

PORT OF LEWISTON

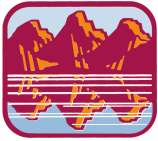
FINANCIAL STATEMENTS

Years Ended June 30, 2018 and 2017

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 (Port) as of and for the years ended June 30, 2018 and 2017, 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, 2018 and 2017, 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.

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 25-26, 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 2017 financial statements, and our report dated November 21, 2017, 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, 2017, 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 November 30, 2018, 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.

Presnell Gage, PLLC

November 30, 2018

PORT OF LEWISTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2018, 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. The Port's current assets total \$4,726,252 and have no long-term debt. 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, rail improvements, industrial park improvements, and continued facility improvements. 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, 2018 and 2017:

	<u>Net Position</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Total current assets	\$ 4,726,252	\$ 4,663,803
Capital assets	<u>20,648,756</u>	<u>20,582,593</u>
Total assets	<u>25,375,008</u>	<u>25,246,396</u>
DEFERRED OUTFLOWS – defined benefit pension	<u>60,000</u>	<u>136,224</u>
LIABILITIES AND NET POSITION		
Total current liabilities	178,554	276,491
Total noncurrent liabilities	<u>186,078</u>	<u>228,050</u>
Total liabilities	<u>364,632</u>	<u>504,541</u>
DEFERRED INFLOWS – defined benefit pension	<u>23,000</u>	<u>66,000</u>
TOTAL NET POSITION	<u>\$ 25,047,376</u>	<u>\$ 24,812,079</u>

In 2018, the Port's change in net position (synonymous to net income in the private sector) was a positive \$235,297 (down 50 percent from 2017). In 2018, total assets increased \$128,612 (+0.002 percent), and total liabilities decreased \$139,909 (-27.7 percent).

PORT OF LEWISTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed Financial Position Information (Continued)

The Port had a \$338,390 operating loss during fiscal year 2018. However, the operating loss is principally due to depreciation expenses of \$440,090. The actual increase for Port operations in fiscal year 2018 was \$235,297 (positive). 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 2018 and 2017 change in net position:

	<u>2018</u>	<u>2017</u>
Revenues	\$ 1,704,600	\$ 1,804,306
Expenses	<u>1,469,303</u>	<u>1,325,686</u>
Change in net position	235,297	478,620
Net position, beginning	<u>24,812,079</u>	<u>24,333,459</u>
Net position, ending	<u>\$25,047,376</u>	<u>\$24,812,079</u>

The Port of Lewiston's operating revenue (see page 12) reflected a decrease of \$60,313 (5 percent) from \$1,191,226 to \$1,130,913 in 2018. All revenue sources increased in 2018 except for "other" revenue. The decrease in "other" revenue in 2018 is primarily attributed to two unique revenue sources in 2017. The City of Lewiston refunded \$70,111 for the Port's pre-paid share of the 18th Street North improvements and \$65,969 from sale of stockpiled rock accounting for the majority of the 2017 "other" revenue.

Major revenue sources include Terminal II (warehouse) management operations revenue and building and property rental income. In 2018, Terminal II revenue rose slightly to \$330,872 and rental income increased \$12,125 from \$454,967 to \$467,092. For 2019, Terminal II and rental income are not expected to significantly change.

Revenue from expansion of the Port's dark fiber optic network increased \$33,719 (+71.2%). Demand for leasing fiber strands by Internet Service Providers (ISP's) is expected to be strong in 2019.

Total Port operating expenses were up \$143,857 (+10.8%) largely due to increases in property development expenses (+\$12,537), Terminal II warehouse expenses (+\$21,953), and depreciation (+\$44,298). Depreciation expense increases as the Port continues to buildout the fiber optic network.

PORT OF LEWISTON

MANAGEMENT'S DISCUSSION AND ANALYSIS

For a detailed breakdown of the Port's actual revenue and expenditures for fiscal year 2018 compared to the fiscal year 2018 budget, see the "Budgetary Comparison Schedule" on page 26. The fiscal year 2018 Budgetary Comparison Schedule was a \$159,358 increase in net position.

Notes to the Basic Financial Statements

The notes to the Port's basic financial statements can be found on pages 15-23 of this report. These notes provide additional information that is essential to a full understanding of the basic financial statements.

Capital Assets

In 2018, the Port invested \$584,062 (\$506,253 capitalized and \$77,809 non-capitalized expense) in the Land Acquisition and Development (LA&D) Budget. This is compared to \$1,410,218 invested in 2017. Two major capital projects in fiscal year 2018 include: The construction buildout of the dark fiber optic network (approximately 24 miles of fiber optic line installed) and the construction of 13.2 acres of 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 \$158,000 for its share of the Public Employee Retirement System of Idaho's (PERSI) 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 \$60,000 for payments made towards the net pension liability and deferred inflows of \$23,000 for the District's share of earnings in excess of the minimum expectation by PERSI.

Economic Factors

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 began installing dark fiber optic cable in 2016 and currently has approximately 24 miles of cable installed within the City of Lewiston. 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.

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. While the Port of Portland continues to recruit container steamship lines, it is doubtful that the Port of Lewiston will see the return of container barges in fiscal year 2019.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors (Continued)

The Port began unloading Clearwater Paper sawdust barges in July 2017. This project is expected to generate revenues of approximately \$80,000 - \$100,000 annually.

Interest from businesses locating in the Port's Business and Technology Park, the Harry Wall Industrial Park, and the Business Incubator Building was down somewhat in 2018. However, considering recent inquiries, we expect interest to increase in 2019.

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, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,472,071	\$ 4,437,283
Taxes receivable	176,746	178,468
Accounts receivable	75,018	45,873
Workers Compensation deposit and other assets	2,417	2,179
Total current assets	4,726,252	4,663,803
CAPITAL ASSETS, at cost less accumulated depreciation of \$11,095,443 (\$10,655,353 in 2017)	20,648,756	20,582,593
Total assets	25,375,008	25,246,396
DEFERRED OUTFLOW OF RESOURCES		
Defined benefit pension	60,000	136,224
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	110,719	209,134
Accrued expenses	67,835	59,357
Deferred rental income	8,000	8,000
Total current liabilities	178,554	276,491
NONCURRENT LIABILITIES		
Rental deposits	28,078	27,050
Net pension liability	158,000	201,000
Total noncurrent liabilities	186,078	228,050
Total liabilities	364,632	504,541
DEFERRED INFLOW OF RESOURCES		
Defined benefit pension	23,000	66,000
NET POSITION		
Net investment in capital assets	20,648,756	20,582,593
Unrestricted	4,398,620	4,229,486
TOTAL NET POSITION	\$ 25,047,376	\$ 24,812,079

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Rent	\$ 467,092	\$ 454,967
Terminal I - Dock	191,025	176,894
Terminal II - Warehouse	330,872	320,323
In lieu tax	57,791	55,473
Fiber	81,058	47,339
Other	3,075	136,230
	<u>1,130,913</u>	<u>1,191,226</u>
OPERATING EXPENSES		
Administration	430,803	431,803
Port commission	56,257	48,128
Terminal I - Dock	111,593	67,938
Terminal II - Warehouse	29,018	7,065
Legal services	7,327	10,972
Accounting services	27,300	26,700
Port promotion	56,175	50,016
Port promotion - economic development	36,000	39,953
General insurance	50,460	29,382
Facilities maintenance	66,001	71,396
Property acquisition/development expense	77,809	65,272
Utilities	22,679	25,556
In lieu tax	57,791	55,473
Depreciation	440,090	395,792
	<u>1,469,303</u>	<u>1,325,446</u>
OPERATING LOSS	<u>(338,390)</u>	<u>(134,220)</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	422,223	411,128
Sales tax	114,853	111,556
Tax replacement funds	11,975	11,975
Interest income	14,860	15,192
Interest expense		(240)
PERSI retirement actuarial charges	9,776	63,229
	<u>573,687</u>	<u>612,840</u>
CHANGE IN NET POSITION	235,297	478,620
NET POSITION AT BEGINNING OF YEAR	<u>24,812,079</u>	<u>24,333,459</u>
NET POSITION AT END OF YEAR	<u>\$ 25,047,376</u>	<u>\$ 24,812,079</u>

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,101,530	\$ 1,181,918
Cash paid to suppliers and employees	(1,126,122)	(768,624)
Net cash provided (used) by operating activities	(24,592)	413,294
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	423,945	416,784
Sales tax	114,853	111,556
Tax replacement funds	11,975	11,975
Net cash provided by noncapital financing activities	550,773	540,315
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Interest paid		(240)
Acquisition of capital assets	(506,253)	(1,344,946)
Net cash used by capital financing activities	(506,253)	(1,345,186)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	14,860	15,192
Net cash provided by investing activities	14,860	15,192
Net change in cash	34,788	(376,385)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,437,283	4,813,668
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,472,071	\$ 4,437,283
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 0	\$ 240

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (338,390)	\$ (134,220)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	440,090	395,792
Changes in assets:		
Receivables	(29,145)	(10,136)
Other assets	(238)	828
Changes in liabilities:		
Accounts payable	(98,415)	150,291
Accrued liabilities	8,478	3,176
Deferred rental income	(8,000)	8,000
Rental deposits	1,028	(437)
Net cash provided (used) by operating activities	<u>\$ (24,592)</u>	<u>\$ 413,294</u>

See accompanying notes

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

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). 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.

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

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 Employee 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, 2017, 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

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 2017 financial statements have been reclassified to conform with the 2018 presentation with no effect on previously reported net position.

2. BANK DEPOSITS

At June 30, 2018, the carrying amount of the Port's deposits was \$4,472,071 and the bank balance was \$4,496,899. Of the bank balance, \$1,234,071 was covered by federal depository insurance. The remaining bank balance of \$3,262,828 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 2017, the Port certified a tax levy for the fiscal year beginning July 1, 2017, and ending June 30, 2018, totaling \$415,000. 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.

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NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN

Plan Description. All permanent full-time employees of the Port participate in the Public Employee 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. Financial reports for the Plan are available from PERSI upon request.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the board.

Pension Benefits. The Base Plan provides for retirement, disability and death, and survivor benefits of eligible members or beneficiaries. Benefits are based upon members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with 5 years of credited services (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classifications. The annual service retirement allowance for each month of credited service is 2.0 percent of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. 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, 2018, 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 \$35,407, \$34,224, and \$33,995 for the three years ended June 30, 2018, 2017, and 2016, respectively.

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

6. 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, 2018, the Port of Lewiston reported a liability of \$158,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2017, the Port of Lewiston's proportion was .0100705 percent.

For the year ended June 30, 2018, the Port of Lewiston recognized a net gain on pension expense of \$9,776. At June 30, 2018, 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	\$ 35,000	
Differences between expected and actual experience		\$ 14,000
Changes in assumptions or other inputs	\$ 25,000	
Net difference between projected and actual earnings on pension plan investments		\$ 9,000

Deferred outflows of resources in the amount of \$35,000 related to pensions resulting from employee contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

The average of the expected remaining service lives of all employees that are provided with pensions through PERSI (active and inactive employees) determined at July 1, 2016, the beginning of the measurement period ended June 30, 2017, is 4.9 and 5.5 for the measurement period ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

2019	\$ 19,600
2020	26,700
2021	7,600
2022	(16,900)
2023	0

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 for the Base Plan permitted under Section 59-1322, Idaho Code is 25 years.

The total pension liability in the June 30, 2017, 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%

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- Set back 1 year for all general employees and all beneficiaries

An experience study was performed for the period July 1, 2007 through June 30, 2013, which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability as of June 30, 2017, is based on the results of an actuarial valuation date of July 1, 2017.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach, which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System’s asset allocation. The assumptions and the System’s formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of the System’s assets.

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued). The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of January 1, 2017, are:

CAPITAL MARKET ASSUMPTIONS

<u>Asset Class</u>	<u>Expected Return</u>	<u>Expected Risk</u>	<u>Strategic Normal</u>	<u>Strategic Ranges</u>
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
	<u>Expected Return</u>	<u>Expected Inflation</u>	<u>Expected Real Return</u>	<u>Expected Risk</u>
<u>Total Fund</u>				
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

Expected arithmetic return net of fees and expenses

Actuarial Assumptions

Assumed inflation – mean	3.25%
Assumed inflation – standard deviation	2.00%
Portfolio arithmetic mean return	8.42%
Portfolio long-term expected geometric rate of return	7.50%
Assumed investment expenses	<u>0.40%</u>
Long-term expected geometric rate of return, Net of investment expenses	<u>7.10%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

PORT OF LEWISTON

NOTES TO FINANCIAL STATEMENTS

6. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Port of Lewiston’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Port of Lewiston’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the Port of Lewiston’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1 % Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Port of Lewiston’s proportionate share of the net pension liability (asset)	\$ 367,000	\$ 158,000	\$ (16,000)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERSI financial report. 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.

7. 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.

8. 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.

9. 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, 2019	\$ 498,031
June 30, 2020	423,351
June 30, 2021	351,547
June 30, 2022	328,781
June 30, 2023	180,914
Thereafter	887,741
	<u>\$ 2,670,365</u>

10. SUBSEQUENT EVENT

Management has evaluated subsequent events through November 30, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF LEWISTON

SCHEDULE OF PENSION FUNDING
Year Ended June 30, 2018

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	
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%
2017	34,224	34,224	0	302,300	11.32%	0.0099165%	201,000	66%
2018	35,407	35,407	0	312,800	11.32%	0.0100705%	158,000	51%

(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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Tax levy	\$ 405,000	\$ 410,000	\$ 422,223	\$ 12,223
Sales tax	105,000	112,000	114,853	2,853
Lieu tax	58,897	57,791	57,791	
Terminal revenue	457,000	496,000	521,897	25,897
Rentals	465,363	470,000	467,092	(2,908)
Dark Fiber Optic	31,000	81,000	81,058	58
Other income				
Miscellaneous		3,000	3,075	75
Interest	11,000	14,650	14,860	210
Prior revenue carryover		75,000		(75,000)
Tax replacement funds	12,000	12,000	11,975	(25)
Total revenues	<u>1,545,260</u>	<u>1,731,441</u>	<u>1,694,824</u>	<u>(36,617)</u>
EXPENDITURES				
General operations				
Port commission				
Per diem	13,000	13,000	12,360	640
Fringe benefits	1,350	1,350	848	502
Travel	12,500	13,500	10,091	3,409
Other expense	20,900	20,900	32,958	(12,058)
Port administration				
Salaries	253,760	255,000	258,803	(3,803)
Fringe benefits	104,672	103,000	111,766	(8,766)
Travel	21,500	15,000	11,873	3,127
Other expense	33,500	33,500	32,558	942
Equipment	1,000	2,000	1,998	2
Navigation issues	31,000	19,000	13,805	5,195
Legal services	13,000	10,000	7,327	2,673
Accounting and auditing	28,000	28,000	27,300	700
General promotion	55,350	52,000	56,175	(4,175)
Partnerships/Grants	40,000	38,500	36,000	2,500
General insurance	35,000	38,500	50,460	(11,960)
Facilities maintenance	53,500	72,500	66,001	6,499
Utilities	23,000	29,000	22,679	6,321
Lieu tax	58,897	57,791	57,791	
Terminal operations	130,175	103,000	140,611	(37,611)
Land acquisition/development	615,156	825,900	584,062	241,838
Total expenditures	<u>1,545,260</u>	<u>1,731,441</u>	<u>1,535,466</u>	<u>195,975</u>
CHANGE IN NET POSITION	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 159,358</u>	<u>\$ 159,358</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	\$ 235,297
Depreciation	440,090
Property acquisitions	(506,253)
PERSI retirement actuarial changes	<u>(9,776)</u>
Change in net position, budget basis	<u>\$ 159,358</u>

SUPPLEMENTARY INFORMATION



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, 2018, 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 November 30, 2018.

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 #2018-001).

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 no 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.

November 30, 2018

PORT OF LEWISTON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

SIGNIFICANT DEFICIENCY

Finding #2018-001

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, 2018 and 2017

	<u>2018</u>		
	<u>Administration</u>	Port <u>Commission</u>	<u>Terminals</u>
Salaries	\$ 258,803	\$ 12,360	\$ 38,730
Fringe benefits and payroll taxes	111,766	848	14,333
Travel	11,873	10,091	
Other	32,558	32,958	36,735
Navigational issues	13,805		
Equipment repairs and maintenance	1,998		33,110
Facilities maintenance			750
Insurance			16,953
	<hr/>	<hr/>	<hr/>
	<u>\$ 430,803</u>	<u>\$ 56,257</u>	<u>\$ 140,611</u>
	<u>2017</u>		
	<u>Administration</u>	Port <u>Commission</u>	<u>Terminals</u>
Salaries	\$ 259,839	\$ 13,212	\$ 32,354
Fringe benefits and payroll taxes	108,630	951	14,332
Travel	16,394	17,294	
Other	32,315	16,671	190
Navigational issues	14,079		
Equipment repairs and maintenance	546		10,746
Facilities maintenance			
Insurance			17,381
	<hr/>	<hr/>	<hr/>
	<u>\$ 431,803</u>	<u>\$ 48,128</u>	<u>\$ 75,003</u>

PORT OF LEWISTON

DETAILS OF CAPITAL ASSETS
June 30, 2018

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, 2018

LAND AND IMPROVEMENTS (CONTINUED)	
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	7,178,267
Fiber Optic	2,284,366
	<u>17,936,102</u>
Accumulated depreciation	<u>2,884,135</u>
	<u>15,051,967</u>
 PORT FACILITIES	
Dock facilities	6,764,361
Warehouse	4,118,440
Truck area	10,756
Equipment	265,925
	<u>11,159,482</u>
Accumulated depreciation	<u>5,604,448</u>
	<u>5,555,034</u>
 DOWNRIVER FACILITIES	
Access road	121,663
Facilities	2,188,109
	<u>2,309,772</u>
Accumulated depreciation	<u>2,309,772</u>
	<u>0</u>
 BUILDINGS	
	300,272
Accumulated depreciation	<u>258,517</u>
	<u>41,755</u>
 FURNITURE AND FIXTURES	
	7,168
Accumulated depreciation	<u>7,168</u>
	<u>0</u>
 VEHICLE	
	31,403
Accumulated depreciation	<u>31,403</u>
	<u>0</u>
	<u><u>\$ 20,648,756</u></u>