

ANNUAL REPORT

Klickitat County Port District No. 1

(Name of Port)

1741

MCAG No.

Submitted pursuant to RCW 43.09.200

to the

DIVISION OF MUNICIPAL CORPORATIONS

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED December 31, 19 90

Certified correct this 28th day of May, 1991

to the best of my knowledge and belief:

NAME Dixie Walker

TITLE Port Auditor

PREPARED BY Dixie Walker

TELEPHONE NUMBER (509) 493-1655

PORT OF Klickitat
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For The Year Ended December 31, 1990

REVENUES AND NONREVENUES:

<u>Account</u> <u>Nos.</u>		
6000	Operating Revenues	\$ 153,181.
6890	Taxes Levied for Port Operations	62,500.
9010	Interest	36,490.
9020	Taxes Levied for G.O. Bond Interest	-0-
9030	Proceeds from Disposition of Land, Facilities and Equipment	-0-
9040-		31,190.
9200	Other Nonoperating Revenues	-0-
	Taxes Levied for Construction	-0-
	Taxes Levied for G.O. Bond Principal	-0-
	Proceeds of Long-term Debt	-0-
	Subtotal Revenues	283,361.
	Nonrevenue Receipts:	
	Sale of Investments	205,000.
	Transfers	-0-
	Other Nonrevenue Receipts	-0-
	Total Revenues and Nonrevenues	\$ <u>488,361.</u>

EXPENDITURES AND NONEXPENDITURES

7000	Operating and Maintenance Expenses	\$ -0-
8000	Administrative and General Expenses	393,834.
9500	Interest and Debt Issue Costs	38,020.
9600	Election Costs	-0-
9800	Other Nonoperating Expenses	-0-
	Retirement of Long-term Debt	-0-
	Purchase of Capital Assets	-0-
	Subtotal Expenditures	431,854.
	Nonexpenditures:	
	Purchase of Investments	-0-
	Transfers	-0-
	Other Nonexpenditure Disbursements	-0-
	Total Expenditures and Nonexpenditures	\$ <u>431,854.</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

Port of Klickitat

Notes to Financial Statements

January 1, 1990 thru December 31, 1990

These notes are an integral part of the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Port of Klickitat conform to Uniform System of Accounts for Port Districts in the State of Washington prescribed by the state auditor. The following is a summary of the more significant policies including identification of those policies which result in material departures from generally accepted accounting principles:

a. Basis of Presentation and Accounting

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 accounting records of the port are maintained on the basis of funds, each of which is considered a separate accounting entity. For reporting purposes, the activities of all the port's funds are combined.

b. Basis of Accounting

The port uses the cash basis of accounting where revenues are recognized only when received in cash, rather than when earned, and expenses are recognized when warrants/checks are issued, rather than when the expenditures are incurred. Purchases of fixed assets are capitalized and no depreciation expense is recorded. Interest on debt is recognized when paid, and debt retirement is recorded as an expenditure.

c. Treasurer

The Klickitat County Treasurer is the custodian of the port's general cash fund and temporary investments. At December 31, 1990, the Klickitat County Treasurer was holding \$26,534. in cash \$195,000. in temporary investments and \$47,000. in the 1983 Revenue Bond investment fund in behalf of the port.

d. Vacation and Sick Leave Benefits

Full-time employees generally earn vacation and sick leave at the rate of one day per month for each. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. An employee who is separated from the Port for any cause shall be paid for any unused annual vacation leave up to a maximum of fifteen (15) days. Upon retirement or voluntary termination of

employment by an employee, the employee shall be paid for any unused accumulated sick leave up to a maximum of fifteen (15) days. In the event of death of any full-time employee, the Port will pay 100% of accumulated vacation and/or sick leave to the employee's estate. The accumulated vacation benefits at December 31, 1990 was \$3,652. Sick leave approximated \$5,577. This amount would have been withdrawn from the Port's cash reserves, if needed.

Note 2 - Investments:

As required by state law, all investments of the port's funds are obligations of the U.S Government on deposit with Washington State banks and savings and loans institutions, pursuant to requirements of Chapter 39.58 RCW.

All port investments are insured, registered or held by the port or its agent in the port's name on CD's (Time Deposits). All temporary investments are stated at cost. Market value of these investments on December 31, 1990 was \$242,000.

Note 3 - Long-Term Debt:

Exhibit "A", which accompanies this report, contains a list of the outstanding revenue bond debt of the Port on December 31, 1990.

The Port, by agreement, has irrevocably appropriated and pledged monies received from all sources of revenue in an amount sufficient to pay principal and interest on the outstanding bonds. There is \$47,000. in restricted assets at December 31, 1990, which represents \$46,879.15 reserve requirements as contained in the 1983 Revenue Bond Issue indenture combined with a \$120.85 investment.

As part of a negotiated agreement with the Dow Chemical Company for settlement of a 1970 Revenue Bond Issue and 1970 Facilities Use Agreement, the Port received (after defeasance of the 1970 Revenue Bond Issue) the use of \$110,998 (from surplus funds generated by Dow debt service contributions), interest free, for five (5) years from June 23, 1980 to June 23, 1985. The Port has exercised its option to continue utilizing these funds (up to an additional five years from June 23, 1985) at 7.6% interest per annum. Interest accrued at December 31, 1990 was \$7,635.08. At year end 1990 negotiations were underway with Dow Chemical authorities to pay back the \$110,998 plus interest in a time-payment method rather than deplete the General Fund and General Investment Fund.

Exhibit "B" which accompanies this report, contains the debt service schedule and the defeasance schedule for the 1970 Revenue Bond Issue.

The Port is in compliance with all significant limitations and restrictions regarding its bond issues.

Note 5: Construction in Progress

The Columbia River Gorge National Scenic Area Act, signed by President Reagan November 17, 1986, authorized \$5 million dollars for a conference center to be located within the Gorge in Washington State. During 1989 and 1990 the Port expended massive staff hours putting a \$28 million dollar proposal together for the conference center on the Port's Bingen East property. On January 24, 1990, the Port of Klickitat was selected as one of the two finalists for the multi-million dollar Columbia River Gorge Conference Center. On July 25, 1990, the Klickitat Point proposal and the Skamania County proposals were presented to the Gorge Commission which resulted in a deadlocked 6 to 6 vote. A Third presentation was set for September 25, 1990 which resulted in a 9-3 vote in favor of Skamania County. In the effort to win the conference center bid, the Port spent \$129,711 in 1990 for architectural, consulting and other professional services as well as additional legal expense to determine if an appeal was in order ie: conflict of interest, bias in their decision, appellate law and administrative rules on the Columbia Gorge Commission.

Construction Work in Progress (Uniform System of Accounts No. 1820, Bingen Point Development) expenses were applied to the property Administrative and General Expense accounts in October 1990 as the anticipated project did not become a reality.

Note 7 - DEFERRED COMPENSATION PLAN

The Port makes available to its employees a deferred compensation plan with an IRA tax status created in accordance with Internal Revenue Code Section 457. This plan is with ICMA Retirement Corporation of Washington, D.C. The plan, available to eligible employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Compensation deferred under the plan and all income attributable to the plan are solely the property of the district. The district's rights to this property are subject only to the claims of the district's general creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

It is the opinion of the district's legal counsel that the district has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The district believes that it is highly

unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Contribution rates for 1990 were as follows:

<u>Employer</u>	<u>Employee</u>
7.41% of gross monthly wages	Any amount desired to bring the total annual contribution to the maximum amount allowable by law.

As of December 31, 1990, there was \$16,019.89 in the plan. Employer's cost for the participating employees for 1990 was \$2,636. Employer has no unfunded prior service liabilities

Note 8 - Property Taxes:

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1, on property value listed as of the prior May 31. Assessed values are established by the County Assessor at 100% of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the appropriate district by the County Treasurer.

The Port is permitted by law to levy up to \$0.45 per \$1,000 of assessed valuation for general governmental services. This amount may be reduced for any of the following three reasons.

a. The Washington State Constitution limits the total regular property taxes on one percent of assessed valuation or \$10 per \$1,000. of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.

b. Washington State Law in RCW 84.55.010 limits the growth of regular property taxes to six percent per year, after adjustments for new construction. If the assessed valuation increases by more than six percent due to revaluation, the levy rate will be decreased.

c. The Port may voluntarily levy taxes below the legal limit. Special levies approved by the voters are not subject to the above limitations.

For 1990, the Port's regular tax levy was \$.22959 per \$1,000. on a total assessed valuation of \$272,224,971. for a total regular levy of \$62,500.13. Property taxes are recorded as receivables when levied and revenues when cash is received. Since State law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

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Port of Klickitat
Entity Name

Schedule 05P

	<u>Payroll Expenditures</u>	
	Gross Salaries and Wages	Employer-Paid Benefits
Amounts Expensed	\$ <u>106,969.</u>	\$ <u>20,284.</u>
Amounts Offset by Reimbursement	<u>-0-</u>	<u>-0-</u>
Amounts Capitalized or Deferred	<u>-0-</u>	<u>-0-</u>
Totals	\$ <u><u>106,969.</u></u>	\$ <u><u>20,284.</u></u>

PORT OF Klickitat

AIRPORT FACILITIES

Airfreight (tons) (imported _____ (exported) _____
 Landings and takeoffs (total) _____
 Passenger Service (yes) _____ (no) _____
 Passenger total (incoming and outgoing) _____

INDUSTRIAL FACILITIES

Industrial acreage (total) 740
 Industrial acreage leased to users 87
 Industrial buildings (square feet) 98,000
 Industrial buildings leased to users (square feet) 90,000

MARINE FACILITIES

Number of ship berths 30
 Number of ship calls 0
 Number of barge berths 3
 Number of barge calls 0

RAIL FACILITIES

Miles of Railroad track 1
 Number of cars moved over road 45

SMALL BOAT FACILITIES

Commercial fishing boat slips (#) 1
 Recreational boat slips (#) 15

TAXES

Assessed valuation of port district (\$) 272,224,971.
 Port tax rate (¢ per/\$1,000) .22959

TRADE VALUE

Total Import value (\$) n/a
 Total Export value (\$) _____

TRADE VOLUME

	Imports	Exports
All grain (short tons)	_____	_____
Automobiles (number of chassis)	_____	_____
Containerized cargo (40' equivalents)	_____	_____
Fruit and vegetables (short tons)	_____	_____
Logs (Scribner board feet)	_____	_____
Lumber (board feet)	_____	_____
Paper products (short tons)	_____	_____
Petroleum (barrels)	_____	_____

PORT OF KLICKITAT
 PORT REVENUE BONDS, 1983
 DATED OCTOBER 1, 1983
 DEBT SERVICE SCHEDULE

<u>YR ENDING</u> <u>12/31</u>	<u>PAYMENT</u> <u>DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u> <u>RATES</u>	<u>INTEREST</u> <u>COST</u>	<u>SEMI-ANNUAL</u> <u>DEBT SERVICE</u>	<u>TOTAL</u> <u>DEBT SERVICE</u>
1984	4/ 1/1984 10/ 1/1984	\$5000	7.250	\$19612.500 19612.500	\$19612.500 24612.500	\$44225.000
1985	4/ 1/1985 10/ 1/1985	5000	7.750	19431.250 19431.250	19431.250 24431.250	43862.500
1986	4/ 1/1986 10/ 1/1986	5000	8.250	19237.500 19237.500	19237.500 24237.500	43475.000
1987	4/ 1/1987 10/ 1/1987	10000	8.750	19031.250 19031.250	19031.250 29031.250	48062.500
1988	4/ 1/1988 10/ 1/1988	10000	9.250	18593.750 18593.750	18593.750 28593.750	47187.500
1989	4/ 1/1989 10/ 1/1989	10000	9.500	18131.250 18131.250	18131.250 28131.250	46262.500
1990	4/ 1/1990 10/ 1/1990	10000	9.750	17656.250 17656.250	17656.250 27656.250	45312.500
1991	4/ 1/1991 10/ 1/1991	15000	10.000	17168.750 17168.750	17168.750 32168.750	49337.500
1992	4/ 1/1992 10/ 1/1992	15000	10.100	16418.750 16418.750	16418.750 31418.750	47837.500
1993	4/ 1/1993 10/ 1/1993	15000	10.200	15661.250 15661.250	15661.250 30661.250	46322.500
1994	4/ 1/1994 10/ 1/1994	15000	10.300	14896.250 14896.250	14896.250 29896.250	44792.500
1995	4/ 1/1995 10/ 1/1995	20000	10.350	14123.750 14123.750	14123.750 34123.750	48247.500
1996	4/ 1/1996 10/ 1/1996	20000	10.400	13088.750 13088.750	13088.750 33088.750	46177.500
1997	4/ 1/1997 10/ 1/1997	25000	10.400	12048.750 12048.750	12048.750 37048.750	49097.500
1998	4/ 1/1998 10/ 1/1998	25000	10.450	10748.750 10748.750	10748.750 35748.750	46497.500
1999	4/ 1/1999 10/ 1/1999	30000	10.450	9442.500 9442.500	9442.500 39442.500	48885.000
2000	4/ 1/2000 10/ 1/2000	30000	10.500	7875.000 7875.000	7875.000 37875.000	45750.000
2001	4/ 1/2001 10/ 1/2001	35000	10.500	6300.000 6300.000	6300.000 41300.000	47600.000
2002	4/ 1/2002 10/ 1/2002	40000	10.500	4462.500 4462.500	4462.500 44462.500	48925.000
2003	4/ 1/2003 10/ 1/2003	45000	10.500	2362.500 2362.500	2362.500 47362.500	49725.000
TOTALS		\$385000		\$552582.500	\$937582.500	\$937582.500

Average Annual Debt Service: \$46,879.13
 Annual Transfer to Reserve: 9,375.83

SCHEDULE OF DEBT SERVICE
FOR FISCAL AGENT
DALLESTOWN PROJECT REVENUE BONDS, 1970

7/1/1970 ISSUE

YR ENDING 12/31	PAYMENT DATES	PRINCIPAL	INTEREST RATES	INTEREST COST	SEMI-ANNUAL DEBT SERVICE	BOND NUMBERS
1980	1/1/1980 7/1/1980		\$	38000.000	\$ 38000.000	
1981	1/1/1981 7/1/1981			38000.000	38000.000	
1982	1/1/1982 7/1/1982			38000.000	38000.000	
1983	1/1/1983 7/1/1983			38000.000	38000.000	
1984	1/1/1984 7/1/1984			38000.000	38000.000	
1985	1/1/1985 7/1/1985			38000.000	38000.000	
1986	1/1/1986 7/1/1986			38000.000	38000.000	
1987	1/1/1987 7/1/1987			38000.000	38000.000	
1988	1/1/1988 7/1/1988			38000.000	38000.000	
1989	1/1/1989 7/1/1989			38000.000	38000.000	
1990	1/1/1990 7/1/1990			38000.000	38000.000	
1991	1/1/1991 7/1/1991			38000.000	38000.000	
1992	1/1/1992 7/1/1992			38000.000	38000.000	
1993	1/1/1993 7/1/1993			38000.000	38000.000	
1994	1/1/1994 7/1/1994			38000.000	38000.000	
1995	1/1/1995 7/1/1995			38000.000	38000.000	
1996	1/1/1996 7/1/1996			36,300.000	38000.000	
1997	1/1/1997 7/1/1997			38000.000	38000.000	
1998	1/1/1998 7/1/1998			38000.000	38000.000	
1999	1/1/1999 7/1/1999			38000.000	38000.000	
2000	1/1/2000 7/1/2000			38000.000	38000.000	
2001	1/1/2001 7/1/2001			3,400.000	38000.000	
2002	1/1/2002 7/1/2002			38000.000	38000.000	
2003	1/1/2003 7/1/2003			38000.000	38000.000	
2004	1/1/2004 7/1/2004	\$ 1000000	7.600	38000.000	38000.000	1-20
2005	1/1/2005 7/1/2005	255000	7.600	34200.000	289200.000	21-71
2006	1/1/2006 7/1/2006	310000	7.600	24510.000	334510.000	72-133
2007	1/1/2007	335000	7.600	12730.000	24510.000	134-200
TOTALS						
			\$1000000	\$2004880.000	\$3004880.000	

Bonds Numbered 1-200 will be called 1-1-95 at par.

EXHIBIT "B"