



Annual Financial Report

**Oregon International Port of Coos Bay
Coos Bay, Oregon**

For the Year Ended June 30, 2023



Oregon International Port of Coos Bay
Coos Bay, Oregon
Board of Commissioners

Eric Farm, President

Brianna Hanson, Vice President

Kyle Viksnehill, Treasurer

Kyle Stevens, Secretary

Nick Edwards, Commissioner

All Commissioners receive mail at the address listed below.

ADMINISTRATION

John Burns, Chief Executive Officer

Megan Richardson, Director of Finance and Accounting

125 Central Avenue, Suite 300

Coos Bay, OR 97420

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Report of Independent Auditors

The Board of Commissioners
Oregon International Port of Coos Bay

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oregon International Port of Coos Bay (the Port) which comprise the balance sheet as of June 30, 2023, and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Port as of June 30, 2023 and the changes in its net position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the Port's proportionate share of net pension liability, the Port's pension contributions, the Port's proportionate share of the net OPEB asset, and the Port's OPEB contributions 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 an opinion on the financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the combining and individual fund financial statements and schedules, and the schedule of property tax transactions (the supplementary information) are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other financial 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. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

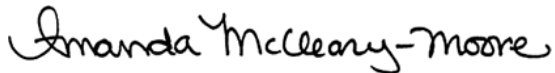
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 21, 2023 on our consideration of the Port's compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. 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.

A handwritten signature in black ink that reads "Amanda McCleary-Moore". The signature is written in a cursive, flowing style.

Amanda McCleary Moore, Partner
for Moss Adams LLP
Medford, Oregon
December 21, 2023

Management's Discussion and Analysis

Oregon International Port of Coos Bay Management's Discussion and Analysis For the Year Ended June 30, 2023

This discussion and analysis of the Oregon International Port of Coos Bay's (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 financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- For the fiscal year ending 2023, unrestricted net position of the Port increased by \$270,252 from the prior year. Unrestricted net position is \$2,560,727 at June 30, 2023.
- The General Fund saw a reduction in revenue and an increase in bad debt due to the Insurance requirement for vessels in the Charleston Marina. The Port was one of the last ports on the Oregon Coast to enact and enforce an insurance requirement. The Port impounded and seized vessels through this process and was responsible for destruction of those vessels. The customers that failed to comply were billed a fee for the destruction, but most of those fees were written off to bad debt and sent to collections.
- The Special Projects Fund accounted for the grant proceeds used for capital improvements on the rail line. As a part of the BUILD funding the Port completed Phase 4: Wildcat Creek / Siuslaw Steel started work on Phase 1: Vaughn Viaduct Bridge Replacement. The work continues Phase 3: Swing Span & Steel Replacement. The Port also secured a Business Oregon Grant for \$15 Million dollars for continued work on the Channel Modification project. The Port received \$5 Million in advance from the state. Those funds and any interest earned from those funds are restricted for the project's use. Capital grant spending increased this year by about \$2.9 Million due to BUILD projects and the Channel Modification. At June 30, 2023, the fund had a net position (deficit) of (\$12,936,080).
- Coos Bay Rail Line, Inc. completed their fourth complete year of operations with 5,852 car movements. This is a decrease of 828 car movements from the previous fiscal year. This is a shortfall compared to the anticipated 16,902 car movement that had been projected for the year. At June 30, 2023, the fund had a net position (deficit) of (\$879,646).
- The Dredge fund had three customers this fiscal year. The Port of Coos Bay, Russell's Marine Fuel, and L&S Seafood. The revenues received in the fund this year were revenues for dredge operations, and reimbursement for Repairs and Maintenance from the state fuel tax funds. The fund holds the received taxes as restricted funds until the state approves reimbursement of expenses for labor and goods and services. The Dredge Fund exceeded budget by \$33,973. A supplemental budget was needed because the fund had not originally budgeted for Dredge operations. The supplemental budget did not factor the work needed on the vessel after dredging had completed. At June 30, 2023, the fund had a net position of \$9,985.

Oregon International Port of Coos Bay Management's Discussion and Analysis For the Year Ended June 30, 2023

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Port's basic financial statements. This audit report consists of four parts – management's discussion and analysis (this section), the basic financial statements (including notes), required supplementary information and other supplementary information. This report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB), and by the Oregon Secretary of State (OSS). The basic financial statements are prepared on the accrual basis, like 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 balance sheets that include the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at year end; statements of revenues, expenses, and changes in net position, which include all revenues, expenses, and grants received for construction for the year; and statements of cash flows, which present the sources and uses of cash for the year. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of other supplementary information, which further explains and supports the information in the financial statements.

Even though management considers the activities related to the operation of the Port as those of a unitary nature, the accounts of the Port are organized and operated on the basis of funds and are reported as such.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Proprietary funds include the following fund type:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the governing board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

The individual funds of the Port comprising the enterprise type are:

General Fund. The General Fund is used to account for all administrative, operating, and marketing costs of the Port and to an extent, capital improvements. Revenues consist primarily of charges for services, general property tax levies and small grants, interest, etc.

Special Projects Fund. This fund was created by Port resolution to account for expenditures related to the acquisition and sale of real property on the North Spit or elsewhere and major infrastructure projects related to the Port's core mission. Revenues consist primarily of grants, contracts, loans and proceeds from public-private partnerships.

Reserve Fund. This fund was created by Port resolution and specifically to contain surplus from Port operations, proceeds from sale of Port assets and proceeds from long term property agreements. Revenues consist of transfers from other funds.

**Oregon International Port of Coos Bay
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Dredge Fund. This fund was created by Port resolution for the sole purpose of segregating the funds received from the State of Oregon Fuel Tax allocation from the Port's General Fund. The Port leases the Dredge equipment from the State of Oregon to perform dredge operations for ports in Oregon. All revenue and expenditures related to dredging activity, repairs and maintenance and reserves for future capital needs of the dredge are encompassed in the Dredge Fund. The fund is intended to be self-sustaining with no impact to the Port's other funds.

Blended Component Unit:

CBRL Fund. This fund is used to account for all administrative and operating costs related to operating the rail line. Revenues consist primarily of charges for services. This year a supplementary budget was completed, however the expenditures at the end of the year were greater than anticipated and the fund had overages in Administration, Transportation, and Mechanical.

**Oregon International Port of Coos Bay
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

FINANCIAL SUMMARY

	TABLE 1		
	<u>2023</u>	<u>2022</u>	<u>Variation</u>
Current and Other Assets	\$ 17,172,025	\$ 11,745,701	\$ 5,426,324
Capital Assets	<u>88,653,840</u>	<u>87,295,743</u>	<u>1,358,097</u>
Total Assets	105,825,865	99,041,444	6,784,421
Deferred Outflow - Pension & OPEB	<u>937,637</u>	<u>1,790,387</u>	<u>(852,750)</u>
Total Assets & Deferred Outflow of Resources	<u>\$ 106,763,502</u>	<u>\$ 100,831,831</u>	<u>\$ 5,931,671</u>
Current Liabilities	\$ 8,872,052	\$ 3,244,877	\$ 5,627,175
Other Non-Current Liabilities	<u>24,902,884</u>	<u>23,228,394</u>	<u>1,674,490</u>
Total Liabilities	<u>33,774,936</u>	<u>26,473,271</u>	<u>7,301,665</u>
Deferred Inflow-Pension	<u>4,973,944</u>	<u>5,863,960</u>	<u>(890,016)</u>
Net Position:			
Net Investments in Capital Assets	65,453,895	65,791,500	(337,605)
Restricted	-	-	-
Unrestricted	<u>2,560,727</u>	<u>2,290,475</u>	<u>270,252</u>
Total Net Assets	<u>68,014,622</u>	<u>68,081,975</u>	<u>(67,353)</u>
Total Liabilities, Deferred Inflow of Resources & Net Position	<u>\$ 106,763,502</u>	<u>\$ 100,419,206</u>	<u>\$ 6,344,296</u>

**Oregon International Port of Coos Bay
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

	TABLE 2		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Operating Revenues:			
Charges for Services	\$ 7,335,283	\$ 6,945,605	\$ 389,678
Leases	566,526	555,249	11,277
Total Operating Revenues	<u>7,901,809</u>	<u>7,500,854</u>	<u>400,955</u>
Operating Expenses:			
Personal Services	4,616,511	4,039,669	576,842
Consulting Services	2,060,745	-	2,060,745
Materials & Services	6,323,665	3,925,370	2,398,295
Depreciation and amortization	5,903,778	5,374,510	529,268
Total Operating Expense	18,904,699	13,339,549	5,565,150
Total Operating Loss	<u>(11,002,890)</u>	<u>(5,838,695)</u>	<u>(5,164,195)</u>
Non-Operating Revenues (Expenses)			
Property Taxes	2,033,630	1,980,901	52,729
Interest Expense	(190,059)	(863,088)	673,029
Interest Income	328,779	122,474	206,305
Grants	8,095,652	9,143,500	(1,047,848)
Loss on Capital Assets	5,293	6,037	(744)
Miscellaneous	662,242	1,488,512	(826,270)
Total Non-Operating Revenues	<u>10,935,537</u>	<u>11,878,336</u>	<u>(942,799)</u>
Change in Net Position	<u>\$ (67,353)</u>	<u>\$ 6,039,641</u>	<u>\$ (6,106,994)</u>

**Oregon International Port of Coos Bay
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

CAPITAL ASSETS

At June 30, 2023, the Port has over \$88 million invested in a broad range of capital assets. This amount represents a net increase of approximately \$1.3 million. The Port has continued to invest in bridge infrastructure along the rail line.

	TABLE 3				
	Capital Assets				
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Capital Assets Not Being Depreciated:					
Land	\$ 8,185,023	\$ -	\$ -	\$ -	\$ 8,185,023
Construction in Progress	-	6,922,427	-	(6,880,313)	42,114
Total Capital Assets Not Being Depreciated	<u>8,185,023</u>	<u>6,922,427</u>	<u>-</u>	<u>(6,880,313)</u>	<u>8,227,137</u>
Capital Assets Being Depreciated:					
Buildings and Docks	21,977,295	-	(15,753)	71,994	22,033,536
Machinery and Equipment	6,603,086	34,089	(87,609)	-	6,549,566
Right of use Subscription assets and lease assets	-	160,923	-	-	305,360
Improvements other than Buildings	144,437	-	(6,450)	6,808,319	101,280,290
Total Capital Assets Being Depreciated	<u>21,977,295</u>	<u>195,012</u>	<u>(109,812)</u>	<u>6,880,313</u>	<u>130,168,752</u>
Less Accumulated Depreciation:					
Buildings and Docks	(8,629,171)	(571,384)	15,753	-	(9,184,802)
Machinery and Equipment	(2,434,997)	(667,012)	87,609	-	(3,014,400)
Right of use	-	(165,196)	-	-	(165,196)
Improvements other than Buildings	(32,883,915)	(4,500,186)	6,450	-	(37,377,651)
Total Accumulated Depreciation	<u>(43,948,083)</u>	<u>(5,903,778)</u>	<u>109,812</u>	<u>-</u>	<u>(49,742,049)</u>
Port Capital Assets, Net	<u>\$ 87,440,179</u>	<u>\$ 1,213,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,653,840</u>

**Oregon International Port of Coos Bay
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

LONG-TERM DEBT

At June 30, 2023, the Port had over \$19.7 million in notes payable. See below for details. Refer to Notes (6) for additional details.

TABLE 4

	<u>2023</u>	<u>2022</u>	<u>Total Change 2023/22</u>
Notes Payable, leases and SBITAs	\$ 9,538,497	\$ 9,993,514	\$ (455,017)
OBDD Loans	<u>10,167,424</u>	<u>10,362,501</u>	<u>(195,077)</u>
	<u>\$ 19,705,921</u>	<u>\$ 20,356,015</u>	<u>\$ (650,094)</u>

BUDGETARY HIGHLIGHTS

The Port's budget for the year ended June 30, 2023, was adopted by the Port Commission in June of 2022. A supplementary budget was passed in June 2023 to reallocate contingency and expense authority from other General fund operating departments to Rail Ops for increases in repairs and maintenance and increase authority in the Dredge Fund due to unanticipated revenues from dredging operations. Although Dredge Fund completed a supplementary budget, they still had an overage due to the timing of major repairs on the dredge vessel.

The Coos Bay Rail Line, Inc.'s budget for the year ended June 30, 2023, was adopted by the Board of Directors in June of 2022.

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:

John Burns, Chief Executive Officer
Oregon International Port of Coos Bay
PO Box 1215
Coos Bay, OR, 97420

Basic Financial Statements

Oregon International Port of Coos Bay
Coos Bay, Oregon
Balance Sheet
June 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 6,762,951
Prepaid expenses	428,290
Receivables, net	5,698,286
Lease receivable	<u>240,116</u>

Total current assets 13,129,643

NON-CURRENT ASSETS

Property taxes receivable	136,865
Note receivable	622,859
Lease receivable, net	3,242,532
Net OPEB asset	40,126
Capital assets	
Depreciable assets, net	80,426,703
Nondepreciable assets	<u>8,227,137</u>

Total non-current assets 92,696,222

Total assets 105,825,865

DEFERRED OUTFLOW OF RESOURCES

Pension and OPEB related items	<u>937,637</u>
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Total assets and deferred outflow of resources \$ 106,763,502

See accompanying notes.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Balance Sheet
June 30, 2023

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 3,163,409
Accrued payroll costs	162,719
Accrued interest	195,056
Unearned revenue	4,407,459
Current portion of long-term debt	<u>943,409</u>

Total current liabilities 8,872,052

NON-CURRENT LIABILITIES

Accrued compensated absences	335,696
Deposits	78,661
Net pension liability	2,232,073
Line of credit	3,493,942
Long-term debt, net of current portion	<u>18,762,512</u>

Total non-current liabilities 24,902,884

Total liabilities 33,774,936

DEFERRED INFLOW OF RESOURCES

Leases	3,361,642
Pension and OPEB related items	<u>1,612,302</u>

Total deferred inflows of resources 4,973,944

NET POSITION

Net investment in capital assets	65,453,895
Unrestricted	<u>2,560,727</u>

Total net position 68,014,622

Total liabilities, deferred inflow of resources, and net position \$ 106,763,502

See accompanying notes.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES	
Charges for services	\$ 7,335,283
Leases	<u>566,526</u>
Total operating revenues	<u>7,901,809</u>
OPERATING EXPENSES	
Personnel services	4,616,511
Consulting services	2,060,745
Materials and services	6,323,665
Depreciation and amortization	<u>5,903,778</u>
Total operating expenses	<u>18,904,699</u>
Total operating loss	<u>(11,002,890)</u>
NON-OPERATING REVENUES (EXPENSES)	
Property taxes	2,033,630
Interest expense	(190,059)
Interest income	328,779
Capital grants	8,095,652
Gain on sale of capital assets	5,293
Miscellaneous	<u>662,242</u>
Total non-operating revenues	<u>10,935,537</u>
CHANGE IN NET POSITION	(67,353)
TOTAL NET POSITION, beginning of year, July 1	<u>68,081,975</u>
TOTAL NET POSITION, end of year, June 30	<u><u>\$ 68,014,622</u></u>

See accompanying notes.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 9,741,737
Cash payments to suppliers for goods and services	(4,982,555)
Cash payments for employee services	<u>(9,812,146)</u>
Net cash used by operating activities	<u>(5,052,964)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property taxes received	<u>2,019,866</u>
Net cash provided by noncapital financing activities	<u>2,019,866</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(6,956,516)
Proceeds from sale of capital assets	5,293
Payments on note receivable	68,680
Advances on line of credit	2,345,169
Principal paid on long-term debt	(955,453)
Grant proceeds	9,848,465
Miscellaneous	661,591
Interest paid on long-term debt	<u>(437,313)</u>
Net cash provided by capital and related financing activities	<u>4,579,916</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>328,779</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,875,597
CASH AND CASH EQUIVALENTS, beginning of year, July 1	<u>4,887,354</u>
CASH AND CASH EQUIVALENTS, end of year, June 30	<u><u>\$ 6,762,951</u></u>

See accompanying notes.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Statement of Cash Flows
For the Year Ended June 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH USED
BY OPERATING ACTIVITIES

Operating loss	<u>\$ (11,002,890)</u>
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	5,903,778
Allowance	42,000
Changes in:	
Prepaid expenses	(58,202)
Receivables	(287,497)
Net OPEB asset	(25,558)
Leases and related deferred inflows of resources	(49,590)
Deferred outflows of pension and OPEB related items	(287,743)
Accrued compensated absences	41,205
Accounts payable and other accrued expenses	506,361
Unearned revenue	70,090
Deposits	(48,861)
Net pension liability	143,943
Total adjustments	<u>5,949,926</u>
Net cash used by operating activities	<u><u>\$ (5,052,964)</u></u>

See accompanying notes.

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Note 1 – Summary of Significant Accounting Policies

Reporting entity – The Oregon International Port of Coos Bay (Port) is organized under the laws pertaining to port districts in the State of Oregon and Oregon Senate Bill 962, which became effective January 1, 1988. The Port has a five-person Board of Commissioners with the members being appointed by the Governor of the State of Oregon. The Governor also designates the President of the Commission who is the presiding officer. The President in turn designates the officers of the Commission.

The Port is involved in a wide variety of transportation-related activities in southwestern Oregon. The Port owns and operates the Charleston Marina Complex - Marina & Launch Ramp, RV Park, and Shipyard - which serves the commercial fishing and seafood processing industry, as well as the recreational boating, fishing and coastal tourism sector. Additionally, the Port owns the Coos Bay rail line and related rail infrastructure in three southwestern Oregon Counties: Coos, western Douglas and western Lane. The line was operated by an experienced private-sector short line railroad operating company under contract with the Port until October 31, 2018. As of May 23, 2018, the Port created Coos Bay Rail Line, Inc. and they took over operations of the line as of November 1, 2018. The Port owns and is involved in the long-term development of industrial and marine industrial property in the North Bay Marine Industrial Park on the North Spit of lower Coos Bay, and maintains ownership of property in upper Coos Bay on the North Bend and Coos Bay waterfronts. The Port also serves as the non-federal local sponsor of the federally-authorized navigation system serving Charleston and the Coos Bay harbor.

The accompanying financial statements include the Port and its component unit, collectively referred to as the financial reporting entity. In accordance with GASB Statement Number 14, as amended by GASB Statement 39, GASB Statement 61 and GASB Statement 80, the component unit discussed below has been included in the Port's reporting entity because of the significance of their operational or financial relationship with the Port.

Blended Component Unit

Coos Bay Rail Line, Inc. (CBRL)

The CBRL was created and organized as a public, non-profit local government corporation exclusively for public or charitable purposes, including but not limited to, leasing the Coos Bay Rail Line and operation of the Coos Bay Rail Line.

Measurement focus, basis of accounting, and basis of presentation – For financial reporting purposes, management considers the activities related to the operation of the Port as those of a unitary nature and are reported as such. The accounts of the Port are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

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The financial statements of the Port have been prepared in conformity with standards set by the State of Oregon and with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to proprietary funds of local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Accordingly, the Port utilizes the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of cash flows.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of cash flows. Operating revenues and expenses generally result from providing services. The principal operating revenues of the Port are contract revenue, moorage fees and leases. Operating expenses of the Port include administrative expense, personnel expense and depreciation. Revenues and expenses that are earned or incurred outside of the course of normal operations, including interest income and expense, property tax revenue, and grant proceeds, are classified as non-operating. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

If 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.

Proprietary fund includes the following fund type:

- **Enterprise fund** is used to account for those operations that are financed and operated in a manner similar to private business or where the governing board has decided that the determination of revenues earned, costs incurred and/or change in net position is necessary for management accountability.

The individual funds of the Port comprising the enterprise fund are as follows:

- **General Fund** – The General Fund is used to account for all administrative, operating, and marketing costs of the Port. Revenues consist primarily of general property tax levies, grants, and charges for services.
- **Special Projects Fund** – This fund was created by Port resolution and is used to account for expenditures in the acquisition of land and special projects such as contracts for dredging.
- **Reserve Fund** – This fund was created by Port resolution and specifically requires expenditures for future dredging, improvements, and changes or replacement of facilities, infrastructure, land, buildings and equipment, personnel costs and rail line.

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- **Dredge Fund** – Beginning July 1, 2019, the Port removed dredge fund operations from the general fund and established the Dredge fund. The purpose of creating a separate fund is to segregate the funds received from the State of Oregon and dredge customers for the operation of the dredge equipment. Dredge activity is intended to be self-sustaining, and any deficit is currently covered by Business Oregon.
- **Coos Bay Rail Line, Inc.** – The CBRL was created and organized as a public, non-profit local government corporation exclusively for public or charitable purposes, including but not limited to, leasing and operation of the Coos Bay Rail Line.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position

Deposits and investments – The Port's cash and cash equivalents are considered to be cash on hand, demand deposits and investments in the Oregon State Treasury Local Government Investment Pool (LGIP). The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. The Oregon Short Term Fund Board and the Oregon Investment Council regulate OSTF investments (ORS 294.805 to 294.895).

The Port maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the Port is to invest its funds in banks and in the LGIP and to transfer resources to the general checking accounts as the need arises. This policy is in accordance with ORS 294.035 which specifies the types of investments authorized for municipal corporations.

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 the Port 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.

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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.

Prepays – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in the statements using the consumption method.

Receivables and payables – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds, if any, are reported as "due to/from other funds." Due to/from other funds of the Port are eliminated in the balance sheet.

Trade receivables are shown net of an allowance for uncollectible accounts. Property taxes receivable are reported in accordance with the policies described in Note 4.

Capital assets – Capital assets are defined by the Port as assets with an initial cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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 capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Port are depreciated over the remaining useful lives of the related capital assets. Depreciation of all exhaustible capital assets is charged against the operations of the enterprise fund and accumulated depreciation is reported on the balance sheet. Depreciation has been calculated over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and docks	30 years
Improvements other than buildings	10-30 years
Machinery and equipment	5-20 years

Compensated absences – Paid time-off accumulates at the regular rates of pay. Paid-time-off may not accrue more than 75 days per employee. Paid-time-off pay is recorded as an expense as it is incurred.

Net position – Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the Port or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

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Unearned revenue – The Port reports unearned revenue on its balance sheet, which consists of moorage revenue received and grants received in advance, but not earned at fiscal year-end.

Leases – The Port recognizes lease contracts that have a term exceeding one year that meet the definition of an other than short-term lease. The Port uses the same interest rate it charges to the lessee as the discount rate or that is implicit in the contract to the lessee. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

SBITAs – The Port recognizes a subscription-based information technology asset and corresponding liability when an agreement conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction in accordance with GASB 96. The Port amortizes subscription-based assets on a straight-line basis. Any variable payments associated with the contract are expensed as incurred, as they are deemed current expense.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

Accounting for contributions from federal government – Capital grants and other contributions from governmental agencies are recorded as revenue when earned. Operating grants are also recorded as revenue when earned.

Deferred outflows/inflows of resources – In addition to assets, the balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the balance sheet 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension – Substantially all of the Port's employees are participants in the State of Oregon Public Employees Retirement System (PERS or the Plan). 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 by the Plan.

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Budgetary information – Annual appropriated budgets as prescribed by Oregon Local Budget Law are adopted for all funds. All annual appropriations lapse at fiscal year-end. The Port does not utilize the encumbrance system of accounting for expenditures or expenses.

Budgets are adopted on a non-GAAP basis in that loan and bond proceeds are treated as revenues, property taxes and principal received on notes receivable are treated as revenue when received, capital outlay and debt principal payments are recognized as expenditures, interest payments on long-term debts are recognized as expenditures when paid, vacation and compensatory pay is recognized when paid, and no provision is made for depreciation expense.

New Accounting Pronouncements – The Port implemented GASB Statement No. 96 *Subscription-Based IT Arrangements* (GASB 96) as of July 1, 2022. The Port evaluated contracts that should be considered for subscription-based IT arrangements to determine whether they meet the definition of a subscription-based IT arrangement as outlined in GASB 96. The Port calculated and recognized a subscription asset and subscription liability of \$144,437 as of July 1, 2022. The beginning net position was not restated for the adoption of GASB 96.

Note 2 – Stewardship, Compliance, and Accountability

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The Port follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Budget Committee submits to the Board of Commissioners an approved operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is then held to obtain comments from taxpayers and other interested parties.
3. Prior to July 1, the budget is legally adopted and expenditures are appropriated and taxes levied by a resolution. The Board of Commissioners does have the authority to make certain limited changes in the budget figures approved by the Budget Committee when it adopts the budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.
4. All revisions of appropriations, whether within a fund or between funds, require Board approval in the form of a resolution. Supplemental budgets are prepared and adopted in the same manner as the regular budget in order to have the authority to make expenditures from unanticipated revenues.

Level of control – Expenditures are appropriated at the following levels for each fund, other than the General Fund: personnel services, materials and services, capital outlay, debt service and transfers. The General Fund is appropriated for at the Department level and includes: Administration, External Affairs, Port Operations, Charleston Operations, Railroad Operations, and Non-Departmental which include Debt Service, Special Payments, Transfers, Contingency, and Capital Outlay.

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Negative fund balances – The Port has the following deficit fund balances:

Special Projects Fund	(\$12,936,080)
Coos Bay Rail Line Fund	(\$879,646)

Management plans to correct these with future transfers.

Excess of Expenditures over Appropriations – For the year ended June 30, 2023, expenditures (on a budgetary basis) exceeded appropriations authorized by the Port Commissioners as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Over Expenditure</u>
Dredge Fund			
Materials and services	\$ 299,444	\$ 338,379	\$ (38,935)

Note 3 – Deposits and Investments

Deposits – The Port maintains an internal cash and investments pool that is available for use by all funds. Cash and cash equivalents are comprised of the following at June 30, 2023:

Cash on hand	\$ 1,634
Deposits with financial institutions	
Demand deposits	711,342
State of Oregon Local Government Investment Pool	<u>6,049,975</u>
Total cash and cash equivalents	<u>\$ 6,762,951</u>

Deposits with financial institutions are comprised of demand deposits. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. As of June 30, 2023, the Port had total bank balances of \$767,616.

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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. The pool is comprised of a variety of investments. These investments are characterized at net asset value in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

Custodial credit risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the Port's deposits may not be returned. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian, and public official compliance with ORS 295. ORS 295 requires the depository institutions to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2023, the total bank balances were \$767,616. Of these deposits, \$250,000 was covered by federal depository insurance. The Port keeps its deposits at financial institutions deemed to be qualified depositories by the Office of the State Treasurer. Accordingly, the Port had no custodial credit risk at June 30, 2023.

Credit risk – Investments

For investments this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of the outside party. The Port's policy is to invest most of its funds in the State of Oregon LGIP which is not evidenced by securities. As of June 30, 2023, the amortized value of the position in the LGIP approximates fair value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

Interest rate risk – 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 that have a maturity beyond three months.

Concentration of credit risk – The Port has concentrations in the LGIP in which 100% of its investments are held.

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

Investment Type	Less than 3 months
State Treasurer's Investment Pool	\$ 6,049,975
Total	\$ 6,049,975

Note 4 – Receivables

Accounts receivable – The accounts receivable at June 30, 2023 consisted of the following:

Receivables, trade - current	\$ 5,740,286
Less - allowance for doubtful accounts	(42,000)
Total	\$ 5,698,286

Property Taxes receivable – Property taxes are an enforceable lien on real and personal property. Taxes are levied on July 1 and payable in full on November 15, although three installments, on November 15, February 15, and May 15, are allowed. The County bills, collects and remits the property taxes to the Port. For the year ended June 30, 2023, the Port levied a net tax of \$2,053,398. The total taxes receivable at June 30, 2023 amounted to \$136,865.

Property tax revenues are recognized when levied. The Port levied taxes for the year ended June 30, 2023 at a rate of \$0.6119 per \$1,000 of assessed valuation.

Note receivable – During the year ended June 30, 2012, the Port sold a parcel of North Spit property to Southport Forest Products, LLC. The note receivable matures May 31, 2031 and the interest rate is 3.0%. The balance of the note receivable was \$622,859 on June 30, 2023.

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Note 5 – Capital Assets

The following is a summary of capital assets for the Port at June 30, 2023:

	June 30, 2022	Additions	Deletions	Transfers	June 30, 2023
Capital assets not being depreciated or amortized					
Land	\$ 8,185,023	\$ -	\$ -	\$ -	\$ 8,185,023
Construction in progress	-	6,922,427	-	(6,880,313)	42,114
Total capital assets not being depreciated or amortized	<u>8,185,023</u>	<u>6,922,427</u>	<u>-</u>	<u>(6,880,313)</u>	<u>8,227,137</u>
Capital assets being depreciated or amortized					
Buildings and docks	21,977,295	-	(15,753)	71,994	22,033,536
Machinery and equipment	6,603,086	34,089	(87,609)	-	6,549,566
Right of use subscription Assets	144,437	1,863	-	-	146,300
Lease assets	-	159,060	-	-	159,060
Improvements other than buildings	94,478,421	-	(6,450)	6,808,319	101,280,290
Total capital assets being depreciated or amortized	<u>123,203,239</u>	<u>195,012</u>	<u>(109,812)</u>	<u>6,880,313</u>	<u>130,168,752</u>
Less accumulated depreciation / amortization					
Buildings and docks	(8,629,171)	(571,384)	15,753	-	(9,184,802)
Machinery and equipment	(2,434,997)	(667,012)	87,609	-	(3,014,400)
Right of use subscription	-	(65,618)	-	-	(65,618)
Lease assets	-	(99,578)	-	-	(99,578)
Improvements other than buildings	(32,883,915)	(4,500,186)	6,450	-	(37,377,651)
Total accumulated depreciation/amortization	<u>(43,948,083)</u>	<u>(5,903,778)</u>	<u>109,812</u>	<u>-</u>	<u>(49,742,049)</u>
Capital assets being depreciated or amortized, net	<u>79,255,156</u>	<u>(5,708,766)</u>	<u>-</u>	<u>6,880,313</u>	<u>80,426,703</u>
Capital assets, net	<u>\$87,440,179</u>	<u>\$ 1,213,661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,653,840</u>

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Note 6 – Long-Term Debt

Loans – The Port has borrowed from the Oregon Business Development Department for various Port projects as well as Toyota Financial, Ally Financial and Ford Finance for vehicles.

Purpose	Payment Terms	Interest Rate	Dates	Amount
Oregon Business Development Department				
Industrial Rail Spur	Yearly payment of \$77,505	5.59%	December 2023	\$ 73,305
Charleston Infrastructure	Yearly payment of \$17,703	1.78%	December 2026	67,769
Ice House	First year payment of \$200,000 and escalates over time	1.88%	December 2045	5,776,349
Kitsap Refunding	Yearly Payment Variable	2.70%	December 1, 2041	6,685,000
Hub Building	Yearly Payment	2.66%	June 15, 2041	2,650,000
Terminal One	Yearly Payment	0.55%	[1]	4,250,000
Toyota Financial				
Toyota E-2777250	Yearly Payment of \$4,233	3.49%	January 2025	6,248
Toyota E-2777249	Yearly Payment of \$5,333	0.90%	January 2025	7,946
Toyota E-2777248	Yearly Payment of \$5,415	0.90%	January 2025	8,069
Ally Financial				
Ford Lease	Yearly Payment of \$7,989	4.39%	April 2027	26,301
Ford Finance				
Ford Lease	Yearly Payment of \$5,925	4.75%	January 2027	18,472
				<u>\$ 19,569,459</u>

Note [1] Loan payments, in annual instatements of principal and interest over 25 years will commence following the completion of the construction project which is estimated to occur in November 2024.

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Long term debt activity for the year was as follows:

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amount Due Within One Year
Direct borrowing & direct placement obligations:					
Industrial Rail Spur	\$ 142,826	\$ -	\$ 69,521	\$ 73,305	\$ 73,305
Charleston Infrastructure	83,977	-	16,208	67,769	16,496
Ice House	5,885,698	-	109,349	5,776,349	131,405
Toyota E-2777250	10,125	-	3,877	6,248	4,080
Toyota E-2777249	13,180	-	5,234	7,946	5,282
Toyota E-2777248	13,383	-	5,314	8,069	5,363
Ally Financial	32,931	-	6,630	26,301	6,904
Ford Finance	23,894	-	5,422	18,472	5,054
Terminal One	4,250,000	-	-	4,250,000	-
Software Subscription Liability	144,437	1,863	69,238	77,062	61,120
Lease Liability	-	159,060	99,660	59,400	59,400
Full faith & credit obligation bonds:					
Kitsab Refunding, Series 2021C	7,135,000	-	450,000	6,685,000	460,000
Hub Building, Series 2021A and 2021B	2,765,000	-	115,000	2,650,000	115,000
Total	<u>\$ 20,500,451</u>	<u>\$ 160,923</u>	<u>\$ 955,453</u>	<u>\$ 19,705,921</u>	<u>\$ 943,409</u>

The debt service requirements on all long-term debt to maturity are as follows:

Year Ending June 30,	Principal	Interest
2024	\$943,409	\$349,524
2025	791,571	330,836
2026	806,946	315,133
2027	842,036	297,962
2028	851,678	279,460
2029-2033	4,563,938	1,080,877
2034-2038	3,495,956	534,174
2039-2043	2,234,395	213,207
2044-2045	925,992	35,022
Total	<u>\$ 15,455,921</u>	<u>\$ 3,436,195</u>

Series 2021A and 2021B – On October 1, 2021, the Port issued taxempt bonds Series 2021A at a par value of \$980,000 and taxable bonds Series 2021B at a par value of \$1,915,000. Principal payments are due in varying annual installments through June 2041. Interest payments are due annually in June of each year at rates ranging from 1.36% to 2.74%. Bond proceeds were used to purchase the Hub building.

Series 2021C bonds – On October 28, 2021, the Port issued bonds at a par value of \$7,610,000. Principal payments are due in varying annual installments through December 2041. Interest payments are due annually in June of each year at rates ranging from 1.70% to 3.16%. Bond proceeds were used to refinance existing debt.

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Open credit – In September 2018, the Port obtained a \$5,000,000 line of credit with Umpqua Bank. The maturity date for the line of credit is October 1, 2024, with an interest rate of prime minus 1.60% (3.15% as of June 30, 2023). Interest only payments are required monthly, principal must be paid in full by the maturity date. The outstanding balance as of June 30, 2023 on the line of credit was \$3,493,942.

Note 7 – Leases

The Port leases docks, land, buildings, moorings and equipment to various companies under operating leases. In most cases, rents are at a fixed rate per month. The majority of the operating leases contain renewal options at a negotiable rate.

The Port is a lessor for noncancellable lease of docks, land, buildings, moorings and equipment with lease terms through 2057. For the year ending June 30, 2023, the Port recognized \$566,526 in lease revenue released from the deferred inflows of resources charged to the lessees included in leases income on the statement of revenue, expenses, and change in net position. No inflows of resources were recognized in the year related to termination penalties or residual value guarantees during the fiscal year.

The future principal and interest lease receipts as of June 30, 2023, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30, 2024	\$ 240,116	\$ 74,722	\$ 291,315
2025	223,493	70,841	272,811
2026	221,157	66,883	269,317
2027	203,385	62,998	247,660
2028	208,330	59,099	267,429
2029 - 2033	849,029	241,473	1,090,502
2034 - 2038	733,867	150,970	884,837
2039 - 2043	372,227	75,824	448,051
2044 - 2048	129,104	50,282	179,386
2049 - 2053	166,795	30,230	197,025
Total	2054 - 2057	135,145	141,342
	<u>\$ 3,482,648</u>	<u>\$ 889,519</u>	<u>\$ 4,289,675</u>

Note 8 – Other Information

Risk management – The Port is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Port carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year. There has been no instances, in the past three years, in which the settlement costs have exceeded the insurance coverage other than related to the ice house fire in 2019.

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Contingent liabilities – Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Port expects such amounts, if any, to be immaterial. Also, there are no known environmental or pollution liabilities.

Note 9 – Defined Benefit Pension Plans

Plan description – The Oregon Public Employees Retirement System (PERS) consists of a 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/Pages/Financials/Actuarial-Financial-Information.aspx>

PERS pension (Chapter 238) – The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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 benefit results.

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

- member was employed by 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.

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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.

Benefit changes after retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

OPSRP pension program (OPSRP DB) – The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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.

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.

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 a 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.

Benefit changes after retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

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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 subdivisions have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$336,999, excluding amounts to fund employer specific liabilities.

At June 30, 2023, the Port reported a net pension liability of \$2,232,073 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 as of 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 June 30, 2022 measurement date, the Port's proportionate share was .0146 percent.

The proportionate share of pension expense was \$172,585 for the year ended June 30, 2023. At June 30, 2023, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 108,349	\$ 13,920
Changes in assumptions	350,224	3,200
Net difference between projected and actual earnings on investments	-	399,051
Changes in proportionate share	139,219	842,876
Differences between employer contributions and employer's proportionate share of system contributions	<u>1,755</u>	<u>337,031</u>
Total (prior to post-measurement date contributions)	599,547	1,596,078
Port contributions subsequent to measurement date	<u>336,999</u>	<u>-</u>
Net deferred outflow/inflow of resources	<u><u>\$ 936,546</u></u>	<u><u>\$ 1,596,078</u></u>

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Amounts reported as deferred outflows of resources related to pension resulting from Port contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows or inflows of resources related to pension other than post-measurement contributions will be recognized in pension expense (income) as follows:

	Total
Year Ending June 30, 2024	\$ (191,890)
2025	(330,306)
2026	(427,124)
2027	14,708
2028	(61,919)
Total	\$ (996,531)

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

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

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 of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the Oregon Public Service Retirement Plan (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.

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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	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets, excluding reserves
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Projected Salary Increase	3.40 percent overall payroll growth. For COLA, a blend of 2.00 percent COLA and graded COLA (1.25%/0.15%) in accordance with the Moro decision, blend based on service.
Mortality	<p>Healthy retirees and beneficiaries Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of 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 ended December 31, 2020.

Discount rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

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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 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent than the current rate.)

	Decrease (5.90%)	Rate (6.90%)	Increase (7.90%)
Port's proportionate share of the net pension liability	\$ 3,958,388	\$ 2,232,073	\$ 787,227

Individual account program – In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. OPSRP is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The Port makes this contribution on behalf of its employees.

Note 10 – Oregon Public Employees Retirement System Retiree Health Insurance Account

Plan description – PERS administers the Retirement Health Insurance Account (RHIA) cost-sharing multiple-employer defined benefit OPEB plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan.

PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage PERS. All members of the board are appointed by the governor and confirmed by the State Senate. The governor designates the chairperson. One member must be a public employer manager or a local elected official, one member must be a union-represented public employee or retiree, and three members must have experience in business management, pension management, or investing.

RHIA was established by ORS 238.420 and is administered and managed by the Board. The Plan was closed to new entrants hired on or after August 29, 2003.

PERS issues a publicly available financial report online at:
<http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

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Benefits provided – The RHIA provides a monthly premium subsidy available to Medicare entitled (enrolled in Medicare Parts A and B) retirees that are receiving either a PERS service or disability retirement allowance and have had either eight or more years of qualifying service time at retirement or is receiving a PERS disability retirement allowance that is computed as if the retiree had eight or more years of creditable service time.

Contributions – Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. Employer proportions are determined 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. Ultimate authority for setting and changing the laws governing contributions rest with the Oregon Legislature. Employees are not required to contribute to the OPEB plan.

The contribution, as determined by the proportionate share, as of the June 30, 2022 measurement date was \$53.

Assets, liabilities, deferred outflows of resources and deferred inflows of resources, and expense related to OPEB

At June 30, 2023, the Port reported an asset of \$40,126 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2020. The Port's proportionate share as of the June 30, 2022 measurement date was .01129%.

For the year ended June 30, 2023, the Port recognized OPEB income of \$6,741 and deferred outflows of resources and inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,087
Changes of assumptions	314	1,338
Net difference between projected and actual earnings on investments	-	3,060
Changes in proportionate share	<u>724</u>	<u>10,739</u>
Total (prior to post-measurement date contributions)	1,038	16,224
Port contributions subsequent to measurement date	<u>53</u>	<u>-</u>
Net deferred outflow/inflow of resources	<u>\$ 1,091</u>	<u>\$ 16,224</u>

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Coos Bay, Oregon
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June 30, 2023

\$53 reported as deferred outflows of resources related to OPEB resulting from the Port contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB income as follows for the years ended June 30:

	Total
Year Ending June 30, 2024	\$ (8,793)
2025	(5,442)
2026	(1,931)
2027	980
Total	\$ (15,186)

Actuarial methods and assumptions – The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, were used:

Actuarial assumptions:

Inflation rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Salary changes	3.40%
Healthcare cost trend rates	Not applicable

Mortality rates are based on the RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs. For active members mortality rates are a percentage of healthy retiree rates that vary by group. For disabled members, mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Discount rate – The discount rate used to measure the total OPEB asset at June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at 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 – The long-term expected rate of return was determined by a review of the long-term assumptions developed by Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors.

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Notes to Financial Statements
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Sensitivity of proportionate share of the net OPEB liability to changes in the discount rate – The following presents the Port’s proportionate share of the net OPEB asset, as well as what the Port’s proportionate share of the net OPEB asset would be if calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current discount rate:

	Decrease (5.90%)	Rate (6.90%)	Increase (7.90%)
Port's proportionate share of the Net OPEB (asset) liability	\$ (36,165)	\$ (40,126)	\$ (43,522)

OPEB plan fiduciary net position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued OPERS financial report.

Note 11 – Tax Abatement

The Port has entered into no tax abatement programs. There are no tax abatement programs entered into by another government reducing the Port’s property tax revenues for the year ended June 30, 2023.

Required Supplementary Information

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Port's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2023

(1) Year Ended June 30,	Employer's Proportion of the Net Pension Liability (NPL) (a)	Employer's Proportionate Share of the Net Pension Liability (Asset) (NPL) (b)	Covered Payroll (c)	NPL as a Percentage of Covered Payroll (b/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.014577%	\$ 2,232,073	\$ 1,259,047	177%	85%
2022	0.017450%	2,088,130	1,545,668	135%	88%
2021	0.020067%	4,510,281	1,550,671	291%	76%
2020	0.022284%	3,854,648	1,958,550	197%	80%
2019	0.017596%	2,665,621	2,147,743	124%	82%
2018	0.014614%	1,970,012	1,957,972	101%	83%
2017	0.014738%	2,212,496	1,642,887	135%	81%
2016	0.017023%	977,367	1,372,963	71%	92%
2015					

(1) Measurement date is the prior fiscal year.

Schedule of Pension Contributions
For the Year Ended June 30, 2023

Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Covered Payroll
2023	\$ 336,999	\$ 336,999	\$ -	\$ 1,577,666	21.361%
2022	334,669	334,669	-	1,259,047	26.581%
2021	301,157	301,157	-	1,545,668	19.484%
2020	345,757	345,757	-	1,550,671	22.297%
2019	273,230	273,230	-	1,958,550	13.951%
2018	291,596	291,596	-	2,147,743	13.577%
2017	190,409	190,409	-	1,957,972	9.725%
2016	166,207	166,207	-	1,642,887	10.117%
2015	186,773	183,773	-	1,372,963	13.385%

10 years are required, but only years with available information are presented.

**Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of the Port's Proportionate Share of the Net OPEB Asset
For the Year Ended June 30, 2023**

(1) Year Ended June 30,	Employer's Proportion of the Net OPEB Liability (Asset) (NPL) (a)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (NPL) (b)	Covered Payroll (c)	NPL as a Percentage of Covered Payroll (b/c)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.011293%	\$ (40,126)	\$ 1,259,047	-3%	195%
2022	0.004242%	(14,568)	1,545,668	-1%	184%
2021	0.005678%	(11,569)	1,550,671	-1%	94%
2020	0.016745%	(32,357)	1,958,550	-2%	144%
2019	0.018525%	(20,679)	2,147,743	-1%	124%
2018	0.014614%	(6,200)	1,957,972	0%	109%

(1) Measurement date is the prior fiscal year.

**Schedule of OPEB Contributions
For the Year Ended June 30, 2023**

Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Covered Payroll
2023	\$ 53	\$ 53	\$ -	\$ 1,577,666	0.003%
2022	278	278	-	1,259,047	0.022%
2021	114	114	-	1,545,668	0.007%
2020	405	405	-	1,550,671	0.026%
2019	8,299	8,299	-	1,958,550	0.424%
2018	9,809	9,809	-	2,147,743	0.457%

10 years are required, but only years with available information are presented.

Supplementary Information

Oregon International Port of Coos Bay
Coos Bay, Oregon
Combining Balance Sheet
Enterprise Funds
June 30, 2023

	General Fund	Special Projects Fund	Reserve Fund	CBRL	Dredge Fund	Eliminations	Total
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 163,972	\$ 3,050,604	\$ 2,973,854	\$ 106,209	\$ 468,312	\$ -	\$ 6,762,951
Prepaid expenses	273,039	-	-	123,449	31,802	-	428,290
Receivables, net	1,403,671	3,755,678	-	475,334	63,603	-	5,698,286
Due from other funds	11,145,000	-	-	-	-	(11,145,000)	-
Lease receivable	240,116	-	-	-	-	-	240,116
Total current assets	13,225,798	6,806,282	2,973,854	704,992	563,717	(11,145,000)	13,129,643
NON-CURRENT ASSETS							
Property taxes receivable	136,865	-	-	-	-	-	136,865
Note receivable	622,859	-	-	-	-	-	622,859
Lease receivable, net	3,242,532	-	-	-	-	-	3,242,532
Net OPEB asset	40,126	-	-	-	-	-	40,126
Depreciable assets, net	80,367,221	-	-	59,482	-	-	80,426,703
Nondepreciable assets	8,227,137	-	-	-	-	-	8,227,137
Total non-current assets	92,636,740	-	-	59,482	-	-	92,696,222
Total assets	105,862,538	6,806,282	2,973,854	764,474	563,717	(11,145,000)	105,825,865
DEFERRED OUTFLOW OF RESOURCES							
Pension and OPEB related items	937,637	-	-	-	-	-	937,637
Total assets and deferred outflow of resources	\$ 106,800,175	\$ 6,806,282	\$ 2,973,854	\$ 764,474	\$ 563,717	\$ (11,145,000)	\$ 106,763,502

Oregon International Port of Coos Bay
Coos Bay, Oregon
Combining Balance Sheet
Enterprise Funds
June 30, 2023

	General Fund	Special Projects Fund	Reserve Fund	CBRL	Dredge Fund	Eliminations	Total
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ 230,620	\$ 1,455,751	\$ -	\$ 1,430,110	\$ 46,928	\$ -	\$ 3,163,409
Accrued payroll costs	113,633	-	-	48,941	145	-	162,719
Accrued interest	195,056	-	-	-	-	-	195,056
Due to other funds	-	11,145,000	-	-	-	(11,145,000)	-
Unearned revenue	253,131	3,647,669	-	-	506,659	-	4,407,459
Current portion of long-term debt	884,009	-	-	59,400	-	-	943,409
Total current liabilities	1,676,449	16,248,420	-	1,538,451	553,732	(11,145,000)	8,872,052
NON-CURRENT LIABILITIES							
Accrued compensated absences	230,027	-	-	105,669	-	-	335,696
Deposits	78,661	-	-	-	-	-	78,661
Net pension liability	2,232,073	-	-	-	-	-	2,232,073
Line of Credit	-	3,493,942	-	-	-	-	3,493,942
Long-term debt, net	18,762,512	-	-	-	-	-	18,762,512
Total non-current liabilities	21,303,273	3,493,942	-	105,669	-	-	24,902,884
Total liabilities	22,979,722	19,742,362	-	1,644,120	553,732	(11,145,000)	33,774,936
DEFERRED INFLOW OF RESOURCES							
Leases	3,361,642	-	-	-	-	-	3,361,642
Pension and OPEB related items	1,612,302	-	-	-	-	-	1,612,302
	4,973,944	-	-	-	-	-	4,973,944
NET POSITION (DEFICIT)							
Net investment in capital assets	68,947,837	(3,493,942)	-	-	-	-	65,453,895
Unrestricted	9,898,672	(9,442,138)	2,973,854	(879,646)	9,985	-	2,560,727
Total net position (deficit)	78,846,509	(12,936,080)	2,973,854	(879,646)	9,985	-	68,014,622
Total liabilities, deferred inflow of resources, and net position (deficit)	\$ 106,800,175	\$ 6,806,282	\$ 2,973,854	\$ 764,474	\$ 563,717	\$ (11,145,000)	\$ 106,763,502

Oregon International Port of Coos Bay
Coos Bay, Oregon
Combining Statement of Revenue, Expenses, and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2023

	General Fund	Special Projects Fund	Reserve Fund	CBRL Fund	Dredge Fund	Eliminations	Total
OPERATING REVENUES							
Charges for services	\$ 3,394,437	\$ -	\$ -	\$ 3,545,520	\$ 395,326	\$ -	\$ 7,335,283
Leases	566,526	-	-	-	-	-	566,526
Total operating revenues	<u>3,960,963</u>	<u>-</u>	<u>-</u>	<u>3,545,520</u>	<u>395,326</u>	<u>-</u>	<u>7,901,809</u>
OPERATING EXPENSES							
Personnel services	2,658,767	-	-	1,859,763	97,981	-	4,616,511
Consulting services	-	2,060,745	-	-	-	-	2,060,745
Materials and services	3,709,485	15,841	-	2,259,960	338,379	-	6,323,665
Depreciation and amortization	5,804,200	-	-	99,578	-	-	5,903,778
Total operating expenses	<u>12,172,452</u>	<u>2,076,586</u>	<u>-</u>	<u>4,219,301</u>	<u>436,360</u>	<u>-</u>	<u>18,904,699</u>
Total operating income (loss)	<u>(8,211,489)</u>	<u>(2,076,586)</u>	<u>-</u>	<u>(673,781)</u>	<u>(41,034)</u>	<u>-</u>	<u>(11,002,890)</u>
NON-OPERATING REVENUES (EXPENSES)							
Property taxes	2,033,630	-	-	-	-	-	2,033,630
Interest expense	(190,059)	-	-	-	-	-	(190,059)
Interest income (loss)	188,137	123,028	-	-	17,614	-	328,779
Capital grants	80,000	8,015,652	-	-	-	-	8,095,652
Gain on capital assets	5,293	-	-	-	-	-	5,293
Miscellaneous	738,316	29,663	-	(105,737)	-	-	662,242
Total non-operating revenues	<u>2,855,317</u>	<u>8,168,343</u>	<u>-</u>	<u>(105,737)</u>	<u>17,614</u>	<u>-</u>	<u>10,935,537</u>
Income (loss) before operating transfers and contributions	<u>(5,356,172)</u>	<u>6,091,757</u>	<u>-</u>	<u>(779,518)</u>	<u>(23,420)</u>	<u>-</u>	<u>(67,353)</u>
OPERATING TRANSFERS IN	6,793,489	120,000	-	-	-	-	6,913,489
OPERATING TRANSFERS (OUT)	-	(6,793,489)	(120,000)	-	-	-	(6,913,489)
CHANGE IN NET POSITION (DEFICIT)	<u>1,437,317</u>	<u>(581,732)</u>	<u>(120,000)</u>	<u>(779,518)</u>	<u>(23,420)</u>	<u>-</u>	<u>(67,353)</u>
TOTAL NET POSITION (DEFICIT), beginning of year, July 1	<u>77,409,192</u>	<u>(12,354,348)</u>	<u>3,093,854</u>	<u>(100,128)</u>	<u>33,405</u>	<u>-</u>	<u>68,081,975</u>
TOTAL NET POSITION (DEFICIT), end of year, June 30	<u>\$ 78,846,509</u>	<u>\$ (12,936,080)</u>	<u>\$ 2,973,854</u>	<u>\$ (879,646)</u>	<u>\$ 9,985</u>	<u>\$ -</u>	<u>\$ 68,014,622</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2023

	General Fund	Special Projects Fund	Reserve Fund	CBRL Fund	Dredge Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 3,576,385	\$ 2,065,097	\$ -	\$ 3,701,952	\$ 398,303	\$ 9,741,737
Cash payments to suppliers for goods and services	(2,797,640)	-	-	(1,887,987)	(296,928)	(4,982,555)
Cash payments for employee services	(3,723,439)	(4,141,683)	-	(1,849,043)	(97,981)	(9,812,146)
Net cash from (used by) operating activities	(2,944,694)	(2,076,586)	-	(35,078)	3,394	(5,052,964)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property taxes received	2,019,866	-	-	-	-	2,019,866
Transfers - in	6,793,489	120,000	-	-	-	6,913,489
Transfers - (out)	-	(6,793,489)	(120,000)	-	-	(6,913,489)
Net cash provided by (used by) non- capital financing activities	8,813,355	(6,673,489)	(120,000)	-	-	2,019,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(6,956,516)	-	-	-	-	(6,956,516)
Proceeds from sale of capital assets	5,293	-	-	-	-	5,293
Payments on note receivable	68,680	-	-	-	-	68,680
Advances on line of credit	-	2,345,169	-	-	-	2,345,169
Principal paid on long-term debt	(855,793)	-	-	(99,660)	-	(955,453)
Grant proceeds	80,000	9,768,465	-	-	-	9,848,465
Miscellaneous	738,316	29,012	-	(105,737)	-	661,591
Interest paid on long-term debt	(437,313)	-	-	-	-	(437,313)
Net cash from (used by) capital and related financing activities	(7,357,333)	12,142,646	-	(205,397)	-	4,579,916
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	188,137	123,028	-	-	17,614	328,779
Net change in cash and cash equivalents	(1,300,535)	3,515,599	(120,000)	(240,475)	21,008	1,875,597
Cash and cash equivalents, beginning of year, July 1	1,464,507	(464,995)	3,093,854	346,684	447,304	4,887,354
Cash and cash equivalents, end of year, June 30	<u>\$ 163,972</u>	<u>\$ 3,050,604</u>	<u>\$ 2,973,854</u>	<u>\$ 106,209</u>	<u>\$ 468,312</u>	<u>\$ 6,762,951</u>

**Oregon International Port of Coos Bay
Coos Bay, Oregon
Combining Statement of Cash Flows (continued)
Enterprise Funds
For the Year Ended June 30, 2023**

	General Fund	Special Projects Fund	Reserve Fund	CBRL Fund	Dredge Fund	Total
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES						
Operating loss	\$ (8,211,489)	\$ (2,076,586)	\$ -	\$ (673,781)	\$ (41,034)	\$ (11,002,890)
Adjustments to reconcile operating loss to net cash provided by (used by) operating activities						
Depreciation and amortization	5,804,200	-	-	99,578	-	5,903,778
Allowance	42,000	-	-	-	-	42,000
Changes in balance sheet (Increase) decrease in:						
Accounts receivable	(380,326)	-	-	156,432	(63,603)	(287,497)
Prepays	(34,205)	-	-	(20,918)	(3,079)	(58,202)
Net OPEB asset	(25,558)	-	-	-	-	(25,558)
Leases	(49,590)	-	-	-	-	(49,590)
Deferred outflows of pension and OPEB related items	(287,743)	-	-	-	-	(287,743)
Accrued compensated absences	30,485	-	-	10,720	-	41,205
Accounts payable	39,379	-	-	422,453	44,529	506,361
Unearned revenue	3,509	-	-	-	66,581	70,090
Deposits	(19,299)	-	-	(29,562)	-	(48,861)
Net pension liability	143,943	-	-	-	-	143,943
Total adjustments	5,266,795	-	-	638,703	44,428	5,949,926
Net cash from (used by) operating activities	<u>\$ (2,944,694)</u>	<u>\$ (2,076,586)</u>	<u>\$ -</u>	<u>\$ (35,078)</u>	<u>\$ 3,394</u>	<u>\$ (5,052,964)</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund (#1)
For the Year Ended June 30, 2023

	Budget		Actual	Variance to Final Budget
	Original	Final		
REVENUES				
Total revenue	\$ 10,426,076	\$ 10,646,555	\$ 7,436,633	\$ (3,209,922)
EXPENDITURES				
Total expenditures	9,424,714	9,607,795	8,380,907	1,226,888
Excess of revenues (under) expenditures	1,001,362	1,038,760	(944,274)	(1,983,034)
Net change in fund balance	1,001,362	1,038,760	(944,274)	(1,983,034)
Beginning fund balance, July 1	-	-	2,366,853	2,366,853
Ending fund balance, June 30	<u>\$ 1,001,362</u>	<u>\$ 1,038,760</u>	1,422,579	<u>\$ 383,819</u>
RECONCILIATION TO NET POSITION				
Capital assets (net of accumulated depreciation)			88,594,358	
Pension and OPEB related items			(2,866,612)	
Taxes receivable			136,865	
Note receivable			622,859	
Lease receivable and deferred inflow			121,006	
Subscription asset (net of accumulated amortization)			75,871	
Interfund Receivable			11,145,000	
Subscription liability			(80,682)	
Long-term debt			(19,646,521)	
Accrued interest payable			(195,056)	
Unearned revenue			(253,131)	
Accrued compensated absences			(230,027)	
Net position, June 30, 2023 (GAAP basis)			<u>\$ 78,846,509</u>	

Oregon International Port of Coos Bay
Coos Bay, Oregon
Classified Schedule of Budgeted (Non GAAP Budgetary Basis)
and Actual Revenues – General Fund (#1)
For the Year Ended June 30, 2023

	Original	Final	Actual	Variance
Administration				
Property taxes				
Current year's taxes	\$ 1,916,136	\$ 1,916,136	\$ 1,967,920	\$ 51,784
Prior years' taxes	80,000	80,000	51,946	(28,054)
Interest	31,807	31,807	99,162	67,355
Urban Renewal Agency	12,000	12,000	12,000	-
Building leases	200,539	200,539	138,261	(62,278)
Note repayment	66,680	66,680	68,510	1,830
Miscellaneous	-	220,479	271,162	50,683
External affairs				
Miscellaneous	90,300	90,300	180,174	89,874
Port operations				
Leases	208,203	208,203	155,385	(52,818)
Property agreements	101,273	101,273	112,760	11,487
Grants	5,000	5,000	-	(5,000)
Miscellaneous	18,000	18,000	15,000	(3,000)
Charleston operations				
Leases	342,023	342,023	311,823	(30,200)
Charges for services	84,450	84,450	24,254	(60,196)
Miscellaneous	50,000	50,000	208,630	158,630
Ice dock sales	300,000	300,000	206,391	(93,609)
Grants	80,000	80,000	80,000	-
Moorage and ramp	917,062	917,062	844,604	(72,458)
Storage	399,418	399,418	448,984	49,566
Work dock	75,000	75,000	35,690	(39,310)
RV space rent	425,000	425,000	381,830	(43,170)
Railroad operations				
Operations	903,710	903,710	350,173	(553,537)
Tax credits	781,865	781,865	681,255	(100,610)
Property agreements	300,000	300,000	313,869	13,869
Insurance Reimbursement	-	-	76,058	76,058
Miscellaneous	2,446,302	2,446,302	24,195	(2,422,107)
Rail surcharge	591,308	591,308	376,597	(214,711)
Total general fund revenues	<u>\$ 10,426,076</u>	<u>\$ 10,646,555</u>	<u>\$ 7,436,633</u>	<u>\$ (3,209,922)</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Classified Schedule of Budgeted (Non GAAP Budgetary Basis)
and Actual Revenues – General Fund (#1)
For the Year Ended June 30, 2023

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Administration	\$ 2,610,348	\$ 2,140,839	\$ 1,818,838	\$ 322,001
External affairs	543,394	478,322	441,180	37,142
Port operations	909,294	945,716	909,293	36,423
Charleston operations	2,332,377	2,148,596	2,010,850	137,746
Railroad operations	1,740,193	2,605,214	1,979,171	626,043
Nondepartmental Debt service	<u>1,289,108</u>	<u>1,289,108</u>	<u>1,221,575</u>	<u>67,533</u>
Total nondepartmental	<u>1,289,108</u>	<u>1,289,108</u>	<u>1,221,575</u>	<u>67,533</u>
Total	<u>\$ 9,424,714</u>	<u>\$ 9,607,795</u>	<u>\$ 8,380,907</u>	<u>\$ 1,226,888</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Special Projects Fund (#5)
For the Year Ended June 30, 2023

	Budget		Actual	Variance to Final Budget
	Original	Final		
EXPENDITURES				
Materials and services	\$ 5,353,000	\$ 5,353,000	\$ 2,076,586	\$ 3,276,414
Capital outlay	31,662,000	31,662,000	6,763,826	24,898,174
Total expenditures	<u>37,015,000</u>	<u>37,015,000</u>	<u>8,840,412</u>	<u>28,174,588</u>
Excess of revenues over (under) expenditures	<u>(37,015,000)</u>	<u>(37,015,000)</u>	<u>(8,840,412)</u>	<u>28,174,588</u>
Other financing sources (uses)				
Capital grant	31,020,000	31,020,000	8,015,652	(23,004,348)
Interest Income	-	-	123,028	123,028
Proceeds from issuance of debt	5,875,000	5,875,000	-	(5,875,000)
Transfer in	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Total other financing sources (uses)	<u>37,015,000</u>	<u>37,015,000</u>	<u>8,258,680</u>	<u>(28,756,320)</u>
Net change in fund balance	-	-	(581,732)	(581,732)
Beginning fund balance, July 1	-	-	<u>(12,354,348)</u>	<u>(12,354,348)</u>
Ending fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,936,080)</u>	<u>\$ (12,936,080)</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Reserve Fund (#10)
For the Year Ended June 30, 2023

	Budget		Actual	Variance to Final Budget
	Original	Final		
Other financing sources (uses)				
Transfer in	\$ 1,000,000	\$ 1,000,000	\$ -	\$ (1,000,000)
Transfer out	(120,000)	(120,000)	(120,000)	-
Total other financing sources	<u>880,000</u>	<u>880,000</u>	<u>(120,000)</u>	<u>(1,000,000)</u>
Net change in fund balance	880,000	880,000	(120,000)	(1,000,000)
Beginning fund balance, July 1	<u>2,037,646</u>	<u>2,037,646</u>	<u>3,093,854</u>	<u>1,056,208</u>
Ending fund balance, June 30	<u>\$ 2,917,646</u>	<u>\$ 2,917,646</u>	<u>\$ 2,973,854</u>	<u>\$ 56,208</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Dredge Fund (#7)
For the Year Ended June 30, 2023

	Budget		Actual	Variance to Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 273,102	\$ 402,387	\$ 412,940	\$ 10,553
Total revenues	<u>273,102</u>	<u>402,387</u>	<u>412,940</u>	<u>10,553</u>
EXPENDITURES				
Personal services	44,191	102,943	97,981	4,962
Materials and services	<u>128,911</u>	<u>299,444</u>	<u>338,379</u>	<u>(38,935)</u>
Total expenditures	<u>173,102</u>	<u>402,387</u>	<u>436,360</u>	<u>(33,973)</u>
Net change in fund balance	100,000	-	(23,420)	(23,420)
Beginning fund balance, July 1	<u>-</u>	<u>-</u>	<u>33,405</u>	<u>33,405</u>
Ending fund balance, June 30	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 9,985</u>	<u>\$ 9,985</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Coos Bay Rail Line (#8)
For the Year Ended June 30, 2023

	Budget		Actual	Variance to Final Budget
	Original	Final		
REVENUES				
Carloads CBRL	\$ 9,037,104	\$ 9,037,104	\$ 3,511,415	\$ (5,525,689)
Demurrage	30,000	30,000	23,800	(6,200)
Car repair	500,000	500,000	268,942	(231,058)
Other/Miscellaneous	19,345	19,345	232,944	213,599
Total revenues	<u>9,586,449</u>	<u>9,586,449</u>	<u>4,037,101</u>	<u>(5,549,348)</u>
EXPENDITURES				
Administration	4,331,336	4,331,336	1,495,857	2,835,479
Maintenance of way	1,043,118	1,043,118	823,910	219,208
Transportation	3,019,929	3,019,929	1,895,215	1,124,714
Mechanical	1,192,066	1,192,066	590,999	601,067
Total expenditures	<u>9,586,449</u>	<u>9,586,449</u>	<u>4,805,981</u>	<u>4,780,468</u>
Net change in fund balance	-	-	(768,880)	(768,880)
Beginning fund balance, July 1	-	-	(5,179)	(5,179)
Ending fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	(774,059)	<u>\$ (774,059)</u>
RECONCILIATION TO NET POSITION				
Leases			82	
Accrued compensated absences			(105,669)	
Net position, June 30, 2023 (GAAP basis)			<u>\$ (879,646)</u>	

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Property Tax Transactions
For the Year Ended June 30, 2023

Year of Levy	Levy 2022-23	Taxes Receivable June 30, 2022	Collections	Offsets, Rebates, and Adjustments	Taxes Receivable June 30, 2023
2022-23	\$ 2,053,398	\$ -	\$ 1,925,503	\$ 55,127	\$ 72,768
2021-22	-	64,097	21,346	8,959	33,792
2020-21	-	28,791	12,867	(1,268)	17,192
2019-20	-	16,584	11,982	(1,849)	6,451
2018-19	-	6,263	5,774	(1,047)	1,536
Prior	-	7,365	12,481	(10,242)	5,126
Total	<u>\$ 2,053,398</u>	<u>\$ 123,100</u>	<u>\$ 1,989,953</u>	<u>\$ 49,680</u>	<u>\$ 136,865</u>

Other Financial Information

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Long-Term Debt Transactions
For the Year Ended June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
BALANCE PAYABLE, JULY 1, 2022	\$ 20,356,014	\$ 6,572,101	\$ 26,928,115
ADDITIONS			
New loans	-	-	-
DEDUCTIONS			
Current maturities paid	<u>786,555</u>	<u>437,313</u>	<u>1,223,868</u>
BALANCE PAYABLE, JUNE 30, 2023	<u>\$ 19,569,459</u>	<u>\$ 6,134,788</u>	<u>\$ 25,704,247</u>

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For the Development of the Industrial Rail Spur
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 73,305	\$ 4,099	\$ 77,404
TOTAL OUTSTANDING AT JUNE 30, 2023	<u>\$ 73,305</u>	<u>\$ 4,099</u>	<u>\$ 77,404</u>
ORIGINAL ISSUE	<u>\$ 1,050,620</u>		
PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	<u>\$ 69,521</u>	<u>\$ 7,984</u>	<u>\$ 77,505</u>
PAYMENT DATES Principal and interest	December 1		
INTEREST RATE	5.59%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For the Charleston Infrastructure
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 16,496	\$ 1,207	\$ 17,703
2024-25	16,790	913	17,703
2025-26	17,089	614	17,703
2026-27	<u>17,394</u>	<u>309</u>	<u>17,703</u>
 TOTAL OUTSTANDING AT JUNE 30, 2023	 <u>\$ 67,769</u>	 <u>\$ 3,043</u>	 <u>\$ 70,812</u>
 ORIGINAL ISSUE	 <u>\$ 115,836</u>		
 PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	 <u>\$ 16,208</u>	 <u>\$ 1,495</u>	 <u>\$ 17,703</u>
 PAYMENT DATES Principal and interest	 December 1		
 INTEREST RATE	 1.78%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For Ice House Loan
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 131,405	\$ 108,595	\$ 240,000
2024-25	153,875	106,125	260,000
2025-26	176,768	103,232	280,000
2026-27	200,091	99,909	300,000
2027-28	226,678	96,147	322,825
2028-29	230,939	91,886	322,825
2029-30	235,281	87,544	322,825
2030-31	239,704	83,121	322,825
2031-32	244,211	78,614	322,825
2032-33	248,802	74,023	322,825
2033-34	253,479	69,346	322,825
2034-35	258,245	64,580	322,825
2035-36	263,100	59,725	322,825
2036-37	268,046	54,779	322,825
2037-38	273,085	49,740	322,825
2038-39	278,219	44,606	322,825
2039-40	283,450	39,375	322,825
2040-41	288,779	34,046	322,825
2041-42	294,208	28,617	322,825
2042-43	299,739	23,086	322,825
2043-44	305,374	17,451	322,825
2044-45	311,115	11,710	322,825
2045-46	<u>311,756</u>	<u>5,860</u>	<u>317,616</u>
 TOTAL OUTSTANDING AT JUNE 30, 2023	 <u>\$ 5,776,349</u>	 <u>\$ 1,432,117</u>	 <u>\$ 7,208,466</u>
 ORIGINAL ISSUE	 <u>\$ 6,000,000</u>		
 PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	 <u>\$ 109,349</u>	 <u>\$ 110,651</u>	 <u>\$ 220,000</u>
 PAYMENT DATES Principal and interest	 December 1		
 INTEREST RATE	 1.88%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Various Toyota loans
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 14,725	\$ 255	\$ 14,981
2024-25	<u>7,538</u>	<u>36</u>	<u>7,488</u>
TOTAL OUTSTANDING AT JUNE 30, 2023	<u>\$ 22,263</u>	<u>\$ 291</u>	<u>\$ 22,469</u>
ORIGINAL ISSUE	<u>\$ 141,980</u>		
PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	<u>\$ 14,485</u>	<u>\$ 494</u>	<u>\$ 14,981</u>
PAYMENT DATES Principal and interest	January 1		
INTEREST RATE	0.00-4.75%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For Kitsap Debt Refunding
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 460,000	\$ 164,277	\$ 624,277
2024-25	465,000	155,974	620,974
2025-26	475,000	146,922	621,922
2026-27	485,000	136,862	621,862
2027-28	495,000	125,808	620,808
2028-29	505,000	113,780	618,780
2029-30	520,000	100,732	620,732
2030-31	535,000	86,696	621,696
2031-32	545,000	71,872	616,872
2032-33	560,000	56,344	616,344
2033-34	580,000	40,040	620,040
2034-35	580,000	23,191	603,191
2035-36	75,000	13,584	88,584
2036-37	75,000	11,345	86,345
2037-38	75,000	9,073	84,073
2038-39	80,000	6,701	86,701
2039-40	80,000	4,233	84,233
2040-41	45,000	2,287	47,287
2041-42	50,000	790	50,790
	<u>50,000</u>	<u>790</u>	<u>50,790</u>
 TOTAL OUTSTANDING AT JUNE 30, 2023	 <u>\$ 6,685,000</u>	 <u>\$ 1,270,511</u>	 <u>\$ 7,955,511</u>
 ORIGINAL ISSUE	 <u>\$ 7,610,000</u>		
 PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	 <u>\$ 450,000</u>	 <u>\$ 172,172</u>	 <u>\$ 622,172</u>
 PAYMENT DATES Principal and interest	 December 1		
 INTEREST RATE	 2.68%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For the Hub Building
At June 30, 2023, and Subsequent Maturities of Principal and Interest

Maturities by Fiscal Year	Principal	Interest	Total
2023-24	\$ 115,000	\$ 69,179	\$ 184,179
2024-25	120,000	66,529	186,529
2025-26	125,000	63,685	188,685
2026-27	130,000	60,693	190,693
2027-28	130,000	57,505	187,505
2028-29	135,000	54,263	189,263
2029-30	135,000	50,825	185,825
2030-31	135,000	47,337	182,337
2031-32	145,000	43,823	188,823
2032-33	150,000	40,020	190,020
2033-34	150,000	36,060	186,060
2034-35	155,000	32,070	187,070
2035-36	160,000	27,913	187,913
2036-37	165,000	23,601	188,601
2037-38	165,000	19,129	184,129
2038-39	175,000	14,647	189,647
2039-40	180,000	9,876	189,876
2040-41	180,000	4,944	184,944
TOTAL OUTSTANDING AT JUNE 30, 2023	<u>\$ 2,650,000</u>	<u>\$ 722,099</u>	<u>\$3,372,099</u>
ORIGINAL ISSUE	<u>\$ 2,895,000</u>		
PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	<u>\$ 115,000</u>	<u>\$ 71,794</u>	<u>\$ 186,794</u>
PAYMENT DATES Principal and interest	December 1		
INTEREST RATE	2.65%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Oregon Business Development Department Loan
For Terminal One Purchase
At June 30, 2023, and Subsequent Maturities of Principal and Interest

	Principal	Interest	Total
TOTAL OUTSTANDING AT JUNE 30, 2023	\$ 4,250,000	\$ -	\$ -
ORIGINAL ISSUE	\$ 10,000,000		
PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	\$ -	\$ -	\$ -
PAYMENT DATES			
Principal and interest	December 1		
INTEREST RATE	0.55%		

Loan payments, in annual instatements of principal and interest over 25 years will commence following the completion of the construction project which is estimated to occur in November 2024.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Ford Ally Leases
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 6,904	\$ 1,041	\$ 7,945
2024-25	7,213	732	7,945
2025-26	7,536	409	7,945
2026-27	<u>4,648</u>	<u>649</u>	<u>5,297</u>
 TOTAL OUTSTANDING AT JUNE 30, 2023	 <u>\$ 26,301</u>	 <u>\$ 2,831</u>	 <u>\$ 29,132</u>
 ORIGINAL ISSUE	 <u>\$ 35,740</u>		
 PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	 <u>\$ 6,630</u>	 <u>\$ 1,337</u>	 <u>\$ 7,945</u>
 PAYMENT DATES Principal and interest	 January 1		
 INTEREST RATE	 0.90%		

Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Ford Financing Leases
At June 30, 2023, and Subsequent Maturities of Principal and Interest

<u>Maturities by Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 5,054	\$ 872	\$ 5,925
2024-25	5,297	528	5,825
2025-26	5,553	272	5,825
2026-27	<u>2,568</u>	<u>1,876</u>	<u>4,444</u>
 TOTAL OUTSTANDING AT JUNE 30, 2023	 <u>\$ 18,472</u>	 <u>\$ 3,548</u>	 <u>\$ 22,019</u>
 ORIGINAL ISSUE	 <u>\$ 26,545</u>		
 PRINCIPAL RETIRED AND INTEREST PAID DURING YEAR ENDED JUNE 30, 2023	 <u>\$ 5,422</u>	 <u>\$ 1,106</u>	 <u>\$ 5,925</u>
 PAYMENT DATES Principal and interest	 January 1		
 INTEREST RATE	 0.90%		

Single Audit Reports and Schedules

**Oregon International Port of Coos Bay
Coos Bay, Oregon
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Grantor / Pass-Through Grantor / Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass Thru Contract</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program			
Maritime Administration			
BUILD 2018	20.933	Direct	<u>\$ 5,430,769</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>5,430,769</u>
Total federal expenditures			<u><u>\$ 5,430,769</u></u>

See notes to schedule of expenditures of federal awards.

Oregon International Port of Coos Bay
Coos Bay, Oregon
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal grant activity of the Port under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Because the Schedule presents only a selected portion of the operation of the Port, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Port. The Port received federal awards directly from federal agencies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting when they become a demand on currently available financial resources. The Port's summary of significant accounting policies is presented in Note 1 in the basic financial statements.

3. INDIRECT COST RATE

The Port has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Commissioners
Oregon International Port of Coos Bay

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oregon International Port of Coos Bay (the Port) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated December 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Medford, Oregon
December 21, 2023

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Commissioners
Oregon International Port of Coos Bay

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Oregon International Port of Coos Bay's (the Port's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Port's major federal program for the year ended June 30, 2023. The Port's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Port complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Port's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Port's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Medford, Oregon
December 21, 2023

**Oregon International Port of Coos Bay
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over the major federal program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of the major federal program and type of auditor’s report issued on compliance for the major federal program:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Program</i>
20.933	MARAD FY 2018 BUILD Grant	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Report of Independent Auditors Required by Oregon State Regulations

The Board of Commissioners
Oregon International Port of Coos Bay

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Oregon International Port of Coos Bay (the Port), which comprise the balance sheet as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated December 21, 2023.

Compliance

As part of obtaining reasonable assurance about whether the Port's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. 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:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Port was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

- The Port experienced budgetary over-expenditures which is disclosed in Note 1 of the Port's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

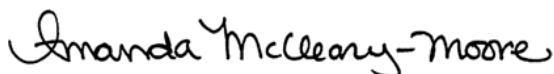
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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



Amanda McCleary-Moore, Partner
for Moss Adams LLP
Medford, Oregon
December 21, 2023