

**PORT OF LEWISTON**

**FINANCIAL STATEMENTS**

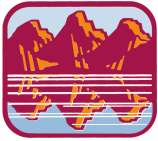
Years Ended June 30, 2016 and 2015

**PORT OF LEWISTON**

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## INDEPENDENT AUDITOR'S REPORT

Port Commissioners  
Port of Lewiston  
Lewiston, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Port of Lewiston as of June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, as listed in the table of contents

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port of Lewiston as of June 30, 2016 and 2015, and the respective changes in financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

The net position of the Port of Lewiston as of July 1, 2014, has been adjusted down by \$242,612 to reflect the Port of Lewiston's share of the net pension liability of the Public Employee's Retirement System of Idaho (PERSI). The Governmental Accounting Standards Board required entities to record this liability and reduce their net position as of July 1, 2014.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of pension funding and budgetary comparison information on pages 6-10 and 24-25, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Report on Summarized Comparative Information*

We have previously audited the Port of Lewiston's 2015 financial statements, and our report dated December 3, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port of Lewiston's basic financial statements. The details of expenses and details of capital assets are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The details of expenses and details of capital assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 details of expenses and details of capital assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2017, on our consideration of the Port of Lewiston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port of Lewiston's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Presnell Gage, PLLC". The signature is written in a cursive, flowing style.

January 9, 2017

## PORT OF LEWISTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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Our discussion and analysis of the Port of Lewiston's financial performance provides an overview of the Port District's financial activities for the year ended June 30, 2016, and future economic considerations.

#### **Overview of the Financial Statements**

The Port's financial statements include two components: the Port's basic financial statements and the notes to the financial statements. This overview and analysis are intended to serve as an introduction to the Port's basic financial statements.

The financial position of the Port of Lewiston is strong. Current assets total \$5,036,536. A portion of cash assets will be utilized in the coming fiscal year to continue to construct the buildout of the dark fiber optic network, infrastructure improvements at the Harry Wall Industrial Park, and continued development of a business incubator building. Additionally, the Port continues to show a positive Change in Net Position.

#### **Condensed Financial Position Information**

The statement of net position presents information concerning the Port's assets, liabilities, and net position. Net position is the difference between assets and liabilities. Increases or decreases in net position may indicate, over time, if either the financial position of the Port is improving or deteriorating.

The following condensed financial information provides an overview of the Port's financial position for the fiscal years ended June 30, 2016 and 2015:

	<u>Net Position</u>	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Total current assets	\$ 5,036,536	\$ 4,635,638
Capital assets	19,633,439	19,669,319
Noncurrent assets		15,000
Deferred outflows - defined benefit pension	108,995	51,705
Total assets	<u>24,778,970</u>	<u>24,371,662</u>
<b>LIABILITIES AND NET POSITION</b>		
Total current liabilities	115,024	75,747
Total noncurrent liabilities	211,487	145,403
Deferred inflows – defined benefit pension	119,000	153,000
Total liabilities	<u>445,511</u>	<u>374,150</u>
<b>TOTAL NET POSITION</b>	<u>\$ 24,333,459</u>	<u>\$ 23,997,512</u>

In 2016, the Port's Change in Net Position (synonymous to net income in the private sector) was a positive \$335,947. In 2016, total assets increased \$407,308 (+1.67 percent), and total liabilities increased \$71,361 (+19.1 percent).

# PORT OF LEWISTON

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Condensed Financial Position Information (Continued)**

The Port recognized a net pension liability of \$184,000 as a result of implementing new accounting pronouncements for pensions this year. PERSI reflects that the pensions are 95 percent funded, which is one of the best rates in the United States.

The Port had a \$501,234 operating loss during fiscal year 2016. However, the operating loss is principally due to depreciation expenses of \$406,469. The actual cash loss for Port operations in fiscal year 2016 was \$36,117. Depreciation expense is not a budgeted operating expense for the Port.

The Port is a multidimensional economic development organization. For example, administrative labor expenses are not solely focused on operating revenues generated from rent and terminal operations. Administrative labor also supports economic development activities such as industrial land development and installing a dark fiber optic network in Lewiston.

### **Summary of Operations and Changes in Net Position**

The statements of revenues, expenses, and changes in net position show how the Port's net position changed during the most recent fiscal year compared to the prior year. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, some revenues and expenses reported in this statement will only affect future periods' cash flows (e.g., uncollected revenues and earned but unused vacation leave).

The table below summarizes the fiscal years 2016 and 2015 change in net position:

	<u>2016</u>	<u>2015</u>
Revenues	\$ 1,869,777	\$ 1,802,716
Expenses	<u>1,533,830</u>	<u>1,612,393</u>
Change in net position	335,947	190,323
Net position, beginning	23,997,512	24,049,801
Change in accounting principle		<u>(242,612)</u>
Net position, ending	<u>\$ 24,333,459</u>	<u>\$ 23,997,512</u>

The Port of Lewiston's operating revenue (see page 12) reflected a decrease of \$158,849 (-13 percent) from \$1,191,424 to \$1,032,575 in 2016. This decrease in operating revenue is primarily attributed to Terminal I (container yard) operations revenue declining 40 percent from \$310,819 to \$185,126 while container yard operating expenses decreased 82 percent. Total Port operating expenses were down just 4 percent or \$59,532 largely due to increases in property development expenses.

Other major revenue sources include Terminal II (warehouse) management operations revenue and building and property rental income. In 2016, Terminal II revenue rose slightly to \$306,535 and rental income decreased \$34,881 from \$516,779 to \$481,898. For 2017, Terminal II and rental income are expected to increase by approximately \$60,000.

For a detailed breakdown of the Port's actual revenue and expenditures for fiscal year 2016 compared to the fiscal year 2016 budget, see "Budgetary Comparison Schedule" on page 25. The fiscal year 2016 Budgetary Comparison Schedule was a \$353,537 increase in net position.

## PORT OF LEWISTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **Notes to the Basic Financial Statements**

The notes to the Port's basic financial statements can be found on pages 15-22 of this report. These notes provide additional information that is essential to a full understanding of the basic financial statements.

#### **Capital Assets**

In 2016, the Port invested \$895,711 (\$643,357 capitalized and \$252,354 non-capitalized expense) in the Land Acquisition and Development (LA&D) Budget. This is compared to \$815,296 invested in 2015. Two major capital projects in fiscal year 2016 include: The construction buildout of the dark fiber optic network (approximately 12 miles of fiber optic line installed) and design for 15 acres of infrastructure site improvements within the Harry Wall Industrial Park.

The LA&D Budget is used to acquire and develop property for job creation and retention purposes. The Port strives to utilize property tax dollars for LA&D purposes. The investment of property tax revenue back into Nez Perce County provides for expansion of the tax base and diversification of the local economy.

#### **Long-Term Debt**

***Net Pension Liability.*** The District recognized a net pension liability of \$184,000 for its share of PERSI's net pension liability. PERSI is one of the strongest retirement systems in the nation, with funding at 95 percent of the pension obligation. The District recognized deferred outflows of \$108,995 for payments made towards the net pension liability and deferred inflows of \$119,000 for the District's share of earnings in excess of the minimum expectation by PERSI.

#### **Economic Factors**

Steamship line service at the Port of Portland was suspended in April 2015 when Hapag-Lloyd and Hanjin steamship lines terminated service. This ended container on barge service on the Columbia/Snake River System. For years, management/labor relations at the Port of Portland have negatively impacted container yard operations/revenues at the Port of Lewiston. Due to poor productivity at the Port of Portland, steamship line service has diminished. Customers in the Portland area and inland ports are demanding that the Port of Portland recruit new steamship line service. We believe the Port of Portland will be successful in their efforts, but not until management / labor relations and productivity levels are improved. This is unlikely to happen in fiscal year 2017.

The Port of Lewiston is working in cooperation with the Port of Whitman County to extend dark fiber optic cable within the City of Lewiston and surrounding areas. Dark fiber development involves the installation of conduit and the fiber optic cable in a phased development plan. The fiber optic strands are then leased to internet service providers that "light" the cable. The Port completed a feasibility study in 2012 describing the proposed development plan. In the coming year, the Port plans to continue construction on the phased buildout of the fiber optic network. The Port Commission will utilize reserve funds to finance the construction of this portion of the network.

The Port Commission entered into an agreement with Clearwater Paper in January 2017 to offload barges at the Port of Lewiston dock facilities. This project will utilize the Port's expanded dock facilities and generate approximately \$75,000 annually.



## PORT OF LEWISTON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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#### **Economic Factors (Continued)**

Clearwater Canyon Cellars moved out of the Business Incubator Building in December 2016. Additionally in 2016, the Port added a suite to the Business Incubator Building. Four suites are currently available for manufacturing business startups. Interest from businesses locating in the Port's Business and Technology Park and the Harry Wall Industrial Park was strong in 2016 and the same is expected in 2017.

#### **Contacting the Port's Financial Management**

This financial report is intended to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Port's finances and to demonstrate the Port's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Port of Lewiston, 1626 6th Avenue North, Lewiston, Idaho, 83501.

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**PORT OF LEWISTON**

STATEMENTS OF NET POSITION  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,813,668	\$ 4,392,184
Taxes receivable	184,124	193,423
Accounts receivable	35,737	47,024
Workers Compensation deposit and other assets	3,007	3,007
Total current assets	5,036,536	4,635,638
CAPITAL ASSETS, at cost less accumulated depreciation of \$10,259,561 (\$9,853,092 in 2015)	19,633,439	19,669,319
NONCURRENT ASSETS		
Rental deposits		15,000
Total noncurrent assets		15,000
DEFERRED OUTFLOW OF RESOURCES		
Defined benefit pension	108,995	51,705
Total assets	24,778,970	24,371,662
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable	58,843	21,195
Accrued expenses	56,181	54,552
Total current liabilities	115,024	75,747
NONCURRENT LIABILITIES		
Rental deposits	27,487	34,403
Net pension liability	184,000	111,000
Total noncurrent liabilities	211,487	145,403
Total liabilities	326,511	221,150
DEFERRED INFLOW OF RESOURCES		
Defined benefit pension	119,000	153,000
NET POSITION		
Invested in capital assets, net of related debt	19,633,439	19,669,319
Unrestricted	4,700,020	4,328,193
TOTAL NET POSITION	\$ 24,333,459	\$ 23,997,512

See accompanying notes

**PORT OF LEWISTON**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Rent	\$ 481,898	\$ 516,779
Terminal I - Dock	185,126	310,819
Terminal II - Warehouse	306,535	306,481
In lieu tax	56,573	57,345
Fiber	2,443	
	<u>1,032,575</u>	<u>1,191,424</u>
OPERATING EXPENSES		
Administration	444,181	356,813
Port commission	38,616	45,356
Terminal I - Dock	65,760	361,750
Terminal II - Warehouse	28,261	22,724
Legal services	26,733	18,289
Accounting services	26,700	20,766
Port promotion	40,235	33,420
Port promotion - economic development	39,953	45,000
General insurance	33,822	47,984
Facilities maintenance	50,344	83,574
Property acquisition/development expense	252,354	71,270
Utilities	23,808	15,244
In lieu tax	56,573	57,345
Depreciation	406,469	413,806
	<u>1,533,809</u>	<u>1,593,341</u>
OPERATING LOSS	<u>(501,234)</u>	<u>(401,917)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	436,564	461,428
Sales tax	109,631	107,376
Interest income	13,945	12,171
Gain on disposition of property	258,772	
Interest expense	(21)	(19,052)
PERSI retirement actuarial charges	18,290	30,317
	<u>837,181</u>	<u>592,240</u>
CHANGE IN NET POSITION	335,947	190,323
NET POSITION AT BEGINNING OF YEAR	23,997,512	24,049,801
CHANGE IN ACCOUNTING PRINCIPLE		(242,612)
NET POSITION AT END OF YEAR	<u>\$ 24,333,459</u>	<u>\$ 23,997,512</u>

See accompanying notes

**PORT OF LEWISTON**

STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2016 and 2015

	<b>2016</b>	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,043,862	\$ 1,206,735
Cash paid to suppliers and employees	<u>(1,079,979)</u>	<u>(1,208,544)</u>
Net cash used by operating activities	<u>(36,117)</u>	<u>(1,809)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Property taxes	<b>445,863</b>	465,487
Sales tax	<b>109,631</b>	107,376
Net cash provided by noncapital financing activities	<u>555,494</u>	<u>572,863</u>
 <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Interest paid	(21)	(19,052)
Bond/loan principal payments		(545,641)
Acquisition of capital assets	<b>(643,357)</b>	(179,333)
Proceeds from sale of land	<b>531,540</b>	
Net cash used by capital financing activities	<u>(111,838)</u>	<u>(744,026)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>13,945</b>	12,171
Net cash provided by investing activities	<u>13,945</u>	<u>12,171</u>
Net change in cash	<b>421,484</b>	(160,801)
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>4,392,184</b></u>	<u>4,552,985</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>\$ 4,813,668</b></u>	<u>\$ 4,392,184</u>
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash paid for interest	<u><b>\$ 21</b></u>	<u>\$ 21,895</u>

See accompanying notes

**PORT OF LEWISTON**

**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2016 and 2015

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	<u>2016</u>	<u>2015</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	<b>\$ (501,234)</b>	\$ (401,917)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	<b>406,469</b>	413,806
Changes in assets:		
Receivables	<b>11,287</b>	15,295
Other assets	<b>0</b>	16
Changes in liabilities:		
Accounts payable	<b>37,648</b>	(2,901)
Accrued liabilities	<b>1,629</b>	(5,661)
Deferred rental income	<b>0</b>	(22,204)
Rental deposits	<b>8,084</b>	1,757
	<hr/>	<hr/>
Net cash used by operating activities	<b><u>\$ (36,117)</u></b>	<b><u>\$ (1,809)</u></b>

See accompanying notes

# PORT OF LEWISTON

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**The Entity.** The Port of Lewiston is a municipal corporation organized in the State of Idaho. The Port operates under a Commissioner/Manager form of government.

The Port's financial statements are prepared in accordance with United States generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Port has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Port has chosen not to do so. The more significant accounting policies established in GAAP and used by the Port are discussed below.

**Budgetary Information.** The Port commission follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to June 14, the Port manager submits to the Port commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted at various times during the year to obtain taxpayer comments.

Budgets are adopted on the modified accrual basis of accounting. Expenditures for acquisition of property, plant, and equipment are budgeted as expenses but capitalized for financial reporting purposes.

**Implementation of GASB Accounting Pronouncements.** The Port implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* ("GASB No. 68") for fiscal year 2015. The net effect of GASB No. 68 for the Port's financial statements is described in the note on changes in accounting principles.

**Cash and Cash Equivalents.** For the purposes of the statement of cash flows, the Port of Lewiston has included the Port's checking account, savings, money market, and certificates of deposit as cash and cash equivalents.

**Capital Assets.** The Port's property, plant, and equipment with useful lives of more than three years are stated at historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated. The Port generally capitalizes assets that meet the following guidelines:

<u>Asset Category</u>	<u>Cost</u>	<u>Life</u>
Equipment and vehicles	\$ 3,000	3 years
Computer equipment	3,000	3 years
Furniture and fixtures	3,000	3 years
Improvements to property	5,000	5 years
Buildings and structures	10,000	10 years

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Capital Assets (Continued).**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Assets are depreciated on the straight-line method over the following estimated useful lives:

Improvements	10 years
Port facilities	10-40 years
Downriver facilities	10-30 years
Furniture and fixtures	10 years
Buildings	30 years
Vehicles	7 years
Computer equipment	3 years

**Pensions.** For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees Retirement System of Idaho (PERSI) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by PERSI. The liability is measured as of July 01, 2015, and current year payments are reported as deferred outflows. PERSI records investments at fair value and benefit payments are recorded when due.

**Compensated Absences.** Based on the Port of Lewiston's personnel manual, in the event of termination, an employee is reimbursed for personal leave days (vacation and sick leave) accumulated. Governmental Accounting Standards Board (GASB) provides that employers shall accrue a liability for employee compensation for future absences if specific conditions are met. The Port meets these conditions with respect to personal leave benefits.

**Use of Estimates.** Management of the Port uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

**Economic Resources Measurement Focus and Accrual Basis of Accounting.** Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Also, this measurement focus distinguishes operating revenues and expenses from nonoperating items. Operating revenues/expenses generally result from providing services and producing and delivering goods related with the fund's principal ongoing operations. All revenues/expenses not meeting this definition are reported as nonoperating.



# PORT OF LEWISTON

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Financial Statements.** The Port of Lewiston uses an enterprise fund to account for the operation's enterprises, where the intent of the governing body is that costs (including depreciation) of providing services be financed or recovered primarily through user charges. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Port fund is considered a major fund for GASB reporting purposes.

**Reclassification.** Certain amounts in the 2015 financial statements have been reclassified to conform with the 2016 presentation with no effect on previously reported net position.

### 2. BANK DEPOSITS

At June 30, 2016, the carrying amount of the Port's deposits was \$4,813,668 and the bank balance was \$4,830,479. Of the bank balance, \$1,233,779 was covered by federal depository insurance. The remaining bank balance of \$3,596,699 was neither insured nor collateralized.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will reduce the value of the Port's investments. The Port does not have a policy regarding interest rate risk.

**Custodial Risk.** Custodial risk is the risk that, in the event of the failure of the investment custodian, the Port will not be able to recover the value of its investments or collateral securities that are in the possession of the custodian. The Port does not have a policy regarding custodial risk.

**Concentration of Credit Risk.** The Port has no policy on the amount they may invest in any one issuer.

### 3. PROPERTY TAXES

In 2014, the Port certified a tax levy for the fiscal year beginning July 1, 2015, and ending June 30, 2016, totaling \$420,000. Property taxes are levied in November and payable to Nez Perce County, Idaho, on December 20 and June 20 following the levy date and are remitted to the Port in the month following collection by the County. A lien is filed on property three years from the date of delinquency.

### 4. ACCOUNTS RECEIVABLE, LAND IMPROVEMENTS, AND DEFERRED REVENUE

Historically, the Port of Lewiston has entered into agreements with tenants where the Port will provide improvements for the benefit of the tenant. These improvements are repaid with payments in addition to the tenants lease payment. These transactions are recorded as receivables from the tenant and deferred outflows.

On other occasions, the Port has entered into lease agreements where the tenant provides improvements for benefit of the Port. The tenant is repaid by receiving a credit against future lease payments. These transactions are recorded by capitalizing the improvements and reflecting the prepaid rent as deferred outflows.

**PORT OF LEWISTON**

**NOTES TO FINANCIAL STATEMENTS**

**5. CAPITAL ASSETS**

At June 30, capital assets consisted of:

	<u>2016</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Industrial park development	\$ 1,012,951			\$ 1,012,951
Capital assets, being depreciated				
Land and improvements	14,755,332	\$ 632,193	\$ (272,768)	15,114,757
Port facilities	11,105,514	11,164		11,116,678
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	300,271			300,271
Vehicles	31,403			31,403
	<u>\$ 29,522,411</u>	<u>\$ 643,357</u>	<u>\$ (272,768)</u>	<u>29,893,000</u>
 Less accumulated depreciation				
Land and improvements	\$ 2,459,644	\$ 132,920		2,592,564
Port facilities	4,806,337	266,966		5,073,303
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	238,768	6,583		245,351
Vehicles	31,403			31,403
	<u>\$ 9,853,092</u>	<u>\$ 406,469</u>	<u>\$ 0</u>	<u>10,259,561</u>
 Net capital assets				<u>\$ 19,633,439</u>
	<u>2015</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Industrial park development	\$ 1,012,951			\$ 1,012,951
Capital assets, being depreciated				
Land and improvements	14,583,799	\$ 171,533		14,755,332
Port facilities	11,097,714	7,800		11,105,514
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	300,271			300,271
Vehicles	31,403			31,403
	<u>\$ 29,343,078</u>	<u>\$ 179,333</u>	<u>\$ 0</u>	<u>29,522,411</u>
 Less accumulated depreciation				
Land and improvements	\$ 2,318,374	\$ 141,270		2,459,644
Port facilities	4,540,384	265,953		4,806,337
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	232,185	6,583		238,768
Vehicles	31,403			31,403
	<u>\$ 9,439,286</u>	<u>\$ 413,806</u>	<u>\$ 0</u>	<u>9,853,092</u>
 Net capital assets				<u>\$ 19,669,319</u>

Depreciation of \$406,469 was charged to the current year operations (\$413,806 for 2015).

## PORT OF LEWISTON

### NOTES TO FINANCIAL STATEMENTS

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#### 6. LONG-TERM DEBT

In 2015 The Port of Lewiston approved an agreement for a Rural Economic Development and Integrated Transportation (REDIFIT) loan program with the Idaho Department of Agriculture, in the amount of \$600,000, for the Port's share of the dock expansion project. The Port of Lewiston made a principal payment of \$545,641 during the same year to pay off the entire amount of the loan.

#### 7. DEFINED BENEFIT PENSION PLAN

**Plan Description.** All permanent full-time employees of the Port participate in the Public Employees Retirement System of Idaho (PERSI), a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov). Financial reports for the Plan are available from PERSI upon request.

**Pension Benefits.** After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2.0 percent of the average monthly salary for the highest consecutive 42 months. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent or more. The PERSI board has the authority to provide higher cost of living increases to a maximum of the *Consumer Price Index* movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

**Member and Employer Contributions.** Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate. As of June 30, 2014, it was 6.79 percent. The employer contribution rate is set by the Retirement Board and was 11.32 percent of covered compensation. The Port of Lewiston's contributions required and paid were \$33,995, \$42,705, and \$46,401 for the three years ended June 30, 2016, 2015, and 2014, respectively.

**PORT OF LEWISTON**

NOTES TO FINANCIAL STATEMENTS

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**7. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

***Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** At June 30, 2016, the Port of Lewiston reported a liability of \$184,000 for its proportionate share of the net pension liability. The net pension liability was measured as of July 01, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port of Lewiston’s proportion of the net pension liability was based on the Port of Lewiston’s share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2015, the Port of Lewiston’s proportion was .000139631 percent.

For the year ended June 30, 2016, the Port of Lewiston recognized a net gain on pension expense of \$18,290. At June 30, 2016, the Port of Lewiston reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2016	\$ 33,995	
Differences between expected and actual experience		\$ 22,000
Changes in assumptions or other inputs	\$ 75,000	
Net difference between projected and actual earnings on pension plan investments		\$ 97,000

The employer contribution will be recognized in pension expense in the following fiscal year. Other deferred outflows and inflows are being amortized over 5.6 years. The projected amount to be included in pension expense (benefit) is as follows:

2017	\$	15,233
2018		(18,762)
2019		(18,762)
2020		13,618
2021		(1,332)

***Actuarial Assumptions.*** Valuations are based upon actuarial assumptions, benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year’s earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under *Idaho Code* is 25 years.

**PORT OF LEWISTON**

NOTES TO FINANCIAL STATEMENTS

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**7. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued).** The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Table - RP - 2000 combined table for healthy males and females with appropriate offsets.			
Inflation	3.25%		
Salary inflation	3.75%	Salary increases	4.5%-10.25%
Investment return	7.1%	Discount rate	7.1%

Sensitivity – a 1% change in the discount rate would affect the Port’s net pension liability as follows:			
	1% Decrease	7.1% rate used	1% Increase
Port Net Pension Liability	\$ 448,000 liability	\$ 184,000 liability	\$ 36,000 asset

**8. MANAGEMENT AGREEMENT**

The Port of Lewiston entered into an agreement to continue with Inland 465 to manage the Port’s 150,000 square foot warehouse. The Port’s share of the revenue generated from the warehouse operations is derived from a base monthly payment. The agreement expires December 31, 2022.

**9. RISK MANAGEMENT**

The Port has insurance coverage through a private carrier, providing liability, property, and casualty insurance. The Port is insured to \$3,000,000 for liability coverage, \$20,000,000 in property coverage, and \$10,000 to \$1,700,000 for equipment coverage. Deductible amounts range from \$100 to \$10,000 per policy period.

**10. LEASE COMMITMENTS**

The Port is the lessor of a number of leases of commercial real estate within the boundary of the Port. The future minimum rental income for non-cancelable leases is as follows:

June 30, 2017	\$ 90,709
June 30, 2018	67,832
June 30, 2019	68,138
June 30, 2020	68,138
June 30, 2021	68,848
Thereafter	198,808
	<u>\$ 562,473</u>

**11. CHANGE IN ACCOUNTING PRINCIPLE**

Net position as of June 30, 2015, has been restated as follows for the implementation of GASB Statement No. 68, as amended by GASB Statement No.71. PERSI has not completed actuarial studies to determine the balances for years prior to June 30, 2015, so comparative information has not been disclosed for the year ended June 30, 2015.

**PORT OF LEWISTON**

**NOTES TO FINANCIAL STATEMENTS**

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**11. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)**

Net position as previously reported at June 30, 2015	<u>\$ 24,049,801</u>
Change in accounting principle:	
Net pension liability (measurement date as of June 30, 2015)	(289,000)
Deferred outflows:	
Port contributions made during fiscal year 2015	<u>46,388</u>
Total change in accounting principle	<u>(242,612)</u>
Net position as restated June 30, 2015	<u>\$ 23,807,189</u>

**12. SUBSEQUENT EVENT**

Management has evaluated subsequent events through January 9, 2017, the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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**PORT OF LEWISTON**

**SCHEDULE OF PENSION FUNDING**  
Year Ended June 30, 2016

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability		Net Pension Liability as % of Covered Payroll
						%	Amount	
2006	\$ 35,073	\$ 35,073	\$ 0	\$ 337,600	10.39%	(1)	(1)	
2007	35,978	35,978	0	346,300	10.39%	(1)	(1)	
2008	42,452	42,452	0	408,600	10.39%	(1)	(1)	
2009	39,323	39,323	0	378,500	10.39%	(1)	(1)	
2010	34,398	34,398	0	331,100	10.39%	(1)	(1)	
2011	35,335	35,335	0	340,100	10.39%	(1)	(1)	
2012	39,039	39,039	0	375,700	10.39%	(1)	(1)	
2013	42,123	42,123	0	405,400	10.39%	(1)	(1)	
2014	46,401	46,401	0	409,900	11.32%	(1)	\$ 289,000	71%
2015	42,705	42,705	0	377,300	11.32%	0.0151262%	111,000	29%
2016	33,995	33,995	0	300,300	11.32%	0.0139631%	184,000	61%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.



**PORT OF LEWISTON**

**BUDGETARY COMPARISON SCHEDULE**  
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Tax levy	\$ 420,000	\$ 423,500	\$ 436,564	\$ 13,064
Sales tax	105,000	109,000	109,631	631
Lieu tax	58,461	56,573	56,573	
Terminal revenue	320,000	407,300	491,661	84,361
Rentals	488,472	475,160	481,898	6,738
Dark Fiber Optic	7,500	2,400	2,443	43
Other income				
Sale of Land		565,861	565,861	
Interest	8,000	13,700	13,945	245
Prior revenue carryover	732,311	0		
Tax replacement funds	12,217	12,080		(12,080)
Total revenues	<u>2,151,961</u>	<u>2,065,574</u>	<u>2,158,576</u>	<u>93,002</u>
<b>EXPENDITURES</b>				
General operations				
Port commission				
Per diem	11,000	12,000	12,320	(320)
Fringe benefits	1,143	1,400	1,456	(56)
Travel	11,300	12,600	10,321	2,279
Other expense	18,750	16,750	14,519	2,231
Port administration				
Salaries	244,689	255,600	250,886	4,714
Fringe benefits	101,368	95,500	105,065	(9,565)
Travel	21,500	19,500	19,298	202
Other expense	26,850	26,850	33,983	(7,133)
Equipment	1,000	2,750	2,547	203
Navigation issues	25,000	33,500	32,402	1,098
Legal services	16,000	28,183	26,733	1,450
Accounting and auditing	26,000	27,000	26,700	300
General promotion	28,300	39,000	40,235	(1,235)
Partnerships/Grants	40,000	40,500	39,953	547
General insurance	30,000	35,000	33,822	1,178
Facilities maintenance	49,000	52,000	50,344	1,656
Utilities	22,000	23,500	23,808	(308)
Lieu tax	58,461	56,573	56,573	
Terminal operations	66,000	88,000	94,021	(6,021)
Land acquisition/development	1,353,600	1,199,368	930,053	269,315
Total expenditures	<u>2,151,961</u>	<u>2,065,574</u>	<u>1,805,039</u>	<u>260,535</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 353,537</u>	<u>\$ 353,537</u>

The Port budgets revenue and expenses on a comprehensive basis of accounting other than United States generally accepted accounting principles (GAAP). Bond receipts and sale of property revenues are budgeted as gross receipts. Debt principal payments and property acquisitions are budgeted as current expenses. Depreciation and amortization are not budgeted.

Change in net position, GAAP basis	\$ 335,947
Basis of capital land sold	272,768
Depreciation and amortization expense	406,469
Property acquisitions	(643,357)
PERSI retirement actuarial changes	<u>(18,290)</u>
Change in net position, budget basis	<u>\$ 353,537</u>

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SUPPLEMENTARY INFORMATION

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## INDEPENDENT AUDITOR'S REPORT – GOVERNMENT AUDITING STANDARDS

Port Commissioners  
Port of Lewiston  
Lewiston, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Port of Lewiston, as of June 30, 2016, and the related notes to the financial statements, which collectively comprise the Port of Lewiston's basic financial statements and have issued our report thereon dated January 9, 2017.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port of Lewiston's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Lewiston's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port of Lewiston's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiency (Finding #2016-001).

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Port of Lewiston's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The Port of Lewiston's Response to Findings**

The Port of Lewiston's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Port of Lewiston's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Presnell Gage, PLLC". The signature is written in a cursive, flowing style.

January 9, 2017

**PORT OF LEWISTON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2016

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**SIGNIFICANT DEFICIENCY**

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Finding #2016-001

*Criteria:* Internal control systems generally attempt to divide up accounting tasks among multiple individuals (segregation of duties) to improve the ability of the organization to identify errors within the accounting system.

*Condition:* The Port of Lewiston has concentrated many accounting duties to a few individuals such that the desired segregation of duties is not possible. There are a limited number of personnel available to provide for the desired "segregation of duties."

*Effect:* Many accounting duties are performed by a single individual with limited oversight available within the Port of Lewiston.

*Response:* The Port's management and Commissioners believe that the cost of hiring additional accounting staff outweighs the benefits that segregation of duties would provide.

*Recommendation:* We concur with the Port's response.

**PORT OF LEWISTON**

DETAILS OF EXPENSES  
Years Ended June 30, 2016 and 2015

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	<u>2016</u>		
	<u>Administration</u>	<u>Port Commission</u>	<u>Terminals</u>
Salaries	\$ 250,886	\$ 12,320	\$ 35,889
Fringe benefits and payroll taxes	105,065	1,456	10,239
Travel	19,298	10,321	
Other	33,983	14,519	3,745
Navigational issues	32,402		
Equipment repairs and maintenance	2,547		33,309
Facilities maintenance			118
Insurance			10,721
	<u>\$ 444,181</u>	<u>\$ 38,616</u>	<u>\$ 94,021</u>
	<u>2015</u>		
	<u>Administration</u>	<u>Port Commission</u>	<u>Terminals</u>
Salaries	\$ 199,853	\$ 13,613	\$ 137,793
Fringe benefits and payroll taxes	82,710	1,596	68,528
Travel	15,640	11,512	
Other	29,489	18,635	11,731
Navigational issues	24,800		
Equipment repairs and maintenance	4,321		116,645
Facilities maintenance			7,807
Insurance			18,528
Utilities			11,284
Office expenses			12,158
	<u>\$ 356,813</u>	<u>\$ 45,356</u>	<u>\$ 384,474</u>

**PORT OF LEWISTON**

DETAILS OF CAPITAL ASSETS  
June 30, 2016

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LAND AND IMPROVEMENTS

Fredrickson Addition to Lewiston, Idaho	
Lot 16	\$ 33,020
Lot 9	41,396
South 175 feet of Lot 17, Lot 18 except the South 175 feet thereof, Lot 19 and approximately 5.15 acres, Section 30, Township 36 North, Range 5 WBM	48,519
7th Avenue North Property	54,000
An unplatted parcel of land containing approximately 2.03 acres in Section 30, Township 36 North, Range 5 WBM	133,000
Indian Cache Ranch First Addition to Lewiston, Idaho	
Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 20, 21, 22, and 26, Block 3	304,805
Lots 14, 15, 16, 17, 18, and 19, Block 5	72,552
Indian Cache Ranch Second Addition to Lewiston, Idaho	
Lots 2, 3, and 4, Block 1	72,500
Lots 5, 6, and 7, Block 1	49,719
Lots 1, 2, 3, 7, 8, 9, 10, 22, 23, 24, and 25, Block 2	87,872
Lot 4, Block 3	25,123
Lot 23, Block 9	2,250
Kaisaki Tract, approximately 32.78 acres	336,546
Weaskus Addition to Lewiston, Idaho	
Lots 7, 8, 9, 10, 11, and 12, Block 1	114,688
Lots 1, 2, 3, 10, 11, and 12, Block 2	131,062
Lots 1 through 12, Block 4	24,751
Lots 1 through 12, Block 5	23,068
Lots 1 through 12, Block 6	24,751
Lots 1 through 12, Block 7	131,120
Lots 1 through 6, and 10 through 12, Block 8	182,817
Lots 1 through 12, Block 9	84,518
Lots 1 through 12, Block 10	63,116
Lots 1 through 12, Block 11	27,338
Lots 1, 2, parts of 3, 4, 5, 6, 11, and 12, Block 12	15,000
Lots 7, 8, and 9, Block 8	68,836
An unplatted parcel of land adjoining Blocks 11 and 12 containing approximately 6 acres	70,005
An unplatted parcel of land containing approximately 9.36 acres located in the South 1/2 of Section 25, Township 36, Range 6 WBM	17,263
Lewiston Roundup Association property containing:	
Lots 2 and 3, Section 31, Township 36 North, Range 5 WBM, excepting portions belonging to U.S. Government and Lewis-Clark Terminal Association	
Indian Cache Ranch Second Addition to Lewiston, Idaho	
Lots 11 through 21, Block 2	
Indian Cache Ranch First Addition to Lewiston, Idaho	
Lots 14 through 19, Block 3	
Lots 14 through 19, Block 4	1,982,859
Balance forward	4,222,494

**PORT OF LEWISTON**

DETAILS OF CAPITAL ASSETS  
June 30, 2016

<b>LAND AND IMPROVEMENTS (CONTINUED)</b>	
Balance forward	\$ 4,222,494
Weaskus Addition to Lewiston, Idaho	
Parcel: Lots 4, 5, 6, 7, 8, and 9, Block 2, and Lots 3, 4, 5, 6, 7, 8, 9, and 10, Block 3	
Parcel: Lots 1, 2, 11, and 12, Block 3 and the vacated alley lying adjacent to all lots in Parcel 1 and 2 above and that portion of vacated 16th Street North lying adjacent to Lots 6 and 7 in Block 2 and Lots 1 and 12 in Block 3	945,285
Industrial park development containing approximately 115 acres in Section 30, Township 36 North, Range 5 WBM	714,809
Industrial Development District containing approximately	
Wright Property	150,000
Zelma Smith property	60,153
Business Technology Park	1,364,820
Twin City Foods Property - Parcel 1 and 2	244,468
Twin City Foods Property - Parcel 3	121,660
Twin City Foods Property - Parcel 4	115,809
Easements	29,589
Relocation	18,000
General land costs, principally engineering	486,382
Site development costs	6,984,050
Fiber Optic	670,188
	16,127,707
Accumulated depreciation	2,592,564
	13,535,143
 <b>PORT FACILITIES</b>	
Dock facilities	6,764,361
Warehouse	4,075,636
Truck area	10,756
Equipment	265,925
	11,116,678
Accumulated depreciation	5,073,303
	6,043,375
 <b>DOWNRIVER FACILITIES</b>	
Access road	121,663
Facilities	2,188,109
	2,309,772
Accumulated depreciation	2,309,772
	0
 <b>BUILDINGS</b>	
	300,272
Accumulated depreciation	245,351
	54,921
 <b>FURNITURE AND FIXTURES</b>	
	7,168
Accumulated depreciation	7,168
	0
 <b>VEHICLE</b>	
	31,403
Accumulated depreciation	31,403
	0
	<b>\$ 19,633,439</b>