for enterprises funds include administrative expenses, insurance, repairs, contracted services and depreciation on capital assets.

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

E. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are recorded at cost, which approximates fair market value (fair value in pool is the same as pool shares).

Accounts Receivable

Accounts receivable consist primarily of amounts due from grants, leases, rents, bridge tickets, dock fees, and other fees. Receivables are shown net of an allowance for doubtful accounts. The allowance is determined by management based on a collectability analysis.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Prepaid Expenses

Prepaid expenses are expenses paid in the current year for services intended to be used in the following fiscal year. Prepaid expenses consist of liability insurance, rent, worker's compensation, and other miscellaneous expenses.

Notes Receivable

Notes receivable consists of amounts due from sales-type capital leases the Port is involved in as the lessor. When the sale of property occurs, the capital asset is removed from the Port's records and a note receivable is recognized. Management feels that any uncollectible amount is immaterial to the basic financial statements, therefore there is no allowance for doubtful accounts.

Property Taxes

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th. Under the partial payment schedule, collection dates are November 15, February 15, and May 15 following the lien date. A three percent discount is allowed if full payment is made by November 15 and a two percent discount is allowed if two-thirds payment is made by November 15. Taxes become delinquent if not paid by the due date and interest accrues.

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, (e.g., roads, bridges), are reported in the basic financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for land, buildings, and improvements are capitalized as projects when purchased or constructed. Property, plant and equipment of the Port is depreciated using the straight line method over the following estimated useful lives:

Land improvements	10- 40	years
Buildings	5 - 50	years
Bridge	35 - 47	years
Vessel & improvement	3 - 20	years
Construction and maintenance equipment	5 - 15	years
Office and other equipment	5 - 10	years

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Deposits Payable

Deposits payable consist of deposits paid by customers as part of their reservation for the use of the Port's Marina Park Pavilion, Community Center, or Thunder Island Wedding Site to cover any damage or extra cleaning the Port might incur to prepare the venue for the next guest. These deposits are refundable if no damage occurred or no extra cleaning by the Port was necessary.

Unearned Revenues

Unearned revenues consist of payments for which the Port has not earned the revenue due to prepayment for events or completion of compliance requirements. These amounts are deemed earned when compliance requirements are completed or when events take place.

Accrued Compensated Absences

The Port provides vacation benefits to its regular part-time and full-time employees. Vacation leave accrues during the year with a maximum carryover of 200 hours. Accrued and unused vacation benefits are to be paid upon termination of employment. The expenses are accrued when incurred and the liability is recorded.

Lease Receivable

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the Port, reduced by principal payments received.

Lease Assets

Lease assets are assets which the Port leases for a term of more than one year. The value of the leases at the Port's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. NET POSITION

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

- *Net Investment in Capital Assets* – consists of all capital assets, and lease right-to-use assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – consists of all other assets that are not included in the other categories previously mentioned.

G. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense /expenditure) until then. At June 30, 2023 and 2022, deferred outflows representing PERS pension related deferrals, OPEB related deferrals for Healthcare and, deferred outflows representing Retirement Health Insurance Account (RHIA) are reported in the Statements of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2023 and 2022, deferred inflows representing PERS pension related deferrals, OPEB related deferrals for Healthcare, deferred inflows representing RHIA, and deferred lease revenue are reported in the Statements of Net Position.

H. ACCOUNTING ESTIMATES

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

I. RETIREMENT PLANS

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

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- **Level 1** – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.
- **Level 2** – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).
- **Level 3** – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

A budget is prepared for all funds, in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The budget is prepared on a basis consistent with generally accepted accounting principles except, capital outlay is reported as an expenditure rather than capitalized, inventory is expensed when purchased, debt principal repayment is an expenditure when paid, pension costs are not recorded as an expense until paid and depreciation on capital assets is not recorded. The budget process begins in each fiscal year with the elected officials setting the budget priorities. Recommendations are developed, with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later.

The Board of Commissioners may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenses of the Revenue fund were within authorized appropriations.

3. CASH AND INVESTMENTS

Cash and investments were comprised of the following at June 30, 2023 and 2022:

<u>Cash and Investments</u>	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 9,115	\$ 1,393
Demand deposits	1,319,936	1,380,936
LGIP	5,245,313	4,182,411
Total	<u>\$ 6,574,364</u>	<u>\$ 5,564,740</u>

<u>Restricted vs Unrestricted</u>	<u>2023</u>	<u>2022</u>
Restricted	\$ 288,818	\$ 1,278,738
Unrestricted	6,285,546	4,286,002
Total	<u>\$ 6,574,364</u>	<u>\$ 5,564,740</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at approved depositories as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2023 and 2022 was \$1,725,968 and \$1,498,917, respectively, of which \$250,000 and \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP). A restricted account was created to set aside funds that may be required to settle a legal claim. See Note 12 for more information.

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2023 and 2022, none of the bank balances were exposed to custodial credit risk.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

3. CASH AND INVESTMENTS (CONTINUED)

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2023 and 2022, the fair value of the position in the LGIP is 99.63% and 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

The audited financial reports of the Oregon Short Term Fund can be found here:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx>

If the link has expired please contact the Oregon Short Term Fund directly.

As of June 30, 2023 the Port had the following investments:

Investment Type	Maturity (in months)			
	Fair Value	Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 5,245,313	\$ 5,245,313	\$ -	\$ -
Total Investments	\$ 5,245,313	\$ 5,245,313	\$ -	\$ -

As of June 30, 2022 the Port had the following investments:

Investment Type	Maturity (in months)			
	Fair Value	Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 4,182,411	\$ 4,182,411	\$ -	\$ -
Total Investments	\$ 4,182,411	\$ 4,182,411	\$ -	\$ -

Interest Rate Risk - Investments

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments held that have a maturity date beyond 3 months.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

3. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk - Investments

Custodial credit risk is the risk that in the event of failure of the bank and/or counterparty, the Port will not be able to recover the value of its deposit and investment or collateral securities in possession of an outside party. The Port does not have a formal policy for custodial credit risk.

Credit Risk - Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk - Investments

At June 30, 2023 and 2022, 100% of total investments were in the Oregon State Treasury's Local Government Investment Pool. State statutes do not limit the percentage of investments in the Pool.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

4. LONG TERM RECEIVABLES

At June 30, 2023, the Port had no outstanding long term receivables. At June 30, 2022, there was a promissory note originally issued to Gorges Brewing LLC on June 6, 2018, and subsequently amended in November 2020. The amended note carried a principal balance of \$303,267 and accrued interest at a rate of 10.00% per annum. The note was paid off during the year ended June 30, 2023.

Notes receivable activity for payments received for the year ended June 30, 2023, was as follows:

	Balance 7/1/22	Additions	Payments Received	Balance 6/30/23	To Be Received Within One Year
Gorges Brewing, Inc.	\$ 293,668	\$ -	\$ 293,668	\$ -	\$ -
Total	<u>\$ 293,668</u>	<u>\$ -</u>	<u>\$ 293,668</u>	<u>\$ -</u>	<u>\$ -</u>

Notes receivable activity for payments received for the year ended June 30, 2022, was as follows:

	Balance 7/1/21	Additions	Payments Received	Balance 6/30/22	To Be Received Within One Year
Gorges Brewing, Inc.	\$ 299,120	\$ -	\$ 5,452	\$ 293,668	\$ 293,668
Total	<u>\$ 299,120</u>	<u>\$ -</u>	<u>\$ 5,452</u>	<u>\$ 293,668</u>	<u>\$ 293,668</u>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG TERM OBLIGATIONS

The Port has two notes payable to Business Oregon Infrastructure Finance Authority (BO – IFA). The original amount of the first note was \$235,094 for land improvements. Annual payments of \$17,860 are due with interest stated at 5%. The original amount of the second note was \$850,000 for the construction of the Port's Herman Creek Building. Quarterly payments of \$14,058 are due with interest stated at 4.4%. If any Event of Default occurs on either of these notes, the outstanding balance shall, at the option of the State, become immediately due and payable.

The Port entered into an agreement in July 2017 for a secured line-of-credit with the Oregon Business Development Department with a total available balance of \$1,888,000. As collateral, the Port has assigned to a Trustee its real property located at 170 NE Herman Creek Lane and 50 NE Herman Creek Lane. Repayments on the line of credit are not due until the line of credit is exhausted. In fiscal year 2018-2019, the Port drew the remaining balance of \$353,076. The total balance due on this line-of-credit at June 30, 2023 is \$1,888,000. At the time of this report, the associated interest rate equals 1.3% and the repayment schedule is being finalized.

On November 8, 2021, the Port entered into a Full Faith and Credit Financing Agreement with Umpqua Bank in the amount of \$5,414,000 to refinance the outstanding balance of the Infrastructure Finance Authority loan and to fund additional improvements to the project. The loan bears interest at 3.47% and matures on June 15, 2041. The debt is secured by the Port's full faith and credit and a pledge of project net revenues. Payments are structured as semiannual interest with annual principal amortization. The agreement includes standard covenants related to lease compliance, debt service coverage, and financial reporting. The Port may prepay up to 20% of the outstanding principal annually without penalty, with full prepayment subject to a declining premium in the first 10 years and no penalty thereafter.

The Port entered into an agreement in November 2020 with the Oregon Business Development Department to secure financing for new construction with a total maximum debt obligation of \$6,608,500. The Port must make quarterly payments beginning on the quarter following the earliest of the project completion or November 2023, three years from the start of the project. Payments are made quarterly extending for 19 years from the first repayment date. As of June 30, 2023, the project was still in the construction and cost reimbursement phase. Accordingly, no debt service payments were due or made during the fiscal year 2022-2023. The repayment commencement date had not been triggered by year-end, as the project had not yet reached closeout (See Note 15). Financing proceeds are disbursed on an expense reimbursement or costs-incurred basis. As collateral, the Port assigned a parcel of real property located in Cascade Locks. In the event of a default all payments under the contract become immediately due and payable.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG TERM OBLIGATIONS (CONTINUED)

Note payable and capital lease payable activity for the year ended June 30, 2023, was as follows:

	Balance 7/1/22	Additions	Refinanced	Reductions	Balance 6/30/23	Due Within One Year
<u>Direct Borrowing</u>						
Note Payable #1 - BO - IFA	\$ 77,325	\$ -	\$ -	\$ (13,994)	\$ 63,331	\$ 14,694
Note Payable #2 - BO - IFA	622,271	-	-	(29,330)	592,941	30,642
OBDD Line of Credit	1,888,000	-	-	-	1,888,000	-
OBDD pFriem Refinance	5,414,000	-	-	(208,000)	5,206,000	214,000
Santander Truck Loan	78,009	-	-	(14,477)	63,532	15,019
OBDD Flex6 Loan	5,656,195	-	-	-	5,656,195	136,364
Total	<u>\$ 13,735,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (265,801)</u>	<u>\$ 13,469,999</u>	<u>\$ 410,719</u>

Note payable and capital lease payable activity for the year ended June 30, 2022, was as follows:

	Balance 7/1/21	Additions	Refinanced	Reductions	Balance 6/30/22	Due Within One Year
<u>Direct Borrowing</u>						
Note Payable #1 - BO - IFA	\$ 90,653	\$ -	\$ -	\$ (13,328)	\$ 77,325	\$ 13,994
Note Payable #2 - BO - IFA	650,345	-	-	(28,074)	622,271	29,330
OBDD Line of Credit	1,888,000	-	-	-	1,888,000	-
OBDD pFriem Loan	4,380,000	-	4,356,241	(23,759)	-	-
OBDD pFriem Refinance	-	5,414,000	-	-	5,414,000	208,000
Santander Truck Loan	-	78,009	-	-	78,009	14,477
OBDD Flex6 Loan	4,796,329	859,866	-	-	5,656,195	-
Total	<u>\$ 11,805,327</u>	<u>\$ 6,351,875</u>	<u>\$ 4,356,241</u>	<u>\$ (65,161)</u>	<u>\$ 13,735,800</u>	<u>\$ 265,801</u>

The interest expense of the notes payable during the year ended June 30, 2023 and 2022 was \$567,740 and \$279,959, respectively.

Annual debt service requirements to maturity for the three notes payable to Business Oregon IFA are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 14,694	\$ 3,166	\$ 17,860
2025	15,428	2,432	17,860
2026	16,200	1,660	17,860
2027	17,009	851	17,860
Total OECCD Loan L00005	<u>\$ 63,331</u>	<u>\$ 8,109</u>	<u>\$ 71,440</u>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG TERM OBLIGATIONS (CONTINUED)

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 30,642	\$ 25,588	\$ 56,230
2025	32,012	24,218	56,230
2026	33,444	22,786	56,230
2027	34,940	21,290	56,230
2028	36,503	19,727	56,230
2029-2033	208,519	72,631	281,150
2034-2038	216,881	22,098	238,979
Total Herman Creek Flex Bldg 525194	<u>\$ 592,941</u>	<u>\$ 208,338</u>	<u>\$ 801,279</u>

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 15,019	\$ 2,217	\$ 17,236
2025	15,580	1,656	17,236
2026	16,164	1,073	17,237
2027	16,769	468	17,237
Total Santander Truck Loan	<u>\$ 63,532</u>	<u>\$ 5,414</u>	<u>\$ 68,946</u>

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 214,000	\$ 180,648	\$ 394,648
2025	220,000	173,222	393,222
2026	226,000	165,588	391,588
2027	238,000	157,746	395,746
2028	244,000	149,488	393,488
2029-2033	1,354,000	614,433	1,968,433
2034-2038	1,605,000	362,789	1,967,789
2039-2043	1,105,000	77,555	1,182,555
Total ODD pFriem Brewing Company Refinance	<u>\$ 5,206,000</u>	<u>\$ 1,881,469</u>	<u>\$ 7,087,469</u>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG TERM OBLIGATIONS (CONTINUED)

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 136,364	\$ 463,649	\$ 600,013
2025	278,648	156,784	435,432
2026	286,732	148,700	435,432
2027	295,049	140,383	435,432
2028	303,609	131,823	435,432
2029-2033	1,655,388	521,771	2,177,159
2034-2038	1,909,847	267,312	2,177,159
2039-2043	837,449	27,110	864,559
Total Flex 6 Loan	<u>\$ 5,703,086</u>	<u>\$ 1,857,532</u>	<u>\$ 7,560,618</u>
Total Note Payable	<u>\$ 11,628,890</u>	<u>\$ 3,960,862</u>	<u>\$ 15,589,752</u>

The OBDD Line of Credit does not have an amortization schedule at the time of this report, and thus is not included in the future maturities disclosure charts above.

The Flex 6 Loan future maturities chart above is inclusive of \$46,891 in additional proceeds that were drawn in fiscal year 2023-2024. See Note 15 for additional information.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance 7/1/22	Adjustments	Additions	Deletions	Balances 6/30/23
Business-type activities					
Capital assets not being depreciated					
Land	\$ 378,493	\$ -	\$ -	\$ -	\$ 378,493
Construction in progress	5,869,990	(5,509,315)	1,559,180	-	1,919,855
Total capital assets not being depreciated	6,248,483	(5,509,315)	1,559,180	-	2,298,348
Capital assets being depreciated					
Land improvements	3,569,600	125,707	25,855	-	3,721,162
Buildings and improvements	9,396,563	5,383,608	-	-	14,780,171
Bridge	2,609,180	-	-	-	2,609,180
Vessel	3,723,596	-	-	-	3,723,596
Construction equipment	335,542	-	14,560	-	350,102
Office equipment	41,619	-	-	-	41,619
Total capital assets being depreciated	19,676,100	5,509,315	40,415	-	25,225,830
Accumulated Depreciation					
Land improvements	2,595,239	-	117,114	-	2,712,353
Buildings and improvements	1,860,832	-	306,836	-	2,167,668
Bridge	1,907,542	-	88,116	-	1,995,658
Vessel	3,710,598	-	12,998	-	3,723,596
Construction equipment	175,627	-	14,944	-	190,571
Office equipment	41,619	-	-	-	41,619
Total accumulated depreciation	10,291,457	-	540,008	-	10,831,465
Total capital assets being depreciated, net	9,384,643				14,394,365
Business-type activities capital assets, net	\$ 15,633,126				\$ 16,692,713

During the year ended June 30, 2023, \$5,509,315 of Buildings and Improvements previously reported as Construction in Progress was placed into service.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

6. CAPITAL ASSETS (CONTINUED)

	Balance 7/1/21	Adjustments	Additions	Deletions	Balances 6/30/22
Business-type activities					
Capital assets not being depreciated					
Land	\$ 377,053	\$ -	\$ 1,440	\$ -	\$ 378,493
Construction in progress	5,266,982	(29,898)	632,906	-	5,869,990
Total capital assets not being depreciated	5,644,035	(29,898)	634,346	-	6,248,483
Capital assets being depreciated					
Land improvements	3,514,754	29,898	24,948	-	3,569,600
Buildings and improvements	9,346,596	-	49,967	-	9,396,563
Bridge	2,609,180	-	-	-	2,609,180
Vessel	3,723,596	-	-	-	3,723,596
Construction equipment	247,534	-	88,008	-	335,542
Office equipment	41,619	-	-	-	41,619
Total capital assets being depreciated	19,483,279	29,898	162,923	-	19,676,100
Accumulated Depreciation					
Land improvements	2,488,229	-	107,010	-	2,595,239
Buildings and improvements	1,650,997	-	209,835	-	1,860,832
Bridge	1,819,424	-	88,118	-	1,907,542
Vessel	3,695,319	-	15,279	-	3,710,598
Construction equipment	160,555	-	15,072	-	175,627
Office equipment	35,881	-	5,738	-	41,619
Total accumulated depreciation	9,850,405	-	441,052	-	10,291,457
Total capital assets being depreciated, net	9,632,874				9,384,643
Business-type activities capital assets, net	\$ 15,276,909				\$ 15,633,126

During the year ended June 30, 2022, \$29,898 of Buildings and Improvements previously reported as Construction in Progress was placed into service.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$86,357, excluding amounts to fund employer specific liabilities.

Pension Asset or Liability – At June 30, 2023, the Port reported a net pension liability of \$776,724 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The Port's proportion of the net pension liability was based on a projection of the Port's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2023 and 2022, the Port's proportion was 0.005 percent and 0.005 percent, respectively. Pension income for the year ended June 30, 2023 was \$25,793.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 14.04%
- (2) OPSRP general services – 10.43%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 37,704	\$ 4,844
Changes in assumptions	121,872	1,113
Net difference between projected and actual earnings on pension plan investments	-	138,863
Changes in proportionate share	103,803	111,492
Differences between Port contributions and proportionate share	-	176,506
Subtotal - Amortized Deferrals (below)	263,379	432,818
Port's contributions subsequent to measurement date	86,357	-
Deferred outflow (inflow) of resources	<u>\$ 349,736</u>	<u>\$ 432,818</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to pension as deferred outflows of resources \$263,379, and deferred inflows of resources, (\$432,818), net to (\$169,439) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2024	\$ (43,092)
2025	(39,219)
2026	(100,363)
2027	27,066
2028	(13,831)
Thereafter	-
Total	<u>\$ (169,439)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active Members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation,. Disabled Retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2022 and 2021 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Port's proportionate share of the net pension liability to changes in the discount rate – the following presents the Port's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Port's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease <u>(5.90%)</u>	Current Rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Port's proportionate share of the net pension liability	\$ 1,377,454	\$ 776,724	\$ 273,942

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the Port are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

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

Contributions:

Employees of the Port pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The Port did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

8. OTHER POST EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the Port contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Port currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The Port's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2023, the Port reported a net OPEB asset of \$18,251 for its proportionate share of the net OPEB asset. The OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the Port's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2022 and 2021, the Port's proportion was 0.005 percent and 0.002 percent, respectively. OPEB income for the year ended June 30, 2023 was \$3,433.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

8. OTHER POST EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's Proportionate share of collective system OPEB Expense/(Income)	\$ (2,733)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(641)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's total OPEB Expense/(Income)	<u><u>\$ (3,374)</u></u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 495
Changes in assumptions	143	608
Net difference between projected and actual earnings on pension plan investments	-	1,392
Net changes in proportionate share	927	5,406
Differences between Port contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>1,070</u>	<u>7,901</u>
Port contributions subsequent to measuring date	60	-
Deferred outflow (inflow) of resources	<u><u>\$ 1,130</u></u>	<u><u>\$ 7,901</u></u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB as deferred outflows of resources, \$1,070, and deferred inflows of resources, (\$7,901), net to (\$6,831) and will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	
2024	\$ (3,749)
2025	(2,649)
2026	(878)
2027	445
2028	-
Thereafter	-
Total	<u><u>\$ (6,831)</u></u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:
<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

8. OTHER POST EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2022 and June 30, 2021 was 6.90 percent for both years. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

Long-Term Expected Rate of Return:

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

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

8. OTHER POST EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

Sensitivity of the Port's proportionate share of the net OPEB asset to changes in the discount rate – The following presents the Ports's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the Port's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Port's proportionate share of the net pension asset	\$ 16,450	\$ 18,251	\$ 19,796

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

9. OTHER POST EMPLOYMENT BENEFITS - HEALTHCARE

Plan Description

The Port, as a result of collective bargaining agreements, offers post-employment health care benefits under a single-employer, defined benefit plan for all employees who have completed a specified number of years of continuous service, are eligible for full OPERS benefits, elect early retirement and were hired prior to July 1, 2006.

For eligible licensed employees the Port will provide medical coverage for the lesser of seven years or until eligible for Medicare (age 65). For administrators, managers, supervisor and confidential employees, coverage is until Medicare eligibility date regardless of retirement age, assuming full OPERS coverage. For eligible classified employees with 15 years of service, coverage is provided up to the lesser of five years or until eligible for Medicare (age 65).

The Port's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The plan is currently unfunded in accordance with GASB statement 75. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the governmental statements. The activities of the plan are reported in the General Fund.

Annual OPEB Cost and Total OPEB Liability – The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the Port's annual OPEB costs and liabilities, see page 40.

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2021 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.54% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.4% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.4%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

9. OTHER POST EMPLOYMENT BENEFITS – HEALTHCARE (CONTINUED)

As of July 1, 2021 the following employees were covered by the benefit terms:

	Total
Active	13
Retired Members	0
Spouses of Ineligible Retirees	0
Total	<u>13</u>

The Plan was closed via a sunset clause in continuing bargaining agreements signed during fiscal year 2006 and does not apply to employees hired after June 30, 2006.

Total OPEB Liability

The Port's total OPEB liability of \$14,206 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs

The Port's total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial assumptions

Valuation Date	July 1, 2021 projected to June, 30 2023
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Return Assumption (Interest Discount)	The 3.54% investment return assumption is the December 31, 2020 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.
Plan Participation	30% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
Medical annual trend rate	5.50% increase in 2022, with a 5.00% rate for 2023-2024, and later decreases by .25% annually thereafter.
Dental premiums annual trend rate	4% per year
Inflation rate	2.4% for all future years
Annual salary rate increases	3.4% for all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers in the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

9. OTHER POST EMPLOYMENT BENEFITS – HEALTHCARE (CONTINUED)

Changes in Total OPEB Liability

Total OPEB Liability at June 30, 2022	\$ 13,759
Changes for the year:	
Service Cost	2,534
Interest	339
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(1,201)
Benefit Payments	<u>(1,225)</u>
Net Changes	<u>447</u>
Total OPEB Liability at June 30, 2023	<u>\$ 14,206</u>

Changes of assumptions: Interest Discount, the investment return assumption was increased from 2.16% to 3.54%.

Sensitivity of the total OPEB Liability to changes in discount rate – the following presents the total OPEB liability of the Port, as well as what the Port's total OPEB Liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 15,011	\$ 14,206	\$ 13,477

Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates – the following presents the total OPEB liability of the Port, as well as what the Port's total OPEB Liability would be if it were calculated using health care cost trend rates that are 1 percentage point higher and lower than the current healthcare cost trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 13,020	\$ 14,206	\$ 15,651

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

9. OTHER POST EMPLOYMENT BENEFITS –HEALTHCARE (CONTINUED)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Port recognized OPEB expense of \$1,603 in the government wide Statement of Activities. At June 30, 2023, the Port reported deferred outflows of resources and deferred inflows of resources relating to the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ (2,260)	\$ 966
Changes in assumptions	(994)	1,697
Subtotal - Amortized Deferrals (below)	(3,254)	2,663
Expected Benefit Payments	-	2,280
Deferred outflow (inflow) of resources	\$ (3,254)	\$ 4,943

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024.

Subtotal amounts related to OPEB reported as deferred inflows of resources, (\$3,254), and deferred outflows of resources, \$2,663, net to (\$591) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2024	\$ 874
2025	(392)
2026	(479)
2027	(428)
2028	(166)
Thereafter	-
Total	\$ (591)

10. RISK MANAGEMENT

There is exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Commercial insurance is carried to minimize the exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three fiscal years.

11. TAX ABATEMENTS

As of June 30, 2023 and 2022, the Port of Cascade Locks potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, there were no material abatements disclosed by the county for the year ended June 30, 2023 and 2022 for any program covered under GASB 77.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

12. COMMITMENTS AND CONTINGENCIES

On March 10, 2010, the Port received a letter from the State of Oregon stating that the Port has an indemnity obligation to the State under a lease agreement with the Division of State Lands. It involves a lease which was effective from August 1, 1991 and involved a dock on the Willamette River. This area is now subject to an environmental super fund action involving many parties along the Willamette River and significant damages. The Port's liability exposure at this time appears to be limited. It also appears the Port has insurance coverage that may apply to the claim. This matter may take several years to resolve. The Port has researched insurance coverage and is prepared to proceed based upon the final outcome when required to do so by the State. At this time the amount and results of this claim are unknown.

The Port currently owns and operates the Bridge of the Gods. The Port has adopted a \$13 million 15 year maintenance and repair plan for the Bridge of the Gods working in cooperation with WSDOT and ODOT. Future appropriations will fund this maintenance and repair plan as work is performed.

The Port is a defendant in certain material pending legal actions. The Port has tendered the alleged claims to the Special Insurance Services Trust for defense and indemnity, and the claims are being vigorously defended. Pursuant to a circuit court decision, the Port opened a Certificate of Deposit and further restricted funds in a Demand Deposit Account to pay the judgement. The Port has filed an appeal and intends to vigorously defend the claim. Due to bankruptcy of the counterparty, it is too soon to determine any outcome of the appeal.

13. PROPERTY TAX LIMITATION

The State of Oregon has a state voter-approved constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. Local government taxes of the Port currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the Port. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional state voter-approved limit reduces the amount of operating property tax revenues available. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

14. LEASE RECEIVABLES AND DEFERRED INFLOWS

For the years ended June 30, 2023 and 2022, the basic financial statements follow GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Port has 12 active leases. The leases have receipts that range from \$122 to \$363,775 and interest rates that range from 3.25% to 8.00%. As of June 30, 2023 and 2022, the total combined value of the lease receivable is \$5,117,039 and \$5,532,497, the combined value of the deferred inflow of resources is \$5,117,039 and \$5,532,497 respectively.

Changes in Lease Receivable

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Equipment	\$ 110,219	\$ -	\$ 9,406	\$ 100,813
Building	5,422,278	11,784	417,836	5,016,226
Total Lease Receivable	<u>\$ 5,532,497</u>	<u>\$ 11,784</u>	<u>\$ 427,242</u>	<u>\$ 5,117,039</u>

Principal and Interest Expected to Maturity

Fiscal Year Ending	Governmental Activities					
	Equipment		Building		Total Principal Payments	Total Interest Payments
June 30,	Principal Payments	Interest Payments	Principal Payments	Interest Payments		
2024	\$ 10,645	\$ 4,162	\$ 417,451	\$ 234,976	\$ 428,096	\$ 239,138
2025	11,448	3,713	346,785	218,333	358,233	222,046
2026	12,296	3,230	299,596	204,505	311,892	207,735
2027	13,189	2,713	243,802	191,576	256,991	194,289
2028	14,131	2,158	236,369	180,031	250,500	182,189
2029-2033	39,104	3,201	1,077,691	741,183	1,116,795	744,384
2034-2038	-	-	1,383,063	435,809	1,383,063	435,809
2039-2043	-	-	1,011,469	79,858	1,011,469	79,858
Total	<u>\$ 100,813</u>	<u>\$ 19,177</u>	<u>\$ 5,016,226</u>	<u>\$ 2,286,271</u>	<u>\$ 5,117,039</u>	<u>\$ 2,305,448</u>

Changes in Lease Receivable

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022
Equipment	\$ -	\$ 119,748	\$ 9,529	\$ 110,219
Building	-	6,442,185	1,019,907	5,422,278
Total Lease Receivable	<u>\$ -</u>	<u>\$ 6,561,933</u>	<u>\$ 1,029,436</u>	<u>\$ 5,532,497</u>

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

15. SUBSEQUENT EVENTS

On July 21, 2023, the Port entered into a long-term Concessions and Operations Agreement with Jetty Light, LLC to operate the M/V Columbia Gorge Sternwheeler. Jetty Light will manage the vessel during each tourism season until December 31, 2038, with options for two five-year extensions. The agreement includes annual investment contributions starting in 2026 and revenue-sharing payments beginning in fiscal year 2024. This agreement is disclosed as a subsequent event due to its long-term operational and financial significance, although it was finalized after the June 30, 2023 fiscal year-end and does not affect prior conditions.

On July 1, 2023, the Port signed a lease with Ixtapa Cascade Locks Inc. for a building in the Marine Park. The Port will receive an initial monthly rent of \$3,500, totaling \$42,000 annually. The lease term extends from July 1, 2023, to April 30, 2031, and includes scheduled rent increases. Since the lease starts in fiscal year 2023–2024, it won't impact the 2022–2023 financial statements but is noted here as a subsequent event due to its future financial implications.

On May 23, 2024, the Port entered a grant agreement with the Oregon Department of Transportation under Senate Bill 5701, receiving a \$6,000,000 grant for the Bridge of the Gods Seismic Resilience and Preservation Study. This study will involve engineering analysis, site investigations, cost estimation, and outreach to evaluate seismic retrofit options and other preservation actions. It will also assess the feasibility of adding a pedestrian and bicycle pathway for users of the Pacific Crest Trail. The agreement is effective until June 30, 2029, and is noted as a subsequent event for informational purposes.

The Flex 6 loan was issued for construction financing, with a principal balance of \$5,656,195 as of June 30, 2023, as shown in the fiscal year 2022-2023 debt table in Note 5. After the fiscal year ending June 30, 2023, the project reached substantial completion, triggering the commencement of debt service payments in fiscal year 2023-2024. The Port is making equal quarterly payments of principal and interest sufficient to amortize the \$6,608,500 loan over 19 years at an interest rate of 2.87%, supported by pledged lease revenues from the completed facility. An additional \$46,891 of additional funds were drawn from the credit facility in fiscal year 2023-2024.

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Entity's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.005 %	\$ 776,724	\$ 868,192	89.5 %	84.5 %
2022	0.005	644,194	663,850	97.0	87.6
2021	0.006	1,263,848	795,061	159.0	75.8
2020	0.004	716,152	714,873	100.2	80.2
2019	0.005	758,322	616,582	123.0	82.1
2018	0.005	719,697	488,177	147.4	80.5
2017	0.003	523,867	533,019	98.3	80.5
2016	0.003	148,583	645,106	23.0	91.9
2015	0.003	(59,373)	542,444	(10.9)	103.6
2014	0.003	133,668	758,054	17.6	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 86,357	\$ 86,357	\$ -	\$ 928,455	9.30 %
2022	85,818	85,818	-	868,192	9.88
2021	56,712	56,712	-	663,850	8.54
2020	64,934	64,934	-	795,061	8.17
2019	46,683	46,683	-	714,873	6.53
2018	36,494	36,494	-	616,582	5.92
2017	16,130	16,130	-	488,177	3.30
2016	30,480	30,480	-	533,019	5.72
2015	32,481	32,481	-	645,106	5.03
2014	37,222	37,222	-	542,444	6.86

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years.

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.005 %	\$ 18,251	\$ 868,192	2.1 %	194.6 %
2022	0.002	5,452	663,850	0.8	183.9
2021	0.003	6,973	795,061	0.9	150.1
2020	0.007	13,232	714,873	1.9	144.4
2019	0.006	7,099	616,582	1.2	124.0
2018	0.005	1,901	448,177	0.4	108.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Amounts for covered payroll "c" use the prior years' data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS FOR RHIA

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2023	\$ 60	\$ 60	\$ -	\$ 928,455	0.0001 %
2022	127	127	-	868,192	0.0001
2021	42	42	-	663,850	0.0001
2020	244	244	-	795,061	0.0003
2019	3,079	3,079	-	714,873	0.0043
2018	2,296	2,296	-	616,582	0.0037

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
June 30, 2023**

PLAN I (HEALTHCARE)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2023	\$ 13,759	\$ 2,534	\$ 339	\$ -	\$ (1,201)	\$ (1,225)	\$ 14,206	\$ 928,455	1.53%
2022	13,611	2,038	339	-	(1,581)	(648)	13,759	868,192	1.58%
2021	10,987	1,815	446	-	471	(108)	13,611	663,850	2.05%
2020	6,726	474	216	-	6,829	(3,258)	10,987	795,061	1.38%
2019	12,003	464	339	-	(51)	(6,029)	6,726	714,873	0.94%
2018	17,054	475	418	-	(161)	(5,783)	12,003	616,582	1.95%

The above table presents the most recent actuarial valuations for the Port's post-retirement health insurance.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON
SUPPLEMENTARY INFORMATION

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**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the year ended June 30, 2023**

<u>REVENUE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Bridge tolls	\$ 3,330,000	\$ 3,330,000	\$ 3,289,497	\$ (40,503)
Marina and camping fees	100,000	100,000	127,805	27,805
Rentals and land leases	1,522,635	1,522,635	1,138,917	(383,718)
Interest income	-	-	416,923	416,923
Grants	3,996,500	3,996,500	1,067,082	(2,929,418)
Property taxes	4,500	4,500	5,136	636
Fireworks	15,000	15,000	5,682	(9,318)
Other income	65,000	65,000	68,529	3,529
Total Revenue	9,033,635	9,033,635	6,119,571	(2,914,064)
EXPENDITURES:				
Personnel services	1,446,042	1,446,042 (1)	1,383,400	62,642
Materials and services	2,092,091	2,092,091 (1)	1,770,238	321,853
Capital outlay	7,086,906	7,086,906 (1)	1,599,595	5,487,311
Debt service	1,043,787	1,043,787 (1)	487,193	556,594
Contingency	907,311	907,311 (1)	-	907,311
Total Expenditures	12,576,137	12,576,137	5,240,426	7,335,711
Excess of Revenues Over, (Under) Expenditures	(3,542,502)	(3,542,502)	879,145	4,421,647
Other Financing Sources, (Uses)				
Loan Proceeds	1,184,710	1,184,710	-	(1,184,710)
Proceeds from Sale of Capital Assets	-	-	476	476
Total Other Financing Sources, (Uses)	1,184,710	1,184,710	476	(1,184,234)
Net Change in Fund Balance	(2,357,792)	(2,357,792)	879,621	3,237,413
Beginning Fund Balance	3,775,450	3,775,450	4,694,239	918,789
Ending Fund Balance	\$ 1,417,658	\$ 1,417,658	\$ 5,573,860	\$ 4,156,202

(1) Appropriation Level

RECONCILIATION TO NET POSITION:

Net PERS Pension Liability	(776,724)
Total OPEB (Liability) Asset	(14,206)
Total RHIA (Liability) Asset	18,251
Deferred Outflows - PERS	349,736
Deferred Outflows - OPEB	4,943
Deferred Outflows - RHIA	1,130
Deferred Inflows - PERS	(432,818)
Deferred Inflows - OPEB	(3,254)
Deferred Inflows - RHIA	(7,901)
Capital Assets	16,692,713
Accrued Compensated Absences	(52,012)
Accrued Interest Payable	(624,218)
Long-Term Debt	(13,469,999)
TOTAL NET Position	\$ 7,259,501

PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR
RETIREMENT OF LONG-TERM DEBT
At June 30, 2023

	OECCD Loan L00005		Herman Creek Flex Bldg 525194		Santander Truck Loan		Flex 6 Business Oregon Loan (1)		ODD pFriem Brewing Company Refinance	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023 - 24	\$ 14,694	\$ 3,167	\$ 30,642	\$ 25,588	\$ 15,019	\$ 2,217	\$ 136,364	\$ 463,649	\$ 214,000	\$ 180,648
2024 - 25	15,428	2,432	32,012	24,218	15,580	1,656	278,648	156,784	220,000	173,222
2025 - 26	16,200	1,660	33,444	22,786	16,164	1,073	286,732	148,700	226,000	165,588
2026 - 27	17,009	850	34,940	21,290	16,769	468	295,049	140,383	238,000	157,746
2027 - 28	-	-	36,503	19,727	-	-	303,609	131,823	244,000	149,488
2028 - 29	-	-	38,136	18,094	-	-	312,418	123,014	251,000	141,021
2029 - 30	-	-	39,842	16,388	-	-	321,480	113,952	263,000	132,311
2030 - 31	-	-	41,624	14,606	-	-	330,807	104,625	271,000	123,185
2031 - 32	-	-	43,486	12,744	-	-	340,404	95,027	278,000	113,781
2032 - 33	-	-	45,431	10,799	-	-	350,279	85,153	291,000	104,135
2033 - 34	-	-	47,463	8,767	-	-	360,441	74,991	299,000	94,037
2034 - 35	-	-	49,587	6,644	-	-	370,896	64,536	308,000	83,662
2035 - 36	-	-	51,805	4,426	-	-	381,657	53,774	322,000	72,974
2036 - 37	-	-	54,123	2,108	-	-	392,730	42,702	331,000	61,801
2037 - 38	-	-	13,903	153	-	-	404,123	31,309	345,000	50,315
2038 - 39	-	-	-	-	-	-	415,845	19,587	355,000	38,344
2039 - 40	-	-	-	-	-	-	421,604	7,523	370,000	26,025
2040 - 41	-	-	-	-	-	-	-	-	380,000	13,186
Total:	\$ 63,331	\$ 8,109	\$ 592,941	\$ 208,338	\$ 63,532	\$ 5,414	\$ 5,703,086	\$ 1,857,532	\$ 5,206,000	\$ 1,881,469

(1) The Flex 6 loan includes \$46,891 in additional proceeds that were drawn in fiscal year 2023-2024. See Note 16 for additional info.

**PORT OF CASCADE LOCKS
HOOD RIVER COUNTY, OREGON**

Independent Auditors' Report Required by Oregon State Regulations

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PAULY, ROGERS AND CO., P.C.
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(503) 620-2632
www.paulyrogersandcpcpas.com

January 15, 2026

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Port of Cascade Locks as of and for the year ended June 30, 2023, and have issued our report thereon dated January 15, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

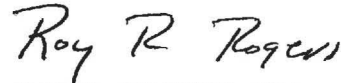
- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, slightly slanted style.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

PORT COMMISSION REPORT

TO: PORT COMMISSION

FROM: GENEVIEVE SCHOLL, DEPUTY EXECUTIVE DIRECTOR

SUBJECT: POCL ECONOMIC DEVELOPMENT GRANT PROGRAM FY26-27

DATE: July 21, 2026

FY 2026-27 GRANT PROGRAM REVIEW:

During the second round of the Port's Economic Development Grant Program, the Commission was successful in attracting twelve (12) applications, three more than Round 1. Of the 12 applications, five grants were awarded, all for amounts less than the applicant-requested amounts. The \$150,000 fund was fully expended and attracted a total of \$50,622.13 in matching funds. The program continues to be administered via an IGA service agreement with MCEDD.

The FY 2025-26 Awardees are:

- **Columbia Gorge Inn (\$43,433.29)** For lighting, safety, and signage improvements to the hotel property including curb appeal and parking lot entry improvements on WaNaPa Street. Cash match of \$19,566.71 (31%).
- **Native Cider dba Son of Man (\$43,433.29)** For purchase and installation of additional fermentation tanks. Supporting costs include mechanical contracting, fruit to conduct the initial production activities necessary to test, calibrate, and validate the expanded fermentation capacity of the newly installed tanks, ensuring that the equipment operates properly, achieves the intended production volumes, and produces product that meets quality and safety standards, and marketing efforts to ensure the increased supply reaches customers. Cash match of \$10,858.70 (20%).
- **Snake River Lands LLC dba Whiskey Flats Tavern (\$43,433.29)** To transform an underutilized green space south of the business into a multi-use community area. The updated lot will include additional outdoor seating, a covered stage, and a play structure. Cash match of

\$10,860.00 (20%).

- **Landmass Wines (\$13,922.28)** To upgrade an underutilized outdoor area between two Port-owned buildings by replacing the existing river rock surface with a 1,800-square-foot concrete pad. This was the second grant awarded to Landmass. Cash match of \$6,111.72 (31%).
- **Main Street Cascade Locks (\$10,000)** To create and promote a month-long series of events and celebratory activities in Cascade Locks centered around the October 2026 centennial anniversary of the Bridge of the Gods. Specifically, this portion of the project supports related marketing and promotional expenses. Cash match of \$3,225.00 (24%).

Program Priorities

For the first two rounds, the Commission identified three main focus areas for the program:

- Downtown revitalization
- Tourism and recreation
- Public safety

The Commission set eligibility requirements and scoring criteria for each round of the program, which served as the guiding scoring rubric for MCEDD staff to use for evaluating each application. Grant application summaries and scores were then provided to the Commission for consideration of approval.

FY 2026-27 Program Discussion

Commission discussion and direction is sought for the following key issues for the second round of the program:

1. Focus areas and priorities for Round 3
2. Updates to eligibility criteria, scoring criteria and score weight (see attached rubric)
3. Consider project deadline/timeline increase for construction projects (staff recommends a deadline of December 31, 2028 for Large Grant projects that involve major construction or renovation of buildings).
4. Application window open and closing timeline and deadlines for this round.

RECOMMENDATION: Discussion and potential actions:

Motion to approve FY 2026-27 Grant Program priorities [insert priorities here].

Motion to approve FY 2026-27 Grant Program eligibility criteria, scoring criteria and score weight [as stated].

Motion to approve FY 2026-27 Grant Program application timeline and project deadlines [as stated].

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GRANT PROPOSAL SCORING SHEET

Applicant: _____

CRITERION (Numbers align with grant application questions)				
1. and 2. Location and timeline alignment with grant scope, attainability.	3	2	1	0
3. Alignment with program priority(ies) [Downtown Revitalization, Public Safety, Enhanced Tourism & Recreation]	3	2	1	0
4. and 5. Justification for the project (need, problem or challenge being addressed)	3	2	1	0
6. Community need (Community need/challenge and how project address need/challenge. Connection to community and Port.) <i>(Note: Double weight to denote importance to Port.)</i>	6	4	1	0
7. Alignment with and impact on Port Strategic Business Plan. (Economic development, capacity building, etc.) <i>(Note: Double weight to denote importance to Port.)</i>	6	4	2	0
8. Job creation and retention goals. <i>(Note: Double weight to denote importance to Port.)</i>	6	4	2	0
9. Measurable outcomes as the result of this project	3	2	1	0
10. and 11. Port employees/ commissioners' involvement	YES		NO	
12. Experience managing a project with similar scale or scope	3	2	1	0
13. Sustainability of project post funding	3	2	1	0
14. Identification and mitigation of potential risks or challenges	3	2	1	0
15. Identification and addressing of environmental impacts (positive or negative)	3	2	1	0
16. Volunteer recruitment and management plan	3	2	1	0
17. Capital construction	YES		NO	
1. Cost quotes uploaded and less than 90 days old	YES		NO	
2. Landowner permission required. (If yes, signed letter uploaded)	YES		NO	
3. If permits are required, permits are identified and permit status indicated	3	2	1	0
4. Identification of risks or barriers and plans for risk mitigation	3	2	1	0
1. Project budget detail and reasonableness	3	2	1	0
2. In-kind contribution detail and reasonableness, if applicable	3	2	1	0

--	--

Total Score	___ out of 51 (non-construction) ___ out of 57 (construction)
Additional Comments	

Port of Cascade Locks Grant Proposal Scoring Rubric					
Criterion	3 Excellent	2 Adequate	1 Needs Improvement	1 Yes or No Question	0 Insufficient or Absent
1 and 2. Location/Timeline	Project activities timeline aligns with grant scope and seems attainable.	Timeline aligns with either grant scope or seems attainable, but not both.	A project timeline is provided but lacks necessary detail.		No project timeline provided, or provided timeline is unreasonable or incomplete.
3. Priority	Aligns with more than one of the POCL priorities.	Project aligns with one of the POCL priorities.	Project addresses a community need, but not a POCL priority.		Project does not align with POCL priority or community need.
4. and 5. Justification (Need, Problem or Challenge)	Strong rationale and significance of proposed work. Address specific needs.	Rationale or significance tends toward the too specific or too general, but overall argument holds.	Weak presentation of community need, or weak argument of grant ability to address need.		Unconvincing or no evidence of need presented.
6. Community need (connection to broader community and Port) *This criterion is weighted to note its extra importance (6/4/1/0)	Strong community need is being addressed and the need being addressed helps further the Port's plan.	Significance tends toward the too specific or too general, but overall argument holds.	Weak presentation of connection between community need and Port objectives, or weak argument of grant ability to address need.		Weak presentation of community need and connection to Port objectives, or weak argument of grant ability to address need.
<u>7. Alignment (POCL strategic plan)</u> *This criterion is weighted to note its extra importance (6/4/1/0)	Project outcomes or activities align with POCL Strategic Business Plan and would make a	Project elements align with goals, but the impact is vague or not measurable.	Project tangentially but not directly related to goals.		No explicit relationship between project and agenda of POCL.

	measurable positive impact.				
8. Job creation/retention *This criterion is weighted to note its extra importance (6/4/1/0)	Project will definitely create jobs, and more than a few jobs.	Project will definitely create jobs, but only a few jobs.	Project might create jobs.		Project will not create jobs.
9. Measurable outcome	Clear picture of how data will be collected and used to demonstrate if outcomes are met.	Good understanding of anticipated specific results, but the plan lacks some details about data or methods.	Success is difficult to ascertain, flawed by outcomes that can't be measured, inappropriate methods or lack of useful data collection.		Evaluation plans missing or unusable.
10. and 11. Port Employees/commissioners involvement					
12. Project management/scope	A similar project has been carried out in the past, with measurable results.	A similar project has been executed in the past, lacking some detail on project results.	The identified project is either dissimilar in scale or scope, or no results are offered.		No projects of similar scale or scope managed or completed.
13. Sustainability of project post funding	Evidence presented that project, or its impact, can be sustained beyond the grant period, if warranted.	Project is temporary, ends when grant ends, or some effort to secure commitment beyond grant period is represented.	Plans are stated as assumptions without supporting evidence.		No meaningful plans beyond funding term appear in application.

14. Risks/challenges/mitigation	Risks have been identified, plans for mitigation are addressed and seem feasible.	Risks have been identified, but plans for mitigation lack some detail.	Risks vaguely identified but plans for mitigation are vague or limited.		Risks have not been identified or no plans for addressing risks appear in application.
15. Environmental Impacts	Environmental impacts identified, plans to address negative risks seem logical. Or project has positive environmental impacts. Or there are no actual environmental impacts.	Environmental impacts have been identified but plans to address negative impacts lack some detail.	Impacts vaguely identified but plans to address negative impacts are vague or limited.		Risks have not been identified or no plans for addressing risks appear in application.
16. Volunteers/recruitment/management	A clear plan to engage, recruit and manage volunteers is presented. Or no volunteers are needed.	A plan to engage volunteers is presented but lacks some detail on recruitment and management.	Plans to engage volunteers is vague or plan lack recruitment and management plans.		Plans for engaging, managing and recruiting volunteers are non-existent or unreasonable.
17. Capital Construction					
1. Cost Quotes					
2. Landowner permission					
3. Permits	Comprehensive list of necessary permits provided and all permits are completed and in hand.	Necessary permit list provided and permits are pending approval.	Permit list provided and and some, but not all, permits are pending approval.		Necessary permits not identified and/or permitting process has not started.
4. Risks/ barriers/risk mitigation	Known risks and barriers have been	Risks and barriers have been	Impacts vaguely identified but plans to		Risks have not been identified or no plans

	identified and plans in place to mitigate risks and barriers.	identified but plans to mitigate risk lacks some detail.	address negative impacts are vague or limited.		for addressing risks appear in application.
1. Project budget	Project budget includes details on income and expenses, and cost estimations are reasonable.	Project budget includes income and expenses but is missing some detail or cost estimations are questionable.	Project budget provided but is missing significant detail and/or cost estimations are unreasonable.		Project budget does not include adequate detail and is unreasonable in its estimations.
2. In-kind contribution	A clear description of in-kind contribution is provided and meets grant criteria. Or no in-kind contribution is needed.	In-kind contribution is identified but lacks some detail.	In-kind contribution is vague or does not meet grant criteria.		No in-kind contribution details indicated, if required.