



Financial Statements and Supplementary Schedules for
Port of Astoria, Oregon
For the Years Ended June 30, 2025 and 2024

Prepared by:
Melanie Howard, Finance/HR Director



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**PORT OF ASTORIA
PRINCIPAL OFFICIALS**

As of June 30, 2025

Dirk Rohne, President
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 3, 2017 – present

Robert Stevens, Vice-President
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: August 22, 2017 – present

Thaddeus Fickel, Secretary
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 3, 2017 – present

James Campbell, Treasurer
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 1, 2013 – present

Tim Hill, Assistant Secretary/Treasurer
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 1, 2023 – present

As of June 30, 2024

Robert Stevens, President
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: August 22, 2017 – present

Frank Spence, Vice-President
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 3, 2017 – present

Tim Hill, Secretary
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 1, 2023 – present

James Campbell, Treasurer
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 1, 2013 – present

Dirk Rohne, Assistant Secretary – Treasurer
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: July 3, 2017 – present

Will Isom, Executive Director
422 Gateway, Suite 100
Astoria, OR 97103
Dates of service: June 18, 2019 – present

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Port of Astoria
Astoria, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Port of Astoria, Oregon (the Port), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Port as of June 30, 2025 and 2024, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 these 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 known 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 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 judgement made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, 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 required supplementary information, such as Management's Discussion and Analysis and the pension and other postemployment schedules in the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port's basic financial statements. The schedules, as listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

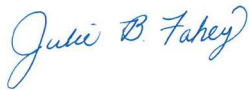
INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information (Continued)

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 Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 3, 2025, on our consideration of the Port's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Talbot, Korvola & Warwick, LLP
Portland, Oregon
November 3, 2025

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PORT OF ASTORIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) provides a discussion and analysis of the operating results, financial position and future prospects of the Port of Astoria "the Port", a municipal government organized by ORS 777. It should be read in conjunction with the financial statements for the fiscal year ended June 30, 2025 and 2024, including all accompanying notes to the financial statements.

Mission Statement

"The Port of Astoria seeks to generate economic growth and prosperity, in a safe and environmentally responsible manner, for its citizens through the creation of family wage jobs and prudent management of its assets".

Overall Performance and Goals

The Port's primary goals are as follows:

- To improve and strengthen the Port's infrastructure in order to meet current and future demands on a competitive basis.
- To fully exploit the business and employment potential of the Port's industrial and commercial real estate in partnership with community development goals.
- To expand infrastructure in support of traditional natural resource industries and related trades.

Financial Highlights

The Port's overall net position increased during fiscal year 2025 by \$558,165, which is a decrease from the prior year in which the Port had a net increase of \$698,319. The Port had an operating loss in the current year of (\$1,278,566), a decrease from the operating loss in the prior year of (\$1,934,839).

Growth in operating revenues from the prior year was primarily driven by the Properties and Boatyard departments. Property revenues increased by \$244,343, or 8%, from fiscal year 2024, largely due to new and amended leases, as well as annual CPI adjustments averaging 2-3% for most tenants. The Boatyard's revenues rose by \$280,000, or 33%, from fiscal year 2024, continuing a trend of annual growth due to increased demand and efforts to expand usable storage space. However, these gains were partially offset by a decrease in dockage revenues of \$247,780, or 23%, from fiscal year 2024. This significant decrease was mainly due to unexpected, lucrative activity in the prior year with long-term vessel visits. Fiscal year 2025 dockage results were close to those of fiscal year 2023, indicating a return to normal activity levels. The Marina and Airport departments saw moderate year-over-year revenue increases. Notably, over the past five years, airport fuel sales have increased significantly, with JetA fuel sales increasing by \$150,000, or 73%, and small aircraft Avgas fuel sales rising by \$38,406, or 295%.

The Port had a positive net position of \$26,735,248 as of June 30, 2025, an increase from \$26,177,083 as of June 30, 2024. The decreased operating loss of \$656,273 from 2024 was partially offset by a decrease in capital grant activity of \$564,210 and a decrease in non-operating income of \$232,217 for a net decrease in change in net position by \$140,154 from the prior year. The largest factor in the non-operating income change was a \$250,000 settlement received in the prior fiscal year. The net investment in capital assets increased in 2025 by \$1,384,065 for a total of \$29,406,214, while the unrestricted net position remained negative at (\$2,670,966) as of June 30, 2025, a change from (\$1,845,069) as of June 30, 2024.

Discussion of Basic Financial Statements - The basic financial statements are prepared on the accrual basis, similar to a private 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 a statement of net position which includes the Port's assets, deferred outflow of resources, liabilities, deferred inflow of resources, and net position at year end; a statement of revenues, expenses and changes in net position; and a statement of cash flows, which presents the sources and uses of cash for the year. The financial statements also include notes that further explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, nearly all of which is required by the Governmental Accounting Standards Board (GASB).

PORT OF ASTORIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Port is operated as a unitary enterprise similar to a commercial or business entity organized for profit, and includes accounting of operations that are financed and operated in a manner similar to private-sector business where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through service charges. Revenue is generated primarily through land and building rents, dock user fees, fueling fees, airport service charges, and timber revenues.

The *Statement of Net Position* presents information on all the Port's assets and deferred outflow of resources, less liabilities and deferred inflow of resources with the difference between them reported as net position. The net position total reported in the statement of net position serves as a useful indicator of whether the financial position of the Port is improving or declining over time. The *Statement of Revenues, Expenses and Changes in Net Position* presents information on the operating and non-operating revenues and expenses of the Port. In addition, it provides information on how well the Port is recovering its costs and generating profits available to reinvest in Port operations.

Condensed Statement of Net Position

	June 30,		
	2025	2024	2023
Assets			
Current assets	\$ 4,953,810	\$ 6,046,316	\$ 4,244,662
Other assets	14,176,667	15,567,672	17,143,719
Capital assets	36,195,604	35,496,980	35,346,411
Total assets	<u>55,326,081</u>	<u>57,110,968</u>	<u>56,734,792</u>
Deferred pension outflows	802,257	688,948	784,387
Deferred OPEB outflows	95,191	101,743	69,128
Total deferred outflows	<u>897,448</u>	<u>790,691</u>	<u>853,515</u>
Liabilities			
Current liabilities	2,469,076	2,589,884	2,497,751
Long-term liabilities	15,861,556	16,995,704	16,598,164
Total liabilities	<u>18,330,632</u>	<u>19,585,588</u>	<u>19,095,915</u>
Deferred lease resources	10,522,834	11,322,377	11,930,567
Deferred pension inflows	319,448	453,916	670,032
Deferred OPEB inflows	315,367	362,695	413,029
Total deferred inflows	<u>11,157,649</u>	<u>12,138,988</u>	<u>13,013,628</u>
Net position			
Net investment in capital assets	29,406,214	28,022,152	28,109,141
Unrestricted	(2,670,966)	(1,845,069)	(2,630,377)
Total net position	<u>\$ 26,735,248</u>	<u>\$ 26,177,083</u>	<u>\$ 25,478,764</u>

PORT OF ASTORIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30,		
	2025	2024	2023
Operating revenues	\$ 9,359,124	\$ 9,345,588	\$ 8,374,071
Operating expenses	<u>(10,637,690)</u>	<u>(11,280,427)</u>	<u>(9,430,447)</u>
Loss from operations	(1,278,566)	(1,934,839)	(1,056,376)
Non-operating revenues	1,394,658	1,605,185	1,332,802
Non-operating expenses	<u>(459,219)</u>	<u>(437,529)</u>	<u>(285,129)</u>
Net loss before capital grants	(343,127)	(767,183)	(8,703)
Capital grants	<u>901,292</u>	<u>1,465,502</u>	<u>479,788</u>
Change in net position	<u>558,165</u>	<u>698,319</u>	<u>471,085</u>
Net position, beginning of year	<u>26,177,083</u>	<u>25,478,764</u>	<u>25,007,679</u>
Net position, end of the year	<u>\$ 26,735,248</u>	<u>\$ 26,177,083</u>	<u>\$ 25,478,764</u>

Analysis of the Overall Financial Position and Results of Operations

During the fiscal year ended June 30, 2025, there was increased capital activity from the prior year. Acquisition and construction of capital assets was \$3,420,355 for the fiscal year 2025, compared to \$2,965,638 in the fiscal year 2024. See Note 4 for more information on capital assets.

Operating revenues increased by \$13,536, close to the prior-year revenues of \$9,345,588. While there was significant growth in the Properties and Boatyard departments, this was partially offset by a decrease in Pier revenues. Property revenues increased by \$179,915, or 7%, from fiscal year 2024, largely due to new and amended leases, as well as annual CPI adjustments averaging 2-3% for most tenants. The Boatyard's revenues rose by \$280,000, or 33%, from fiscal year 2024, continuing a trend of annual growth due to increased demand and efforts to expand usable storage space. Pier revenues decreased by \$227,282, or 19%, from fiscal year 2024. This was mainly due to unexpected, lucrative activity in the prior year with long-term vessel visits. Fiscal year 2025 dockage results were close to those of fiscal year 2023, indicating a return to normal activity levels. The Marina and Airport departments saw moderate year-over-year revenue increases. Notably, over the past five years, airport fuel sales have increased significantly, with JetA fuel sales increasing by \$150,000, or 73%, and small aircraft Avgas fuel sales rising by \$38,406, or 295%.

Operating expenses decreased by \$642,737 which represents a 5.7% decrease from fiscal year 2024. Materials and services costs were down by \$291,959, most significantly in fuel sales (decreased cost per gallon), professional services, and longshore wages. Pollution remediation obligation decreased due to earnings on third party recovery balances. See Note 16, Pollution Remediation Obligation for more information.

PORT OF ASTORIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of the Overall Financial Position and Results of Operations (Continued)

Non-operating revenues, consisting of property taxes, timber receipts, interest income, gain on disposal of assets, and non-capital grants, decreased by \$210,527 or 13% from fiscal year 2024. The prior year saw an unusual transaction of \$250,000 in non-operating income. Non-operating expense items, consisting of loss on disposal of assets, loss on lease termination, and interest expense, saw an increase of \$21,690 from fiscal year 2024. Net non-operating income decreased by \$232,217 or 20% from the prior year.

The current ratio (the ratio of current assets available to pay current liabilities) decreased from the prior year from 2.33 to 2.01. The largest contributor was a decrease in unrestricted cash of \$471,616. Other current assets decreased by a combined total of \$620,899, including current maturities of long-term receivables (\$164,195) and grants receivable (\$361,302). These changes were partially offset by a decrease in current liabilities of \$120,808 from the prior year. In fiscal year 2024, the current ratio increased from the prior year from 1.70 to 2.33.

Capital Asset and Debt Administration

Capital Assets - The Port's investment in capital assets for its activities, as of June 30, 2025, was \$36,195,604 and for June 30, 2024, was \$35,496,980, net of accumulated depreciation. This investment in capital assets includes land, buildings, building improvements, infrastructure, and machinery and equipment. The total increase in capital assets for the current fiscal year was \$698,624 or roughly 2% based on June 30, 2024 capital asset balances. In fiscal year 2024, the total net increase in capital assets was \$150,568. Additional information about the Port's capital assets is discussed in Note 4 of the financial statements.

Long-Term Obligations - The Port had long-term obligations totaling \$17,434,170, a decrease of \$1,027,431 from the prior year; the three main contributing factors were the paydown of debt reducing notes payables by \$1,140,882, a net decrease to lease liability of \$112,548, and a net decrease to pollution remedial obligation of \$94,377. In fiscal year 2024, the Port had long-term obligations totaling \$18,461,601, an increase of \$520,914 from the prior year. Additional information regarding the Port's long-term obligations is discussed in Note 10 of the financial statements.

Description of Currently Known Facts, Decisions, or Conditions

With the exception of the capital projects included in the current year budget, the Port has no projects planned that would materially affect current revenues. Those projects at the Central Waterfront include Pier 2 West emergency repairs, dredging, engineering for the planned Boatyard expansion, and a variety of other repairs and improvements. At the Airport, upcoming projects include preconstruction at the Airport Industrial Park, T-Hangar repairs, and Terminal Building upgrades.

Requests for Information

This financial report is designed to provide a general overview of the Port of Astoria's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be directed to the Finance & HR Director, Port of Astoria, 422 Gateway Avenue, Suite 100, Astoria, Oregon, 97103.

PORT OF ASTORIA
STATEMENTS OF NET POSITION

	June 30,	
	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,308,739	\$ 1,780,355
Cash and cash equivalents – restricted	261,111	255,587
Accounts receivables, net	750,426	829,843
Property and other county taxes receivables	46,011	44,029
Current maturities, long-term receivables	2,334,427	2,498,622
Inventory	66,234	78,407
Prepaid expenses	142,361	153,669
Grants receivable	44,501	405,803
Total current assets	4,953,810	6,046,316
NONCURRENT ASSETS:		
Land and non-depreciable capital assets	4,878,369	4,719,080
Capital assets, net	31,317,235	30,777,900
Long-term lease receivable, less current maturities	9,634,083	10,276,154
Long-term financing receivables, less current maturities	4,126,484	4,722,118
Long-term repayment receivable, net, less current maturities	416,100	569,400
Total noncurrent assets	50,372,271	51,064,652
Total assets	55,326,081	57,110,968
DEFERRED OUTFLOWS:		
Deferred pension outflows	802,257	688,948
Deferred OPEB outflows	95,191	101,743
Total deferred outflows of resources	897,448	790,691
Total assets and deferred outflows	\$ 56,223,529	\$ 57,901,659
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 603,826	\$ 811,204
Accrued payroll and related expenses	35,199	40,135
Accrued interest payable	90,764	101,214
Unearned revenue	166,673	171,434
Long-term obligations, current portion	1,572,614	1,465,897
Total current liabilities	2,469,076	2,589,884
NONCURRENT LIABILITIES:		
Long-term obligations, net of current portion	15,861,556	16,995,704
Total liabilities	18,330,632	19,585,588
DEFERRED INFLOWS:		
Deferred lease inflows	10,522,834	11,322,377
Deferred pension inflows	319,448	453,916
Deferred OPEB inflows	315,367	362,695
Total deferred inflows of resources	11,157,649	12,138,988
NET POSITION:		
Net investment in capital assets	29,406,214	28,022,152
Unrestricted	(2,670,966)	(1,845,069)
Total net position	26,735,248	26,177,083
Total liabilities, deferred inflows and net position	\$ 56,223,529	\$ 57,901,659

See accompanying notes.

PORT OF ASTORIA
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	YEAR ENDED JUNE 30,	
	2025	2024
OPERATING REVENUES:		
Lease and rental operations	\$ 2,761,416	\$ 2,581,501
Fuel sales	1,636,385	1,783,983
Re-billed expenses	2,356,949	2,319,026
Pier revenue	955,557	1,182,839
Marina revenue	1,576,012	1,418,665
Finance charges	9,155	9,837
Other income	63,650	49,737
Total operating revenues	9,359,124	9,345,588
OPERATING EXPENSES:		
Materials and services	4,783,944	5,075,903
Personnel services	3,295,815	2,929,306
Depreciation and amortization	2,685,770	2,754,943
Bad debt	(37,055)	20,502
Pollution remediation	(90,784)	499,773
Total operating expenses	10,637,690	11,280,427
Operating loss	(1,278,566)	(1,934,839)
NON-OPERATING INCOME (EXPENSE):		
Property taxes	989,329	961,761
Interest income	231,607	223,231
Grants	2,400	-
Timber receipts	171,322	163,645
Gain (loss) on disposal of assets	(34,600)	6,548
Loss on lease termination	(4,729)	-
Settlement income	-	250,000
Interest expense	(419,890)	(437,529)
Total non-operating income (expense)	935,439	1,167,656
Net loss before capital grants	(343,127)	(767,183)
CAPITAL GRANTS	901,292	1,465,502
Changes in net position	558,165	698,319
NET POSITION – BEGINNING OF YEAR	26,177,083	25,478,764
NET POSITION - END OF YEAR	\$ 26,735,248	\$ 26,177,083

PORT OF ASTORIA
STATEMENTS OF CASH FLOWS

	YEAR ENDED JUNE 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 10,192,053	\$ 9,908,793
Payments for personnel services	(3,239,219)	(2,971,552)
Payment to suppliers	(4,971,433)	(4,918,926)
Net cash provided by operating activities	1,981,401	2,018,315
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Cash received from property taxes	987,347	958,411
Cash received from timber tax revenue	171,322	163,645
Payments received on non-capital grant agreements	2,400	-
Other non-operating income	-	250,000
Net cash provided by non-capital financing activities	1,161,069	1,372,056
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments received on capital grant agreements	1,262,594	1,086,751
Principal payments on leases	(112,548)	(19,775)
Acquisition and construction of capital assets	(3,420,355)	(2,086,619)
Principal payment on long term debt	(1,140,882)	(1,103,551)
Interest paid on debt and leases	(430,339)	(447,036)
Interest on lease receivables	205,665	197,037
Proceeds on sale of capital assets	1,361	-
Net cash provided (used) by capital and related financing activities	(3,634,504)	(2,373,193)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment earnings	25,942	26,194
Net cash provided by investing activities	25,942	26,194
Net increase (decrease) in cash and cash equivalents	(466,092)	1,043,372
CASH AND CASH EQUIVALENTS, BEGINNING	2,035,942	992,570
CASH AND CASH EQUIVALENTS, ENDING	\$ 1,569,850	2,035,942
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 1,308,739	\$ 1,780,355
Cash and cash equivalents - restricted	261,111	255,587
	\$ 1,569,850	\$ 2,035,942

See accompanying notes.

PORT OF ASTORIA
STATEMENTS OF CASH FLOWS (CONTINUED)

	YEAR ENDED JUNE 30,	
	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (1,278,566)	\$ (1,934,839)
Adjustments		
Depreciation and amortization	2,685,770	2,754,943
Decrease (increase) in:		
Accounts receivables, net	79,417	172,320
Lease receivable	741,379	549,918
Inventory	12,173	21,583
Prepaid expenses	11,308	(12,014)
Long-term financing receivables	575,492	556,040
Repayment receivable	233,600	(87,980)
Increase (decrease) in:		
Accounts payable	(207,378)	4,110
Accrued payroll and related expenses	110,729	91,878
Tenant rent payable	(29,709)	(33,111)
Pollution remediation obligation	(94,377)	716,272
Harbor fee liability	-	(73,200)
OPEB liability and related deferrals	(47,609)	(91,203)
Net pension liability and related deferrals	(6,524)	(42,922)
Deferred inflow - leases	(799,543)	(608,190)
Unearned revenue	(4,761)	34,711
	<u>\$ 1,981,401</u>	<u>\$ 2,018,315</u>
Net cash provided by operating activities		
Schedule of Non-cash Capital and Related Financing Activities: Inception of lease	<u>\$ -</u>	<u>\$ 879,019</u>

PORT OF ASTORIA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operation - The Port of Astoria (Port) is an Oregon Municipal corporation formed under ORS 777. It was formed by special election in 1910. The Port operations include dockage, marina, and boat repair facilities. The Port is responsible for operating the airport and facilities surrounding the airport. The Port owns property that it leases to area businesses and individuals.

The financial statements of the Port have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Standards and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Reporting entity - In evaluating how to define the government, for financial reporting purposes, management has considered the Port's financial reporting entity. The financial reporting entity consists of the Port, organizations for which the Port is financially accountable, and other organizations for which the Port is not accountable, but for which the nature and significance of their relationship with the Port are such that the exclusion would cause the Port's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the Port are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the Port are such that the exclusion would cause the Port's financial statements to be misleading or incomplete. Based on these criteria, the Port has no component units.

Basis of accounting - The financial statements are prepared on the accrual basis of accounting. The Port maintains three individual funds for state legal compliance that are combined and reported as a unitary enterprise similar to a commercial entity organized for profit for financial reporting. Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Port distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Port's ongoing operations. The principal operating revenues of the Port include lease income from rental of Port property, dockage revenue, fuel sales, marina and boatyard fees, and tenant utility re-bills. Operating expenses include the cost of providing the services mentioned above, as well as administrative expenses. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and cash equivalents - For purposes of the Statement of Cash Flows, the Port considers cash and short-term investments with maturities of three months or less to be cash equivalents. The Port maintains merged bank accounts for its funds in a central pool of demand deposit bank accounts.

Restricted Cash - In August of 2023, a new interest-bearing Money Market Account was created with restricted funds related to the Area of Concern 4 (AOC4) pollution remediation project (see Note 16). The escrow account is restricted per the terms of the Consent Judgement agreement and may only be used for payment of Operation and Maintenance of the AOC4 remediation in the event that the Port is unable to pay such costs out of its operating budget.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable - Accounts receivable consist of rents due from tenants within the industrial parks, marinas, and the airport and charges due from ships using port services. The amounts are unsecured. These accounts are shown net of an allowance for doubtful accounts.

The Port provides an allowance for receivables if it believes it may not collect in full. It evaluates the collectability of its accounts based on a combination of factors. The Port's estimates of the recoverability of amounts due may change in the near term. The allowance for doubtful accounts as of June 30, 2025 and 2024 was \$35,258 and \$64,985, respectively.

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

Inventory - Inventory consists of fuel inventories held for resale at the marina and airport. Inventory is valued at the lower of cost or market, using the first-in/first-out (FIFO) method. The costs of inventory are recorded as expenses when used (consumption method).

Property taxes - The State of Oregon constitution and state statutes provide for several types of tax levies, all of which require voter approval before being levied. Included among such authorized levies are a permanent tax rate, which can result in a different levy amount each year as assessed valuations change, bonded debt levies which can be levied each year the related general obligation bonds mature, and local option levies for a voter-approved number of years.

The Port of Astoria levies a permanent tax rate property tax levy.

By July 15 of each year, the Port certifies its property tax levy to Clatsop County, Oregon. Clatsop County makes all assessments of property value and levies, collects, and distributes property taxes for all taxing districts within its boundaries. Assessments of property values are as of July 1 of each year, and the taxes levied are a lien on the properties as of July 1 of the year levied.

Taxes are payable in three installments on November 15, February 15, and May 15 following the levy date and become delinquent May 15. The County pools tax collections and makes distributions to taxing districts according to their pro-rata share of the total levy each fiscal year which collections are received.

Property tax revenue is recognized on the accrual basis of accounting. Property taxes levied during the current year are recorded as revenue, and any amounts uncollected at year-end are recorded as a current asset.

Fair value - The Port categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets. Investments in money markets are valued using quoted market prices (Level 1 inputs).

Capital assets - Purchased or constructed capital assets, including property, plant and equipment, and infrastructure (roadways, piers, drainage systems, etc.), are reported at cost or estimated historical cost. The Port defines capital assets as assets with an initial cost of more than \$25,000 and an estimated life in excess of one year.

Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Donated assets are recorded at their acquisition value at the date of donation. Maintenance and repairs of a routine nature are charged to expenses as incurred and are not capitalized.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 to 50 years
Buildings and structures	10 to 50 years
Equipment and vehicles	5 to 40 years
Furniture and fixtures	3 to 20 years

Lease assets – Lease assets are assets which the Port leases for a term of more than one year. The value of lease assets is determined by the net present value of the leases at the Port’s incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Unearned tenant improvements - On occasion, Port tenants perform capital improvements to Port property as a condition of the lease rental agreement. In exchange for these improvements, the Port has granted lease rental credits to cover all or a portion of the capital improvement. The Port has recorded capital assets for these improvements and tenant rent payable for the amount due to tenants through the rental credits. The payable is amortized over the life of the lease.

Unused compensated absences - The Port recognizes a compensated absences liability for certain leaves, such as for vacation and sick leaves, that (a) has been earned for services previously rendered by employees, (b) accumulates, and (c) is more likely than not to be used as time off, paid in cash, or settled through noncash means. The liability for compensated absences includes certain salary-related payments that are directly and incrementally associated with payments for leave.

Pollution remediation obligation - The Port records future pollution remediation costs that meet measurement criteria outlined in GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. Under this accounting standard, when the Port determines a pollution remediation obligation exists and management is able to make a reasonable and supportable estimation of expected outlays, a long-term liability, net of estimated recoveries from other potentially responsible parties, is recorded. Pollution remediation costs are reported in the *Statement of Revenues, Expenses and Changes in Net Position* as an operating expense (or as revenues for recoveries received after all remediation activities have been completed).

Pensions - The net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense have been determined on the same basis as they are reported by OPERS.

Other post-employment benefits (“OPEB”) obligations - The total OPEB obligation is recognized as a liability and the related deferred outflow of resources and deferred inflow of resources related to OPEB and OPEB expense have been actuarially determined.

Deferred inflow and outflow of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflow of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Net position - The Port’s net position is classified as follows:

- *Net investment in capital assets*. This represents the Port’s total investment in capital assets and lease assets, net of outstanding debt obligations related to those capital assets and lease assets. Debt proceeds that have been received for capital assets but not yet expended are not included within this component of net position.
- *Unrestricted*. Resources not included in other classifications are unrestricted.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition - The Port recognizes revenue from dockage, fuel sales, marina and boatyard fees, and tenant utility re-bills as the services are provided. The Port recognizes property management income over the lease period. Any assets, liabilities, expenses and revenues created as a result of non-exchange transactions are recognized when all the significant eligibility requirements have been met. A non-exchange transaction occurs when a government receives (or gives) value without directly giving (or receiving) equal value in return.

Use of estimates - Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These assumptions and estimates affect the amounts and disclosures in the accompanying financial statements. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and budgetary accounting - The Port is required by Oregon State Law to adopt an annual appropriated budget. The budgetary fiscal period coincides with the annual reporting period (July 1 through June 30). Appropriated budgets are adopted by the executive body and, accordingly, used as a management control device for all funds.

The Port prepared its budget using the modified accrual basis of accounting, which is an acceptable basis of accounting. The Port includes capital outlay and debt services as expenditures for budgetary purposes.

Original appropriations may be increased or decreased, through resolutions, by transferring amounts between appropriations in the same fund or by transferring from an appropriation in the General Fund to an appropriation in another fund, or they may be increased through the adoption of a supplemental budget. By state law, budget appropriations lapse at year-end.

The Port adopts its budget by the following object classifications within each fund: personnel services, material and services, capital outlay, debt service, transfers to other funds, and contingency.

NOTE 3 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Total cash and cash equivalents, as presented in the statements of net position as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 745	\$ 745
Bank deposits	397,820	1,509,853
Money market account	200,659	269,757
LGIP savings account	709,515	-
Total cash and cash equivalents	<u>\$ 1,308,739</u>	<u>\$ 1,780,355</u>

The Port is restricted by State of Oregon statutes in the types of investments in which it may invest. Authorized investments include general obligations of the United States Government and its agencies, certain bonded obligations of municipalities, certain certificates of deposits and savings accounts, and other demand deposit accounts.

The Oregon State Treasury Finance Division administers the Local Government Investment Pool (LGIP). It is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. Cost approximates the District's fair value in the LGIP.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (Continued)

Interest Rate Risk

Interest rate risk is the risk of exposure to fair value losses resulting from rising interest rates. The Port does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Port has minimal interest rate risks because all of its deposits are held in demand accounts with banks and LGIP.

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill, and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board.

Credit Risk

The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP funds are approved by the Oregon Investment Council (ORS 294.805 to 294.898). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP and money market account are unrated for credit quality.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Port would not be able to recover the value of its deposits and investments or collateral securities that are in the possession of an outside party. Financial instruments that potentially subject the Port to custodial risk consist primarily of bank demand deposits. In order to minimize this risk, state statutes require banks holding public funds become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected.

As required by ORS, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the office of the State Treasurer. The Port had bank balances of \$771,937 and \$1,759,696 at June 30, 2025 and 2024, respectively, that exceeded FDIC insurance, however this risk is mitigated by coverage through the PFCP.

Concentration of Credit Risk

The Port does not have a policy to limit the amount that may be invested in any one issuer. At June 30, 2025 and 2024, 100% of bank deposits were held in multiple deposit and money market accounts with one bank.

Restricted Cash

In August of 2023, a new interest-bearing Money Market Account was created with restricted funds related to the Area of Concern 4 (AOC4) pollution remediation project (see Note 16). The escrow account is restricted per the terms of the Consent Judgement agreement and may only be used for payment of Operation and Maintenance of the AOC4 remediation in the event that the Port is unable to pay such costs out of its operating budget.

Total restricted cash, as presented in the statements of net position as of June 30, 2025 and 2024 are as follows:

	2025	2024
AOC4 restricted account	\$ 261,111	255,587
Total restricted cash	<u>\$ 261,111</u>	<u>\$ 255,587</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

Capital asset activity and balances consist of the following for the year ended June 30, 2025:

	Ending Balance 6/30/24	Additions	Deletions	Transfers	Ending Balance 6/30/25
Capital assets, non-depreciable:					
Land	\$ 2,584,837	\$ -	\$ -	\$ -	\$ 2,584,837
Construction in Progress	2,134,243	1,064,696	(30,930)	(874,477)	2,293,532
Total capital assets, non-depreciable	<u>4,719,080</u>	<u>1,064,696</u>	<u>(30,930)</u>	<u>(874,477)</u>	<u>4,878,369</u>
Capital assets, depreciable:					
Land Improvements	47,177,321	1,353,179	-	82,438	48,612,938
Buildings & Structures	14,801,123	641,921	(10,696)	141,910	15,574,258
Airport Property	11,721,633	-	(134,481)	-	11,587,152
Leasehold Improvements	6,531	-	-	-	6,531
Intangibles	378,661	6,000	(17,791)	532,848	899,718
Machinery & Equipment	1,107,294	242,877	(6,195)	67,116	1,411,092
Dredge & Marine Equipment	1,031,083	-	-	-	1,031,083
Vehicles & Boats	512,636	91,319	-	50,165	654,120
Furniture & Fixtures	596,824	20,363	(64,090)	-	553,097
Computer & Equipment	212,161	-	-	-	212,161
Lease Assets	1,001,116	-	-	-	1,001,116
Total capital assets, depreciable	<u>78,546,383</u>	<u>2,355,659</u>	<u>(233,253)</u>	<u>874,477</u>	<u>81,543,266</u>
Less: accumulated depreciation and amortization	<u>(47,768,483)</u>	<u>(2,685,770)</u>	<u>228,222</u>	<u>-</u>	<u>(50,226,031)</u>
Net depreciable capital assets	<u>30,777,900</u>	<u>(330,111)</u>	<u>(5,031)</u>	<u>874,477</u>	<u>31,317,235</u>
Net capital assets	<u>\$ 35,496,980</u>	<u>\$ 734,585</u>	<u>\$ (35,961)</u>	<u>\$ -</u>	<u>\$ 36,195,604</u>

Construction in progress consists primarily of pier restoration, Boatyard upgrades, industrial park development, and pre-dredging surveys. Capital projects are financed by a combination of debt, grants, and internal resources.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Continued)

Capital asset activity and balances consist of the following for the year ended June 30, 2024:

	Ending Balance 6/30/23	Additions	Deletions	Transfers	Ending Balance 6/30/24
Capital assets, non-depreciable:					
Land	\$ 2,584,837	\$ -	\$ -	\$ -	\$ 2,584,837
Construction in Progress	1,573,496	1,120,185	-	(559,438)	2,134,243
Total capital assets, non-depreciable	<u>4,158,333</u>	<u>1,120,185</u>	<u>-</u>	<u>(559,438)</u>	<u>4,719,080</u>
Capital assets, depreciable:					
Land Improvements	46,049,111	614,251	(849)	514,808	47,177,321
Buildings & Structures	14,619,694	145,512	(2,995)	38,912	14,801,123
Airport Property	11,723,294	-	(1,662)	-	11,721,633
Leasehold Improvements	6,531	-	-	-	6,531
Intangibles	224,008	148,935	-	5,718	378,661
Machinery & Equipment	1,102,724	9,570	(5,000)	-	1,107,294
Dredge & Marine Equipment	992,418	38,665	-	-	1,031,083
Vehicles & Boats	512,636	-	-	-	512,636
Furniture & Fixtures	603,449	-	(6,625)	-	596,824
Computer & Equipment	202,660	9,501	-	-	212,161
Lease Assets	193,280	879,019	(71,183)	-	1,001,116
Total capital assets, depreciable	<u>76,229,805</u>	<u>1,845,453</u>	<u>(88,314)</u>	<u>559,438</u>	<u>78,546,383</u>
Less: accumulated depreciation and amortization	<u>(45,041,727)</u>	<u>(2,754,943)</u>	<u>28,187</u>	<u>-</u>	<u>(47,768,483)</u>
Net depreciable capital assets	<u>31,188,078</u>	<u>(909,491)</u>	<u>(60,127)</u>	<u>559,438</u>	<u>30,777,900</u>
Net capital assets	<u>\$ 35,346,411</u>	<u>\$ 210,695</u>	<u>\$ (60,127)</u>	<u>\$ -</u>	<u>\$ 35,496,980</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM FINANCING RECEIVABLES

Long-term financing receivables at June 30, 2025, consisted of the following:

	<u>Current</u>	<u>Long-term</u>
Net investment in direct financing lease (Note 6)	\$ 588,134	\$ 4,088,359
Bornstein land lease	7,500	38,125
Total long-term financing receivables	<u>\$ 595,634</u>	<u>\$ 4,126,484</u>

Long-term financing receivables at June 30, 2024, consisted of the following:

	<u>Current</u>	<u>Long-term</u>
Net investment in direct financing lease (Note 6)	\$ 567,992	\$ 4,676,493
Bornstein land lease	7,500	45,625
Total long-term financing receivables	<u>\$ 575,492</u>	<u>\$ 4,722,118</u>

NOTE 6 - DIRECT FINANCING LEASE

Direct financing lease - The Port entered into a commercial lease agreement in 2005 to construct and lease a seafood processing facility. Financing for the construction of the facility was provided by the Oregon Business Development Department (State Financing). The rent commencement date under the lease agreement was July 1, 2006.

The minimum rental payments under the agreement call for monthly installments equal to the annual debt service on the state financing. In February 2010, the Port elected to use proceeds from a qualifying energy efficiency project performed at the facility to offset the final lease payment at the end of the state financing.

The following lists the components of the net investment in the Port's direct financing lease as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Minimum lease payments receivable	\$ 5,677,831	\$ 6,425,831
Less unearned income	(892,578)	(1,072,586)
Less applicable credits	(108,760)	(108,760)
Net investment in direct financing lease	4,676,493	5,244,485
Less current maturities	(588,134)	(567,992)
Long-term portion	<u>\$ 4,088,359</u>	<u>\$ 4,676,493</u>

As of June 30, 2025 minimum lease payments are as follows:

<u>Year Ended</u>	
2026	\$ 588,134
2027	624,991
2028	695,999
2029	720,681
2030	746,237
Thereafter	<u>1,300,451</u>
Total minimum payments required	<u>\$ 4,676,493</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – TENANT REPAYMENT RECEIVABLE

A long-term repayment receivable was added beginning in fiscal year 2023 to reflect an agreement established with a tenant for repayment of water rebilling that was inaccurately calculated for the period from May 2019 through January 2024.

The following lists the tenant repayment receivable as of June 30, 2025 and 2024:

	2025	2024
Tenant repayment receivable	\$ 751,900	\$ 985,500
Less current maturities	(335,800)	(416,100)
Long-term portion	\$ 416,100	\$ 569,400

As of June 30, 2025 minimum tenant payments are as follows:

Year Ended	Receivable
2026	\$ 335,800
2027	248,200
2028	160,600
2029	73,000
Total Receivable	817,600
Allowance	(65,700)
Receivable, net of allowance	\$ 751,900

NOTE 8 – LEASE RECEIVABLES

The Port previously adopted GASB Statement No. 87 Leases. The primary objective of this statement was to enhance the relevance and consistency of information about governments' leasing activities. This statement established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below. The Port, as lessor, reports twenty-four leases with various commercial and governmental agencies.

On September 1, 2024, the Port entered into a 5-year lease as Lessor. An initial lease receivable was recorded in the amount of \$133,195 with an interest rate of 2.990%. As of June 30, 2025, the value of the lease receivable was \$112,074, the value of the short-term lease receivable was \$25,640, and the value of the deferred inflow of resources was \$110,996.

On September 1, 2024, the Port entered into a 10-year lease as Lessor. An initial lease receivable was recorded in the amount of \$164,404 with an interest rate of 2.610%. As of June 30, 2025, the value of the lease receivable was \$154,032, the value of the short-term lease receivable was \$14,148, and the value of the deferred inflow of resources was \$150,703.

On October 1, 2024, the Port entered into a 20-year land lease as Lessor. An initial lease receivable was recorded in the amount of \$303,643 with an interest rate of 3.2260%. As of June 30, 2025, the value of the lease receivable was \$294,643, the value of the short-term lease receivable was \$11,227, and the value of the deferred inflow of resources was \$292,257.

On December 1, 2024, the Port entered into a 3-year lease as Lessor. An initial lease receivable was recorded in the amount of \$168,521 with an interest rate of 2.3210%. As of June 30, 2025, the value of the lease receivable was \$136,401, the value of the short-term lease receivable was \$55,516, and the value of the deferred inflow of resources was \$135,753.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LEASE RECEIVABLES (Continued)

On February 1, 2025, the Port entered into a new 5-year lease as Lessor with an existing tenant. An initial lease receivable was recorded in the amount of \$131,471 with an interest rate of 2.8850%. As of June 30, 2025, the value of the lease receivable was \$120,933, the value of the short-term lease receivable was \$25,040, and the value of the deferred inflow of resources was \$120,515.

On March 1, 2025, the Port entered into a new 5-year lease as Lessor with an existing tenant. An initial lease receivable was recorded in the amount of \$50,054 with an interest rate of 2.8500%. As of June 30, 2025, the value of the lease receivable was \$47,027, the value of the short-term lease receivable was \$8,990, and the value of the deferred inflow of resources was \$46,717.

On April 1, 2025, the Port entered into a new 5-year lease as Lessor with an existing tenant. An initial lease receivable was recorded in the amount of \$51,488 with an interest rate of 2.8590%. As of June 30, 2025, the value of the lease receivable was \$48,968, the value of the short-term lease receivable was \$9,764, and the value of the deferred inflow of resources was \$48,914.

As of June 30, 2025, the Port has lease receipts ranging from \$9,172 to \$337,809 and interest rates ranging from 0.8500% to 3.2900%. As of June 30, 2024, the Port has lease receipts ranging from \$1,834 to \$293,438 and interest rates ranging from 0.6400% to 3.2900%.

Lease receivables at June 30, 2025, consisted of the following:

	<u>Outstanding June 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2025</u>
Lessor agreements; 33 agreements, varying interest and lease terms	\$ 11,783,184	\$ 1,002,776	\$ (1,748,884)	\$ 11,037,076
Total lease receivables	<u>11,783,184</u>	<u>\$ 1,002,776</u>	<u>\$ (1,748,884)</u>	\$ 11,037,076
Current portion				<u>1,402,993</u>
Long-term portion				<u>\$ 9,634,083</u>

Future maturities are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,402,993	\$ 188,477
2027	1,275,628	165,163
2028	1,207,928	142,742
2029	1,162,822	122,116
2030	1,060,835	103,631
2031-2035	3,031,866	342,420
2036-2040	1,400,498	142,097
2041-2045	425,665	40,892
2046-2047	68,841	1,272
Total	<u>\$ 11,037,076</u>	<u>\$ 1,248,810</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – LEASE RECEIVABLES (Continued)

Lease receivables at June 30, 2024, consisted of the following:

	<u>Outstanding June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2024</u>
Lessor agreements; 24 agreements, varying interest and lease terms	\$ 12,333,102	\$ 833,994	\$ 1,383,912	\$ 11,783,184
Total lease receivables	<u>\$ 12,333,102</u>	<u>\$ 833,994</u>	<u>\$ 1,383,912</u>	11,783,184
Current portion				<u>1,507,030</u>
Long-term portion				<u>\$ 10,276,154</u>

NOTE 9 – LEASE ASSETS

The Port previously adopted GASB Statement No. 87, Leases. The primary objective of this statement was to enhance the relevance and consistency of information about governments' leasing activities. This statement established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

As of June 30, 2025, Port had 2 active leases. The combined value of the right to use assets was \$1,001,116 with accumulated amortization of \$149,766.

Lease assets at June 30, 2025, consisted of the following:

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Leased Assets	\$ 1,001,116	\$ -	\$ -	\$ 1,001,116
Less accumulated amortization	<u>(77,156)</u>	<u>(72,610)</u>	<u>-</u>	<u>(149,766)</u>
Total leased assets being amortized, net	<u>\$ 923,960</u>	<u>\$ (72,610)</u>	<u>\$ -</u>	<u>\$ 851,350</u>

Lease assets at June 30, 2024, consisted of the following:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Leased Assets	\$ 193,280	\$ 879,019	\$ (71,183)	\$ 1,001,116
Less accumulated amortization	<u>(68,923)</u>	<u>(19,289)</u>	<u>11,056</u>	<u>(77,156)</u>
Total leased assets being amortized, net	<u>\$ 124,357</u>	<u>\$ 859,730</u>	<u>\$ (60,127)</u>	<u>\$ 923,960</u>

PORT OF ASTORIA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - LONG-TERM OBLIGATIONS

Notes payable - The Port has 8 loans with the Oregon Business Development Department (OBDD) and the Special Public Works Fund (SPWF) of the State of Oregon. The loans were obtained to make various improvements to the Port's marine and airport facilities. Interest rates and maturity dates vary from 2.49% to 7.0% and 2 to 14 years. The total amount outstanding was \$8,379,402 as of June 30, 2025 and \$9,333,563 as of June 30, 2024. The current portion of these outstanding notes is \$989,888. Port real property is pledged as security.

A note payable to Kitsap Bank with an original face value of \$1,345,000 for the refinancing of the Pier 1 office building. This note was procured in 2021 and was used to pay off the existing loan through Clatsop Community Bank. It is structured as a Full Faith and Credit Refunding Financing Agreement and Note, with no collateral pledged. The note has an average coupon rate of 2.76%. Principal payments are due in annual installments of varying amounts, with interest payment due in semi-annual installments of varying amounts. The principal and interest payments for fiscal year 2026 will be \$90,000 and \$27,974, respectively.

In October 2016, the Port entered into a debt agreement of \$1,750,000 with Key Bank to fund the construction of a stormwater treatment project on Pier 3. The note has a fixed interest rate set at 2.99% for 10 years, with semi-annual interest and principal payments of \$50,633. A mandatory prepayment of the balance is scheduled for the end of the 10 year period, but may be extended with 2 additional 5-year reset dates. The note is secured by the full faith and credit of the Port.

A note payable to the Oregon Department of Transportation (ODOT) with an original face value of \$300,000 for pier improvements. The principal payments are due in annual installments of \$15,000 and matures on January 1, 2029. There is no interest component on the note.

A note payable to KS State Bank with an original face value of \$142,340 for additional LED lighting improvements on Port property. The interest and principal payments are due in monthly installments of \$2,252 and carries an imputed interest rate of 4.42%. The note matures on March 25, 2026.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2025:

	Ending Balance 6/30/24	Additions	Reductions	Ending Balance 6/30/25	Due Within One Year
Notes payable	\$ 11,904,299	\$ -	\$ 1,140,882	\$ 10,763,417	\$ 1,165,077
Leases payable (Note 11)	925,063	-	112,548	812,515	46,004
Tenant rent payables	52,509	-	29,709	22,800	14,400
Compensated absences:					
Accrued vacation	182,761	45,219	-	227,980	196,553
Accrued sick	220,882	70,446	-	291,328	150,580
Total compensated absences	403,643	115,665	-	519,308	347,133
Pollution remediation obligation, net (Note 16)	3,030,610	-	94,377	2,936,233	-
Total other postemployment benefits liability (Note 14)	730,145	-	6,833	723,312	-
Net pension liability (Note 13)	1,415,332	241,253	-	1,656,585	-
Total long-term obligations	<u>\$ 18,461,601</u>	<u>\$ 356,918</u>	<u>\$ 1,384,349</u>	<u>\$ 17,434,170</u>	<u>\$ 1,572,614</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2024:

	Ending Balance 6/30/23	Additions	Reductions	Ending Balance 6/30/24	Due Within One Year
Notes payable	\$ 13,007,850	\$ -	\$ 1,103,551	\$ 11,904,299	\$ 1,140,879
Leases payable (Note 11)	132,494	879,019	86,450	925,063	112,548
Tenant rent payables	85,620	-	33,111	52,509	29,709
Compensated absences:					
Accrued vacation	156,798	25,963	-	182,761	182,761
Accrued sick	167,611	53,271	-	220,882	-
Total compensated absences	324,409	79,234	-	403,643	182,761
Pollution remediation obligation, net (Note 16)	2,314,338	749,773	33,501	3,030,610	-
Total other postemployment benefits liability (Note 14)	738,399	-	8,254	730,145	-
Net pension liability (Note 13)	1,337,577	77,755	-	1,415,332	-
Total long-term obligations	<u>\$ 17,940,687</u>	<u>\$ 1,785,781</u>	<u>\$ 1,264,867</u>	<u>\$ 18,461,601</u>	<u>\$ 1,465,897</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements to maturity for notes payable are as follows:

Fiscal Year	Bornstein Buildings Cons't		Lektro Building Expansion		West basin breakwater II		West basin breakwater	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025-26	\$ 588,134	\$ 159,866	\$ 119,705	\$ 28,951	\$ 125,106	\$ 39,727	\$ 53,285	\$ 15,188
2026-27	624,991	139,009	122,685	25,971	130,936	33,897	55,949	12,524
2027-28	695,999	116,001	125,740	22,916	137,038	27,796	58,747	9,726
2028-29	720,681	91,319	128,871	19,785	143,424	21,410	61,684	6,789
2029-30	746,237	65,763	132,080	16,576	150,107	14,726	74,091	3,705
2030-35	1,410,500	51,197	533,619	29,665	165,905	8,141	-	-
	<u>\$ 4,786,542</u>	<u>\$ 623,155</u>	<u>\$ 1,162,700</u>	<u>\$ 143,864</u>	<u>\$ 852,516</u>	<u>\$ 145,697</u>	<u>\$ 303,756</u>	<u>\$ 47,932</u>

Fiscal Year	Lektro hanger expansion		West basin floats		Airport waterline/fuel tank		Airport E Hangar	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025-26	\$ 36,135	\$ 22,372	\$ 31,597	\$ 15,843	\$ 13,738	\$ 7,067	\$ 22,188	\$ 11,818
2026-27	37,898	20,610	33,057	14,383	14,386	6,419	23,098	10,908
2027-28	39,746	18,761	34,584	12,856	15,065	5,740	24,045	9,960
2028-29	41,684	16,823	36,182	11,258	15,776	5,029	25,031	8,974
2029-30	43,717	14,790	37,854	9,586	16,521	4,284	26,058	7,947
2030-35	252,721	39,815	169,641	20,030	74,248	8,963	147,227	22,800
2035-40	28,568	513	-	-	-	-	33,121	840
	<u>\$ 480,469</u>	<u>\$ 133,684</u>	<u>\$ 342,915</u>	<u>\$ 83,956</u>	<u>\$ 149,734</u>	<u>\$ 37,502</u>	<u>\$ 300,768</u>	<u>\$ 73,247</u>

Fiscal Year	Connect II Pier 2		Pier 1 Building		Key Government Finance		2020 LED Lighting Project	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025-26	\$ 15,000	\$ -	\$ 90,000	\$ 27,974	\$ 62,521	\$ 38,745	\$ 7,668	\$ 66
2026-27	15,000	-	90,000	26,084	64,405	36,862	-	-
2027-28	15,000	-	95,000	23,969	66,345	34,922	-	-
2028-29	15,000	-	95,000	21,575	68,343	32,923	-	-
2029-30	-	-	100,000	19,029	70,402	30,865	-	-
2030-35	-	-	535,000	50,636	385,128	121,205	-	-
2035-40	-	-	-	-	446,736	59,597	-	-
2040-43	-	-	-	-	147,469	4,431	-	-
	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 1,005,000</u>	<u>\$ 169,265</u>	<u>\$ 1,311,349</u>	<u>\$ 359,550</u>	<u>\$ 7,668</u>	<u>\$ 66</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – LEASES PAYABLE

The Port previously adopted GASB Statement No. 87, Leases. The primary objective of this statement was to enhance the relevance and consistency of information about governments' leasing activities. This statement established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

As of June 30, 2025, Port had 2 active leases. The leases had payments ranging from \$11,534 to \$58,876 and interest rates ranging from 1.1192% to 3.2330%.

Leases payable for the fiscal year ended June 30, 2025 are as follows:

	Outstanding June 30, 2024	Additions	Reductions	Outstanding June 30, 2025
Lessee agreements; 3 agreements, varying interest and lease terms	\$ 925,063	\$ -	\$ (112,548)	\$ 812,515
Total leases payable	925,063	\$ -	\$ (112,548)	\$ 812,515
Current portion				46,004
Long-term portion				\$ 766,511

Future maturities are as follows:

Year Ended	Principal	Interest
2026	\$ 46,004	\$ 25,758
2027	49,394	24,520
2028	39,277	23,184
2029	42,421	21,915
2030	45,722	20,543
2031-2035	284,149	78,217
2036-2039	305,548	25,478
Total	\$ 812,515	\$ 219,615

Leases payable for the fiscal year ended June 30, 2024 were as follows:

	Outstanding June 30, 2023	Additions	Reductions	Outstanding June 30, 2024
Lessee agreements; 3 agreements, varying interest and lease terms	\$ 132,494	\$ 879,019	\$ (86,450)	\$ 925,063
Total leases payable	\$ 132,494	\$ 879,019	\$ (86,450)	925,063
Current portion				112,548
Long-term portion				\$ 812,515

NOTE 12 - COMMITMENTS

Project commitments relate to unperformed contracts for goods or services, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes specified quantities. The Port has commitments under various contracts amounting to \$1,428,400 primarily related to environmental, repair and project management services for Pier 2 West and Airport improvements. As of June 30, 2025, approximately \$856,500 of these contracts remain outstanding. A portion of these contracts, approximately \$50,000, will be completed through grant funding. The Port expects to enter into an agreement in the future for construction services on Pier 2 West, which will be funded in part by \$25.3 million in federal grant funding through the United States Department of Transportation's Port Infrastructure Development Program (PIDP). The grant award was announced in November of 2023.

NOTE 13 - PENSION PLAN

General Information about the Pension Plan

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

Employees of the Port are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. OPERS issues a publicly available financial report that can be obtained at <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

Benefits provided under Chapter 238-Tier One / Tier Two

1. *Pension Benefits.* The OPERS 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 (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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

2. *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 a OPERS employer at the time of death,
 - Member died within 120 days after termination of OPERS-covered employment,
 - Member died as a result of injury sustained while employed in a OPERS-covered job, or
 - Member was on an official leave of absence from a OPERS-covered job at the time of death.
3. *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 for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.
4. *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 of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

NOTE 13 - PENSION PLAN (Continued)

Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB).

1. *Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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 OPSRP 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.

2. *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.
3. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
4. *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions:

OPERS 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. This 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, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023.

Employer contributions for the year ended June 30, 2025 and June 30, 2024 were \$240,573 and \$224,270, respectively. The rates in effect for the fiscal years ended June 30, 2025 and 2024 based on the December 31, 2021 actuarial valuation, were (1) Tier 1/Tier 2 - 13.27%, (2) OPSRP general service - 11.99%.

Actuarial Valuations:

The employer contribution rates effective July 1, 2023, through June 30, 2025, 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 (the estimated amount necessary to finance benefits earned by the 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 accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 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.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, published July 24, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of Living Adjustment	Blend of 2.00 percent COLA and graded COLA (1.25/.15 percent) in accordance with <i>Moro</i> 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 Disabled 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 the value of projected benefits 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 methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

Discount Rate:

The discount rate used to measure the net 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 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.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - PENSION PLAN (Continued)

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the PERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation:

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5	32.5	27.5
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	0.0	5.0	0.0
Total			<u>100.0%</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - PENSION PLAN (Continued)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target</u>	<u>20-Year Annualized Geometric Mean</u>
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds – Multistrategy	1.25	6.27
Hedge Fund of Equity – Hedge	0.63	6.48
Hedge Fund – Macro	5.62	4.83
Assumed Inflation – Mean		2.35%

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:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$2,613,196	\$1,656,585	\$855,377

NOTE 13 - PENSION PLAN (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The annual comprehensive financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at www.pers.state.or.us.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Port reported a liability of \$1,656,585 for its proportionate share of the net pension liability, an increase from \$1,415,332 as of June 30, 2024. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 and rolled forward to June 30, 2024. The Port's proportion of the net pension liability was based on the Port's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

1. Normal Cost Rate: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.
2. UAL Rate: If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is simply the Unfunded Actuarial Liability (UAL) itself. The UAL represents the portion of the projected long-term contribution effort related to past service.
3. Looking at both rate components, the projected long-term contribution effort is just the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is just their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. For example, if the employer's payroll is one percent of the pool's total payroll, the employer will be allocated one percent of the pool's UAL. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - PENSION PLAN (Continued)

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or transitional liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability/surplus, and pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

Looking at both rate components, the projected long-term contribution effort is just the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2025 and 2024, the Port's proportion was 0.00745295 and 0.00755622, respectively.

For the years ended June 30, 2025 and 2024, the Port recognized pension expense of \$230,040 and \$183,356, respectively.

At June 30, 2025, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experiences	\$ 98,137	\$ 3,954
Changes in assumptions	166,554	213
Net difference between projected and actual earnings on investments	105,239	-
Changes in proportionate share	140,313	234,510
Differences between employer contributions and proportionate share of contributions	51,441	80,771
Total (prior to post-measurement date contributions)	561,684	319,448
Contributions made subsequent to measurement date	240,573	-
Deferred Outflow/Inflow of Resources	<u>\$ 802,257</u>	<u>\$ 319,448</u>

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 13 - PENSION PLAN (Continued)

Amounts reported as deferred outflows of resources related to pensions 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
2026	\$ (56,205)
2027	163,644
2028	83,564
2029	40,151
2030	11,082
Total	\$ 242,236

At June 30, 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experiences	\$ 69,214	\$ 5,612
Changes in assumptions	125,730	937
Net difference between projected and actual earnings on investments	25,439	-
Changes in proportionate share	206,247	332,315
Differences between employer contributions and proportionate share of contributions	38,048	115,052
Total (prior to post-measurement date contributions)	464,678	453,916
Contributions made subsequent to measurement date	224,270	-
Deferred Outflow/Inflow of Resources	\$ 688,948	\$ 453,916

Defined Contribution Plan

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

NOTE 13 - PENSION PLAN (Continued)

Death Benefits

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

Contributions

The Port has elected to pay the employee contributions to the plan for some employees equating to 6 percent of covered payroll. The Port paid \$46,446 and \$40,434 for fiscal years ended June 30, 2025 and 2024, respectively.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS

Plan description - The Port does not have a formal post-employment benefits plan for any employee groups; however, the Port offers medical benefits to retirees who a) were employed between July 1, 1995 and September 18, 2007 with 20 years of service and a minimum age of 62, or b) were hired after September 18, 2007 with a minimum 30 years of service. The Port pays the medical premiums for eligible retirees until Medicare eligibility, and reimburses the Medicare Supplement premium thereafter. Employees hired after July 1, 2010 are not eligible to receive any supplemental Medicare insurance.

In addition to the explicit medical benefits for certain retirees, continued medical coverage is offered to the Port's eligible retirees, their spouses and dependents until Medicare eligibility. The active premium rate, whether paid by the Port or by the retiree, still applies.

In some cases the premium itself does not represent the full cost of covering retirees, as retirees are older than the active population and can generate higher medical claims and premiums. This additional cost is called the "implicit subsidy" and is required to be valued under GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Of the Port's 27 plan participants, 20 are active plan participants and 7 are inactive plan participants.

Actuarial assumptions and other inputs. The total OPEB liability based on the July 1, 2023 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Measurement date	June 30, 2024
Actuarial cost method	Entry age normal, level percent of salary
General inflation	2.4 percent
Salary increases	3.4 percent
Mortality rates	Based on the rates used for the Oregon PERS valuation assumptions as of December 31, 2022.
Discount rate	3.93 percent
Healthcare cost trend rate	6.5% in 2023/24, declining annually until 2032; 4.00% from 2033-2045; 4.25% from 2046-2064; 4.0% from 2065-2071; 3.75% thereafter

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan expenses other than benefit payments are not valued. The Plan is currently 'unfunded' as defined by GASB statements. The Plan does not issue stand-alone financial reports.

For the year ended June 30, 2025 and 2024, the Port recognized OPEB expense (benefit) of \$208 and \$(51,569), respectively.

Change in the total OPEB liability.

	FY 2025	FY 2024
Total OPEB liability - beginning of year	\$ 730,145	\$ 738,399
Changes for the year:		
Service cost	27,374	-
Interest	26,933	-
Benefit payments	(39,634)	-
Differences between expected and actual experience	(21,506)	(15,969)
Changes of assumptions	-	7,715
Total OPEB liability - end of year	\$ 723,312	\$ 730,145

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the Port's total OPEB liability calculated using the discount rate of 3.93 percent, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Total OBEB Liability	\$ 805,710	\$ 723,312	\$ 653,263

Sensitivity of the total OPEB liability to changes in the healthcare trend rates. The following presents the Port's total OPEB liability, as well as what the liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OBEB Liability	\$ 635,756	\$ 723,312	\$ 829,661

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. On June 30, 2025, the Port reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experiences	\$ -	\$ 242,475
Changes of assumptions or other input	47,375	72,892
Total (prior to post-measurement date benefits)	47,375	315,367
Benefit payments made subsequent to measurement date	47,816	-
Deferred Outflow/Inflow of Resources	\$ 95,191	\$ 315,367

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows of resources related to OPEB for Port contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources
2026	\$ (54,099)
2027	(54,099)
2028	(54,101)
2029	(48,222)
2030	(48,218)
Thereafter	(9,253)
Total	\$ (267,992)

At June 30, 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experiences	\$ -	\$ 298,289
Changes of assumptions or other input	62,109	64,406
Total (prior to post-measurement date benefits)	62,109	362,695
Benefit payments made subsequent to measurement date	39,634	-
Deferred Outflow/Inflow of Resources	\$ 101,743	\$ 362,695

OPERS Retirement Health Insurance Account (RHIA)

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.0% of annual covered payroll for Tier One/Tier Two, and 0.00% for OPSRP. The OPERS Board of Trustees sets the

NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPERS Retirement Health Insurance Account (RHIA) (Continued)

employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Port's contributions to RHIA for the years ended June 30, 2025, 2024 and 2023 were approximately \$0, \$0, and \$134, respectively, and were included in the Port's pension contributions.

NOTE 15 - DEFERRED COMPENSATION PLAN

The Port provides a deferred compensation plan, established in 1971. Any employee or independently contracted person may defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The trust assets are held in a custodial trust for the exclusive benefit of participants and beneficiaries, they are not subject to the claims of public employer creditors nor can they be used by the public employer for any purpose other than the payment of benefits to those individuals participating in the plan or their designated beneficiaries. Accordingly, the plan assets are not included in the statement of net position.

NOTE 16 - POLLUTION REMEDIATION OBLIGATION

Astoria Area-Wide Groundwater Contamination site - The Port has identified a number of contaminated areas on its property that it is required to investigate, monitor, and at times address the identified contaminants under State environmental laws. The Port was informed by the Oregon Department of Environmental Quality (ODEQ) that the Port, along with other potentially responsible parties (PRPs), is required to remediate contaminant identified in at least one of the site areas. Although the Port may not bear ultimate responsibility for the contamination, under State law the Port is presumptively liable as the property owner, and it is often practically and financially beneficial for the Port to take initial responsibility to manage and pay for the cleanup. In each of these matters, the Port is cooperating with the notifying agency and taking appropriate action with other PRPs to investigate and remediate pollution damage or contamination.

The Port has developed a procedure consistent with the current accounting standard to recognize liabilities for environmental cleanups, to the extent that such liabilities can be reasonably estimated. The Port's cleanup costs are estimated based on reasonable and supportable assumptions, measured at current value using the expected cash flow technique. The Port's pollution cleanup cost estimate does not include cost components that are not yet reasonably measurable and will change over time due to changes in costs of goods and services, changes in remediation technology, and changes in governing laws and regulations.

In June 2019, the ODEQ issued a Record of Decision with estimated cleanup costs of \$3,300,000. In April of 2020 a settlement was agreed upon with McCall Oil and Exxon Mobile for the collective sum of \$2,650,000. In May of 2021, the Port received an updated estimate that increased the cost estimate from \$3,300,000 to \$4,106,000. For the fiscal years 2022 and 2023, adjustments were made for inflation and estimates were added for employee time related to the project.

During the year ended June 30, 2024, inflation adjustments were made to reflect anticipated preconstruction and construction costs. During the year ended June 30, 2025, actual costs for preconstruction and interest earnings in the trust account contributed to a decrease in liability by \$94,377 for an ending balance of \$2,936,233.

PORT OF ASTORIA
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - POLLUTION REMEDIATION OBLIGATION (Continued)

Following is a summary of changes to pollution remediation obligation for the fiscal years ended June 30, 2025 and 2024:

	Pollution remediation obligation, net June 30, 2024	Additions	Reductions	Pollution remediation obligation, net June 30, 2025
Area-Wide groundwater contamination	\$ 5,409,927	\$ -	\$ (3,593)	\$ 5,406,334
Less third-party recoveries	(2,379,317)	-	(90,784)	(2,470,101)
Total pollution remediation obligation, net	<u>\$ 3,030,610</u>	<u>\$ -</u>	<u>\$ (94,377)</u>	<u>\$ 2,936,233</u>

	Pollution remediation obligation, net June 30, 2023	Additions	Reductions	Pollution remediation obligation, net June 30, 2024
Area-Wide groundwater contamination	\$ 4,944,713	\$ 498,715	\$ (33,501)	\$ 5,409,927
Less third-party recoveries	(2,630,375)	-	251,058	(2,379,317)
Total pollution remediation obligation, net	<u>\$ 2,314,338</u>	<u>\$ 498,715</u>	<u>\$ 217,557</u>	<u>\$ 3,030,610</u>

NOTE 17 - 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, but may still be exposed to some risk of loss. No settlements of any claims exceeded the insurance coverage in the past three years.

NOTE 18 - CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and State of Oregon governments. Any disallowed claims, including amounts already collected, could become a liability of the Port. Management believes amounts disallowed, if any, would not be material to the Port.

The Port is a defendant in various lawsuits. The likely outcome of these lawsuits is not determinable at this time; however, Port management intends to defend these lawsuits vigorously and believes the likely outcome will not have a material adverse effect on the Port's basic financial statements.

NOTE 19 - CONCENTRATIONS

In 2025, the Port had two customers that accounted for approximately 13% and 11% of total revenue. In 2024, the Port had one major customer that accounted for approximately 13% of total revenue.

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF ASTORIA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Schedule of Pension Contributions
Oregon Public Employee Retirement Pension Plan

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Contractually required contribution	\$ 240,573	\$ 224,270	\$ 202,180	\$ 176,815	\$ 187,068	\$ 209,618	\$ 171,706	\$ 155,368	\$ 143,700	\$ 133,389
Contributions in relation to the contractually required contribution	<u>240,573</u>	<u>224,270</u>	<u>202,180</u>	<u>176,815</u>	<u>187,068</u>	<u>209,618</u>	<u>171,706</u>	<u>155,368</u>	<u>143,700</u>	<u>133,389</u>
Contribution deficiency/(excess)	-	-	-	-	-	-	-	-	-	-
Port's covered payroll	\$2,066,845	\$1,879,027	\$1,685,715	\$1,580,617	\$1,452,644	\$1,588,448	\$1,748,512	\$1,795,642	\$1,758,400	\$1,713,293
Contributions as a percentage of covered payroll	11.6%	11.9%	12.0%	11.2%	12.9%	13.1%	9.8%	8.7%	8.2%	7.8%

Schedule of Proportionate Share of Net Pension Liability
Oregon Public Employee Retirement Pension Plan

	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>
Port's proportion of the net pension liability	0.00745295%	0.00755622%	0.00873548%	0.00693125%	0.00939507%	0.00902696%	0.00881592%	0.01008739%	0.01051450%	0.01084981%
Port's proportionate share of the net pension liability	\$1,656,585	\$1,415,332	\$1,337,577	\$ 829,427	\$2,050,327	\$1,561,448	\$1,335,496	\$1,359,784	\$ 1,578,471	\$ 622,938
Port's covered payroll	\$1,879,027	\$1,685,715	\$1,580,617	\$1,452,644	\$1,588,448	\$1,748,512	\$1,795,642	\$1,758,400	\$1,713,293	\$1,557,971
Port's proportionate share of the net pension liability as a percentage of its covered payroll	88.2%	84.0%	84.6%	57.1%	129.1%	89.3%	74.4%	77.3%	92.1%	40.0%
Plan fiduciary net position as a percentage of the total pension liability	79.29%	81.68%	84.55%	87.57%	75.79%	80.23%	82.07%	83.12%	80.52%	91.90%

Notes to Schedules

Changes in Assumptions

A summary of key changes implemented with the December 31, 2022 actuarial valuation which was used in the pension calculations and amounts reported for the fiscal year ended June 30, 2025, along with additional detail and a comprehensive list of changes in methods and assumptions from the December 31, 2021 actuarial valuation can be found at: www.oregon.gov/pers.

PORT OF ASTORIA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Schedule of Changes in Total OPEB Liability and Related Ratios

Health Benefit Retiree Program *

	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
Total OPEB liability - beginning of year	\$ 730,145	\$ 738,399	\$ 725,809	\$1,069,338	\$1,037,923	\$1,052,478	\$1,019,322	\$ 986,862
Changes for the year:								
Service cost	27,374	-	30,262	46,892	45,306	45,224	43,695	43,695
Interest	26,933	-	25,930	24,823	23,947	40,280	38,131	36,924
Benefit payments	-	-	(30,423)	(25,956)	(37,838)	(47,134)	(48,670)	(48,159)
Differences between expected and actual experience	(21,506)	(15,969)	-	(308,055)	-	(177,357)	-	-
Changes of assumptions	(39,634)	7,715	(13,179)	(81,233)	-	124,432	-	-
Total OPEB liability - end of year	<u>\$ 723,312</u>	<u>\$ 730,145</u>	<u>\$ 738,399</u>	<u>\$ 725,809</u>	<u>\$1,069,338</u>	<u>\$1,037,923</u>	<u>\$1,052,478</u>	<u>\$1,019,322</u>
Port's covered employee payroll	\$1,879,027	\$1,685,715	\$1,528,987	\$1,653,983	\$1,774,881	\$1,850,010	\$1,969,781	\$1,903,170
Total OPEB liability as a percentage of covered payroll	38.49%	43.31%	48.29%	43.88%	60.25%	56.10%	53.43%	53.56%

* 10-year trend information will be presented as it becomes available.

Notes to Schedule

The Port does not hold assets in a trust that meets the criteria of GASB Statement 75, paragraph 4, to pay related benefits.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Pursuant to the provisions of Oregon Revised Statutes, an individual schedule of revenues, expenditures, and changes in fund balances requires budget and actual to be displayed for each fund where legally adopted budgets are required.

Budgetary Comparison schedules include the following funds:

General Fund

The General Fund is used to account for the operations of the Port's general operational expenses and property tax income that is not reserved for debt service. These operations include the lease of industrial and commercial property, the airport, including hangar rentals, and services provided to ships.

Special Revenue Fund

The Special Revenue Fund is used to account for timber tax revenues and other resources that are not used for ordinary expenses of the Port. Expenditures are used primarily for capital outlay.

Capital Improvement Reserve Fund

The Capital Improvement Reserve Fund is used to allow for the accumulation and expenditure of reserves for capital improvements.

**PORT OF ASTORIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, OTHER
FINANCING SOURCES (USES), AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with
	Original	Final		Final Budget
REVENUES:				
Lease & rental income	\$ 3,504,146	\$ 3,504,146	\$ 3,244,273	\$ (259,873)
Fuel sales	2,366,984	2,366,984	1,636,385	(730,599)
Rebilled expenses	3,295,733	3,295,733	2,356,949	(938,784)
Pier revenue	1,861,299	1,861,299	955,557	(905,742)
Marina revenue	1,387,820	1,387,820	1,576,011	188,191
Other income	100,950	100,950	72,805	(28,145)
Property taxes	1,112,850	1,112,850	987,347	(125,503)
Intergovernmental grants	2,082,400	2,082,400	903,692	(1,178,708)
Interest income	13,200	13,200	231,607	218,407
	<u>15,725,382</u>	<u>15,725,382</u>	<u>11,964,626</u>	<u>(3,760,757)</u>
EXPENDITURES:				
Materials and services	5,993,483	5,993,483	4,764,060	1,229,423
Personnel services	3,283,196	3,283,196	3,234,283	48,913
Debt service*				
Principal	1,252,832	1,252,832	1,253,430	(598)
Interest	430,567	430,567	430,340	227
Capital outlay	<u>5,177,230</u>	<u>5,177,230</u>	<u>3,420,355</u>	<u>1,756,875</u>
Total expenditures	<u>16,137,308</u>	<u>16,137,308</u>	<u>13,102,468</u>	<u>3,034,840</u>
Revenues over (under) expenditures	<u>(411,926)</u>	<u>(411,926)</u>	<u>(1,137,842)</u>	<u>(725,916)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	192,580	192,580	171,322	(21,258)
Proceeds from sale of capital asset	<u>-</u>	<u>-</u>	<u>1,361</u>	<u>1,361</u>
Total other financing sources (uses)	<u>192,580</u>	<u>192,580</u>	<u>172,683</u>	<u>(19,897)</u>
Changes in fund balance	(219,346)	(219,346)	(965,159)	(745,814)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,285,142</u>	<u>1,285,142</u>	<u>3,169,927</u>	<u>1,884,785</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 1,065,796</u>	<u>\$ 1,065,796</u>	<u>\$ 2,204,768</u>	<u>\$ 1,138,971</u>

*Budgeted as a single debt service item.

PORT OF ASTORIA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, OTHER FINANCING USE, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Timber revenue	\$ 192,580	\$ 192,580	\$ 171,322	\$ (21,258)
OTHER FINANCING USE:				
Transfer out	\$ 192,580	\$ 192,580	\$ 171,322	\$ (21,258)
Net changes in fund balance	-	-	-	-
FUND BALANCE, BEGINNING BUDGETARY BASIS	669,243	669,243	771,722	102,479
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 669,243</u>	<u>\$ 669,243</u>	<u>\$ 771,722</u>	<u>\$ 102,479</u>

**PORT OF ASTORIA
 CAPITAL IMPROVEMENT RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Total expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
FUND BALANCE, BEGINNING BUDGETARY BASIS	100,000	100,000	100,000	-
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>

PORT OF ASTORIA
RECONCILIATION OF REVENUES AND EXPENDITURES
TO CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Revenues	Expenditures	Revenues Over (Under) Expenditures
BUDGETARY BASIS REVENUES AND EXPENDITURES			
General Fund	\$ 11,965,987	\$ 13,102,468	\$ (1,136,481)
Special Revenue Fund	171,322	-	171,322
Capital Improvement Reserve Fund	-	-	-
TOTAL	\$ 12,137,309	\$ 13,102,467	\$ (965,159)
ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTERPRISE FUND REPORTING BASIS			
Capital outlay expenditures capitalized			3,420,355
Depreciation and amortization expense			(2,685,769)
Payment of lease principal			112,548
Bad debt expense			37,055
Capital assets disposed			(35,961)
Loss on lease termination			(4,729)
Payment of principal on notes payable			1,140,882
Change in property tax receivable			1,982
Change in lease financing receivables			(575,492)
Change in inventory			(12,173)
Change in prepaid expenses			(11,308)
Change in accrued interest payable			10,450
Change in unearned revenue			4,762
Change in tenant rent payable			29,709
Change in compensated absences			(115,665)
Change in pollution remediation			94,377
Change in total OPEB liability			6,833
Change in net pension liability			(241,253)
Change in deferred outflows of resources – pension and OPEB			106,757
Change in deferred inflows of resources – pension and OPEB			181,796
Deferred inflows of resources - leases			799,543
CHANGES IN NET POSITION - GAAP			\$ 558,165

COMPLIANCE SECTION



Your peace of mind is our passion.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
OREGON STATE REGULATIONS**

Board of Commissioners
Port of Astoria
Astoria, Oregon

We have audited the basic financial statements of the Port of Astoria, Oregon (the Port), as of and for the year ended June 30, 2025, and have issued our report thereon dated November 3, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Port's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the Port was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as follows:

- The General Fund reported an over expenditure of \$371 in debt service.
- The Port was not in compliance with ORS 279B.070 for intermediate procurements for expenditures in the amount of \$72,160 and \$110,000 with separate vendors.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
OREGON STATE REGULATIONS (Continued)**

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 to determine the 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

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

Talbot, Kowoloff Warwick, LLP

Portland, Oregon
November 3, 2025