

# ANNUAL REPORT

PORT OF KLICKITAT

\_\_\_\_\_  
(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 92

Certified correct this 27th day of May, 19 93

to the best of my knowledge and belief:

NAME Dixie Walker

TITLE Finance/Administration

PREPARED BY Dixie Walker *Dixie Walker*

TELEPHONE NUMBER (509) 493-1655

PORT OF KLICKITAT  
 (COMPARATIVE)\* STATEMENT OF REVENUES AND EXPENSES  
 ARISING FROM CASH TRANSACTIONS  
 For the Years Ended December 31, 1992 and 19    \*

	<u>12/31/ 92</u>	<u>12/31/</u>
<b>OPERATING REVENUES:</b>		
Airport operations	\$ <u>-0-</u>	\$ <u>          </u>
Marina operations	<u>3,345</u>	<u>          </u>
Marine terminal operations	<u>189,775</u>	<u>          </u>
Property lease/rental operations	<u>160,914</u>	<u>          </u>
General and administrative	<u>          </u>	<u>          </u>
Other: <u>Sale of water</u>	<u>3,048</u>	<u>          </u>
<b>Total Operating Revenues</b>	<b><u>357,082</u></b>	<b><u>          </u></b>
<b>OPERATING EXPENSES:</b>		
General operations	<u>132,333</u>	<u>          </u>
Maintenance	<u>          </u>	<u>          </u>
General and administrative (781 + 783 - 785)	<u>264,204</u>	<u>          </u>
Other: <u>Depreciation</u>	<u>40,281</u>	<u>          </u>
<b>Total Operating Expenses</b>	<b><u>436,818</u></b>	<b><u>          </u></b>
<b>Income (Loss) from Operations</b>	<b><u>(79,736)</u></b>	<b><u>          </u></b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest income	<u>6,004</u>	<u>          </u>
Federal and state grants and contracts	<u>          </u>	<u>          </u>
Taxes levied for:	<u>74,000</u>	<u>          </u>
Port operations (Note <u>2</u> )	<u>          </u>	<u>          </u>
Debt service principal/interest (Note <u>   </u> )	<u>          </u>	<u>          </u>
Sale of fixed assets	<u>          </u>	<u>          </u>
Purchase of fixed assets	<u>          </u>	<u>          </u>
Principal paid on long-term debt	<u>          </u>	<u>          </u>
Interest paid on long-term debt	<u>40,916</u>	<u>          </u>
Election expense	<u>1,170</u>	<u>          </u>
Other nonoperating revenues (Expenses)	<u>25,383</u>	<u>          </u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>63,301</u></b>	<b><u>          </u></b>
<b>NET INCOME (LOSS)</b>	<b><u>\$16,435</u></b>	<b><u>\$          </u></b>
Net increase (decrease) in net cash and investments	<u>(15,072)</u>	<u>          </u>
Beginning balance of net cash and investments 1/1/92	<u>98,279</u>	<u>          </u>
<b>Ending balance of net cash and investments</b>	<b><u>\$ 83,207</u></b>	<b><u>\$          </u></b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

\*Prior year presentation is optional.

EFF DATE    SUPERSEDES  
1/1/93        1/1/92

BARS MANUAL:    VOL    PT    CH    PAGE  
UNCLASSIFIED PROPRIETARY    1    4    2    5

**Port of Klickitat**  
**Notes to Financial Statements**  
**January 1, 1992 thru December 31, 1992**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Klickitat County Port District No. 1 (Port of Klickitat) was incorporated November 1945 and operates under the laws of the State of Washington applicable to a Port District.

A. The Port of Klickitat is a special purpose government and provides a Marina and industrial park to the general public and is supported primarily through tenant leases and taxes.

**B. BASIS OF ACCOUNTING AND PRESENTATION.**

The accounting records of the Port of Klickitat are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The Port of Klickitat uses the Uniform System of Accounts for Unclassified Port Districts in the State of Washington. The Port is however, in the process of converting to the Budgeting, Accounting, and Reporting System (BARS).

The accounts of the Port of Klickitat 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.

The Port of Klickitat 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/vouchers are issued, rather than when expenses are incurred. Interest on debt is recognized when paid, debt retirement is recorded as an expenditure, and inventory is expensed when purchased rather than consumed.

The Klickitat County Treasurer is the custodian of the district's cash and temporary investments. At December 31, 1992, the Klickitat County treasurer was holding \$11,152.41 in the General Fund and \$18,500 in the 1983 Revenue Bond Reserve Fund for the district.

**C. ASSETS AND LIABILITIES**

**1. Cash and Cash Equivalents.**

It is the Port of Klickitat's policy to invest all temporary cash surplus. At December 31, 1992, the Port did not have any investments.

The Port of Klickitat's deposits are entirely covered by federal depository insurance (FDIC and FSLIC).

**4. Restricted Assets and Liabilities.**

In accordance with bond resolutions separate restricted accounts are required to be established.

Investments for Debt Service -	\$18,500
Total Restricted Assets	\$18,500

**11. Employee Leave Benefits**

Full-time employees generally earn vacation and sick leave at the rate of one day per month. Vacation and sick leave accumulate on a monthly basis and are fully vested when earned. Vacation or sick pay, which may be accumulated up to fifteen (15) days, is payable upon resignation or retirement. 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.

Accumulated vacation benefits 12/31/91	\$2,427
Accumulated sick benefits at 12/31/91	3,937
Accumulated death benefits at 12/31/91	8,802

These amounts would have been withdrawn from the Port's cash reserves, if needed.

**NOTE 3 - PROPERTY TAXES- Schedule 08**

The Klickitat County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at the end of each month to the Port of Klickitat by the county treasurer. A revaluation of all property is required every four years.

Property Tax Calendar

January 1	Taxes are levied & 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 two year's levy at 100 percent of market value.
October 31	Second installment due.

Property taxes are recorded as revenues when cash is collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. State law allows for the sale of property for failure to pay taxes.

The Port of Klickitat may levy up to \$.45 per \$1,000 of assessed valuation for general governmental services. This amount may be reduced for any of the following three reasons.

- a. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 6 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 6 percent due to revaluation, the levy rate will be decreased.
- b. The Washington State Constitution limits the total regular property taxes to 1 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 1 percent limit.
- c. The district may voluntarily levy taxes below the legal limit.

The Port of Klickitat's regular levy for 1992 was \$.22997 per \$1,000 on an assessed valuation of \$320,938,087 for a total regular levy of \$73,806. In 1991, the regular tax levy was \$68,178.

**NOTE 4 - INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS.**

The accompanying Schedule of Financial Assistance provides a listing of all federal (and state and (interlocal) assistance programs in which the Port of Klickitat participates and summarizes the Port of Klickitat's grant transactions for 1992. (Schedule 16)

**NOTE 5 - FIXED ASSETS AND DEPRECIATION**

Major expenditures for fixed assets, including capital leases and major repairs that increase useful lives, are recorded as expenditures when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid. Obligations under capital leases are disclosed in Note 11 Long Term Debt.

**NOTE 8 - DEFERRED COMPENSATION PLAN**

The Port of Klickitat offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is with the ICMA Retirement Trust - 457, of Washington D. C., an independent plan administrator. The plan is 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 Port of Klickitat. The Port of Klickitat's rights to this property are subject only to the claims of the Port District's creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

Contribution rates for 1992 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, 1992, there was \$29,694.46 in the plan. Employer's cost for the participating employees for 1992 was \$5,625.15. Port of Klickitat has no unfunded prior service liabilities.

**NOTE 11 - LONG TERM DEBT**

Exhibit "A" which accompanies this report, contains a list of the outstanding revenue bond debt of the Port of Klickitat on December 31, 1992.

The Port of Klickitat, 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 \$18,500 in restricted assets at December 31, 1992.

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 of Klickitat received (after defeasement of the 1970 Revenue Bond Issue) the use of \$110,998 from surplus funds generated by the Dow debt service contributions, interest free, for five 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. Negotiations with Dow Chemical authorities to pay back the \$160,144.48 at 9.5% per annum in a time payment method rather than deplete the General Fund and General Investment Fund were finalized on January 31, 1991. Payment under this agreement "note" is as follows:

<u>Payment Date</u>	<u>Payment</u>	<u>Applied to Principal</u>	<u>Ending Principal Balance</u>
Jan. 31, 1991	40,036.12	40,036.12	\$120,108.36

July 31, 1991	45,694.38	40,036.12	80,072.24
Jan. 31, 1992	43,870.81	40,036.12	43,047.61
Nov. 16, 1992	21,523.81	21,523.81	21,523.81
Apr. 30, 1993	22,442.55	21,523.81	-0-

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.

General Fund  
(Fund Name)

DETAIL OF REVENUES AND OTHER SOURCES

For Year Ended December 31, 1992

BARS Revenue Account No.	Description	Actual Revenues
631.10	Marine Terminal	3,345
631.50	Marine Terminal	189,775
<b>**631.00</b>	<b>Total Marine Terminal Revenue</b>	<b>**193,120</b>
661.81	Property Lease/Rental Rev. Utilities	3,048
665.80	Property Lease/Rentals	160,914
<b>**66x</b>	<b>Total Property/Lease REvenues</b>	<b>**163,962</b>
699.20	Ad Valorem Tax	74,000
699.10	Non-Operating Interest	6,004
699.30	Non-Operating Miscellaneous Tax	25,383
	<b>TOTAL REVENUES</b>	<b>462,469</b>

**DETAIL OF EXPENSES AND OTHER USES**

**For Year Ended December 31, 19<sup>92</sup>**

BARS Expense Account No.	Description	Actual Expenses
781.xx	G&A Expenses	264,204
787.00	G&A Depreciation	40,281
**781/787	TOTAL	304,485
731.xx	Marine Terminal	132,333
**731.xx	TOTAL	**132,333
799.91.xx	Non Operating Interest Expense	40,916
799.92.xx	Non Operating Election Expense	1,170
	TOTAL	478,904



PAYROLL EXPENDITURES		
	Gross Salaries And Wages	Employer-Paid Benefits
Amounts Expensed	\$ 123,448	\$ 27,141
Amounts Offset By Reimbursement		
Amounts Capitalized Or Deferred		
Totals	\$ 123,448	\$ 27,141

PORT OF Klickitat  
(ENTITY NAME)

SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES (ALL TAX SUPPORTED FUNDS)

For Year Ended December 31, 1992

1	2	3	4	5	6	7	8	9
FUND NO.	FUND NAME	TAXES RECEIVABLE 01/01/19 <sup>92</sup>	TAX RATE \$/1,000	TAXES LEVIED REPORT YEAR	TAXES COLLECTED	TAX ADJUSTMENT INCREASES	TAX ADJUSTMENT DECREASES	TAXES RECEIVABLE 12/31/19 <sup>92</sup> (3+5-6+7-8)
111.000	Tax Receivable General Fund	13,510.77	.22997	73,806	74,098.59	975.70	779.37	13,412.24

PORT OF KLICKITAT

(ENTITY NAME)

GO Debt  
 Revenue Debt  
 Assessment Debt  
 Refunded Debt

**SCHEDULE OF LONG-TERM DEBT**

For Year Ended December 31, 19 92

I.D. NO. AND CLASS DESCRIPTION	PURPOSE	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE(S)	AMOUNT ORIGINALLY ISSUED	BEGINNING OUTSTANDING DEBT	AMOUNT ISSUED	AMOUNT REDEEMED THIS PERIOD	(a + b - c)	
									ENDING OUTSTANDING DEBT	
252.11 '83 Revenue Bond	Industrial Development	10-1-83	10-1-2003	7.25% to 10.50%	385,000	315,000	-0-	15,000	300,000	

(ENTITY NAME)

Limitation of Indebtedness

For Year ending December 31, 19<sup>92</sup>

Total Property Value 320,938,087

I. INDEBTEDNESS FOR GENERAL PURPOSES

WITHOUT A VOTE OF THE PEOPLE LEGAL LIMIT 3/4 OF 1% ON PROPERTY VALUE .0038 \$1,219,565

INDEBTEDNESS INCURRED

1. G.O. Bond Liabilities

Less Redemption Fund Assets Available To Pay Principal

a. Cash On Hand Plus Investments

b. Uncollected Taxes

Total Applicable Assets

Excess Of Liabilities Over Assets

2. General Fund Liabilities Including Warrants, Contracts And Others; but not loan agreements with the state of federal government dated April 3, 1987, or later

96,700

Less General Fund Assets:

a. Cash On Hand Plus Investments 83,207

b. Uncollected Taxes For Current Year

c. Receivables (List in Detail) 14,244

Total Applicable Assets 55,648

Excess Of Liabilities Over Assets 41,052

3. Street Or Road Fund Liabilities Including Warrants, Contracts And Others; but not loan agreements with the state of federal government dated April 3, 1987, or later

Less Street Or Road Fund Assets:

a. Cash On Hand Plus Investments

b. Uncollected Taxes For Current Year

c. Receivables (List in Detail)

Total Applicable Assets

Excess Of Liabilities Over Assets

41,052

TOTAL SECTION I OF NET GENERAL LIABILITIES

1,178,513

MARGIN OF INDEBTEDNESS STILL AVAILABLE--UNVOTED

LESS AMOUNT OF VOTED GENERAL DEBT IN EXCESS OF 1.75%

MARGIN OF INDEBTEDNESS STILL AVAILABLE

II. INDEBTEDNESS FOR GENERAL PURPOSES

WITH A 3/5 VOTE OF THE PEOPLE (Applicable only to Counties, Cities, Towns, Public Hospital Districts, and School Districts) LEGAL LIMIT @ 2 1/2% ON PROPERTY VALUE

**PORT OF KLICKITAT**  
(ENTITY NAME)

Limitation of indebtedness

For Year ending December 31, 19\_\_ 92

Total Property Value 320,938,087

G.O. Bond Liabilities	_____	_____	_____
Less Redemption Fund Assets:	_____	_____	_____
a. Cash On Hand	_____	_____	_____
b. Uncollected Taxes	_____	_____	_____
Total Applicable Assets	_____	_____	_____
Excess Of Liabilities Over Assets	_____	_____	_____
NET GENERAL INDEBTEDNESS FROM SECTION I	_____	_____	_____
COMBINED INDEBTEDNESS FROM SECTIONS I & II	_____	_____	_____
MARGIN OF INDEBTEDNESS STILL AVAILABLE	_____	_____	_____
III. INDEBTEDNESS FOR UTILITY PURPOSES WITH A 3/5 VOTE OF THE PEOPLE (Applicable only to Cities And Towns for Utility Purposes) OR INDEBTEDNESS FOR CAPITAL OUTLAY WITH A 3/5 VOTE OF THE PEOPLE (Applicable only to School Districts)	_____	_____	_____
LEGAL LIMIT @ 5% OF PROPERTY VALUE	_____	_____	_____
INDEBTEDNESS INCURRED (Permanant to a vote)	_____	_____	_____
G.O. Bond Liabilities	_____	_____	_____
Less Redemption Fund Assets:	_____	_____	_____
a. Cash On Hand Plus Investments	_____	_____	_____
b. Uncollected Taxes	_____	_____	_____
Total Applicable Assets	_____	_____	_____
Excess Of Liabilities Over Assets	_____	_____	_____
COMBINES INDEBTEDNESS FROM SECTIONS I & II	_____	_____	_____
TOTAL NET INDEBTEDNESS FROM SECTIONS I, II, III	_____	_____	_____
MARGIN OF INDEBTEDNESS STILL AVAILABLE	_____	_____	_____
IV. INDEBTEDNESS FOR OPEN SPACE AND PARKS FACILITIES	_____	_____	_____
LEGAL LIMIT 7 1/2% ON PROPERTY VALUE (Available only to Cities & Towns)	_____	_____	_____
G.O. Bond Liabilities	_____	_____	_____
Less Redemption Fund Assets:	_____	_____	_____
a. Cash On Hand Plus Investments	_____	_____	_____
b. Uncollected Taxes	_____	_____	_____
Total Applicable Assets	_____	_____	_____
Excess Of Liabilities Over Assets	_____	_____	_____
COMBINED INDEBTEDNESS FROM SECTIONS I, II, III	_____	_____	_____
COMBINED INDEBTEDNESS FROM SECTIONS I - IV	_____	_____	_____
MARGIN OF INDEBTEDNESS STILL AVAILABLE	<u>1,178,513</u>	_____	_____

SCHEDULE OF (FEDERAL/STATE) FINANCIAL ASSISTANCE

For The Year Ended December 31, 19 92

TYPE OF FINANCIAL ASSISTANCE REPORTED ON THIS PAGE (Report Only One Type On Each Page).

[ ] Federal Assistance Received Directly From A Federal Agency or Indirectly Through A State Agency Or Other Local Government (See instruction 1)

[ ] Governmental Assistance Received From State Agencies Or Local Governments (See instruction 2)

3 Grantor/ Pass-Through Grantor Program Title	4 BARS Account Number	5 Federal CFDA Number	6 Other Identification Number	7 Total Award Amount	8 Balance At Beginning Of Current Year	9 Current Year Awards And Amendments	10 Current Year Revenues	11 Current Year Expenditures	12 Award Balance At Year-End
State DCD Bingen <del>Point-Fill Project</del>	699.90	n/a	5-92-288-002	250,000	250,000	-0-	250,000	250,000	-0-

The Accompanying Notes To The Schedule Of Financial Assistance Are An Integral Part Of This Schedule