Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Port of Vancouver

For the period January 1, 2021 through December 31, 2021

Published April 18, 2022

Report No. 1030304

Office of the Washington State Auditor
Pat McCarthy

April 18, 2022

Board of Commissioners
Port of Vancouver
Vancouver, Washington

Report on Financial Statements

Please find attached our report on the Port of Vancouver's financial statements.

We are issuing this report in order to provide information on the Port's financial condition.

Sincerely,

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

Americans with Disabilities

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Port of Vancouver
January 1, 2021 through December 31, 2021

Board of Commissioners
Port of Vancouver
Vancouver, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Port of Vancouver, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Port’s basic financial statements, and have issued our report thereon dated April 7, 2022.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Port’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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy, State Auditor

Olympia, WA

April 7, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Port of Vancouver
January 1, 2021 through December 31, 2021

Board of Commissioners
Port of Vancouver
Vancouver, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Port of Vancouver, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Port of Vancouver, as of year ended December 31, 2021 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

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

Matter of Emphasis

As discussed in Note 18 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Port is unknown. Our opinion is not modified with respect to this matter.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information 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 debt covenant information is presented for purposes of additional analysis and is 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, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2022 on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

April 7, 2022

FINANCIAL SECTION

Port of Vancouver
January 1, 2021 through December 31, 2021

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Management's Discussion and Analysis – 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2021
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REQUIRED SUPPLEMENTARY INFORMATION

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Introduction

As management of the Port of Vancouver (port), we offer readers of the port's financial statements this narrative overview and analysis of the financial activities of the port for the fiscal year ended December 31, 2021, with selected comparative information for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements which immediately follow this discussion.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the port's financial statements. The port's financial statements include two components: 1) the port's basic financial statements, and 2) the notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the port's financial statements. The notes to the financial statements can be found following the financial statements of this report.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position tells us whether the port's financial position has improved as a result of the year's activities. The Statement of Net Position provides information on all of the port's assets, liabilities and deferred inflows and outflows, with the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources is called net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the port is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Fund Net Position show how the port's net position changed during the year. These changes are reported as the underlying event occurs regardless of the timing of related cash flows (Accrual Basis).

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The port uses only one fund, an enterprise fund, which is a type of proprietary fund. An enterprise fund reports business type activities.

Financial Analysis

Condensed Financial Position Information

The *Statement of Net Position* reflects the port's financial position at year end. Financial position is represented by the difference between assets owned, deferred outflows, liabilities owed at a specific point in time, and deferred inflows. The difference between the two is reflected as net position. As previously noted, changes in net position over time can be an indicator of the port's financial position.

Financial Highlights

- Total assets of the port and deferred outflows exceeded its liabilities and deferred inflows by $317.842 million (reported as total net position). Total net position increased by $16.045 million in comparison with the prior year, primarily due to the increase of $6.605 million in current assets and an increase of $6.991 million in net pension assets, capital assets net of accumulated depreciation increased by $727 thousand and a decrease in total liabilities of $8.449 million and a $6.339 million increase in deferred inflows resulting from the extinguishment of debt related to completed construction projects and a decrease of deferred inflows related to the pensions.
- Total current and restricted assets increased by $6.605 million from 2020.
- Current liabilities increased by $1.606 million from the prior year.
- The Department of Retirement Systems' (DRS) 2021 Participating Employer Financial Information (PEFI) report showed that PERS Plan 2/3 is fully funded. The port's net pension asset is $6.991 million at the end of 2021.

The following condensed financial information provides an overview of the port's financial position for the fiscal years ended December 31.

NET POSITION		
	2021	2020
Assets:		
Current and restricted assets	$ 42,069,988	$ 35,465,005
Capital assets, net	$401,857,443	$401,130,297
Net Pension Asset	$ 6,991,157	$ -
Other noncurrent assets	$ 25,349,018	$ 25,363,248
Total Assets	$476,267,606	$461,958,550
Deferred Outflows of Resources:		
Deferred Charge on Refunding	$ 2,009,467	$ 2,336,051
Deferred Outflows - Pensions	$ 845,383	$ 893,277
Total Deferred Outflows of Resources	$ 2,854,850	$ 3,229,328
Liabilities:		
Current liabilities	$ 16,791,458	$ 15,185,838
Noncurrent liabilities	$136,290,680	$144,298,940
Net pension liabilities	$ 666,550	$ 2,713,321
Total Liabilities	$153,748,688	$162,198,099
Deferred Inflows of Resources:		
Deferred Inflows - Pensions	$ 7,330,862	$ 963,308
Deferred Inflows - Refunding	$ 200,757	$ 229,437
Total Deferred Outflows of Resources	$ 7,531,619	$ 1,192,745
Net Position:		
Net Invested in capital assets	$291,587,176	$284,565,561
Restricted	$ 1,772,418	$ 672,653
Unrestricted	$ 24,482,555	$ 16,558,820
Total Net Position	$317,842,149	$301,797,034

Summary of Operations and Changes in Net Position

The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents how the port's net position changed during the current and previous fiscal year as a result of operations. The port employs an accounting method that records revenue and expenses when they are incurred, regardless of when cash is exchanged. Thus, some revenues and expenses reported in this statement may affect future period cash flows (e.g., uncollected receivables).

Revenues:

- The port's diversified commodity mix continued to produce significant revenues which enabled the port to experience a slight decrease in 2021, while marine revenues reached $31.160 million, a decrease of 12.77 percent or $4.561 million over 2020, other revenue sources combined to result in a $4.389 million increase (14.71 percent) over the previous year.
- The port experienced stable occupancy of its industrial leasehold facilities. Lease occupancy was 99.43 percent at year end. 2021 lease revenue was $12.390 million, an increase of 19.26 percent over 2020.

Expenses:

- 2021 total operating expenses, before depreciation, decreased by $4.549 million (11.94 percent) over 2020 operating expenses. This decrease in expense was primarily due to decreased costs associated with revenue generating opportunities. Operating income, after depreciation, was $2,478 million at December 31, 2021, as compared to -$382 thousand at December 31, 2020. Depreciation expense decreased 5.46 percent over the previous year.

Non-Operating:

- 2021 total nonoperating revenue (expenses) increased by $2.229 million over 2020, primarily due to a settlement.

The table summarizes the operations for fiscal years ending December 31.

CHANGE IN NET POSITION		
	2021	2020
REVENUES		
Operating Revenues:		
Marine terminal operations	$ 31,160,138	$ 35,720,946
Property lease/rental operations	12,389,562	10,388,889
Facilities sales and service	3,167,251	3,332,219
Security sales and service	860,231	800,885
General and administrative	402,537	116,693
Nonoperating Revenues:		
Ad valorem tax revenues	12,287,318	11,965,480
Interest income	104,824	212,738
Federal and State Grants	3,071,357	2,750,959
Other nonoperating revenues	1,952,313	278,467
Total Revenues	$ 65,395,531	$ 65,567,276
EXPENSES		
Operating Expenses:		
Marine terminal operations	$ 13,973,433	$ 15,219,853
Facilities	7,959,134	10,680,939
Security	2,050,380	2,440,805
General and administrative	9,561,886	9,752,662
Depreciation	11,956,611	12,647,624
Nonoperating Expenses:		
Interest expense	4,047,529	4,631,830
Gain / Loss on disposal of assets	2,022,171	160,709
Environmental remediation	513,097	1,737,237
Other nonoperating expenses	266,204	339,752
Total Expenses	$ 52,350,445	$ 57,611,411
Capital contribution	3,000,029	30,492
Change in net position	16,045,115	7,986,357
Total net position - beginning	301,797,034	293,810,677
Total net position - ending	$317,842,149	$301,797,034

Capital Asset and Debt Administration

Capital Assets
The port's investment in total capital assets as of December 31, 2021, totaled $401.857 million (net of accumulated depreciation). The port's investment in capital assets includes land, buildings, improvements (other than buildings), machinery and equipment, construction in progress, and intangible asset. The total increase in the port's investment in capital assets for the current year was $727 thousand or 0.18 percent.

Major capital asset events during 2021 included the following:

The port completed: Columbia Gateway Screening Berm project ($2.803 million), High Tank Phase 3 project ($1.163 million), CPU Substation Electrical Improvement project ($796 thousand), Terminal Fire Alarm project ($424 thousand) and Terminal 3 Asphalt replacement project ($402 thousand).

Additional information on the port's capital assets activity may be found in Note 4 in the notes to the financial statements.

Long-term Debt
As of December 31, 2021, debt outstanding totaled $134.184 million. Of this amount, $25.476 million comprised of general obligation debt, $25 million represented special revenue bonds secured by a letter of credit, $83.569 million represented the 2016, 2017 and 2018 Series Revenue Bonds secured by a net revenue pledge and $139 thousand in notes payables outstanding.

Additional information on the port's long-term debt can be found in Note 9 in the notes to the financial statements.

Economic Factors and 2022 Budget
Economic Factors
- The Port of Vancouver USA is reporting that in 2021 the port had a net revenue of $47.980 million, demonstrating strong fiscal growth in spite of continuing challenges from COVID-19. The port moved over seven million metric tons of commodities, with exports dominating the economic activity of the port in 2021. The port's total tonnage in 2021 dipped a bit from 2020 to 7.121 million metric tons. This decrease in tonnage is not due less products crossing the port's docks, but rather the port handling commodities that have less gross weight.
- The number of vessels coming through the port remained the same as 2020 at 360 calls.
- The port saw 62,571 railcars move across port-owned track, as compared with the 2020 numbers, which were 63,310. In 2021, most of the port's rail volume was destined for the port's grain customer, which moved 5.392 million metric tons of grain product in 2021, primarily wheat with 3.1 million metric tons destined for Asian markets.
- Exports remained essentially the same as the 2020 numbers at 6.317 million metric tons. Imports dropped slightly from 2020 numbers, likely due to a reduction in steel slab imports, because of tariffs levied against this commodity since March of 2018.
- Because the port diversifies its commodity mix, it is not reliant on any one industry and is able to have a continuous flow of business even during times of economic disruption. In 2021, the world saw supply chain challenges, including the logjam of container ships off the coast of southern California, which dramatically impacted the shipping industry. Hundreds of container ships were stuck at sea, just outside the Port of Long Beach and the Port of Los Angeles. Several factors contributed to this problem, including a return to pre-pandemic consumer spending, higher container rates and shortages of labor due to COVID.
- The port's proficiency in bulk and break bulk cargoes continues to position the port to utilize its best assets, including the ability to handle large-sized shipments, such as wind energy components. Because the port specializes in bulk and break bulk cargoes, the challenges with the global supply chain added some new revenue streams in 2021 and these will continue into 2022.
- Seeing an opportunity to move cargo, several manufacturers, primarily using containers for their commodities, took advantage of the port's bulk cargo capabilities to move product, including aluminum

and pulp. This trend will continue into 2022 because the manufacturers of these materials are choosing to diversify the way they move their shipments using a combination of both container and bulk shipping.

- The port continued to see incredible growth in wind energy business with activity in the wind market expected to continue to grow. The port saw a negligible decrease of 80 metric tons of wind energy components from last year, but this figure does not accurately reflect that the port actually moved more components, weighing fewer metric tons, than the previous year.
- In 2021, the Biden administration signed an infrastructure bill into law, which adds funding for renewable energy projects, including wind energy projects. The 2021 Annual Energy Outlook Projection, as estimated by the Energy Information Administration (EIA), projects that this legislation will add more wind energy projects in the U.S., increasing wind power capacity by 36 GW in the U.S. The Port of Vancouver, which imports the most wind energy components on the west coast, expects its wind energy business to continue to grow well beyond 2022, because of this demand.
- Grain exports were strong in 2021, with the port moving over 5.392 million metric tons of grain into the Asian market. Additionally, demand for copper concentrate continues to be strong, the port moved over 235,407 metric tons of it in 2021.
- The automobile industry continues to struggle with manufacturing issues overseas, due to a lack of raw materials for electronic parts. In 2021, automobile imports remained consistent through the port, with 72,399 autos crossing the docks, just a slight decrease over 2020. In spring of 2022, the port is expected to receive the first electric vehicles from its auto client and is currently installing electric charging stations to accommodate the large number of electric vehicles.
- Industrial occupancy at the port continues to exceed 99 percent. The port's 50-plus tenants offer a wide range of products and services including metals and machinery, food processing, plastics moldings and electronics recycling. Tenant businesses employ thousands of people and contribute significantly to the local economy and tax base.
- For the eleventh year in a row, the port continued its commitment to renewable energy through the purchase of Renewable Energy Credits (RECs) equal to 100 percent of its purchased electricity. The port also continues its innovative stormwater management to preserve and protect our region's water quality. Efforts include floating treatment wetlands in the port's Terminal 4 stormwater retention pond, roof downspout treatment systems, and biofiltration systems. Additionally, in 2021, the Board of Commission approved the implementation of a Climate Action Plan for the port, with the goal of reducing the port's Greenhouse Gas Emissions (GHGs) over the coming years.
- The Terminal 1 Project is also continuing to move forward. Construction of the AC by Marriott will be finished in spring of 2022 and a grand opening is expected in early summer. Renovations of Vancouver Landing are also almost completed, with deconstruction of the former Red Lion Hotel (The Quay) beginning in February, making space for construction of the public market. The port has signed several lease deals on the back blocks of Terminal 1 with a local development company which plans to develop mixed-use buildings, including some residential, commercial office and retail space. They have already signed a lease agreement with a large local company for office space, adding approximately 4,000 jobs to the waterfront area.

2022 Budget

- The 2022 budget projects operating revenues of $42.714 million, with 69 percent of the projected operating revenue coming from marine, terminal and security activities and 31 percent from commercial activity, including industrial property leases, rail, and facilities. The 2022 budget projects operating expenses of $36.870 million, a slight increase over the estimated 2021 operating expense forecast. This increase is mainly due to the increase in terminal operating revenue and related expenses.
- The port's 2022 capital budget reflects the port's continuing commitment to promoting regional economic activity through the investment of nearly $24 million in the economic development and expansion and renewal of port facilities. In 2022 the port will perform tenant improvements, continue advancing a multi-year investment in the port's Waterfront development and perform significant maintenance related improvements to existing port facilities. Financing for the 2022 capital program will come from current revenues, tax levy revenue, grants, and other contributions.

Requests for Information

This financial report is designed and intended to provide a general overview of the Port of Vancouver's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Port of Vancouver, Auditor, 3103 NW Lower River Road, Vancouver, WA 98660 or www.portvanusa.com.

PORT OF VANCOUVER USA
STATEMENT OF NET POSITION
As of December 31, 2021

ASSETS	
Current Assets	
Cash and cash equivalents (Note 1)	$ 26,427,884
Restricted cash and cash equivalents (Note 1)	2,433,685
Investments (Note 2)	4,735,148
Total Cash and Investments	33,596,717
Other Current Assets	
Accounts receivable - trade (net)	5,377,221
Grants receivable	461,816
Taxes receivable	154,358
Other Receivables	536,161
Inventory	865,050
Prepaid benefits	171,160
Prepaid expenses	244,992
Prepaid insurance	662,513
Total Other Current Assets	8,473,271
Total Current Assets	42,069,988
Noncurrent Assets	
Capital Assets Not Being Depreciated (Note 4)	
Land and land rights	155,250,022
Construction in progress	15,390,698
Total Capital Assets Not Being Depreciated	170,640,720
Capital Assets Being Depreciated (Note 4)	
Buildings and structures	123,400,325
Machinery and equipment	29,695,274
Improvements	277,145,727
Intangible asset (Note 4)	172,783
Total Capital Assets Being Depreciated	430,414,109
Accumulated Depreciation	(199,197,386)
Total Net Capital Assets	401,857,443
Other Noncurrent Assets	
Minimum lease payments-revenue bonds (Note 9)	25,000,000
Prepaid bond insurance	349,018
Net Pension Asset (Note 6)	6,991,157
Total Other Noncurrent Assets	32,340,175
TOTAL ASSETS	**$ 476,267,606**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding (Note 9)	2,009,467
Deferred Outflows - Pensions (Note 6)	845,383
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 2,854,850**

The notes to financial statements are an integral part of this statement.

LIABILITIES	
Current Liabilities	
Accounts payable	$ 5,911,195
Payroll payable	825,249
Taxes payable	771,446
Retainage	155,231
Payable from restricted assets (customer deposits)	1,750,969
Current portion of GO Bonds (Note 9)	5,030,000
Current portion of Revenue Bonds (Note 9)	2,030,000
Current portion of other long-term obligations (Note 9)	10,377
Bond interest payable	306,991
Total Current Liabilities	16,791,458
Noncurrent Liabilities	
Employee leave benefits	1,522,541
General obligation bonds - net (Note 9)	20,445,803
Revenue bond -net (Note 9)	81,539,352
Special revenue bond (Note 9)	25,000,000
Note payable - net (Note 9)	128,513
Environmental remediation (Note 13)	7,327,378
Unearned Revenue	327,093
Total Net Pension Liability (Note 6)	666,550
Total Noncurrent Liabilities	136,957,230
TOTAL LIABILITIES	**$ 153,748,688**
DEFERRED INFLOWS OF RESOURCES	
Total Deferred Inflows - Pension	$ 7,330,862
Total Deferred Inflows - Refunding	200,757
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 7,531,619**
NET POSITION	
Total net investment in capital assets	291,587,176
Restricted (Note 12)	1,772,418
Unrestricted	24,482,555
TOTAL NET POSITION	**$ 317,842,149**

The notes to financial statements are an integral part of this statement.

PORT OF VANCOUVER USA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Year Ended December 31, 2021

OPERATING REVENUES	
Marine terminal/operations	$ 31,160,138
Property lease/rental operations	12,389,562
Facilities sales and service	3,167,251
Security sales and service	860,231
General and administrative	402,537
Total Operating Revenues	47,979,719
OPERATING EXPENSES	
Marine terminal/operations	13,973,433
Facilities	7,959,134
Security	2,050,380
General and administrative	9,561,886
Total before depreciation	33,544,833
Depreciation	11,956,611
Total Operating Expenses	45,501,444
Operating Income(Loss)	$ 2,478,275
NONOPERATING REVENUES (EXPENSES)	
Ad valorem tax revenues	$ 12,287,318
Interest income	104,824
Federal and state grants	3,071,357
Contributions	500,000
Settlement	1,450,000
Other revenues	2,313
Gain(Loss) on disposal of assets	(2,022,171)
Columbia River Channel Improvement Expense	(16,318)
Repair and replacement	(72,653)
Environmental remediation	(513,097)
Interest expense	(4,047,529)
Other expense	(177,233)
Total Nonoperating Revenues (Expenses)	10,566,811
Income(Loss) before other revenues, expenses, gains, loses, and transfers	13,045,086
Capital Contribution	3,000,029
Increase (decrease) in net position	16,045,115
Net Position as of January 1	301,797,034
Net Position as of December 31	**$ 317,842,149**

See Accompanying Notes to the Financial Statements

PORT OF VANCOUVER USA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	47,174,485
Payments to suppliers		(22,344,436)
Payments to employees		(13,501,866)
Other receipts (payments)		1,280,407
Net cash provided (used) by operating activities		12,608,590
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from environmental remediation		(877,063)
Net cash provided by noncapital financing activities		(877,063)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from restricted property taxes		5,295,329
Proceeds from unrestricted property taxes		7,004,604
Proceeds from grants and contributions		4,529,315
Payments for acquisition, construction and improvement of capital assets		(14,760,675)
Payments for bonds principal		(6,710,000)
Payments for bonds Interest		(3,894,183)
Proceeds from contributed capital		3,000,029
Payments for note payable pincipal		(126,017)
Proceeds from bond administration		6,000
Net cash used for capital and related financing activities		(5,655,598)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received (paid) from sales (purchases) of investment		90,838
Interest and dividends		47,698
Net cash provided by investing activities		138,536
Net increase (decrease) in cash and cash equivalents		6,214,465
Cash and cash equivalents and January 1		22,647,104
Cash and cash equivalents at December 31	$	28,861,569
Reconcile operating income to net cash provided by operating activities		
Net operating income (loss)	$	2,478,276
Adjustments:		
Depreciation		11,956,611
Change in assets and liabilities:		
Accounts receivable		(1,322,761)
Inventory		(15,274)
Unearned revenues		524,574
Other operating receivables		(70,670)
Accounts payable		238,852
Prepaid expenses		(32,035)
Taxes payable		247,634
Accrued liabilities		(2,676,991)
Nonoperating revenues (expenses)		1,280,393
Total adjustments		(1,826,297)
Net cash provided by operating activities	**$**	**12,608,590**

See Accompanying Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Port of Vancouver (port) was incorporated in 1912 and operates under the laws of the state of Washington applicable to a public port district as a municipal corporation under the provisions of Chapter 53 of the Revised Code of Washington (RCW). The financial statements of the port have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments.

A. Reporting Entity

The port is located in Clark County, Washington, and comprises territory less than the entire county, which is divided into three port districts. The port is governed by a three-member Board of Commissioners (commission) elected by port voters. The commission possesses final decision-making authority and is held primarily accountable for decisions. The commission appoints management, which is responsible for the day-to-day operations of the port. Management is held accountable to the commission. The commission and appointed management possess the ability to significantly influence operations, including authority to review and approve budgets, sign contracts as the contracting authority, approve the hiring and retention of key managerial personnel, exercise control over facilities and properties, and determine the outcome or disposition of matters affecting the port's customers. The port is independent from Clark County, which levies and collects taxes on behalf of the district. The port is a primary government and does not have any component units.

The RCW authorizes the port to provide and charge rentals, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic handling facilities for waterborne commerce. The port may also provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail, and motor vehicles. The port may acquire and improve land for sale or lease for industrial or commercial purposes and may create industrial development districts.

The powers of eminent domain and ad valorem taxation upon the real and personal property within the district are also within the scope of port districts.

B. Basis of Accounting and Reporting

The accounting records of the port are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The port uses the Budgeting, Accounting and Reporting System for GAAP Port Districts in the State of Washington.

Funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity, are included on their statements of net position (or balance sheets). Their reported fund position is segregated into net investment in capital assets, restricted and unrestricted components of net position. Operating statements present increases (revenues and gains) and decreases (expenses and losses) in net position. The port discloses changes in cash flows by a separate statement that presents their operating, noncapital financing, capital, and related financing and investing activities.

The port uses the full-accrual basis of accounting where revenues are recognized when earned, and expenses are recognized when incurred. Capital asset purchases are capitalized, and long-term liabilities are accounted for in the appropriate fund.

The port distinguishes between operating revenues and expenses from nonoperating ones. Operating revenues and expenses result from providing services and producing and delivering goods in connection with the port’s principal ongoing operations. Terminal services and property rental revenues are charges for use of the port’s facilities and are reported as operating revenue.

Operating expenses for the port include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Ad valorem tax levy revenues, interest income, grant reimbursements and other revenues generated from non-operating sources are classified as non-operating revenue.

C. Use of Estimates
The preparation of the port's financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents
It is the port's policy to invest all temporary cash surpluses. As of December 31, 2021, the treasurer was holding $28,861,569 in short-term residual investments of surplus cash. The amount was classified on the statement of net position as cash and cash equivalents.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balance maintained in 2021 was approximately $4,178,459.

For purposes of the statement of cash flows, the port considers short-term, highly liquid investments (including restricted assets) with maturity of three months or less from the purchase date to be cash equivalents.

2. Investments – See (Note 2, Deposits and Investments)

3. Receivables
Taxes receivables consist of property taxes and related interest and penalties (See Note 3). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

Receivables have been recorded net of estimated uncollectible amounts. Because property taxes and special assessments are considered liens on property, no estimated uncollectible amounts are established. Estimated uncollectible amounts for trade receivables are $2,228,537

Allowance for Uncollectable consists of the estimated amounts of customer accounts, notes and contracts that may never be collected.

Note Receivables consist of short and long-term customer trade obligations related to lease payments and right-of-way acquisitions.

4. Amounts Due to and from Other Governments
These accounts include amounts due to or from other governments for grants, entitlements and temporary loans, taxes and charges for services.

5. Inventories

Reported inventory is rail material purchased for the general rail system maintenance and environmental mitigation bank credits. Rail material inventory is valued at cost and will be used for rail system maintenance and phased rail construction based on engineering design and part specification over the next several years. Environmental mitigation bank credits will be used in future land developments.

The port maintains a small inventory of office supplies and maintenance parts. Parts and supplies are expensed as purchased and no inventory of these items is maintained.

6. Restricted Assets and Liabilities
These accounts contain resources for construction, debt service and in accordance with certain agreements or policies. The current portion of related liabilities is shows as *Payables from Current Restricted Assets*. The restricted assets are composed of the following:

Customer Deposits	1,750,969
R&R Fund	677,690
FSA	5,026
	$ 2,433,685

Only customer deposits are shown with a related liability. See (Note 13 – Restricted Component of Net Position)

7. Compensated Absences
In accordance with GASB Statement No. 16, *Accounting for Compensated Absences,* the port accrues a liability for compensated absences.

As of January 1, 2008, the port implemented a paid time off (PTO) policy for eligible administrative and union employees. The PTO policy takes the place of accounting for sick, and vacation leave separately. PTO is accrued monthly based on years of service. PTO can be accrued to a maximum of 600 hours. Employees will receive remuneration upon resignation, separation or retirement for all PTO hours accumulated at their current rate of pay.

In recognition of the evolving impacts of the coronavirus (COVID-19) outbreak, and issuance of the Declaration of Emergency by the Port of Vancouver on Thursday, March 26, 2020, the port temporarily modifies the PTO accumulation limit for PTO eligible staff. The port intends to promote health, safety, and security for our employees while mitigating risks during this time of the emerging public health threat. The intent of this PTO Accumulation Extension Policy is to allow staff to work through this COVID-19 pandemic and not lose any PTO benefit while continuing to work. Effective April 1, 2020, the PTO accumulation limit changed from 600 hours to 700 hours. On September 1, 2021, all PTO balances in excess of 600 hours were returned to 600 hours and employees were no longer be able to accrue hours beyond the 600 hours limit. In the event of a hardship or an unforeseeable emergency, Port of Vancouver will allow PTO eligible employees to cash out a portion of their accrued but unused PTO balance. This policy is intended to provide employees with the ability to utilize accrued PTO time in cases of extreme hardship.

The port implemented COVID Vaccination Incentive (CVI) program to port employees who elect to receive the COVID -19 vaccine. To receive the incentive, employees must provide HR with proof of vaccination by December 31, 2021. Employees that have turned in their copy of vaccination cards can use that eight hours through the end of 2022.

As of January 1, 2018, employers in Washington must provide nearly all of their employees with paid sick leave. Under the law, employees must accrue paid sick leave at a minimum rate of one hour for every 40 hours worked. This includes part-time and seasonal workers. Paid sick leave must be paid to employees at their normal hourly compensation. Employees are entitled to use accrued paid sick leave beginning on the 90th calendar day after the start of their employment. Unused paid sick leave of 40 hours or less must be carried over to the following year. Employers are allowed to provide employees with more generous carry over and accrual policies.

8. Unearned Revenues
This account includes amounts recognized as receivables (assets) but not revenues because the revenue recognition criteria have not been met.

9. Deferred Compensation Plans
The port offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all port employees, permits them to defer a portion of their salary until future years. The plan is fully funded and held in an outside trust.

The port has established a plan for non-represented employees in accordance with Internal Revenue Code Section 401(a). The port contributes to each eligible employee's 401(a) account based on tenure. A minimum contribution of $500 up to a maximum of $1,100 will be made annually. In addition, the port matches employee 457 plan deferrals dollar for dollar to a fixed maximum of $2,200 based on length of service.

A 401(a) Supplemental Employer Contribution Savings Plan is provided to key employees. The Board of Commissioners has discretionary authority to make determinations as to eligibility and benefits under the plan. The participants' accrued benefits shall be fully vested providing they remain in continuous service for the term of the agreement or until they leave under a qualifying event. If participants terminate under a non-qualifying event, they forfeit all accrued benefits.

10. Capital Assets (See Note 4)

11. Long-term Debt (See Note 9)

12. Deferred Inflows and Outflows of Resources
The port reports deferred inflows and outflows of resources. Deferred inflows of resources are acquisition of net assets by the port that are applicable to a future reporting period. Deferred outflows of resources are consumption of net assets by the port that are applicable to a future reporting period. The port classified deferred charges on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price amortized over the shorter of the life of the refunded or refunding debt as deferred Inflows and outflows of resources.

13. Pensions
For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the port includes the net pension asset and the related deferred outflows and deferred inflows.

NOTE 2 - DEPOSITS AND INVESTMENTS
Treasury Function
The port commission adopted Resolution 06-03 appointing its own port treasurer. The treasurer is responsible for the management and investment decisions of the port's deposits and investment accounts. The port commission adopted an investment policy pursuant to its Resolution 8-03, that directs the port to invest funds in a manner which provide maximum security with the highest investment return while meeting the daily cash flow demands of the port and conforming to all state and local

statutes governing the investment of public funds. The port's investment policy sets forth three criteria to determine what investments are appropriate. The three criteria, in order of importance are: safety of principal, liquidity of the investment, and overall return on investment. The port's investment policy establishes guidelines on types of investments, the maximum holding of any one type of investment, diversification of investments and maximum maturity of its investments both on an individual security type basis and for the entire investment portfolio.

A. Deposits

The carrying amount of the port's deposits $2,997,596 and the bank balances were $3,510,470 as of December 31, 2021.

Custodial credit risk is the risk that in the event of the failure of a depository financial institution, the port would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The port's deposits are deposited in qualified depositories as required by state statute. The port's deposits are mostly covered by federal depository insurance coverage (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC) and therefore do not have custodial risk. The port has not experienced any losses in its deposit accounts.

B. Investments

Investments, are stated at fair value, based on quoted market prices in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in the fair-value of investment is recognized as an increase or decrease to the investment assets and investment income.

Interest income on investments is recognized in non-operating revenue as earned. Changes in fair value of investments are recognized on the Statements of Revenues, Expenses, and Changes in Net Position.

State of Washington under Chapter 39.59 RCW limits the investment of public funds by local governments to the following authorized instruments: (i) bonds of the State or any local government in the State, (ii) general obligation bonds of any other state or local government thereof which have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency, (iii) registered warrants of a local government in the same county as the local government making the investment, (iv) obligations of the U.S. government, its agencies and wholly owned corporations, or obligations issued or guaranteed by supranational institutions, provided, that at the time of investment, the United States government must be the largest shareholder of such institution, (v) obligations of the Federal Home Loan Bank, Fannie Mae and other government-sponsored enterprises whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system, (vi) bankers' acceptances purchased in the secondary market, (vii) commercial paper purchased in the secondary market, subject to State Investment Board policies, and (viii) corporate notes purchased in the secondary market, subject to State Investment Board policies.

Risks

Investments are subject to the following risks:

Interest Rate Risk – Interest rate risk is the risk the port may face should interest rate variances affect the fair value of investments. Through the port's investment policy, the port manages its exposure to fair market value losses arising from increasing interest rates by laddering its investments by maturity, establishing maturity limits for individual investments and maturity limits for its investment portfolio as a whole. In addition to the extent possible, the port attempts to match its investments with anticipated cash flow requirements.

The table below identify the type of investments, concentration of investments in any one issuer, and maturities of the port investment portfolio:

As of December 31, 2021	Investment Maturities (in Years)					
Investment Type	**Fair Value**	**Less than 1**	**1 to 3**	**3 to 5**	**More than 5**	**Portfolio**
Debt Securities						
US Agency: Federal Farm Credit Bank	$ 989,710	$ -	$ 496,115	$ 493,595	$ -	20.90%
US Agency: Federal Home Loan Bank	1,495,045	502,030	499,430	493,585	-	31.57%
US Agency: Federal National Mortgage Association	488,045	-	-	488,045	-	10.31%
State and Local Government: OR State Municipal Bonds	987,190	-	-	987,190	-	20.85%
State and Local Government: WA State Municipal Bonds	775,158	260,968	-	514,190	-	16.37%
Total Debt Securities	**4,735,148**	**762,998**	**995,545**	**2,976,605**	**-**	**100.00%**
Total Investments	**$ 4,735,148**	**$ 762,998**	**$ 995,545**	**$ 2,976,605**	**$ -**	**100.00%**
Percentage of Total Portfolio		**16.11%**	**21.02%**	**62.86%**	**0.00%**	**100.00%**

In addition to the interest rate risk disclosed above, the port includes investments with fair value highly sensitive to interest rate changes.

Credit Risk – Credit risk is the risk that an issuer of an investment or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Through the port's investment policy, the port manages credit risk by limiting the types of investments the port invests in and for state and local investments the minimum acceptable credit rating. The Washington State Local Investment Pool is an unrated 2a-7 like pool, as defined by the Government Accounting Standards Board. State statute and the port's investment policy establishes the type of investments and the credit quality rating the port can invest in.

The table below identifies credit quality ratings for the port's investment portfolio:

As of December 31, 2021	Moody's/S&P Equivalent Credit Ratings					
Investment Type	**Fair Value**	**Aaa-Aa1/ AAA-AA+**	**Aa2/AA**	**Aa3/AA-**	**A1/A+**	**Unrated**
US Agency: Federal Farm Credit Bank	$ 989,710	$ 989,710	$ -	$ -	$ -	$ -
US Agency: Federal Home Loan Bank	1,495,045	1,495,045	-	-	-	-
US Agency: Federal National Mortgage Association	488,045	488,045	-	-	-	-
State and Local Government: OR State Municipal Bonds	987,190	-	987,190	-	-	-
State and Local Government: WA State Municipal Bonds	775,158	260,968	-	-	514,190	-
State LGIP: WA State Local Government Investment Pool *	25,863,973	-	-	-	-	25,863,973
Totals	**$ 30,599,121**	**$ 3,233,768**	**$ 987,190**	**$ -**	**$ 514,190**	**$ 25,863,973**

* The fair value of the investments in the Washington State Local Government Investment Pool are same as the amortized cost of the pool shares.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of a counterparty to an investment transaction the port will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. To minimize this risk, the port's investment policy requires that all security transactions, except the Washington State Local Government Investment Pool are settled "delivery verses payment" basis. This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the port's custodial safekeeping bank, Key Bank. With the exception of the Washington State Local Government Investment Pool, the port's investments are registered, or held by Port of Vancouver or its agent in the Port of Vancouver's name by the custodial safekeeping bank.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of an investment of a single issuer. The port's investment policy establishes limits on the portfolios maximum holding by type of security and per issue.

Investments in Local Government Invest Pool (LGIP)
The port is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW 43.250.

Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Investments Measured at Fair Value

The port measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3: Unobservable inputs for an asset or liability.

The table below identifies the port's investments measured at fair value and amortized cost:

		Fair Value Measurements Using		
	Fair Value as of December 31, 2021	Quoted Prices in Active Markets for Indentical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Securities				
US Agency: Federal Farm Credit Bank	$ 989,710	$ -	$ 989,710	$ -
US Agency: Federal Home Loan Bank	1,495,045	-	1,495,045	-
US Agency: Federal National Mortgage Association	488,045	-	488,045	-
State and Local Government: OR State Municipal Bonds	987,190	-	987,190	-
State and Local Government: WA State Municipal Bonds	775,158	-	775,158	-
Total Investments by Fair Value Level	$ 4,735,148	$ -	$ 4,735,148	$ -
Total Investments Measured at Fair Value	$ 4,735,148			
Other Securities not Measured at Fair Value				
State LGIP: WA State Local Government Investment Pool	$ 25,863,973			
	$ 25,863,973			
	$ 30,599,121			

C. Summary of Deposit and Investment Balances

The table below reconciles the port's deposits and investment balances:

As of December 31, 2021	Total
Deposits with Private Financial Institution	$ 2,997,596
Deposits with WA State Local Government Investment Pool (LGIP)	25,863,973
Non-Pooled Investments	4,735,148
Total Deposits and Investments	**$ 33,596,717**
Deposits-Current	
Cash and Cash Equivalents	$ 26,427,884
Restricted Cash and Cash Equivalents	2,433,685
Total Deposits	**$ 28,861,569**
Investments-Current	
Short-term Investments	$ 4,735,148
Total Investments	**$ 4,735,148**
Total Deposits and Investments	**$ 33,596,717**

NOTE 3 – PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

Propety Tax Calendar	
January 1	Tax is levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's lev at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The port may levy up to $0.45 per $1,000 of assessed valuation for general governmental services. The Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The port may also levy taxes at a lower rate.

The port's regular levy for 2021 was $0.15073 per $1,000 on an assessed valuation of $46,125,905,882 or a total regular levy of $6,952,581. The port also levied an additional $0.11449 per $1,000 for the repayment of general obligation bonds for a total additional levy of $5,281,170. For 2021, the port collected 99.20% of ad valorem taxes levied.

NOTE 4 - CAPITAL ASSETS

A. Major expenses (defined by the port as those in excess of $5,000) for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. All capital assets are valued at historical cost (or estimated historical cost, where historical cost is not known/or estimated market value for donated assets).

The port has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the port has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable account.

Interest on funds used during construction, less interest earned on related interest-bearing investments if the asset is financed with the proceeds from externally restricted tax-exempt proceeds, is capitalized as part of the cost of the asset. This process is intended to remove the cost of financing construction activity from the comparative statements of revenues, expenses, and changes in net assets, and to treat such cost in the same manner as construction labor and material costs. The port had no capitalized interest in 2021.

Depreciation expense is charged to operations to allocate the cost of capital assets over their estimated useful lives, using the straight-line method. Buildings and improvements are assigned lives of 5 to 50 years; equipment 3 to 10 years; and furniture and fixtures 3 to 5 years.

In accordance with generally accepted accounting principles for regulated businesses, the port has a deferred intangible asset of $172,783 as of December 31, 2021. The initial cost of $29,818 in 2004; $20,427 in 2015 and $172,848 in 2019 were for the easement of three disposal sites for the Columbia River Channel Improvement Project. The costs are amortized on the straight-line method over 20 years.

Capital assets activity for the year ended December 31, 2021, was as follows:

Capital Assets Activities	Beginning Balance 01/01/2021	Increases	Decreases	Ending Balance 12/31/2021
Capital assets, not being depreciated:				
Land	154,099,981	1,150,041	-	155,250,022
Construction in progress	13,876,526	8,962,170	7,447,999	15,390,698
Total capital assets, not being depreciated	**$167,976,507**	**$10,112,211**	**$7,447,999**	**$170,640,720**
Capital assets, being depreciated:				
Buildings	117,732,990	5,919,546	252,211	123,400,325
Improvements other than buildings	276,545,428	872,652	272,353	277,145,727
Machinery and equipment	26,299,182	3,396,091	-	29,695,274
Intangible	183,938	-	11,155	172,783
Total capital assets being depreciated	**$420,761,538**	**$10,188,289**	**$535,719**	**$430,414,109**
Less accumulated depreciation for:				
Buildings	38,303,780	2,457,506	251,776	40,509,509
Improvements other than buildings	129,465,811	8,594,867	115,183	137,945,495
Machinery and equipment	19,838,157	904,225		20,742,382
Total accumulated depreciation	**$187,607,748**	**$11,956,598**	**$366,959**	**$199,197,386**
Total net capital assets	**$401,130,297**	**$8,343,902**	**$7,616,759**	**$401,857,443**

NOTE 5 - Construction and Other Significant Commitments

The port has active construction projects as of December 31, 2021. At year-end the port's commitments with contractors are as follows:

Project	Contract Amount	Spent to Date	Remaining Commitment
Terminal 5 NW Exit Improvements	$ 206,104	$ 84,596	$ 121,508
Fueling Station Improvements	$ 252,914	$ 29,892	$ 223,022
Berth Repairs	$ 267,724	$ 82,828	$ 184,896
Terminal 2 Track Crossing Project	$ 388,895	$ 347,489	$ 41,406
Terminal 1 Columbia River Renaissance Trail Connection	$ 1,483,618	$ 85,992	$ 1,397,626
Terminal 1 Vancouver Landing Structural Renovation	$ 3,153,964	$ 2,457,640	$ 696,324
Berth 17 Dock Fender System Replacement	$ 1,254,429	$ 182,043	$ 1,072,386
Terminal 1 Red Lion Hotel Demolition	$ 1,302,000	$ 76,395	$ 1,225,605
	$ 8,309,647	**$ 3,346,874**	**$ 4,962,773**

Terminal 1 Vancouver Landing Structural Renovation project is an improvement project associated with the Terminal 1 Development. This project is funded by state funds through a grant with the Washington State Department of Commerce, contributions by the Vancouver Rotary and port's cash.

Berth 17 Dock Fender System Replacement project is funded by port's cash and potential future debt issuance.

Terminal 1 Red Lion Hotel Demolition project is primarily being funded through a grant with Washington State Department of Commerce.

Terminal 1 Columbia River Renaissance Trail Connection project is primarily being funded through a grant with Washington State Department of Commerce and a grant with Federal Highway Administration.

NOTE 6 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts - All Plans	
Pension liabilities	$ (666,550)
Pension assets	$ 6,991,157
Deferred outflows of resources	$ 845,383
Deferred inflows of resources	$ (7,330,862)
Pension expense/expenditures	$ (1,646,816)

State Sponsored Pension Plans

Substantially all port's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
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Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 1		
Actual Contribution Rates	**Employer**	**Employee**
Junary - June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	**12.97%**	**6.00%**
September - December 2021		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
Total	**10.25%**	**6.00%**

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	**Employer 2/3**	**Employee 2**
Junary - June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**12.97%**	**7.90%**
September - December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	**10.25%**	**6.36%**

The port actual PERS plan contributions were $366,285 to PERS Plan 1 and $609,379 to PERS Plan 2/3 for the year ended December 31, 2021.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation

- **Salary increases**: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.

- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were no changes in assumptions since the last valuation. There were changes in methods and since the last valuation.

- For purposes of the June 30, 2020, Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.

- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' 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 of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of Net Pension Liability/(Asset)

The table below presents the port's proportionate share of the net pension liability calculated using the discount rate of 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	$ 1,135,505	$ 666,550	$ 257,572
PERS 2/3	$ (1,991,645)	$ (6,991,157)	$ (11,108,257)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

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

At June 30, 2021, the port reported its proportionate share of the net pension liabilities and asset as follows:

	Liability (or Asset)
PERS 1	$ 666,550
PERS2/3	$ (6,991,157)

At June 30, the port's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	0.0523%	0.0546%	0.0023%
PERS 2/3	0.0678%	0.0702%	0.0024%

The collective net pension liability (asset) was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2021, the port recognized pension expense as follows:

	Pension Expense
PERS 1	$ (42,293)
PERS 2/3	$ (1,604,523)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (739,647)
Changes of assumptions	$ -	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ -	$ -
Contributions subsequent to the measurement date	$ 155,619	$ -
TOTAL	$ 155,619	$ (739,647)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 339,550	$ (85,705)
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (5,842,967)
Changes of assumptions	$ 10,216	$ (496,488)
Changes in proportion and differences between contributions and proportionate share of contributions	$ 73,223	$ (166,055)
Contributions subsequent to the measurement date	$ 266,775	$ -
TOTAL	$ 689,764	$ (6,591,215)

Deferred outflows of resources related to pensions resulting from the port's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended 12/31	PERS 1
2022	$ (195,933)
2023	$ (179,546)
2024	$ (169,768)
2025	$ (194,401)
2026	$ -
Thereafter	$ -
Total	$ (739,647)

Year Ended 12/31	PERS 2/3
2022	$ (1,618,886)
2023	$ (1,513,907)
2024	$ (1,459,470)
2025	$ (1,562,027)
2026	$ (22,103)
Thereafter	$ 8,164
Total	$ (6,168,229)

NOTE 7 - PENSION PLANS - NONGOVERNMENTAL PLANS (PENSIONS PROVIDED THROUGH CERTAIN MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS)

Some port employees may be provided with pensions through a cost-sharing, multiple-employer defined benefit pension plan that, (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions to both employees of state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The port has six union sponsored pension plans meeting these criteria. As of December 31, 2021, the nongovernmental plans are composed of the following:

Name of Pension Plan	Entity	Cost-Sharing	Financial Report	Benefit Type	# of Covered Employees	Benefit Terms	Contribution Requirments	Balance of Payables *	Expiration Date
47P	Oregon-Washington Carpenters-Employers Trust	Yes	Yes	Pension	4 Carpenters	Collective-bargaining agreement	4.73 multiple by hours worked	$ 2,265.67	5/31/2022
47AP Non-accruing pension	Oregon-Washington Carpenters-Employers Trust	Yes	Yes	Non-Accruing Pension	4 Carpenters	Collective-bargaining agreement	3.08 multiple by hours worked	$ 1,475.32	5/31/2022
47PNA- Non-accruing pension	Oregon-Washington Carpenters-Employers Trust	Yes	Yes	Non-Accruing Pension	4 Carpenters	Collective-bargaining agreement	.40 multiple by hours worked	$ 191.60	5/31/2022
47PNAO	Oregon-Washington Carpenters-Employers Trust	Yes	Yes	Non-Accruing Pension	4 Carpenters	Collective-bargaining agreement	.66 multiple by hours worked	$ 316.14	5/31/2022
Dist 9 ER	Electrical Trust Funds	Yes	No	Pension	2 Electricians	Collective-bargaining agreement	4.69, 4.42 muliptle by hours worked	$ 1,641.89	12/31/2021
Edison Pension	Electrical Trust Funds	Yes	No	Pension	3 Electricians	Collective-bargaining agreement	8.95, 8.70 multiple by hours worked	$ 3,188.15	12/31/2021
NEBF	Electrical Trust Funds	Yes	Yes	Pension	3 Electricians	Collective-bargaining agreement	.03 multiple by hours worked	$ 611.76	12/31/2021
Pension	NW Laborers-Employers Trust Fund	Yes	Yes	Pension	11 NW Laborers	Collective-bargaining agreement	5.04 multiple by hours worked	$ 7,912.80	5/31/2022
Pension	AGC-IUOE Local 701 Trust Funds	Yes	Yes	Pension	6 Operating Engineers	Collective-bargaining agreement	5.90 multiple by hours worked	$ 4,908.80	12/31/2021
Local 290 Pension	UA Local Union 290 Plumbing and Pipfitting Industry	Yes	Yes	Pension	1 Plumber	Collective-bargaining agreement	13.75 multiple by hours worked	$ 2,420.00	3/31/2022
National Pension	UA Local Union 290 Plumbing and Pipfitting Industry	Yes	Yes	Pension	1 Plumber	Collective-bargaining agreement	1.51 multiple by hours worked	$ 283.36	3/31/2022
NASI Pension Fund	National Automatic Sprinkler Indsutry	Yes	No	Pension	2 Sprinkler Fitters	Collective-bargaining agreement	7.00 multiply by hours worked	$ 2,247.00	3/31/2022
Sprinkler Industry Supplemental Pension	National Automatic Sprinkler Indsutry	Yes	No	Pension	2 Sprinkler Fitters	Collective-bargaining agreement	7.23 multiply by hours worked	$ 2,320.83	3/31/2022

* The amounts were earned by 12/31/2021, and payables are due in January 2022. Required contributions to the pension plans are related to past services performed per union contracts.

NOTE 8 – RISK MANAGEMENT

The port is exposed to various risks of loss related to torts; damage to, theft of and destruction of assets or cargo; natural disasters; and employee injuries. To limit exposure, the port purchases property, liability and related insurance coverage annually through a commercial insurance broker which provides coverage against most normal hazards. In comparison to prior years, there were no significant changes in the type and coverage of insurance policies purchased by the port in 2021. Settlement claims have not exceeded commercial insurance coverage in any of the past three years.

The port participates in the State of Washington Labor and Industries workman's compensation program. However, management has elected to become self-insured through the Washington State Employment Security Department on a reimbursement basis. Unemployment claims are processed by the Washington State Employment Security Department. No reserve for self-insurance has been established as the potential liability is not considered to be material to the financial statements.

NOTE 9 – LONG-TERM DEBT

A. Long-Term Debt

The port issues general obligation and revenue bonds to finance the purchase, and construction of capital assets. Bonded indebtedness has also been entered into in 2011, 2012, 2019 and 2020 to advance refund several general obligation bonds. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. The revenue bonds are being repaid by net revenues of the port. The Port of Vancouver is also liable for notes that were entered into for the construction of rail infrastructure right-away acquisition, legal settlement, and channel deepening. These notes are considered obligations of the general government and are being repaid with general governmental revenue sources

Unamortized debt issue costs are recorded as deferred charges and bonds are displayed net of premium, discount or deferred amount on refunding. Annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs, discounts, and deferred amounts on refunding. The port is also liable for a right-of-way settlement agreement for the West Vancouver Freight Access Project.

The port has pledged future net revenues, as defined by bond documents, to repay $ 82,995,000 in revenue bonds issued in 2016, 2017, and 2018. Proceeds from the bonds provided financing for specific capital projects as outlined in the bond documents. The bonds are payable solely from net revenues and are payable through 2048. The revenue bonds contain coverage requirements related to maintaining adequate net revenues to support debt service. Annual principal and interest payments on the bonds are expected to require less than 34 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $136,771,374. Principal and interest paid for the current year and total net revenues were $5,298,353 and $15,436,758 respectively.

B. General Obligation Bonds

General Obligation bonds currently outstanding are as follows:

Obligation	Original Issue	Interest Rate	Maturity	Balance 12/31/2021
2012 Series A	5,905,000	2.0%-4.0%	2022	765,000
2012 Series B	29,745,000	0.380%-3.614%	2022	2,635,000
2019	5,625,000	2.49%	2028	3,345,000
2020	18,665,000	0.625%-1.720%	2028	18,665,000
	Total GO Bonds before current portion			$ 25,410,000
	Current portion			5,030,000
		Discount		-
		Premium		65,803
	Total long-term GO bonds, net			$ 20,445,803

The 2019 Bonds contain a provision that in the event of default as defined by the refunding bond documents, the interest rate on the refunding bonds will increase by 3%.

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31 2021	Principal	Interest
2022	3,450,000	324,161
2023	3,065,000	219,100
2024	3,040,000	199,177
2025	3,070,000	171,817
2026	3,110,000	138,968
2027-2028	6,330,000	155,894
Total	$ 22,065,000	$ 1,209,117

The annual debt service requirements to maturity for debt from direct borrowings and direct placement are as follows:

Year Ending December 31 2021	Principal	Interest
2022	1,580,000	83,291
2023	245,000	43,949
2024	295,000	37,848
2025	295,000	30,503
2026	295,000	23,157
2027-2028	635,000	23,780
Total	$ 3,345,000	$ 242,526

C. Revenue Bonds

Revenue Bonds currently outstanding are as follows:

Obligation	Original Issue	Interest Rate	Maturity	Balance 12/31/2021
2016 Revenue Bonds	40,000,000	1.325%-4.010%	2046	36,290,000
2017 Revenue Bonds	30,000,000	2.001%-4.693%	2047	28,130,000
2018A Revenue Bonds	14,885,000	2.850% - 4.250%	2044	14,115,000
2018B Revenue Bonds	4,460,000	5.000%	2048	4,460,000
Total Revenue Bonds before current portion				$ 82,995,000
Current portion				2,030,000
Premium				574,352
Total long-term Revenue Bonds, net				$ 81,539,352

The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31 2021	Principal	Interest
2022	2,030,000	3,276,441
2023	2,075,000	3,224,734
2024	2,135,000	3,167,545
2025	2,200,000	3,106,030
2026	2,265,000	3,040,330
2027-2031	12,470,000	14,036,655
2032-2036	14,990,000	11,518,755
2037-2041	18,325,000	8,179,714
2042-2046	22,535,000	3,976,618
2047-2048	3,970,000	249,552
Total	$ 82,995,000	$ 53,776,374

D. Special Revenue Bonds

Port Resolution 9-2009 provided for the issuance of refunding revenue bonds of the port in the principal amount of $25,000,000. A lease agreement provides for unconditional payment of rent equal to the debt service of the special revenue bonds. The bonds are not general obligations of the port, are payable solely from the pledged revenues of the lease and do not constitute a lien on the unpledged revenues of the port. The special revenue bonds are supported by direct payment of irrevocable bank letters of credit.

The outstanding special revenue bonds are adjustable tender bonds subject to purchase on demand of the holder at a price equal to the principal plus accrued interest under certain notification requirements. Interest rates on these bonds are adjustable.

The special revenue bonds currently outstanding are as follows:

Obligation	Original Issue	Interest Rate	Maturity	Balance 12/31/2021
Series 2009	$ 25,000,000	Adjustable	2029	$ 25,000,000

E. Line of Credit

The port has entered into a credit facility agreement with KeyBank National Association in connection with the issuance and sale of its Taxable Revenue Bonds, Series 2013 to provide the Port with a line of credit with a maximum commitment amount of $35,000,000. This agreement is secured by a net revenue pledge as defined by the agreement. As of December 31, 2021, there was no outstanding balance on the line of credit.

The Line of Credit will bear an interest rate equal to the sum of the LIBOR Rate for that LIBOR Interest Calculation Period applicable for said advances plus 57 basis points (0.57%), 0.67% as of December 31, 2021. The port has agreed to pay the Series 2013 Credit Facility Provider an unused commitment fee in the amount of 20 basis points per annum (0.20%) on the unused portion of the Line of Credit.

This agreement matures on September 25, 2023, unless extended by mutual consent of the Port and the Series 2013 Credit Facility Provider.

F. Notes Payable

a. The State of Washington, Department of Transportation is authorized and empowered under RCW 47.76A to provide financial assistance to cities, counties, ports and railroads for the purposes of acquiring, rebuilding, rehabilitating, or improving rail lines necessary to maintain essential rail services. The port and the State of Washington negotiated a loan to a not to exceed amount of $250,000 to construct a rail spur consisting of 542 track feet of rail, two #9 turnouts, sub-ballast, and other materials necessary to provide rail service to the FarWest Steel facility. Total expenditures related to this project are $103,770. This agreement allows the State, at its sole option, to require immediate repayment of the outstanding loan should the financed project be sold conveyed, transferred or removed in part or in whole during the loan repayment period. The agreement also allows for the termination of this agreement in the event either party fails to perform their obligations under this agreement.

Date	Obligation
7/1/2022	10,377
Total	$ 10,377

b. The Washington and Oregon ports entered into the "Intergovernmental Agreement Among Lower Columbia River Ports for Columbia River Channel Deepening and Maintenance" with the U.S. Army Corps of Engineers for the Channel Improvement Project on June 21, 2004. The Project Cooperation Agreement identifies disposal, mitigation and restoration sites needed for the Channel Improvement Project. The State of Washington appropriated $27.7 million for the Washington sponsor's share of project costs. The Oregon-Washington Ports Agreement allocates costs of the Channel Improvement Project. All costs incurred, with the exception for port-owned beneficial use sites, will be shared 50/50 between the states. The Washington ports share of the costs is shared equally between the three Washington ports. At the completion of the Columbia River Channel Improvement Project a final accounting of the project will occur to ensure that the non-federal sponsors have equally contributed to the project, met their obligations to U.S. Army Corps of Engineers, and equalization will occur between the States of Washington and Oregon. Having reached substantial completion, on December 31, 2021, the port has accrued cost of $128,513, and will start amortization on the straight-line method over 20 years when the U.S. Army Corps of Engineers has completed the project. See (Note 16, Columbia River Channel Improvement Project)

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

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	Beginning Balance 01/01/2021	Additions	Reductions	Ending Balance 12/31/2021	Due within One Year
G.O. Bonds	$ 26,010,000	$ -	$ 3,945,000	22,065,000	$ 3,450,000
G.O. Bond Direct Borrowing & Direct Replacement	$ 4,135,000		$ 790,000	3,345,000	$ 1,580,000
Discounts/premiums	185,793	-	119,990	65,803	65,803
Special Revenue Bond	25,000,000	-	-	25,000,000	-
Revenue Bond	84,970,000	-	1,975,000	82,995,000	2,030,000
Discounts/premiums	595,624	-	21,272	574,352	21,272
Total Bonds Payable	140,896,417	-	6,851,262	134,045,155	7,147,075
Notes Payable	264,907	-	126,017	138,890	10,377
Environmental Remediation	7,691,344		363,966	7,327,378	-
Compensated Absences	1,556,892		34,350	1,522,542	-
Pension Obligations	2,713,321	-	2,046,771	666,550	-
Total long-term liabilities	**$ 153,122,881**	**$ -**	**$ 9,422,367**	**$ 143,700,514**	**$ 7,157,452**

NOTE 11 – LEASE COMMITMENTS

Property Leases

The port leases industrial properties on a long-term basis and are reported as property rentals. The following is a schedule of future minimum rental income under non-cancelable leases having an initial term in excess of one year:

Year	Forecast
2022	11,502,650
2023	10,592,386
2024	9,083,207
2025	7,244,555
2026	6,327,248
2027-2031	21,930,043
Total minimum future rents	$ 66,680,089

NOTE 12 – RESTRICTED COMPONENT OF NET POSITION
The port's statement of net position reports $1,772,418 of restricted component of net position.

Repair & Replacement Fund - EVRAZ: To cover potential dock damage resulting from EVRAZ Inc, NA. Operations and use of the Terminal Storage Area, EVRAZ agrees to pay an additional $0.25 per MT, to be held by the port in a separate account, to be used by the port to pay for repairs to the Terminal Storage Area. In the event the fund amount is insufficient to cover the costs of repairs, EVRAZ shall be responsible for additional costs of repair as specified under the port's Terminal Use Agreement. EVRAZ's contributions shall continue until the fund reaches a balance of $600,000. Contributions to the fund shall resume at such time as the fund amount falls below $600,000 and will continue until the amount is replenished.

Repair & Replacement Fund – CIP Reserve: The Covenants, Conditions, and Restrictions for Centennial Industrial Park requires all property owners/tenants located within the boundaries of the Centennial Industrial Park to pay the port a storm water impact fee. The storm water impact fee will equal the City of Vancouver's storm water impact fee. 70% of the fee collected is retained by the port in a separate account to be used for annual operations, maintenance, repairs, and capital improvements of the Centennial Industrial Park enhanced storm water treatment system. Any amount remaining at the end of any given year will be transferred into a reserve account. The reserve will be used to fund capital improvements and major maintenance or repair of the Enhanced Stormwater Treatment System.

Net Pension Asset: The amount related to pensions is the pensions net asset for the PERS Plan 2/3 retirement program. (See Note 6 – Pension Plans)

NOTE 13 - POLLUTION REMEDIATION OBLIGATION
<u>TCE</u>

Soil and shallow ground water samples taken in 1997 during the Mill Plain extension project showed concentrations of trichloroethylene (TCE) which exceeded Department of Ecology's (Ecology) ground water and industrial soil cleanup levels. Chlorinated solvent-related contamination was subsequently discovered at the Cadet Manufacturing facility located north of the former Swan site. Both Cadet and Swan formerly used chlorinated solvents, primarily trichloroethylene (TCE), to degrease metal parts which leached into the ground.

Ecology named the port as a potentially responsible party (PRP) under the Model Toxics Control Act (MTCA). In 1998 and 2001 the port entered into agreed orders with Ecology. Under the agreed orders, the port must investigate and remediate TCE, and other chlorinated solvent contamination associated with the former Swan site.

In 1999, Cadet was named as a PRP and subsequently entered into an agreed order with Ecology under the MTCA. At the same time, the port filed a contribution claim against Cadet, the corporate successor to Swan, for all costs expended by the port for the Swan cleanup. In February 2006, the port reached an agreement with Cadet to settle the lawsuit. Under this agreement, the port purchased the Cadet site and assumed full responsibility for the remedial activities contained in the agreed order between Cadet and

Ecology. Effective May 1, 2008, the port and Ecology negotiated a combined agreed order (07-TC-S-DE5189) for both the Swan and Cadet sites. No significant changes to Ecology's requirement were made with this revision.

Currently, the TCE cleanup is in the final measurement benchmark established by GASB 49: "Remediation design and implementation, through and including operation and maintenance, and post remediation monitoring." At this stage, the port is required to continue to refine its estimate of its liability as additional information becomes available.

In June 2009, the port completed construction of its new Groundwater Cleanup Facility to expedite the completion of the remediation of TCE and other solvents in the groundwater. Using a process known as "air stripping," the facility pumps contaminated water from the aquifer, and filters it through various tanks before the air stripping removes contaminants from the water and discharging the clean water.

The Yakama Nation is a tribal government with a role in the investigation and cleanup of environmental contamination under both federal law (CERCLA) and state law (MTCA). Following the publication of the remedial investigation reports and feasibility study for public notice and comment, the Yakama Nation expressed its interest in resources impacted by the site, and its desire to participate in the development of the proposed remedial action for the site. In February 2015, the tribe requested that the port enter into a funding and participation agreement (FPA) that would enable the Yakama Nation to be involved in the development and implementation of remedial actions. The Yakama Nation informed the port that if the port declined to enter into an FPA, the tribe would participate in the development and implementation of remedial actions at the site anyway, and seek recovery of its costs through appropriate means, including but not limited to litigation. The port and the Yakama Nation negotiated a reasonable and appropriate FPA.

A budget for remediation costs has been prepared by the port's environmental engineer. This budget is the basis for estimates for the year ending December 31, 2021. There are no other responsible parties and no estimated recoveries reducing this liability as of December 31, 2021.

This estimated liability for TCE was prepared using the expected cash flow technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. This is an estimate only and potential for change exists resulting from price increases or reductions, technology or changes in applicable laws or regulations. Time assumptions for TCE tasks varying between 5 and 30 years have been assigned estimated values and probability weighted to arrive at expected costs. The estimates and assumptions will be reevaluated as material events occur. The total expected cost for TCE tasks as of December 31, 2021, is $4,030,800.

<u>Terminal 5 Sediment Clean-up</u>

Sediment sampling identified areas of elevated polychlorinated biphenyls (PCBs) and polycyclic aromatic hydrocarbons (PAHs) in subsurface sediments near the Berth 17 dock. The sediment contamination impacts the Port's ability to maintenance dredge the berth and operational use of the Terminal as a marine cargo facility. Operational use is anticipated to require more time, cost, and process with the agencies to address contamination considerations and risks.

In 2009, the port purchased the former Alcoa Vancouver property to support industrial use and economic development. The site is now known as Terminal 5 and includes Berth 17. Under a Consent Decree with Ecology, Alcoa has responsibility for cleanup of the site including contaminated Columbia River sediments. In 2018, the port collected sediment samples to support inclusion of Berth 17 into the port's maintenance dredge program. The port submitted the sediment results to Ecology. In August 2020, Ecology determined that the port as property owner is a PLP.

The Yakama Nation is a tribal government with a role in the investigation and cleanup of environmental contamination under both federal law (CERCLA) and state law (MTCA). Following the publication of the remedial investigation reports and feasibility study for public notice and comment, the Yakama Nation expressed its interest in resources impacted by the site, and its desire to participate in the development of the proposed remedial action for the site. In January 2021, the tribe requested that the port enter into a funding and participation agreement (FPA) that would enable the Yakama Nation to be involved in the development and implementation of remedial actions. The Yakama Nation informed the port that if the port declined to enter into an FPA, the tribe would participate in the development and implementation of remedial actions at the site anyway, and seek recovery of its costs through appropriate means, including but not limited to litigation. The port and the Yakama Nation negotiated a reasonable and appropriate FPA.

A budget for remediation costs has been prepared by the port's environmental engineer. This budget is the basis for estimates for the year ending December 31, 2021. There are no other responsible parties and no estimated recoveries reducing this liability as of December 31, 2021.

This estimated liability for sediment contamination was prepared using the expected cash flow technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. This is an estimate only and potential for change exists resulting from price increases or reductions, technology or changes in applicable laws or regulations, and the port's acceptance of a regulatory or contractual obligation for additional work. Time assumptions for sediment cleanup tasks varying between 5 and 30 years have been assigned estimated values and probability weighted to arrive at expected costs. The estimates and assumptions will be reevaluated as material events occur. The total expected cost for sediment contamination at Terminal 5 Berth 17 tasks as of December 31, 2021, is $1,724,728.

Other Sites

This estimated environmental remediation obligation also includes long-term monitoring costs at additional sites: Fort Vancouver Plywood, Brazier, ASI and Terminal 5 (formerly the Alcoa/Evergreen sites). These sites have been in a monitoring status for many years as required by the Department of Ecology. There are no indications of additional future regulatory requirements, no other responsible parties, or potential cost recoveries. Groundwater monitoring costs have very little variability and costs are projected for the next 15 years. Total expected costs for these sites are $1,571,850. In May 2016, the port performed subsurface investigations at the terminal one. The result indicated some localized areas of shallow soil contamination (1-8 feet below ground surface) that exceed the state cleanup levels for petroleum hydrocarbons and some heavy metals. The investigations also indicate localized areas of groundwater contamination that exceed state cleanup levels for petroleum hydrocarbons, naphthalene and some heavy metals. Estimated costs for cleanup can be determined once future development impacts to the site are determined.

The total environmental remediation obligation for all sites is disclosed on the Statement of Net Position at $7,327,378. Adjustment shown on the statement of Revenues, Expenses and Changes in Fund Net Position represents the modification to the expected cash flow estimate for changes in the remediation obligation. This is a result of annually refining the estimate of the port's remediation obligation liability as additional information becomes available. Remediation expenses, as incurred, flow through the statement of net position as a reduction of the environmental remediation obligation.

NOTE 14 – CONTINGENCIES AND LITIGATION

The port has recorded in its financial statements all material liabilities and in the opinion of management, the port (insurance policies and/or self-insurance reserves) are adequate to pay all known or pending claims.

As discussed in Note 9 Long-Term Debt, the port is contingently liable for repayment of refunded debt.

The port participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Port management believes that such disallowances, if any, will be immaterial.

NOTE 15 – COLUMBIA RIVER CHANNEL IMPROVEMENT PROJECT

The Columbia River Channel Improvement Project is a bi-state project supported by port sponsors from the States of Oregon and Washington. Over the past decade, The Washington Ports of Kalama, Longview, and Vancouver, have cooperated with the U.S. Army Corps of Engineers and the ports of Portland and St. Helens, regarding improvements to the Columbia River Federal Navigation Channel. This has included, among other activities, a reconnaissance study, a feasibility study under the auspices of the Columbia River Improvement Project, the Dredged Material Management Plan and associated environmental impact statements for both the maintenance of the existing channel and the plans to increase the channel depth from 40 to 43 feet.

The ports entered into the Washington Ports Agreement in 1999 for the purpose of participating as non-federal sponsors for the Channel Improvement Project. The ports expanded the agreement by amendments on October 17, 2001, on February 19, 2002, on March 15, 2002, and January 30, 2004.

The Washington and Oregon ports entered into the "Intergovernmental Agreement Among Lower Columbia River Ports for Columbia River Channel Deepening and Maintenance" with the U.S. Army Corps of Engineers for the Channel Improvement Project on June 21, 2004. The Project Cooperation Agreement identifies disposal, mitigation and restoration sites needed for the Channel Improvement Project.

The State of Washington appropriated $27.7 million for the Washington sponsor's share of project costs. The Oregon-Washington Ports Agreement allocates costs of the Channel Improvement Project. All costs incurred, with the exception for port-owned beneficial use sites, will be shared 50/50 between the states. The Washington ports share of the costs is shared equally between the three Washington ports. At the completion of the Columbia River Channel Improvement Project a final accounting of the project will occur to ensure that the non-federal sponsors have equally contributed to the project, met their obligations to U.S. Army Corps of Engineers, and equalization will occur between the States of Washington and Oregon.

The deepening portion of the 103-mile navigation channel was completed in November 2010. There are three remaining disposal sites to be acquired. Disposal sites are reported as capital contributions for financial statement purposes and are carried at one-third of value by the ports of Kalama, Longview and Vancouver.

NOTE 16 – TAX ABATEMENT

While the port has the capability to provide tax abatements in conjunction with the City of Vancouver and Clark County, it has no outstanding tax abatement agreements or abatements that are entered into by other governments that reduce tax revenues.

NOTE 17 - UNIQUE AND UNUSUAL TRANSACTIONS

Major Customer

The port had two major customers in 2021 that represented individually more than 10% percent of total operating revenues. These customers' commodities are derived from both the agriculture and automotive industries.

NOTE 18 – COVID-19

In February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gathering, travel, and in-person interactions.

The port proactively implemented safety measures, and operations have continued with most staff working remotely. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. The port continues to maintain service levels to our customers and tenants, and port terminals remain fully operational. Ports play a critical role in our nation's supply chain and maintaining the movement of cargo is essential to our local, national and world-wide economy. To date, the port has not experienced any direct financial impacts due to the pandemic.

The length of time these measures are anticipated to extinguish on May 2, 2022.

PORT OF VANCOUVER
Required Supplementary Information
December 31, 2021

Introduction

The Port of Vancouver is presenting Required Supplementary Information (RSI) to meet the minimum financial reporting requirements and is an integral part of the accompanying financial statements. RSI generally includes schedules, statistical data, and other information.

REQUIRED SUPPLEMENTARY INFORMATION – STATE SPONSORED PLANS

Port of Vancouver USA
Schedule of Proportionate Share of the Net Pension Liability
PERS 1
As of June 30 2021
Last 10 Fiscal Years*

		2015	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX
Employer's proportion of the net pension liability (asset) PERS 1	%	0.001600%									
Employer's proportion of the net pension liability (asset) PERS 1 UAAL	%	0.053507%	0.057846%	0.059491%	0.057317%	0.054185%	0.052306%	0.054580%			
Employer's proportionate share of the net pension liability	$	2,882,609	3,106,603	2,822,894	2,559,797	2,083,606	1,846,684	666,550			
Employer's covered employee payroll	$	6,214,804	7,097,085	7,439,677	7,646,506	7,638,445	7,946,605	8,418,246			
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	%	46.38%	43.77%	37.94%	33.48%	27.28%	23.24%	7.92%			
Plan fiduciary net position as a percentage of the total pension liability	%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%			

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*
** Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)*

Port of Vancouver USA
Schedule of Proportionate Share of the Net Pension Liability
PERS 2/3
As of June 30 2021
Last 10 Fiscal Years*

		2015	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX
Employer's proportion of the net pension liability (asset)	%	0.069126%	0.074009%	0.076538%	0.073243%	0.070035%	0.067762%	0.070181%			
Employer's proportionate share of the net pension liability (Asset)	$	2,469,911	3,726,295	2,659,330	1,250,559	680,278	866,637	(6,991,157)			
Employer's covered employee payroll	$	6,133,352	7,097,085	7,439,677	7,646,506	7,638,445	7,946,605	8,418,246			
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	%	40.27%	52.50%	35.75%	16.35%	8.91%	10.91%	-83.05%			
Plan fiduciary net position as a percentage of the total pension liability	%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%			

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*
** Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)*

Port of Vancouver USA
Schedule of Employer Contributions
PERS1
As of December 31 2021
Last 10 Fiscal Years*

		2015	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX
Statutorily or contractually required contributions	$	293,077	353,389	372,274	384,172	385,831	388,310	366,285			
Contributions in relation to the statutorily or contractually required contributions	$	(293,077)	(353,389)	(372,274)	(384,172)	(385,831)	(388,310)	(366,285)			
Contribution deficiency (excess)	$	-	-	-	-	-	-				
Covered employer payroll	$	6,640,591	7,408,568	7,595,932	7,603,378	7,805,925	8,089,508	8,520,381			
Contributions as a percentage of covered employee payroll	%	4.41%	4.77%	4.90%	5.05%	4.94%	4.80%	4.30%			

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*
** Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)*
** Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL.*
Contributions do not include employer-paid member contributions (GASB 82, Par. 8)

Schedule of Employer Contributions
PERS 2/3
As of December 31 2021
Last 10 Fiscal Years*

		2015	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX
Statutorily or contractually required contributions	$	372,787	461,653	521,536	569,342	602,803	641,029	609,379			
Contributions in relation to the statutorily or contractually required contributions	$	(372,787)	(461,653)	(521,536)	(59,342)	(602,803)	(641,029)	(609,379)			
Contribution deficiency (excess)	$	-	-	-	-	-	-	-			
Covered employer payroll	$	6,610,511	7,408,568	7,595,932	7,603,378	7,805,925	8,089,508	8,520,381			
Contributions as a percentage of covered employee payroll	%	5.64%	6.23%	6.87%	7.49%	7.72%	7.92%	7.15%			

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*
** Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)*
** Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL.*
Contributions do not include employer-paid member contributions (GASB 82, Par. 8)

REQUIRED SUPPLEMENTARY INFORMATION – NONGOVERNMENTAL PLANS

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through Oregon-Washington Carpenters - Employers Trust Fund)
47P
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	36,806	34,355	32,199	32,048	35,323	32,274				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through Oregon-Washington Carpenters - Employers Trust Fund)
47AP Non-accruing pension
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	7,643	13,770	18,437	20,255	21,602	18,706				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through Oregon-Washington Carpenters - Employers Trust Fund)
47PNA Non-accruing pension
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	2,779	2,849	2,927	2,946	2,809	2,635				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Schedule of Employer Contributions											
Nongovernmental Plans (Pensions Provided Through Oregon-Washington Carpenters - Employers Trust Fund)											
47PNAO Non-accruing pension											
As of December 31 2021											
Last 10 Fiscal Years*											
		2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	2,048	4,830	4,861	5,439	4,347					
Notes to Schedule:											
** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*											

Port of Vancouver USA											
Schedule of Employer Contributions											
Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds)											
NEBF Pension											
As of December 31 2021											
Last 10 Fiscal Years*											
		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	6,254	5,476	7,469	8,282	8,914	8,573				
Notes to Schedule:											
** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*											

Port of Vancouver USA											
Schedule of Employer Contributions											
Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds)											
Dist 9 ER											
As of December 31 2021											
Last 10 Fiscal Years*											
		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	15,159	13,940	20,127	22,693	23,021	23,526				
Notes to Schedule:											
** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*											

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds)
Edison Pension
As of December 31 2021
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$ 30,634	28,335	38,963	44,048	47,545	45,793				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through NW Laborers-Employers Trust Fund)
As of December 31 2021
NW Laborers Pension
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$ 76,224	79,483	86,006	89,195	98,575	94,763				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through AGC-IUOE Local 701 Trust funds)
AGC-IUOE Pension
As of December 31 2021
Last 10 Fiscal Years*

	2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$ 53,238	48,028	50,842	58,361	65,729	60,997				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through UA Local Union 290 Plumbing and Pipefitting Industry)
Local 290 Pension
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	21,056	21,999	21,022	23,196	24,585	23,841				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through UA Local Union 290 Plumbing and Pipefitting Industry)
National Pension
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	3,085	3,063	2,978	3,134	3,147	2,841				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA
Schedule of Employer Contributions
Nongovernmental Plans (Pensions Provided Through National Automatic Sprinkler Industry)
NASI Pension
As of December 31 2021
Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	23,322	25,008	25,059	25,529	26,989	26,240				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Port of Vancouver USA

Schedule of Employer Contributions

Nongovernmental Plans (Pensions Provided Through National Automatic Sprinkler Industry)

As of December 31 2021

Sprinkler Industry Supplemental Pension

Last 10 Fiscal Years*

		2016	2017	2018	2019	2020	2021	20XX	20XX	20XX	20XX
Statutorily or contractually required contributions	$	21,150	22,549	22,780	26,661	28,696	27,102				

Notes to Schedule:

** Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.*

Introduction

The Supplementary and Other Information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. This information generally includes schedules, statistical data, and other information.

SUPPLEMENTARY AND OTHER INFORMATION

Table 2
Outstanding Port Obligations
(For the Year-ended December 31, 2021)

Revenue Bonds [1]	**Date of Issue**	**Date of Maturity**	**Amount Issued**	**Amount Outstanding**
Series 2016 Bonds	6/22/2016	12/1/2046	$40,000,000	$36,290,000
Series 2017 Bonds	5/25/2017	12/1/2047	30,000,000	28,130,000
Series 2018A Bonds	6/20/2018	12/1/2044	14,885,000	14,115,000
Series 2018B Bonds	6/20/2018	12/1/2048	4,460,000	4,460,000
Bond Total			$89,345,000	$82,995,000

Subordinate Lien Obligations [1]	**Date of Issue**	**Date of Maturity**	**Amount Issued**	**Amount Outstanding**
Taxable Revenue Bonds, Series 2013 (Subordinate) - LOC	2/28/2013	9/25/2023	$35,000,000	$0
Subordinate Lien Obligation Total			$35,000,000	$0

Special Revenue Bonds [1]	**Date of Issue**	**Date of Maturity**	**Amount Issued**	**Amount Outstanding**
Refunding Revenue Bonds (United Grain Corporation of Oregon Project) Series 2009	10/21/2009	10/1/2029	$25,000,000	$25,000,000
Special Revenue Bond Total			$25,000,000	$25,000,000

General Obligation Bonds and Notes [1]	**Date of Issue**	**Date of Maturity**	**Amount Issued**	**Amount Outstanding**
LTGO Refunding Bonds, 2012A	3/19/2012	12/1/2022	$5,905,000	$765,000
LTGO Refunding Bonds, 2012B	12/3/2012	12/1/2022	29,745,000	2,635,000
LTGO Refunding Bonds, 2019	6/5/2019	12/1/2028	5,625,000	3,345,000
LTGO Refunding Bonds, 2020	10/30/2020	12/1/2028	18,665,000	18,665,000
WSDOT Note	3/8/2012	7/1/2022	250,000	10,377
Oregon-Washington Ports Agreement-Channel Deepening			128,513	128,513
General Obligation Bond/Note Total			$60,318,513	$25,548,890

[1] See Note 9 "Long-Term Debt" of the "Notes to the Financial Statements" of the Port's 2021 Audited Financial Statements

Table 4
Net Revenue Available for Debt Service as Defined in the Bond Resolution
(For the Year-ended December 31, 2021)

Gross Revenue as defined in the Resolution	
Operating Revenue	$47,979,719
Plus: Investment Income	104,824
Plus: Other Revenues	1,952,313
Plus: Gain on sale of Disposal of Assets	61,538
Less: Funds Deposited to Rate Stabilization Account	(5,500,000)
Gross Revenue	**$44,598,393**
Operating Expenses as defined in the Resolution	
Operating Expenses Before Depreciation	$33,544,831
Less: Ad Valorem Tax Revenues not used for debt service on limited tax general obligation bonds	(7,005,677)
Less: Non-cash Pension Expense	2,622,480
Operating Expenses	**$29,161,634**
Net Revenues Available for Debt Service	**$15,436,758**
Maximum Annual Debt Service on Outstanding Senior Lien Bonds	**$5,306,441**
Coverage Ratio on Outstanding Senior Lien Bonds	**2.91 X**

Table 6
Marine Terminal/Operations Revenue
(For the Year-ended December 31, 2021)

Marine Terminal Revenues	
Dockage	$13,290,742
Wharfage	4,520,510
Service & Facilities	3,104,083
Marine Facilities	2,016,289
Equipment Rentals	1,216,381
Loading /Unloading Operations	5,338,645
Other Sales & Services	1,673,488
Rail Transportation	-
Total Marine Terminal Revenue	**$31,160,138**

Table 7
Historical Cargo Volumes (Tonnage) and Vessel Calls
(For the Year-ended December 31, 2021)

Vessel Calls:	360
Outbound/Exports:	
Dry Bulk	5,764,941
Liquid Bulk	79,287
General – Breakbulk	468,387
Inbound/Imports:	
Dry Bulk	-
Liquid Bulk	304,359
General Breakbulk	503,629

Table 10
Statement of Revenues, Expenses, and Changes in Net Fund Position

See the “Statement of Revenues, Expenses, and Changes in Net Fund Position” and associated “Notes to the Financial Statements” located in the Port’s 2021 Audited Financial Statements.

Table 11
Statement of Net Position

See the “Statement of Net Position” and associated “Notes to the Financial Statements” located in the Port’s 2021 Audited Financial Statements.

Table 12
Port Investments
(For the Year-ended December 31, 2021)

Investments	
US Agency: Federal Farm Credit Bank	$989,710
US Agency: Federal Home Loan Bank	1,495,045
US Agency: Federal National Mortgage Association	488,045
State and Local Government: OR State Municipal Bonds	987,190
State and Local Government: WA State Municipal Bonds	775,158
State LGIP: WA State Local Government Investment Pool	25,863,973
	$30,599,121

For further detail on the Port's investment portfolio, see "Note 1 D-1 & D-2", and "Note 2" located in the "Notes to the Financial Statement" of the Port's 2021 Annual Report

Table B-2
Trends in Assessed Values

Tax Collection Year	Regular Assessed Valuation	Percent Change
2022	$51,004,771,581	10.6% [1]

[1] Based on a 2020 regular assessed valuation of $46,125,905,882

Table B-3
Ad Valorem Tax Levies
(dollars per $1,000 of Assessed Valuation)

Collection Year	Levy Rates			Levy Amounts		
	Regular	Bond[1]	Total[2]	Regular	Bond[1]	Total[2]
2022	$0.141314	$0.106607	$0.247921	$7,207,688	$5,437,452	$12,645,140

[1] For non-voted, general obligation bonds.
[2] Totals may not foot due to rounding.
Source: Clark County Assessor's Office.

Table B-4
Regular Levy Tax Collection Record

Collection Year	Regular Assessed Valuation[1]	Ad Valorem Levy Rate	Ad Valorem Tax Levy	Tax Collection in Year of Levy
2022	$51,004,771,581	$ 0.141314	$ 7,207,688	[2]
2021	$46,125,905,882	$ 0.150730	$ 6,952,581	99.20%

[1] Assessed valuation is based upon 100% of estimated actual valuation
[2] In process of collection
Source: Clark County Assessor's Office.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

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