

ANNUAL REPORT

PORT OF KLICKITAT

1741
MCAG No.

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED December 31, 2004

Certified correct this 5th day of May, 2005

to the best of my knowledge and belief:

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TITLE Administrative Assistant / Auditor

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PORT OF KLICKITAT
 COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
 ARISING FROM CASH TRANSACTIONS
 For the Years Ended December 31, 2003 and 2004

	<u>12/31/2004</u>	<u>12/31/2003</u>
OPERATING REVENUES:		
Marine terminal operations	25,871	\$26,144
Property lease/rental operations	298,497	171,214
Other: Sale of water	11,380	22,665
 Total Operating Revenues	 <u>335,748</u>	 <u>220,023</u>
OPERATING EXPENSES:		
General operations		
Maintenance	100,602	83,199
General and administrative (781 + 783 - 785)	221,718	219,961
Other:		
 Total Operating Expenses	 <u>322,320</u>	 <u>303,160</u>
 Income (Loss) from Operations	 <u>13,428</u>	 <u>(83,137)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest income	9,273	25,124
Federal/state/local grants and contracts	17,498	608,616
Taxes levied for:		
General purposes (Note 3)	161,653	160,319
Debt service principal/interest (Note __)		
Debt Proceeds - CERB Loan-Bldg 1D	650,000	
Debt Proceeds - '03 LTGO Bonds		1,100,000
Sale of fixed assets	64,492	46,379
Purchase of fixed assets / Construction in progress	(999,856)	(1,479,895)
Principal paid on long-term debt	(61,214)	(90,546)
Interest paid on long-term debt	(71,437)	(55,484)
Election expense	0	0
Other nonoperating revenues (expenses) See attached Sch. 04A	49,462	(6,140)
 Total Nonoperating Revenues (Expenses)	 <u>(180,129)</u>	 <u>308,373</u>
 Net increase (decrease) in net cash and investments	 <u>(166,701)</u>	 <u>225,236</u>
 Beginning balance of net cash and investments	 <u>826,573</u>	 <u>601,337</u>
 ENDING BALANCE OF NET CASH AND INVESTMENTS	 <u>\$659,872</u>	 <u>\$826,573</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

PORT OF KLICKITAT
Notes to Financial Statements
January 1, 2004 through December 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Port of Klickitat (the "Port"), was incorporated in 1945 and operates under the laws of the State of Washington applicable to public port districts.

1. **Reporting Entity** - The Port of Klickitat is a special purpose government entity which provides marine terminal, marina and industrial park facilities and services to the general public. Port operations are supported through a combination of user charges, ad valorem taxes levied for operations, capital improvements and debt service, and timber taxes.

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.

2. **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 uses the Budgeting, Accounting and Reporting System (BARS) for Proprietary-Type Districts (unclassified).

The accounts of the Port are maintained on the basis of funds. For reporting purposes, the activities of all the Port's funds are combined.

The Port uses the cash basis at accounting where revenues are recognized only when received and expenses are recognized when paid.

3. **Cash** - It is the Port's policy to invest all temporary cash surpluses. The amount is included on the statement of revenues and expenses arising from cash transactions as net cash and investments.

4. **Deposits** - The Port's deposits are covered by the Federal Deposit Insurance Corporation.

5. **Fixed Assets** - Major expenses for fixed assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid. (Obligations under capital leases are disclosed in Note #4).

6. **Investments** - See Note (Investments Note #2)

7. **Compensated Absences** - Vacation pay may be accumulated to a maximum amount which is limited to the employee's amount of vacation hours accrued during a 24-month period, (which may not exceed 240 hours) and is payable upon separation or retirement.

Sick leave may accumulate up to 1,056 hours. Upon separation or retirement, employees do receive payment of unused sick leave up to a maximum of 120 hours.

Compensatory leave time may accumulate up to 80 hours per hourly employee, unless approved by both the employee and Port manager. The employee may elect to receive compensatory time off instead of cash payment for overtime pay (both are computed at 1.5 times the hours worked).

8. **Long-Term Debt** - See Note (Long-Term Debt and Capital Leases Note #4)

9. **Risk Management** - The Port of Klickitat is a member of the Washington Governmental Entity Pool (WGEP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entity to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act.

The Pool was formed July 10, 1987, when two (2) counties and two (2) cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. The Pool now services health districts, port districts, public utility districts, water districts, sewer districts, irrigation districts, reclamation districts, diking districts, drainage districts, flood control districts, fire protection districts, mosquito control districts, weed districts, conservation districts, library districts, regional mental health support networks, cemetery districts, park & recreation districts, air pollution districts, public development authorities, public facility districts, metropolitan municipal corporations, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi-municipal corporations.

The Pool allows members to jointly purchase excess insurance coverage, share in the self-insured retention, establish a plan for total self-insurance, and provide excellent risk management services and other related services. The Pool provides "occurrence" policies for all lines of liability coverage including Public Official's Liability. The Property coverage is written on an "all risk" basis, blanket form using current Statement of Values. The Property coverage includes mobile equipment, electronic data processing equipment, valuable papers, building ordinance coverage, property in transit, extra expense, consequential loss, accounts receivable, fine arts, inventory or appraisal cost, automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of \$50 million for all members. The Pool offers employee dishonesty coverage up to a liability limit of \$1,000,000.

Members make an annual contribution to fund the Pool. The Pool acquires insurance from unrelated underwriters that are subject to a "per occurrence" \$500,000 deductible on liability loss, \$100,000 deductible on property loss, and \$5,000 deductible on boiler and machinery loss. The member is responsible for the first \$1,000 of the deductible amount of each claim, while the Pool is responsible for the remaining \$499,000 on liability losses, \$99,000 on property loss, \$4,000 on boiler and machinery loss. Insurance carriers cover all losses over the deductibles as shown to the policy maximum limits. Since the Pool is a cooperative program, there is a joint liability among the participating members.

The contract requires members to remain in the pool for a minimum of three (3) years and must give notice 60 days before terminating participation. Members joining after October 2000 join the pool with one (1) full fiscal year commitment and must give notice six (6) months before terminating participation. The Interlocal Governmental Agreement is renewed automatically each year after the initial three (3) year period. Even after termination, a member is still responsible for contribution to the Pool for any unresolved, unreported and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members with the Washington Governmental Entity Pool, and are administered in house.

A Board of Directors consisting of seven (7) board members governs the Pool. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of the Pool.

Due to the extremely low risk factor, the Port elected to purchase named position bonds for all employees having bank signatory authority, rather than a dishonesty blanket bond. The Port experienced no claims in 2003, and anticipates none in 2004.

NOTE 2 - INVESTMENTS

1. **Investments** - The Port's investments are either insured, registered or held by the Port or its agent in the Port's name.

Investments by type at December 31, 2004 are as follows:

Type of Investment	Balance
Local Governmental Investment Pool (L.G.I.P.)	
L.G.I.P. - General	\$ 497,643
L.G.I.P. - '70 Bond (Defeased) Reserve Fund	\$ 27,920
L.G.I.P. - Security Deposits-Property Rentals	\$ 5,302
L.G.I.P. - Resv For Bldg 1D Sales Tax	\$ 72,055

2. **Derivatives and Similar Transactions** - The Port held no derivatives or similar transactions.

NOTE 3 - PROPERTY TAXES

The 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. Property tax revenues are recognized when cash is received by the Port. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied. The Port's regular levy for 2004, as estimated by the Klickitat County Assessor, was \$0.229636957 per \$1,000 on an assessed valuation of \$691,663,886 for a total regular levy of \$158,832.

NOTE 4 - LONG-TERM DEBT AND CAPITAL LEASES

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the Port and summarizes the Port's debt transactions for 2004. More detailed listings of long-term debt are attached as Exhibits "A" and "B". The debt service requirements, including interest (and capital lease payments) are as follows:

	<u>G.O. Bonds</u>	<u>Other Debt</u>	<u>Total Debt Pmts</u>
2005	90,643	58,671	149,314
2006	89,593	58,671	148,264
2007	88,333	58,671	147,004
2008	91,883	58,671	150,554
2009	90,128	58,671	148,798
2010-2014	448,177	527,755	975,932
2015-2019	445,339	383,686	829,025
2020-2024	<u>266,950</u>	<u>262,551</u>	<u>529,501</u>
TOTALS	\$1,611,046	\$1,467,347	\$3,078,392

As of December 31, 2004 the Klickitat County Treasurer was holding \$27,920 in a 1970 Bond Reserve Fund-Iny (of which the bonds have been defeased). These funds are expected to fund the redemption of the 1970 bonds which have been called.

1970 (Defeased) Revenue Bonds

Balance 12/31/03	\$ 15,000.00
Redeemed in 2004	<u>< 0.00</u>
Balance 12/31/04	\$ 15,000.00

Limited-Tax General Obligation Bonds

	<u>Outstanding</u>
2003 <u>Bingen Point Bldg 1D</u> , \$1,100,000 1.5 - 5.5%, Variable interest semi-annually and variable principal annually to 2022	\$1,030,000

SHORT TERM DEBT

As of December 31, 2004 the Port held no short-term debt.

NOTE 5 - CONSTRUCTION IN PROGRESS

Below are actual expenditures and approximated project completion costs (for the next five (5) years) associated with Construction in Progress projects. Financing for the completion of the projects will be secured via loans, grants or obtained from operational income.

Project	Projected Budget	Funds Expended 1/1-12/31/04	Funds Still Committed	Required Future Financing
Bingen Point Development	104,800	9,419	36,442	300,000
Bingen Point Building 1D	1,020,900	949,247	71,653	0
DIP Infrastructure Eng/Const	13,608	16,813	0	2,500,000
Totals	\$1,139,308	\$975,479	\$108,095	\$2,800,000

NOTE 6 - PENSION PLANS

In 1995, the Port Commission authorized participation for the Port's present eligible employees to enter into the Public Employees Retirement System. At that time, the Port elected to pay PERS the employer's portion of prior service credits for Port employees (amounting to \$11,454) at an installment rate over 15 years. One employee did not satisfy his employee's portion of his prior service credits prior to separating, so the Port is servicing his expense of \$3,995.01 at an installment rate over 15 years. The adjusted monthly payment due is \$91.98 and the outstanding balance on December 31, 2004 was \$6,372.87.

Substantially all Port of Klickitat 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 Department of Retirement System (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Public Employees' Retirement System (PERS) Plans 1, 2 and 3

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months.

If qualified, after reaching the age of 66 a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit, and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,168 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2003:

Retirees and Beneficiaries Receiving Benefits	65,362
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	20,001
Active Plan Members Vested	100,469
Active Plan Members Non-vested	54,081
Total	239,913

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officers. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2004, were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	1.38%	1.38%	1.38%**
Employee	6.00%	1.18%	***

* The employer rates include the employer administrative expense fee currently set at 0.19%.

** Plan 3 defined benefit portion only.

*** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Port of Klickitat and the employees made the required contributions. The port's required contributions for the years ending December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2004	\$0	\$1,715.76	\$0
2003	\$0	\$1,589.58	\$0
2002	\$0	\$1,500.93	\$0

NOTE 7 - CONTINGENCIES AND LITIGATIONS

In the opinion of management, the Port's insurance policies are adequate to pay all known or pending claims.

In various years, 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.

The Port's employee's share of their PERS prior service credits was \$3,769.62 as of December 31, 2004, which is addressed in Note 6 - Pension Plans.

NOTE 8 - OTHER DISCLOSURES

The Port executed a building/property sale September 18, 1997, in the amount of \$352,767 which granted a Real Estate Contract in the amount of \$309,319 requiring monthly payments of \$5,000 for principal and interest beginning October 1, 1997, at a rate of 10% interest. The contract balance, originally due to be paid in full by October 1, 2004, was paid in full on July 14, 2004.

DETAIL OF REVENUES AND OTHER SOURCES

For Year Ended December 31, 2004

BARS Revenue Account No.	Description	Actual Revenues
631.10	Marine Terminal Dockage	\$7,650
631.20	Marine Terminal Wharfage	18,221
631	TOTAL MARINE TERMINAL	\$25,871
640.81	Sale of Water	\$11,380
	TOTAL SALE OF WATER	\$11,380
664/665	Property Rentals	\$298,497
673.10	Sale of Fixed Assets	64,492
693.07	Operating Grants - Federal (BPT)	17,498
	See Schedule 16	
699.10	Non-Operating Interest Income	9,273
699.20	Ad Valorem Tax	161,653
699.30	Non-Operating Income - Misc. Taxes	75,175
699.90	Non-Operating Income - Misc. Income *	11,988
	TOTAL REVENUES	\$675,827

* Rounding Adjustment + \$1.00

DETAIL OF REVENUES AND OTHER SOURCES

For Year Ended December 31, 2004

BARS Revenue Account No.	Description	Actual Revenues
699.30	Non-Operating Income - Misc. Taxes	\$75,175
699.90	Non-Operating Income - Misc.	11,988
	TOTAL NON-OPERATING REVENUES	\$87,163
799.90	Non-Operating Expenses - Misc.	\$37,701
	TOTAL NON-OPERATING EXPENSES	\$37,701
	TOTAL NON-OPERATING REVENUES	\$49,462
	(EXPENSES)	

PORT OF KCLICKITAT
NOTES TO THE SCHEDULE OF STATE/LOCAL FINANCIAL ASSISTANCE
January 1, 2004 through December 31, 2004

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Port of Klickitat's financial statements. The Port of Klickitat uses the cash basis of accounting.

SCHEDULE OF LABOR RELATIONS CONSULTANT(S)

For Year Ended December 31, 2004

Has your government engaged labor relations consultants? ___ Yes X No

If yes, please provide the following information for each consultant:

Name Of Firm
Name Of Consultant
Business Address
Amount Paid To Consultant During Fiscal Year
Terms And Conditions, As Applicable, Including: <u>Rates (e.g., Hourly, etc.)</u> <u>Maximum Compensation Allowed</u> <u>Duration Of Services</u> <u>Services Provided</u>

Certified Correct this 5th day of May, 2005 to the best of my knowledge and belief.
Signature <i>Vickie L. Drew</i>
Name Vickie L. Drew
Title Administrative Assistant / Auditor

PORT OF KLICKITAT
LONG-TERM DEBT

	Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2005	40,000	50,643	90,643	990,000
'03 LTGO BONDS				
CERB-Infra	5,542	2,990	8,531	69,196
CERB-SBDC	16,362	5,627	21,989	171,207
CERB-B.Pt. Bldg. 1B	17,543	10,608	28,151	336,063
CERB-B.Pt. Bldg. 1D	0	0	0	650,000
	39,447	19,225	58,671	1,226,466
2005	79,447	69,868	149,313	2,216,466
GRAND TOTALS				
2006	40,000	49,593	89,593	950,000
'03 LTGO BONDS				
CERB-Infra	5,763	2,768	8,531	63,433
CERB-SBDC	16,853	5,136	21,989	154,354
CERB-B.Pt. Bldg. 1B	18,069	10,082	28,151	317,994
CERB-B.Pt. Bldg. 1D	0	0	0	650,000
	40,685	17,986	58,671	1,185,761
2006	80,685	67,578	148,263	2,135,761
GRAND TOTALS				
2007	40,000	48,333	88,333	910,000
'03 LTGO BONDS				
CERB-Infra	5,994	2,537	8,531	57,439
CERB-SBDC	17,358	4,631	21,989	136,996
CERB-B.Pt. Bldg. 1B	18,611	9,540	28,151	299,383
CERB-B.Pt. Bldg. 1D	0	0	0	650,000
	41,963	16,708	58,671	1,143,818
2007	81,963	65,040	147,003	2,053,818
GRAND TOTALS				
2008	45,000	46,883	91,883	865,000
'03 LTGO BONDS				
CERB-Infra	6,234	2,298	8,531	51,205
CERB-SBDC	17,879	4,110	21,989	119,117
CERB-B.Pt. Bldg. 1B	19,169	8,982	28,151	280,214
CERB-B.Pt. Bldg. 1D	0	0	0	650,000
	43,282	15,390	58,671	1,100,536
2008	88,282	62,272	150,553	1,965,536
GRAND TOTALS				

EXHIBIT A

PORT OF KLIICKITAT
LONG-TERM DEBT

	Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2009	45,000	45,128	90,128	820,000
'03 LTGO BONDS				
CERB-Infra	6,483	2,048	8,531	44,722
CERB-SBDC	18,415	3,574	21,989	100,702
CERB-B.Pt. Bldg. 1B	19,744	8,406	28,151	260,469
CERB-B.Pt. Bldg. 1D	0	0	0	650,000
	44,642	14,028	58,671	1,055,893
2009	89,642	59,156	148,798	1,875,893
GRAND TOTALS				
2010	45,000	43,238	88,238	775,000
'03 LTGO BONDS				
CERB-Infra	6,742	1,789	8,531	37,980
CERB-SBDC	18,968	3,021	21,989	81,734
CERB-B.Pt. Bldg. 1B	20,337	7,814	28,151	240,133
CERB-B.Pt. Bldg. 1D	40,380	6,500	46,880	609,620
	86,427	19,124	105,551	969,466
2010	131,427	62,362	193,789	1,744,466
GRAND TOTALS				
2011	50,000	41,213	91,213	725,000
'03 LTGO BONDS				
CERB-Infra	7,012	1,519	8,531	30,968
CERB-SBDC	19,537	2,452	21,989	62,198
CERB-B.Pt. Bldg. 1B	20,947	7,204	28,151	219,186
CERB-B.Pt. Bldg. 1D	40,784	6,096	46,880	568,835
	88,280	17,271	105,551	881,187
2011	138,280	58,484	196,764	1,606,187
GRAND TOTALS				
2012	50,000	38,838	88,838	675,000
'03 LTGO BONDS				
CERB-Infra	7,293	1,239	8,531	23,675
CERB-SBDC	20,123	1,866	21,989	42,075
CERB-B.Pt. Bldg. 1B	21,575	6,576	28,151	197,611
CERB-B.Pt. Bldg. 1D	41,192	5,688	46,880	527,643
	90,183	15,369	105,551	791,004
2012	140,183	54,206	194,389	1,466,004
GRAND TOTALS				

PORT OF KLIICKITAT
LONG-TERM DEBT

	Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2013	55,000	36,388	91,388	620,000
	7,584	947	8,531	16,091
	20,726	1,262	21,989	21,348
	22,223	5,928	28,151	175,388
	41,604	5,276	46,880	486,039
	92,137	13,414	105,551	698,866
2013	147,137	49,801	196,939	1,318,866
2014	55,000	33,500	88,500	565,000
	7,888	644	8,531	8,203
	21,348	640	21,989	0
	22,889	5,262	28,151	152,499
	42,020	4,880	46,880	444,019
	94,145	11,406	105,551	604,721
2014	149,145	44,906	194,051	1,169,721
2015	60,000	30,613	90,613	505,000
	8,203	328	8,531	0
	23,576	4,575	28,151	128,923
	42,440	4,440	46,880	401,579
	74,219	9,343	83,562	530,502
2015	134,219	39,956	174,175	1,035,502
2016	60,000	27,463	87,463	445,000
	24,283	3,868	28,151	104,640
	42,865	4,016	46,880	358,714
	67,148	7,883	75,031	463,354
2016	127,148	35,346	162,494	908,354
2017	65,000	24,313	89,313	380,000
	25,012	3,139	28,151	79,628
	43,293	3,587	46,880	315,421
	68,305	6,726	75,031	395,049
2017	133,305	31,039	164,344	775,049

**PORT OF KLICKITAT
LONG-TERM DEBT**

	Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2018	70,000	20,900	90,900	310,000
	25,762	2,389	28,151	53,866
	<u>43,726</u>	<u>3,154</u>	<u>46,880</u>	<u>271,695</u>
	69,488	5,543	75,031	325,560
2018	139,488	26,443	165,931	635,560
2019	70,000	17,050	87,050	240,000
	26,535	1,616	28,151	27,331
	<u>44,164</u>	<u>2,717</u>	<u>46,880</u>	<u>227,531</u>
	70,698	4,333	75,031	254,862
2019	140,698	21,383	162,081	494,862
2020	75,000	13,200	88,200	165,000
	27,331	820	28,151	0
	<u>44,605</u>	<u>2,275</u>	<u>46,880</u>	<u>182,926</u>
	71,936	3,095	75,031	182,926
2020	146,936	16,295	163,231	347,926
2021	80,000	9,075	89,075	85,000
	45,051	1,829	46,880	137,875
2021	125,051	10,904	135,955	222,875
2022	85,000	4,675	89,675	0
	45,502	1,379	46,880	92,373
2022	130,502	6,054	136,555	92,373
2023	45,957	924	46,880	46,416
2023	45,957	924	46,880	46,416
2024	46,416	464	46,880	0
2024	46,416	464	46,880	0

**PORT OF KLIKKITAT
LONG TERM DEBT PAYMENT SCHEDULE**

	CERB (Infra)	CERB (SBDC)	CERB (Bldg. 1B)	CERB (Bldg. 1D)	'03 LTGO Bonds	TOTAL
Original Balance	\$108,000	\$350,000	\$353,606	\$650,000.00	\$1,100,000	\$2,561,606
12/31/2004 Balance	\$74,738	\$187,568	\$353,606	\$650,000	\$1,030,000	\$2,295,912
	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	
2005	\$8,531	\$21,989	\$28,151	\$0	\$90,643	\$149,314
2006	\$8,531	\$21,989	\$28,151	\$0	\$89,593	\$148,264
2007	\$8,531	\$21,989	\$28,151	\$0	\$88,333	\$147,004
2008	\$8,531	\$21,989	\$28,151	\$0	\$91,883	\$150,554
2009	\$8,531	\$21,989	\$28,151	\$0	\$90,128	\$148,799
2010	\$8,531	\$21,989	\$28,151	\$46,880	\$88,238	\$193,789
2011	\$8,531	\$21,989	\$28,151	\$46,880	\$91,213	\$196,764
2012	\$8,531	\$21,989	\$28,151	\$46,880	\$88,838	\$194,389
2013	\$8,531	\$21,989	\$28,151	\$46,880	\$91,388	\$196,939
2014	\$8,531	\$21,989	\$28,151	\$46,880	\$88,500	\$194,051
2015	\$8,531		\$28,151	\$46,880	\$90,613	\$174,175
2016			\$28,151	\$46,880	\$87,463	\$162,494
2017			\$28,151	\$46,880	\$89,313	\$164,344
2018			\$28,151	\$46,880	\$90,900	\$165,931
2019			\$28,151	\$46,880	\$87,050	\$162,081
2020			\$28,151	\$46,880	\$88,200	\$163,231
2021				\$46,880	\$89,075	\$135,955
2022				\$46,880	\$89,675	\$136,555
2023				\$46,880		\$46,880
2024				\$46,880		\$46,880
TOTALS	\$93,841	\$219,890	\$450,416	\$703,207	\$1,611,040	\$3,078,394

EXHIBIT B