



**POR T OF ARLINGTON**  
Gilliam County, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2023



436 1<sup>st</sup> Avenue W • P.O. Box 1072  
Albany, Oregon 97321 • (541) 223-5555

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**PORT OFFICIALS**

June 30, 2023

**BOARD OF COMMISSIONERS**

Leah Shannon, President

Ron Wilson, Vice President

Kathryn Greiner, Secretary

Gibb Wilkins

Kip Krebs

*\*All board members receive mail at the Port's address listed below.*

**EXECUTIVE DIRECTOR AND REGISTERED AGENT**

Jed Crowther  
100 Port Island Road  
P.O. Box 279  
Arlington, Oregon 97812

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Port of Arlington  
Arlington, Oregon 97812

### Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Port of Arlington, Gilliam County, Oregon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the Port of Arlington, Gilliam County, Oregon as of June 30, 2023, and the respective changes in modified cash basis financial position thereof for the year then ended on the modified cash basis of accounting described in Note I.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port of Arlington, Gilliam County, Oregon, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter – Basis of Accounting

We draw attention to Note I of the financial statements, which describes the basis of accounting. The Port of Arlington, Gilliam County, Oregon, prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Emphasis of Matter – Change in Accounting Principles

As described in the notes to the financial statements, in the year ended June 30, 2023, the Port adopted new accounting guidance: GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, GASB Statement No. 99, *Omnibus 2022*, and GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Arlington, Gilliam County, Oregon's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port of Arlington, Gilliam County, Oregon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port of Arlington, Gilliam County, Oregon's ability to continue as a going concern for a reasonable period of time.

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port of Arlington, Gilliam County, Oregon's basic financial statements. The budgetary comparison information and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 27, 2026 on our tests of the Port's compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By:   
Glen O. Kearns, CPA

Albany, Oregon  
January 27, 2026

## **BASIC FINANCIAL STATEMENTS**

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**

June 30, 2023

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	<u>\$ 1,158,513</u>
Noncurrent assets	
Assets held for sale	620,000
Capital assets not being depreciated	406,123
Capital assets being depreciated, net	<u>2,847,191</u>
Total noncurrent assets	<u>3,873,314</u>
Total assets	<u>5,031,827</u>
<b>LIABILITIES</b>	
Current liabilities	
Long-term debt, current portion	10,223
Noncurrent liabilities	
Long-term debt, less current portion	<u>91,244</u>
Total liabilities	<u>101,467</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,151,847
Unrestricted	<u>1,778,513</u>
Total net position	<u>\$ 4,930,360</u>

The accompanying notes are an integral part of these financial statements.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities					
Port operations	<u>\$ 704,007</u>	<u>\$ 531,676</u>	<u>\$ 15,405</u>	<u>\$ 316</u>	<u>\$ (156,610)</u>
General revenues					
Property taxes levied for general purposes					145,459
Interest					34,281
Miscellaneous					<u>7,335</u>
Total general revenues					<u>187,075</u>
Change in net position					30,465
Net position - beginning, as restated					<u>4,899,895</u>
Net position - ending					<u>\$ 4,930,360</u>

The accompanying notes are an integral part of these financial statements.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**BALANCE SHEET - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

June 30, 2023

	General Fund	Special Revenue Funds		Capital Projects Fund	Total Governmental Funds
		Economic Development	Gronquist	Reserve	
<b>ASSETS</b>					
Cash and cash equivalents	<u>\$ 1,110,847</u>	<u>\$ -</u>	<u>\$ 93,061</u>	<u>\$ 92,147</u>	<u>\$ 1,296,055</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Book overdraft	<u>\$ -</u>	<u>\$ 137,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,542</u>
Fund balances (deficit)					
Committed	<u>-</u>	<u>-</u>	<u>93,061</u>	<u>92,147</u>	<u>185,208</u>
Unassigned	<u>1,110,847</u>	<u>(137,542)</u>	<u>-</u>	<u>-</u>	<u>973,305</u>
Total fund balances (deficit)	<u>1,110,847</u>	<u>(137,542)</u>	<u>93,061</u>	<u>92,147</u>	<u>1,158,513</u>
Total liabilities and fund balances	<u>\$ 1,110,847</u>	<u>\$ -</u>	<u>\$ 93,061</u>	<u>\$ 92,147</u>	<u>\$ 1,296,055</u>

The accompanying notes are an integral part of these financial statements.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

June 30, 2023

<b>Total fund balances</b>	<b>\$ 1,158,513</b>
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Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:

Assets held for sale	620,000
Cost	5,185,919
Accumulated depreciation	<u>(1,932,605)</u> 3,873,314

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:

Loan payable	<u>(101,467)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>4,930,360</u></b>

The accompanying notes are an integral part of these financial statements.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - MODIFIED CASH BASIS**

**GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2023

	General Fund	Special Revenue Funds		Capital Projects Fund	Total Governmental Funds
		Economic Development	Gronquist		
<b>REVENUES</b>					
Property taxes	\$ 145,459	\$ -	\$ -	\$ -	\$ 145,459
Marina user fees	33,006	-	-	-	33,006
RV park fees	28,446	-	-	-	28,446
Grants and contributions	15,721	-	-	-	15,721
Rent revenue	211,861	215,378	48,988	-	476,227
Interest	31,996	-	-	2,285	34,281
Miscellaneous	1,332	-	-	-	1,332
Total revenues	<u>467,821</u>	<u>215,378</u>	<u>48,988</u>	<u>2,285</u>	<u>734,472</u>
<b>EXPENDITURES</b>					
Port operations					
Personnel services	229,714	81,345	10,997	-	322,056
Materials and services	107,811	68,038	28,672	-	204,521
Debt service	-	12,144	-	-	12,144
Capital outlay	4,315	806,805	-	-	811,120
Total expenditures	<u>341,840</u>	<u>968,332</u>	<u>39,669</u>	<u>-</u>	<u>1,349,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125,981</u>	<u>(752,954)</u>	<u>9,319</u>	<u>2,285</u>	<u>(615,369)</u>
<b>OTHER FINANCING</b>					
<b>SOURCES (USES)</b>					
Transfers in	-	400,000	-	11,846	411,846
Transfers out	<u>(411,846)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411,846)</u>
Total other financing sources (uses)	<u>(411,846)</u>	<u>400,000</u>	<u>-</u>	<u>11,846</u>	<u>-</u>
Net change in fund balances	<u>(285,865)</u>	<u>(352,954)</u>	<u>9,319</u>	<u>14,131</u>	<u>(615,369)</u>
Fund balances - beginning, as restated	<u>1,396,712</u>	<u>215,412</u>	<u>83,742</u>	<u>78,016</u>	<u>1,773,882</u>
Fund balances (deficit) - ending	<u>\$ 1,110,847</u>	<u>\$ (137,542)</u>	<u>\$ 93,061</u>	<u>\$ 92,147</u>	<u>\$ 1,158,513</u>

The accompanying notes are an integral part of these financial statements.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023

<b>Net change in fund balances</b>	\$ (615,369)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases	800,000
Depreciation expense recorded in the current year	<u>(164,055)</u>
	635,945

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:

Loan principal paid	<u>9,889</u>
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<b>Change in net position</b>	<u>\$ 30,465</u>
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The accompanying notes are an integral part of these financial statements.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Port of Arlington have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Port's accounting policies are described below.

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Port. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported for the Port.

**B. Reporting Entity**

The Port of Arlington is authorized by Oregon Revised Statutes (ORS) Chapter 777, as amended, to acquire land, construct buildings, and purchase equipment for industrial, manufacturing, processing, or commercial enterprises, allowing for the development of economic activity, creation of jobs, and the facilitation of trade by developing port facilities, leasing/selling properties, and engaging in related development activities. The financial affairs of the Port are handled from the Port's office under the direction of the Executive Director who is appointed by the board of commissioners. The administration of the Port is vested in an elected five-member board of commissioners.

**C. Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from all of the governmental funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the Port's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Port reports the following major governmental funds:

General Fund - The General Fund accounts for all financial resources of the Port, except those required to be accounted for in another fund. The primary sources of revenue are property taxes and rental income.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Presentation – Fund Financial Statements (Continued)**

**Special Revenue Funds**

*Economic Development Fund* – The Economic Development Fund is used to account for funds set aside for projects that promote economic growth. The primary sources of revenue are rental income and transfers from other funds.

*Gronquist Fund* – The Gronquist Fund accounts for revenues and expenditures related to event space in the Gronquist Community Center. The primary source of revenue is rental income.

**Capital Projects Fund**

*Reserve Fund* – The Reserve Fund is used to account for funds set aside for equipment purchases. The primary source of revenue is transfers from other funds.

Certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting, as described below.

The governmental fund financial statements are reported using the current financial resources measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available expendable financial resources during a given period. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt is reported as an other financing source.

In the government-wide financial statements and the fund financial statements, governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balance/net position, revenues, and expenditures when they result from cash transactions, with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Measurement Focus and Basis of Accounting (Continued)**

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

If the Port utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting and the government-wide financial statements would be presented on the accrual basis of accounting.

**F. Budgetary Information**

Annual budgets are adopted on the cash basis of accounting. The Port budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, and capital projects funds.

The Port begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The board of commissioners legally adopts the budget by resolution prior to the beginning of the Port's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Total personnel services, materials and services, debt service, capital outlay, and contingency for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories, and management may revise the detailed line-item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. A supplemental budget less than 10% of a fund's original budget may be adopted by the board of commissioners at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of commissioners.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of commissioners. The Port does not use encumbrances and appropriations lapse at year end.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Budgetary Information (Continued)**

Budget amounts shown in the financial statements reflect the original budget amounts.

**G. Assets, Liabilities, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The Port's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Investments**

State statutes authorize the Port to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

**3. Capital Assets**

Capital assets resulting from cash transactions, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Port as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

Land and improvements, construction in progress, and impaired assets are not depreciated. The other property, plant, and equipment of the Port are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment and furnishings	5
Buildings and improvements	7-50

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Assets, Liabilities, and Net Position/Fund Balance (Continued)**

**4. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations arising from cash basis transactions are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bond using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Management has determined that the bonds outstanding method approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**5. Net Position Flow Assumption**

Sometimes, the Port will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Port's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**6. Fund Balance Flow Assumption**

Sometimes, the Port will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Port's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Assets, Liabilities, and Net Position/Fund Balance (Continued)**

**7. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Port itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The restricted fund balance classification includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Port's highest level of decision-making authority. The board of commissioners is the highest level of decision-making authority for the Port that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Port for specific purposes but do not meet the criteria to be classified as committed. The board of commissioners has retained the authority to assign fund balance. The board of commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to remove or revise a commitment.

The Port reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Assets, Liabilities, and Net Position/Fund Balance (Continued)**

**7. Fund Balance Policies (Continued)**

- Committed fund balance – amounts constrained to specific purposes by the Port itself, using its highest level of decision-making authority (i.e., board of commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Port takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts that the Port intends to use for a specific purpose. Intent can be expressed by the board of commissioners or by an official or body to which the board of commissioners delegates authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Port has not adopted a minimum fund balance policy.

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

**I. Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Expenditures Over Appropriations**

The Port expended funds in excess of appropriations, which is in violation of Oregon Budget Law. The following appropriations were over-expended for the fiscal year ended June 30, 2023:

Fund	Function	Appropriations	Expenditures	Excess
General	Personnel services	\$ 223,100	\$ 229,714	\$ 6,614
Economic Development	Personnel services	60,760	81,345	20,585
Economic Development	Materials and services	51,100	68,038	16,938
Economic Development	Capital outlay	727,500	806,805	79,305

**B. Supplemental Budget**

The Port adopted a supplemental budget for the fiscal year ended June 30, 2023 subsequent to fiscal year end, which is in violation of Oregon Budget Law.

**C. Deficit Fund Balance**

At June 30, 2023, the Economic Development Fund reported a deficit fund balance of \$137,542. This deficit will be eliminated as resources are obtained.

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. Deposits and Investments**

The Port of Arlington maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. The Port participates in an external investment pool (State of Oregon Local Government Investment Pool (LGIP)). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested, exercising reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments. The portion of the external investment pool that belongs to local government investment participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report (ACFR). A copy of the State's ACFR may be obtained at the Oregon State Treasury, 867 Hawthorne Avenue SE, Salem, Oregon 97301.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* – Unadjusted quoted prices for identical investments in active markets.
- *Level 2* – Observable inputs other than quoted market prices.
- *Level 3* – Unobservable inputs.

The LGIP investments are not required to be categorized under the fair value hierarchy. The fair value of the Port's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the Port to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The Port has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Investments

As of June 30, 2023, the Port had the following investments:

	Credit Quality		Maturities	Fair Value
	Rating			
Oregon Local Government Investment Pool	Unrated		-	\$ 259,504

Interest Rate Risk

The Port does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Concentration of Credit Risk

The Port does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the Port's investments are in the Oregon Local Government Investment Pool.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of a counterparty, the Port will not be able to recover the value of its investments that are in the possession of an outside party. The Port does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the Port's deposits may not be returned. All Port deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The Port holds accounts at Bank of Eastern Oregon, for which the FDIC provides insurance coverage of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts. At June 30, 2023, \$250,000 of the Port's total deposits was insured by the FDIC and the remaining \$695,128 was collateralized by the PFCP.

Deposits

The Port's deposits and investments at June 30, 2023 are as follows:

Checking accounts	\$ 899,009
Investments	<u>259,504</u>
Total deposits and investments	<u>\$ 1,158,513</u>

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**A. Deposits and Investments (Continued)**

Deposits (Continued)

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 1,110,847
Economic Development Fund (book overdraft)	(137,542)
Gronquist Fund	93,061
Reserve Fund	<u>92,147</u>
Total cash and investments	<u>\$ 1,158,513</u>

**B. Capital Assets**

Capital asset activity resulting from modified cash basis transactions for the year ended June 30, 2023 was as follows:

	Restated				
	Beginning				
	Balance	Increases	Decreases		Ending
Governmental activities					
Capital assets not being depreciated					
Land and improvements	\$ 160,166	\$ 180,000	\$ -	\$ 340,166	
Construction in progress	34,582	-	-	34,582	
Impaired assets	<u>31,375</u>	<u>-</u>	<u>-</u>	<u>31,375</u>	
Total capital assets not being depreciated	<u>226,123</u>	<u>180,000</u>	<u>-</u>	<u>406,123</u>	
Capital assets being depreciated					
Buildings and improvements	4,711,789	-	-	4,711,789	
Equipment	68,007	-	-	68,007	
Total capital assets being depreciated	<u>4,779,796</u>	<u>-</u>	<u>-</u>	<u>4,779,796</u>	
Less accumulated depreciation for					
Buildings and improvements	(1,725,816)	(158,127)	-	(1,883,943)	
Equipment	(42,734)	(5,928)	-	(48,662)	
Total accumulated depreciation	<u>(1,768,550)</u>	<u>(164,055)</u>	<u>-</u>	<u>(1,932,605)</u>	
Total capital assets being depreciated, net	<u>3,011,246</u>	<u>(164,055)</u>	<u>-</u>	<u>2,847,191</u>	
Governmental activities capital assets, net	<u>\$ 3,237,369</u>	<u>\$ 15,945</u>	<u>\$ -</u>	<u>\$ 3,253,314</u>	

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**B. Capital Assets (Continued)**

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land and improvements	\$ 340,166	\$ -	\$ 340,166
Construction in progress	34,582	-	34,582
Impaired assets	31,375	-	31,375
Buildings and improvements	4,711,789	(1,883,943)	2,827,846
Equipment	<u>68,007</u>	<u>(48,662)</u>	<u>19,345</u>
Total capital assets	<u><u>\$ 5,185,919</u></u>	<u><u>\$ (1,932,605)</u></u>	<u><u>\$ 3,253,314</u></u>

Depreciation expense was charged to functions/programs of the Port as follows:

Governmental activities	
Port operations	<u><u>\$ 164,055</u></u>

**C. Long-Term Liabilities**

**1. Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities arising from cash transactions for the year ended June 30, 2023:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
Gilliam County economic development loan	2%	<u><u>\$ 200,000</u></u>	<u><u>\$ 111,356</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,889</u></u>	<u><u>\$ 101,467</u></u>	<u><u>\$ 10,223</u></u>

**2. Governmental Activities - Gilliam County Economic Development Loan**

On July 18, 2012, the Port signed a loan agreement with Gilliam County in the amount of \$200,000 for economic development. The loan requires monthly payments of \$1,012, which includes interest of 2%. A final balloon payment of \$59,419 is due on July 18, 2027.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**C. Long-Term Liabilities (Continued)**

**3. Governmental Activities - Interest Expense**

Interest expense for the year ended June 30, 2023 was charged to functions/programs of the Port as follows:

Governmental activities	
Port operations	<u>\$ 2,429</u>

**4. Future Maturities of Long-Term Debt**

Year Ending June 30	Loan		
	Principal	Interest	Total
2024	\$ 10,223	\$ 1,921	\$ 12,144
2025	10,429	1,715	12,144
2026	10,640	1,504	12,144
2027	10,854	1,290	12,144
2028	<u>59,321</u>	<u>98</u>	<u>59,419</u>
Total	<u>\$ 101,467</u>	<u>\$ 6,528</u>	<u>\$ 107,995</u>

**D. Interfund Transfers**

Operating transfers are reflected as other financing sources (uses) in the governmental funds. Interfund transfers during the year ended June 30, 2023 consisted of:

	Transfers in:		
	Economic Development Fund		Reserve Fund
			Total
<b>Transfers out:</b>			
General Fund	<u>\$ 400,000</u>	<u>\$ 11,846</u>	<u>\$ 411,846</u>

The primary purposes of the interfund transfers were to reserve funds for future economic development projects and equipment purchases.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**E. Constraints on Fund Balances**

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Economic Development Fund	Gronquist Fund	Reserve Fund	Total Governmental Funds
Fund balances (deficit):					
Committed to:					
Equipment purchases	\$ -	\$ -	\$ -	\$ 92,147	\$ 92,147
Lease management	-	-	93,061	-	93,061
Unassigned	<u>1,110,847</u>	<u>(137,542)</u>	<u>-</u>	<u>-</u>	<u>973,305</u>
Total fund balances (deficit)	<u>\$ 1,110,847</u>	<u>\$ (137,542)</u>	<u>\$ 93,061</u>	<u>\$ 92,147</u>	<u>\$ 1,158,513</u>

**IV. OTHER INFORMATION**

**A. Risk Management**

The Port is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Port carries commercial insurance. There were no insurance settlements exceeding insurance coverage in any of the past three years.

**B. Salary Reduction Simplified Employee Pension (SARSEP) Plan**

The Port has established a 408(k) plan for all regular full-time employees. Each employee has their own individual retirement account and the Port will contribute up to 12% of the employee's gross wages. For the year ended June 30, 2023, the Port contributed \$20,286. These contributions are recognized as expense and no employer liability existed at year end.

**C. Commitments**

During the year ended June 30, 2023, the Port entered into agreements for professional services totaling \$18,557, all of which remained outstanding at year end.

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**IV. OTHER INFORMATION (Continued)**

**D. Contingencies**

The Port failed to file Forms 941, *Employer's Quarterly Federal Tax Return*, for the third and fourth quarters of 2022. In addition, the Port was informed by the Internal Revenue Service that the payroll reports for calendar year 2021 (Forms W-2, W-3, and 941) did not reconcile and would need to be corrected. Due to both issues, the Port is subject to late filing penalties and interest. As of the issuance date of these financial statements, the amount of potential penalties and interest could not be determined.

**E. Tax Abatements**

The Port of Arlington provides tax abatements through the Low-Income Housing and Strategic Investment Programs of Gilliam County. For the year ended June 30, 2023, the Port abated property taxes totaling \$160,679 from Gilliam County under these programs.

**F. Restatement**

The Port of Arlington has restated beginning net position and fund balance to correct capital asset values, as well as to reflect the change in reporting from accounting principles generally accepted in the United States of America to the modified cash basis of accounting as follows:

<b>Government-Wide Basis</b>		<b>Governmental Activities</b>
Net position - beginning, as originally reported		\$ 4,632,583
To adjust capital asset values as recalculated		253,940
To restate to modified cash basis		<u>13,372</u>
Net position - beginning, as restated		<u>\$ 4,899,895</u>

  

<b>Report and Budget Basis</b>		<b>General Fund</b>
Fund balance - beginning, as originally reported		\$ 1,386,192
To restate to modified cash basis		<u>10,520</u>
Fund balance - beginning, as restated		<u>\$ 1,396,712</u>

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2023

**IV. OTHER INFORMATION (Continued)**

**G. New Pronouncements**

For the fiscal year ended June 30, 2023, the Port implemented the following new accounting standards:

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability of Arrangements - This statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

GASB Statement No. 96, Subscription-Based Information Technology Arrangements - This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

GASB Statement No. 99, Omnibus 2022 - This statement was issued April 2022 and enhances comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to lease implementation, public-private and public-public partnerships and availability payment arrangements, and subscription-based information technology arrangements.

GASB Statement No. 101, Compensated Absences - This statement was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The Port will implement the applicable new GASB pronouncement no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing the following pronouncement:

GASB Statement No. 100, Accounting Changes and Error Corrections - This statement was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**H. Subsequent Events**

Management has evaluated subsequent events through January 27, 2026, which was the date that the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**

**GENERAL FUND**

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
<b>REVENUES</b>			
Property taxes	\$ 149,760	\$ (4,301)	\$ 145,459
Marina user fees	25,250	7,756	33,006
RV park fees	50,000	(21,554)	28,446
Grants and contributions	10,100	5,621	15,721
Rent revenue	136,260	75,601	211,861
Interest	7,000	24,996	31,996
Miscellaneous	100	1,232	1,332
 Total revenues	 378,470	 89,351	 467,821
<b>EXPENDITURES</b>			
Current			
Personnel services	223,100	6,614	229,714
Materials and services	156,500	(48,689)	107,811
Capital outlay	761,900	(757,585)	4,315
Contingency	100,000	(100,000)	-
 Total expenditures	 1,241,500	 (899,660)	 341,840
 Excess (deficiency) of revenues over (under) expenditures	 (863,030)	 989,011	 125,981
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(411,846)	-	(411,846)
 Net change in fund balance	 (1,274,876)	 989,011	 (285,865)
Fund balance - beginning, as restated	1,665,570	(268,858)	1,396,712
 Fund balance - ending	 \$ 390,694	 \$ 720,153	 \$ 1,110,847

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**

**ECONOMIC DEVELOPMENT FUND**

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
<b>REVENUES</b>			
Rental income	<u>\$ 194,500</u>	<u>\$ 20,878</u>	<u>\$ 215,378</u>
<b>EXPENDITURES</b>			
Current			
Personnel services	60,760	20,585	81,345
Materials and services	51,100	16,938	68,038
Debt service	12,145	(1)	12,144
Capital outlay	727,500	79,305	806,805
Contingency	<u>102,344</u>	<u>(102,344)</u>	<u>-</u>
Total expenditures	<u>953,849</u>	<u>14,483</u>	<u>968,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(759,349)</u>	<u>6,395</u>	<u>(752,954)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Net change in fund balance	<u>(359,349)</u>	<u>6,395</u>	<u>(352,954)</u>
Fund balance - beginning	<u>359,349</u>	<u>(143,937)</u>	<u>215,412</u>
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ (137,542)</u>	<u>\$ (137,542)</u>

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**

**GRONQUIST FUND**

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
<b>REVENUES</b>			
Rental income	\$ 88,300	\$ (39,312)	\$ 48,988
Grants and contributions	<u>36,475</u>	<u>(36,475)</u>	-
Total revenues	<u>124,775</u>	<u>(75,787)</u>	48,988
<b>EXPENDITURES</b>			
Current			
Personnel services	21,600	(10,603)	10,997
Materials and services	32,400	(3,728)	28,672
Capital outlay	46,125	(46,125)	-
Contingency	<u>24,650</u>	<u>(24,650)</u>	-
Total expenditures	<u>124,775</u>	<u>(85,106)</u>	39,669
Excess (deficiency) of revenues over (under) expenditures	-	9,319	9,319
Fund balance - beginning	<u>-</u>	<u>83,742</u>	<u>83,742</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 93,061</u>	<u>\$ 93,061</u>

**PORT OF ARLINGTON**  
**Gilliam County, Oregon**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**

**RESERVE FUND**

For the Year Ended June 30, 2023

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual Budget Basis
<b>REVENUES</b>			
Interest	\$ 400	\$ 1,885	\$ 2,285
<b>EXPENDITURES</b>			
Capital outlay	<u>90,194</u>	<u>(90,194)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(89,794)	92,079	2,285
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>11,846</u>	<u>-</u>	<u>11,846</u>
Net change in fund balance	(77,948)	92,079	14,131
Fund balance - beginning	<u>77,948</u>	<u>68</u>	<u>78,016</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 92,147</u>	<u>\$ 92,147</u>

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY  
STATE REGULATIONS**



**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners  
Port of Arlington  
Arlington, Oregon 97812

We have audited the basic financial statements of the Port of Arlington as of and for the year ended June 30, 2023 and have issued our report thereon dated January 27, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Port of Arlington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent considered necessary to address the required comments and disclosures, which included, but were not limited to, the following:

**Deposit of public funds with financial institutions (ORS Chapter 295)**

**Indebtedness limitations, restrictions, and repayment**

**Budgets legally required (ORS Chapter 294)**

**Insurance and fidelity bonds in force or required by law**

**Programs funded from outside sources**

**Authorized investment of surplus funds (ORS Chapter 294)**

**Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)**

In connection with our testing, nothing came to our attention that cause us to believe that the Port was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. The Port expended funds in excess of appropriations, which is in violation of Oregon Budget Law. The following appropriations were over-expended for the fiscal year ended June 30, 2023:

Fund	Function	Appropriations	Expenditures	Excess
General	Personnel services	\$ 223,100	\$ 229,714	\$ 6,614
Economic Development	Personnel services	60,760	81,345	20,585
Economic Development	Materials and services	51,100	68,038	16,938
Economic Development	Capital outlay	727,500	806,805	79,305

2. The Port adopted a supplemental budget for the fiscal year ended June 30, 2023 subsequent to fiscal year end, which is in violation of Oregon Budget Law.

#### **OAR 162-010-0230 Internal Control**

In planning and performing our audit, we considered the Port of Arlington's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for purpose of expressing an opinion on the effectiveness of the Port of Arlington's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Port of Arlington's internal control over financial reporting. However, we noted certain matters that we have reported to management of the Port in a separate letter dated January 27, 2026.

This report is intended solely for the information and use of the board of commissioners and management of the Port of Arlington and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*Accuity, LLC*  
Accuity, LLC  
January 27, 2026