

Port of Klickitat

Annual Report

December 31, 2006 and 2005

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Annual Report

Port of Klickitat

MCAG No. 1741

Submitted pursuant to RCW 43.09.230

to the

State Auditor's Office

For the Fiscal Year Ended December 31, 2006 and 2005

Certified correct this 11th day of May 2007
to the best of my knowledge and belief:

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TITLE: Executive Director
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PORT OF KLICKITAT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ARISING FROM CASH TRANSACTIONS
For the Years Ended December 31, 2006 and 2005

	<u>12/31/2006</u>	<u>12/31/2005</u>
OPERATING REVENUES:		
Marine terminal operations	22,660	21,486
Property lease/rental operations	451,208	419,859
Other: sale of water	14,819	14,024
Total Operating Revenues	<u>488,687</u>	<u>455,369</u>
OPERATING EXPENSES:		
General operations		
Maintenance	142,413	98,852
General and administrative (781 + 783 - 785)	248,618	223,947
Other:		
Total Operating Expenses	<u>391,031</u>	<u>322,799</u>
Income (Loss) from Operations	<u>97,656</u>	<u>132,570</u>
NONOPERATING REVENUES (EXPENSES):		
Interest income	33,800	20,884
Federal/state/local grants and contracts	775,000	31,867
Taxes levied for:		
General purposes (Note 3)	174,359	177,066
Debt service principal/interest (Note __)		
Debt Proceeds -CERB loan-Bldg 1E	525,000	
Debt Proceeds -'06 LTGO Bonds-Bldg 1E	1,100,000	
Sale of capital assets	0	3,134
Purchase of capital assets	(2,119,679)	(82,057)
Principal paid on long-term debt	(80,685)	(79,446)
Interest paid on long-term debt	(67,578)	(69,867)
Election expense	0	(3,324)
Other nonoperating revenues (expenses) See attached Sch. 04A	79,035	65,488
Total Nonoperating Revenues (Expenses)	<u>419,252</u>	<u>63,745</u>
Net increase (decrease) in net cash and investments	<u>516,908</u>	<u>196,315</u>
Beginning balance of net cash and investments	<u>856,187</u>	<u>659,872</u>
ENDING BALANCE OF NET CASH AND INVESTMENTS	<u><u>\$1,373,095</u></u>	<u><u>\$856,187</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The Port of Klickitat was created in 1945 and operates under the laws of the state of Washington applicable to a public port district.

1. Reporting Entity

The Port of Klickitat is a special purpose government that provides marine terminal, marina, and industrial park facilities and services to the general public. Port operations are supported by user charges, ad valorem property taxes levied for operations, capital improvements and debt service, and other miscellaneous taxes. An elected three-member board governs the Port.

The following is an identification of the significant policies, including an identification of those policies which result in a material departure from generally accepted accounting principles (GAAP).

2. Basis Of Accounting And Reporting

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 Unclassified Port Districts.

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 reported 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. Capital Assets - Major expenses for capital 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.

6. Investments - See Note #2.

Note 1 – Summary of Significant Accounting Policies (Continued)

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 #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

Note 1 – Summary of Significant Accounting Policies (Continued)

receivable, fine arts, inventory or appraisal cost, automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of \$100 million for all members. The Pool offers employee dishonesty coverage up to a liability limit of \$500,000.

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 continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Intergovernmental Contract is automatically renewed after the initial one (1) full fiscal year commitment. 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 Intergovernmental Contract.

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.

NOTE 2 - INVESTMENTS

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, 2006 are as follows:

Type of Investment	Balance
Local Government Investment Pool	\$1,145,902.38
Local Government Investment Pool-Restricted	\$197,681.62
Cash With Klickitat County Treasurer Or in Banks	\$29,511.44

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 2006, as estimated by the Klickitat County Assessor, was \$0.18921432 per \$1,000 on an assessed valuation of \$901,010,013 for a total regular levy of \$170,484.

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 2006. More detailed listings of long-term debt are attached as Exhibits "A" and "B". A summary of the debt service requirements, including interest (and capital lease payments) are as follows:

Year	General Obligation Bonds	Other Debt	Total Debt Service Payments
2007	\$ 194,761	\$ 58,671	\$ 253,432
2008	198,311	58,671	256,982
2009	196,556	58,671	255,227
2010	194,666	105,551	300,217
2011	1,128,406	105,551	1,233,958
2012-2016	446,800	446,800	1,109,308
2017-2021	444,538	534,266	978,803
2022-2026	89,675	327,901	417,576
2027	0	37,452	37,452
TOTAL	\$ 2,893,712	\$ 1,949,242	\$ 4,842,954

As of December 31, 2006 the Klickitat County Treasurer was holding \$65.45 in a 1970 Bond Reserve Fund-Inv (of which the bonds have been defeased).

1970 (Defeased) Revenue Bonds

Balance 12/31/05	\$ 15,000.00
Redeemed in 2006	< 0.00 >
Balance 12/31/06	\$ 15,000.00

Limited-Tax General Obligation Bonds

Outstanding

2003 Bingen Point Bldg 1D, \$1,100,000 1.5 - 5.5%, Variable interest semi-annually and variable principal annually to 2022	\$ 950,000
--	------------

NOTE 4 - LONG-TERM DEBT AND CAPITAL LEASES (cont.)

2006 Bingen Point Bldg 1E, \$1,100,000 \$ 1,100,000
7%, Interest and principal annually with payoff
in 2011

The Port has assessed an Industrial Development District levy for repayment of debt and new infrastructure improvements under RCW 53.35.110 and 53.36.100, in the amount of \$.45 per \$1,000 valuation. The levy will run for a period of six (6) years, with revenues to be received 2007-2012.

SHORT TERM DEBT

As of December 31, 2006 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 to 12/31/2006	Funds Still Committed	Required Future Financing
Bingen Point Development	\$5,000,000	\$1,180,666	\$86,000	\$3,733,334
Bingen Point Building 1D	2,495,461	2,361,162	134,299	\$0
Bingen Point Building 1E	2,500,000	2,039,940	460,060	\$0
DIP Infrastructure Eng/Const	3,500,000	207,357	70,000	\$3,222,643
DIP Buildings	350,000	50,000	35,000	\$265,000
	<u>\$13,845,461</u>	<u>\$5,839,125</u>	<u>\$785,359</u>	<u>\$7,220,977</u>

NOTE 6 - PENSION PLANS

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 Systems (DRS), a department within the primary government of the State of Washington,

NOTE 6 - PENSION PLANS (Continued)

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*.

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 defined benefit plan with a defined contribution component.

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 participating 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 benefit 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

NOTE 6 - PENSION PLANS (continued)

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. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. 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. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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 1,181 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2005:

Retirees and Beneficiaries Receiving Benefits	68,609
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	22,567
Active Plan Members Vested	104,574
Active Plan Members Non-vested	51,004
Total	246,754

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 officials. 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

NOTE 6 - PENSION PLANS (continued)

and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. 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, 2006, were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	3.69%**	3.69%	3.69%****
Employee	6.00%***	3.50%	*****

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** The employer rate for Plan 1 state elected officials is 5.44%.

*** The employee rate for Plan 1 state elected officials is 7.50%.

**** 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 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
2006	\$0	\$ 4,083.83	\$0
2005	\$0	\$ 2,319.17	\$0
2004	\$0	\$ 1,715.76	\$0

NOTE 7 - CONTINGENCIES AND LITIGATION

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 constructed Building 1D a qualifying building for a tenant in 2004 and 2005, and entered into a five year lease for the premises. The Port obtained financing for the project from, among other sources, the State of Washington ("State") Community Economic Development Board ("CERB"). Under Ch. 82.60 RCW, and because the project is located in an area defined by the State as a depressed rural area, the project is eligible for a deferral of sales tax due on the building components and construction. If certain requirements are met, the deferred tax due is never paid and becomes an exemption from sales tax. See Ch. 82.60 RCW. The sales tax deferred and potentially exempted on this project is \$134,299.

If the tenant does not remain in business with a certain number of employees using the building through 12/31/2011, then the Port will have to pay part or all of the sales tax due based on a sliding scale depending on the time when the conditions are no longer met. RCW 82.60.060 sets forth the repayment schedule which also corresponds to the forgiveness schedule under RCW 82.60.065 as follows:

<u>December 31,</u>	<u>Amount</u>
2004 – 2006	\$134,299
2007	\$120,869
2008	\$100,724
2009	\$ 73,864
2010	\$ 40,290
Thereafter	\$ 0

The Port has established a reserve fund to retire this contingent liability in the event it is required to be paid.

Additionally, the Port constructed Building 1E a qualifying building for a tenant in 2006 and 2007, and entered into a five year lease for the premises. The Port obtained financing for the project from, among other sources, the State of Washington ("State") Community Economic Development Board ("CERB"). Under Ch. 82.60 RCW, and because the project is located in an area defined by the State as a depressed rural area, the project is eligible for a deferral of sales tax due on the building components and construction. If certain requirements are met, the deferred tax due is never paid and becomes an exemption from sales tax. See Ch. 82.60 RCW. The sales tax deferred and potentially exempted on this project has not yet been

NOTE 7 - CONTINGENCIES AND LITIGATION (cont.)

determined, pending an audit by the Department of Revenue when the project is deemed complete in June, 2007.

The potential liability will be similar to Building 1D, and after determined by the Department of Revenue, the Port will establish a reserve fund to retire this contingent liability in the event it is required to be paid.

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PORT OF KLICKITAT

Schedule 04

DETAIL OF REVENUES AND OTHER SOURCES

For Years Ended December 31, 2006 and 2005

BARS Revenue Account No.	Description	2006
631.10	Marine Terminal Dockage	\$3,525
631.20	Marine Terminal Wharfage	19,135
631	TOTAL MARINE TERMINAL	\$22,660
640.81	Sale of Water	\$14,819
	TOTAL SALE OF WATER	\$14,819
664/665	Property Rentals	\$451,208
673.10	Sale of Capital Assets	0
693.07	Operating Grants - Local	300,000
	Operating Grants - Federal	0
	Operating Grants - State	475,000
	See Schedules 16	
699.10	Non-Operating Interest Income	33,800
699.20	Ad Valorem Tax	174,359
699.30	Non-Operating Income - Misc. Taxes	137,526
699.90	Non-Operating Income - Misc. Income *	12,612
	TOTAL REVENUES	\$1,621,984

* Rounding Adjustment -\$1.00

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Schedule 05

DETAIL OF EXPENSES AND OTHER USES

For Years Ended December 31, 2006 and 2005

BARS Expense Account No.	Description	2006
720.00	Marina Expenditures	\$4,082
733.00	Marine Terminal Expenditures	\$0
740/743	Water System Expenditures	8,522
763.00	Maintenance Expenditures	129,809
	TOTAL MAINTENANCE EXPENSES	\$142,413
771.10	Debt Redemption - LTGO Bonds	\$40,000
771.20	Debt Redemption - Revenue Bonds	\$0
771.60	Debt Redemption - Intergovernmental Loans	40,685
	TOTAL PRINCIPAL/LONG-TERM DEBT	\$80,685
773.00	Purchase of Fixed Assets	\$61,806
773.70	Construction In Progress	2,057,873
	TOTAL PURCHASE OF FIXED ASSETS	\$2,119,679
781.00	General & Administrative Expenses *	\$248,618
799.90	Non-Operating Expenses - Misc.	71,103
799.91	Non-Operating Expenses - Interest	67,578
799.92	Non-Operating Expenses - Election	0
700.00	TOTAL EXPENSES	\$2,730,076
	*Rounding +\$1.00	

PORT OF KLICKITAT

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

For Year Ended December 31, 2006

1	2	3	4	5	6	7	8	9
FUND NO.	FUND NAME	TAXES RECEIVABLE 01/01/06	TAX RATE \$/1,000	TAXES LEVIED REPORT YEAR	TAXES COLLECTED	TAX ADJUSTMENT INCREASES	TAX ADJUSTMENT DECREASES	TAXES RECEIVABLE 12/31/2006 (3+5-6+7-8)
680-1	Port's Proprietary Gen. Fund	\$9,923	0.18921432	\$170,484.00	\$174,359.05	\$4,297.10	\$857.07	\$9,487.98
	TOTAL TAXES	\$9,923		\$170,484	\$174,359	\$4,297	\$857	\$9,488

PORT OF KLICKITAT
SCHEDULE OF LONG-TERM DEBT

G.O. Debt
X Revenue Debt
Refunded Debt

For Year Ended December 31, 2006

I.D. No.	PURPOSE	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	(1)	(2)	(3)	(4)
				BEGINNING OUTSTANDING DEBT 01/01/06 (ENDING OUTSTANDING DEBT BALANCE FROM PRIOR YEAR)	AMOUNT ISSUED IN CURRENT YEAR	AMOUNT REDEEMED IN CURRENT YEAR	ENDING OUTSTANDING DEBT 12/31/06 (1)+(2)-(3)
				\$0	\$0	\$0	\$0
	TOTAL REVENUE DEBT			\$0	\$0	\$0	\$0

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Schedule 16

SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE

For Year Ended December 31, 2006

1	2	3
Grantor/Program Title	Identification Number	Current Year Expenses
Klickitat Co. - Building 1E - Grant	Interlocal Agreement C11206	\$300,000
CERB - Bldg. 1E - Grant	#C2005-167	475,000
TOTAL LOCAL/STATE GRANTS		\$775,000
CERB - Bldg. 1E - Loan	#C2005-167	\$525,000
TOTAL GRANT/LOAN FUNDING		\$1,550,000

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Schedule 19

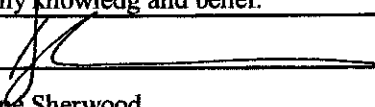
SCHEDULE OF LABOR RELATIONS CONSULTANT(S)

For Year Ended December 31, 2006

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 <u>11th</u> day of <u>May</u> , 2007 to the best of my knowledg and belief:
Signature 
Name <u>Dianne Sherwood</u>
Title <u>Executive Director</u>

**PORT OF KLICKITAT
LONG TERM DEBT**

		Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2007	'03 LTGO BONDS	40,000	48,333	88,333	910,000
	'06 LTGO BONDS	<u>29,428</u>	<u>77,000</u>	<u>106,428</u>	<u>1,070,572</u>
		69,428	125,333	194,761	1,980,572
	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,000</u>
		41,963	16,708	58,671	1,143,818
2007	GRAND TOTALS	111,391	142,040	253,432	3,124,390
2008	'03 LTGO BONDS	45,000	46,883	91,883	865,000
	'06 LTGO BONDS	<u>31,488</u>	<u>74,940</u>	<u>106,428</u>	<u>1,039,083</u>
		76,488	121,823	198,311	1,904,083
	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,000</u>
		43,282	15,390	58,671	1,100,536
2008	GRAND TOTALS	119,771	137,212	256,982	3,004,619
2009	'03 LTGO BONDS	45,000	45,128	90,128	820,000
	'06 LTGO BONDS	<u>33,692</u>	<u>72,736</u>	<u>106,428</u>	<u>1,005,391</u>
		78,692	117,863	196,556	1,825,391
	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>650,000</u>
		44,642	14,028	58,671	1,055,893
2009	GRAND TOTALS	123,335	131,892	255,227	2,881,284
2010	'03 LTGO BONDS	45,000	43,238	88,238	775,000
	'06 LTGO BONDS	<u>36,051</u>	<u>70,377</u>	<u>106,428</u>	<u>969,340</u>
		81,051	113,615	194,666	1,744,340
	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	<u>40,380</u>	<u>6,500</u>	<u>46,880</u>	<u>609,620</u>
		86,427	19,124	105,551	969,466
2010	GRAND TOTALS	167,478	132,739	300,217	2,713,806

**PORT OF KICKITAT
LONG TERM DEBT**

		Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2011	'03 LTGO BONDS	50,000	41,213	91,213	725,000
	'06 LTGO BONDS	<u>969,340</u>	<u>67,854</u>	<u>1,037,194</u>	0
		1,019,340	109,066	1,128,406	725,000
	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	<u>40,784</u>	<u>6,096</u>	<u>46,880</u>	<u>568,835</u>
		88,280	17,271	105,551	881,187
2011	GRAND TOTALS	1,107,620	126,337	1,233,958	1,606,187
2012	'03 LTGO BONDS	50,000	38,838	88,838	675,000
	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
	CERB-B.Pt. Bldg. 1E	<u>29,052</u>	<u>8,400</u>	<u>37,452</u>	<u>495,948</u>
		119,235	23,769	143,003	1,286,952
2012	GRAND TOTALS	169,235	62,606	231,841	1,961,952
2013	'03 LTGO BONDS	55,000	36,388	91,388	620,000
	CERB-Infra	7,584	947	8,531	16,091
	CERB-SBDC	20,726	1,262	21,989	21,348
	CERB-B.Pt. Bldg. 1B	22,223	5,928	28,151	175,388
	CERB-B.Pt. Bldg. 1D	41,604	5,276	46,880	486,039
	CERB-B.Pt. Bldg. 1E	<u>29,517</u>	<u>7,935</u>	<u>37,452</u>	<u>466,431</u>
		121,653	21,349	143,003	1,165,297
2013	GRAND TOTALS	176,653	57,736	234,391	1,785,297
2014	'03 LTGO BONDS	55,000	33,500	88,500	565,000
	CERB-Infra	7,888	644	8,531	8,203
	CERB-SBDC	21,348	640	21,989	0
	CERB-B.Pt. Bldg. 1B	22,889	5,262	28,151	152,499
	CERB-B.Pt. Bldg. 1D	42,020	4,860	46,880	444,019
	CERB-B.Pt. Bldg. 1E	<u>29,989</u>	<u>7,463</u>	<u>37,452</u>	<u>436,442</u>
		124,134	18,869	143,003	1,041,163
2014	GRAND TOTALS	179,134	52,369	231,503	1,606,163

**PORT OF KLICKITAT
LONG TERM DEBT**

		Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2015	'03 LTGO BONDS	60,000	30,613	90,613	505,000
	CERB-Infra	8,203	328	8,531	0
	CERB-B.Pt. Bldg. 1B	23,576	4,575	28,151	128,923
	CERB-B.Pt. Bldg. 1D	42,440	4,440	46,880	401,579
	CERB-B.Pt. Bldg. 1E	<u>30,469</u>	<u>6,983</u>	<u>37,452</u>	<u>405,974</u>
		104,688	16,326	121,014	936,475
2015	GRAND TOTALS	164,688	46,939	211,627	1,441,475
2016	'03 LTGO BONDS	60,000	27,463	87,463	445,000
	CERB-B.Pt. Bldg. 1B	24,283	3,868	28,151	104,640
	CERB-B.Pt. Bldg. 1D	42,865	4,016	46,880	358,714
	CERB-B.Pt. Bldg. 1E	<u>30,956</u>	<u>6,496</u>	<u>37,452</u>	<u>375,017</u>
		98,104	14,379	112,483	838,371
2016	GRAND TOTALS	158,104	41,842	199,946	1,283,371
2017	'03 LTGO BONDS	65,000	24,313	89,313	380,000
	CERB-B.Pt. Bldg. 1B	25,012	3,139	28,151	79,628
	CERB-B.Pt. Bldg. 1D	43,293	3,587	46,880	315,421
	CERB-B.Pt. Bldg. 1E	<u>31,452</u>	<u>6,000</u>	<u>37,452</u>	<u>343,566</u>
		99,757	12,727	112,483	738,614
2017	GRAND TOTALS	164,757	37,039	201,796	1,118,614
2018	'03 LTGO BONDS	70,000	20,900	90,900	310,000
	CERB-B.Pt. Bldg. 1B	25,762	2,389	28,151	53,866
	CERB-B.Pt. Bldg. 1D	43,726	3,154	46,880	271,695
	CERB-B.Pt. Bldg. 1E	<u>31,955</u>	<u>5,497</u>	<u>37,452</u>	<u>311,611</u>
		101,443	11,040	112,483	637,171
2018	GRAND TOTALS	171,443	31,940	203,383	947,171
2019	'03 LTGO BONDS	70,000	17,050	87,050	240,000
	CERB-B.Pt. Bldg. 1B	26,535	1,616	28,151	27,331
	CERB-B.Pt. Bldg. 1D	44,164	2,717	46,880	227,531
	CERB-B.Pt. Bldg. 1E	<u>32,466</u>	<u>4,986</u>	<u>37,452</u>	<u>279,145</u>
		103,165	9,319	112,483	534,007
2019	GRAND TOTALS	173,165	26,369	199,533	774,007

**PORT OF KLICKITAT
LONG TERM DEBT**

		Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
2020	'03 LTGO BONDS	75,000	13,200	88,200	165,000
	CERB-B.Pt. Bldg. 1B	27,331	820	28,151	0
	CERB-B.Pt. Bldg. 1D	44,605	2,275	46,880	182,926
	CERB-B.Pt. Bldg. 1E	<u>32,986</u>	<u>4,466</u>	<u>37,452</u>	<u>246,159</u>
		104,922	7,562	112,483	429,085
2020	GRAND TOTALS	179,922	20,762	200,683	594,085
2021	'03 LTGO BONDS	80,000	9,075	89,075	85,000
	CERB-B.Pt. Bldg. 1D	45,051	1,829	46,880	137,875
	CERB-B.Pt. Bldg. 1E	<u>33,513</u>	<u>3,939</u>	<u>37,452</u>	<u>212,646</u>
		78,565	5,768	84,332	350,520
2021	GRAND TOTALS	158,565	14,843	173,407	435,520
2022	'03 LTGO BONDS	85,000	4,675	89,675	0
	CERB-B.Pt. Bldg. 1D	45,502	1,379	46,880	92,373
	CERB-B.Pt. Bldg. 1E	<u>34,050</u>	<u>3,402</u>	<u>37,452</u>	<u>178,596</u>
		79,551	4,781	84,332	270,969
2022	GRAND TOTALS	164,551	9,456	174,007	270,969
2023	CERB-B.Pt. Bldg. 1D	45,957	924	46,880	46,416
	CERB-B.Pt. Bldg. 1E	<u>34,594</u>	<u>2,858</u>	<u>37,452</u>	<u>144,002</u>
2023	GRAND TOTALS	80,551	3,781	84,332	190,418
2024	CERB-B.Pt. Bldg. 1D	46,416	464	46,880	0
	CERB-B.Pt. Bldg. 1E	<u>35,148</u>	<u>2,304</u>	<u>37,452</u>	<u>108,854</u>
2024	GRAND TOTALS	81,564	2,768	84,332	108,854
2025	CERB-B.Pt. Bldg. 1E	35,710	1,742	37,452	73,144
2025	GRAND TOTALS	35,710	1,742	37,452	73,144
2026	CERB-B.Pt. Bldg. 1E	36,282	1,170	37,452	36,862
2026	GRAND TOTALS	36,282	1,170	37,452	36,862
2027	CERB-B.Pt. Bldg. 1E	36,862	590	37,452	0
2027	GRAND TOTALS	36,862	590	37,452	0

**PORT OF KCLICKITAT
LONG TERM DEBT**

	Principal Payment	Interest Payment	Total Debt Pmts	Year End Bal. Due
SUMMARY				
2007	111,391	142,040	253,432	3,124,390
2008	119,771	137,212	256,982	3,004,619
2009	123,335	131,892	255,227	2,881,284
2010	167,478	132,739	300,217	2,713,806
2011	1,107,620	126,337	1,233,958	1,606,187
2012	169,235	62,606	231,841	1,961,952
2013	176,653	57,736	234,391	1,785,297
2014	179,134	52,369	231,503	1,606,163
2015	164,688	46,939	211,627	1,441,475
2016	158,104	41,842	199,946	1,283,371
2017	164,757	37,039	201,796	1,118,614
2018	171,443	31,940	203,383	947,171
2019	173,165	26,369	199,533	774,007
2020	179,922	20,762	200,683	594,085
2021	158,565	14,843	173,407	435,520
2022	164,551	9,456	174,007	270,969
2023	80,551	3,781	84,332	190,418
2024	81,564	2,768	84,332	108,854
2025	35,710	1,742	37,452	73,144
2026	36,282	1,170	37,452	36,862
2027	36,862	590	37,452	0
TOTALS: YEARS 2006 THROUGH 2027	3,760,781	1,082,172	4,842,953	

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PORT OF KLICKITAT									
LONG TERM DEBT PAYMENT SCHEDULE									
	CERB (Infra)	CERB (SBDC)	CERB (Bldg. 1B)	CERB (Bldg. 1D)	CERB (Bldg. 1E)	'03 LTGO Bonds	'06 LTGO Bonds		TOTAL
	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Princ. & Int.	Total
Original Balance	\$69,196	\$171,207	\$336,063	\$650,000	\$ 525,000	\$990,000	\$1,100,000		\$3,841,466
12/31/2006 Balance	\$63,433	\$154,354	\$317,994	\$650,000	\$525,000	\$990,000	\$1,100,000		\$3,800,781
2007	\$8,531	\$21,989	\$28,151	\$0	\$0	\$88,333	\$106,428		\$253,432
2008	\$8,531	\$21,989	\$28,151	\$0	\$0	\$91,883	\$106,428		\$256,982
2009	\$8,531	\$21,989	\$28,151	\$0	\$0	\$90,128	\$106,428		\$255,227
2010	\$8,531	\$21,989	\$28,151	\$46,880	\$0	\$85,238	\$106,428		\$300,217
2011	\$8,531	\$21,989	\$28,151	\$46,880	\$0	\$91,213	\$1,037,194		\$1,233,958
2012	\$8,531	\$21,989	\$28,151	\$46,880	\$37,452	\$88,838			\$231,841
2013	\$8,531	\$21,989	\$28,151	\$46,880	\$37,452	\$91,388			\$234,391
2014	\$8,531	\$21,989	\$28,151	\$46,880	\$37,452	\$88,500			\$231,503
2015	\$8,531	\$21,989	\$28,151	\$46,880	\$37,452	\$90,613			\$211,627
2016			\$28,151	\$46,880	\$37,452	\$87,463			\$199,946
2017			\$28,151	\$46,880	\$37,452	\$89,313			\$201,796
2018			\$28,151	\$46,880	\$37,452	\$90,900			\$203,383
2019			\$28,151	\$46,880	\$37,452	\$87,050			\$199,533
2020			\$28,151	\$46,880	\$37,452	\$88,200			\$200,683
2021			\$28,151	\$46,880	\$37,452	\$89,075			\$173,407
2022			\$28,151	\$46,880	\$37,452	\$89,675			\$174,007
2023				\$46,880	\$37,452				\$84,332
2024				\$46,880	\$37,452				\$84,332
2025					\$37,452				\$37,452
2026					\$37,452				\$37,452
2027					\$37,452				\$37,452
TOTALS	\$76,779	\$175,912	\$394,114	\$703,207	\$599,230	\$1,430,805	\$1,462,907		\$4,842,954

EXHIBIT B