PORT OF LEWISTON

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022

PORT OF LEWISTON

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3-5
MANAGEMENT'S DISCUSSION AND ANALYSIS (M D & A)	6-10
BASIC FINANCIAL STATEMENTS	
Statements of Net Position	11
Statements of Revenues, Expenses, and Changes in Net Position	12
Statements of Cash Flows	13-14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION (RSI)	
Schedule of Pension Funding – 2023	26
Budgetary Comparison Schedule – 2023	27
SUPPLEMENTARY INFORMATION	
Independent Auditor's Report – *Government Auditing Stand*ards - 2023	29-30
Schedule of Findings and Responses – 2023	31
Details of Expenses	32
Details of Capital Assets – 2023	33-34

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

INDEPENDENT AUDITOR'S REPORT

Port Commissioners
Port of Lewiston
Lewiston, Idaho

Report on the Audit of the Financial Statements

Opinions

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, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Port of Lewiston as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management 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, and for 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.

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Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

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 26-27, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 2022 financial statements, and our report dated January 9, 2023, 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, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 11, 2024, 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

January 11, 2024
Lewiston, Idaho

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, 2023, 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 $16,204,653 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, middle mile network of fiber from Moscow to Grangeville, development of a cruise boat dock facility, property development in support of sale and lease of Port property, 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, 2023 and 2022:

	Net Position	
	2023	2022
ASSETS		
Total current assets	$ 16,204,653	$ 6,262,229
Capital assets	21,687,390	21,335,946
Noncurrent assets	1,123,666	1,364,248
Total assets	39,015,709	28,962,423
DEFERRED OUTFLOWS – defined benefit pension	239,427	148,239
LIABILITIES AND NET POSITION		
Total current liabilities	10,149,185	136,605
Total noncurrent liabilities	483,218	105,490
Total liabilities	10,632,403	242,095
DEFERRED INFLOWS	1,307,301	1,985,779
TOTAL NET POSITION	$ 27,315,432	$ 26,882,788

In 2023, the Port's change in net position (synonymous to net income in the private sector) was a positive $432,644 (increase of 84% percent from 2022). Over the past 10 years (FY2014 to FY 2023), the Port's net position has increased by 26.1 percent (+$5,661,983). In 2023, total assets increased $10,053,286 (+37.7 percent), and total liabilities increased $10,390,308, due to the deferred income.

Condensed Financial Position Information (Continued)

The Port had a $133,090 operating loss during fiscal year 2023. The operating loss is principally due to depreciation expenses of $570,795. The actual increase for Port operations in fiscal year 2023 was $432,644 (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 within the Port District.

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 2023 and 2022 change in net position:

	2023	2022
Revenues	$ 2,603,665	$ 2,183,426
Expenses	2,171,021	1,947,792
Change in net position	432,644	235,634
Net position, beginning	26,882,788	26,647,154
Net position, ending	$ 27,315,432	$ 26,882,788

The Port of Lewiston's operating revenue (see page 12) reflected an increase of $443,469 (28.2 percent) from $1,574,889 to $2,018,358 in 2023. All revenue sources increased in 2023.

Major revenue sources include Terminal I (dock operations) revenue, Terminal II (warehouse) management operations revenue and building and property rental income. In 2023, Terminal I revenue increased $441,449, due to a wind energy project utilizing Port facilities. Terminal II revenue increased $1,500, and rental income increased $20,794. For 2024, Terminal I revenue is forecasted to return to "normal" levels augmented by leases to bridge construction contractors. Terminal II and rental income is expected to remain relatively unchanged.

Revenue from expansion of the Port's dark fiber optic network increased $5,424 (+2.0%). Demand for leasing fiber strands by Internet Service Providers (ISP's) is expected to be strong in 2023.

Total Port operating expenses were up $203,656 (+10.5%). Depreciation expense is expected to increase, as the Port continues to build-out the fiber optic network.

For a detailed breakdown of the Port's actual revenue and expenditures for fiscal year 2023 compared to the fiscal year 2023 budget, see the "Budgetary Comparison Schedule" on page 27. The fiscal year 2023 Budgetary Comparison Schedule was a $106,523 increase in net position on a budgetary (cash) basis.

Notes to the Basic Financial Statements

The notes to the Port's basic financial statements can be found on pages 15-24 of this report. These notes provide additional information that is essential to a full understanding of the basic financial statements.

Capital Assets

In 2023, the Port invested $1,116,994 ($916,489 capitalized and $200,505 non-capitalized expense) in the Land Acquisition and Development (LA&D) Budget. This is compared to $1,319,853 invested in 2022. Major capital projects in fiscal year 2023 included: Buildout of the dark fiber optic network and improvements to property in the Harry Wall Industrial Park. Other expenditures included remodeling Best Building rental units, and work within the Confluence Waterfront Plan.

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. From 2014 to 2023 (10 years), the Port invested an average of $1,108,627 per year into the Port District for economic development activities. This investment consists of $405,000 in property tax revenues the Port receives annually plus additional revenues generated through Port operations.

Long-Term Debt

Net Pension Asset/Liabilities. The District recognized a net pension liability of $367,318 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 approximately 83 percent of the pension obligation. The District recognized deferred outflows of $239,427 for payments made towards the net pension asset and deferred inflows of $1,639 for the District's share of earnings in excess of the minimum expectation by PERSI.

Economic Factors

The Port of Lewiston is working to extend dark fiber optic cable within the Port District and surrounding region. Dark fiber development involves the installation of conduit and the fiber optic cable in a phased development plan. The fiber optic strands are leased to internet service providers that "light" the cable. The Port began installing dark fiber optic lines in 2016 and currently has over 53 miles of fiber lines installed within the Port District.

In the coming year, the Port plans to continue construction on the phased build-out of the fiber optic network. Of note is a 95-mile dark fiber line from Moscow, Idaho, to Lewiston, Idaho, and then from Lewiston to Grangeville, Idaho. The Port has secured a $4.49 million grant from the U.S. Department of Commerce Economic Development Administration to assist in building this network, as well as a $6.2 million award from the Idaho Broadband Advisory Board. Governor Little's Broadband Task Force stated that North Central Idaho is the most underserved broadband area in the state. The Port of Lewiston recognizes that for Nez Perce County to be economically successful, North Central Idaho must have competitive, redundant open access broadband service. For this reason, the Port of Lewiston is working with counties in North Central Idaho to expand broadband service and ultimately connect north and south Idaho with a middle mile broadband backbone.

Economic Factors (Continued)

Dock marine operations include the unloading of Clearwater Paper sawdust barges and the loading of ALTA cedar log barges. Both operations are expected to remain strong throughout 2024. In 2023, the Port served as the upriver barge terminal for the unloading of wind turbine components. Additional wind energy projects are possible for 2024. The Port is optimistic that it will become a competitive transportation option for future high, wide, and heavy projects.

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, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	**$ 15,708,146**	$ 5,484,930
Taxes receivable	**167,255**	167,739
Accounts receivable	**42,535**	135,754
Lease receivable, current portion	**284,538**	471,627
Workers Compensation deposit and other assets	**2,179**	2,179
Total current assets	**16,204,653**	6,262,229
CAPITAL ASSETS, at cost less accumulated depreciation of $13,600,131 ($13,035,086 in 2022)	**21,687,390**	21,335,946
NONCURRENT ASSETS		
Net pension asset		8,331
Lease receivable, net of current portion	**1,021,124**	1,247,625
Other noncurrent assets, net of amortization of $12,458 ($6,708 in 2022)	**102,542**	108,292
Total noncurrent assets	**1,123,666**	1,364,248
Total assets	**39,015,709**	28,962,423
DEFERRED OUTFLOW OF RESOURCES		
Defined benefit pension	**239,427**	148,239
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	**87,021**	53,601
Accrued expenses	**62,164**	83,004
Deferred income	**10,000,000**	
Total current liabilities	**10,149,185**	136,605
NONCURRENT LIABILITIES		
Rental deposits	**115,900**	105,490
Net pension liability	**367,318**	
Total noncurrent liabilities	**483,218**	105,490
Total liabilities	**10,632,403**	242,095
DEFERRED INFLOW OF RESOURCES		
Leases	**1,305,662**	1,719,252
Defined benefit pension	**1,639**	266,527
	1,307,301	1,985,779
NET POSITION		
Net investment in capital assets	**21,687,390**	21,335,946
Unrestricted	**5,628,042**	5,546,842
TOTAL NET POSITION	**$ 27,315,432**	$ 26,882,788

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Rent	**$ 575,949**	$ 555,155
Terminal I - Dock	**725,871**	284,422
Terminal II - Warehouse	**351,000**	349,500
In lieu tax	**70,306**	96,707
Dark fiber optic	**292,572**	287,148
Other	**2,660**	1,957
	2,018,358	1,574,889
OPERATING EXPENSES		
Administration	**722,547**	568,905
Port commission	**64,976**	45,925
Terminal I - Dock	**118,707**	114,083
Terminal II - Warehouse	**9,664**	4,531
Legal services	**13,674**	50,831
Accounting services	**36,850**	27,900
Port promotion	**37,189**	32,207
Port promotion - economic development	**125,780**	119,044
General insurance	**65,211**	68,177
Facilities maintenance	**85,242**	67,818
Property acquisition/development expense	**200,505**	191,214
Utilities	**30,002**	35,105
In lieu tax	**70,306**	96,707
Depreciation and amortization	**570,795**	525,345
	2,151,448	1,947,792
OPERATING LOSS	**(133,090)**	(372,903)
NONOPERATING REVENUES (EXPENSES)		
Property taxes	**406,984**	409,238
Sales tax	**135,197**	138,021
Tax replacement funds	**12,667**	8,779
Grant revenue		10,000
Interest income	**30,459**	7,461
PERSI retirement actuarial charges	**(19,573)**	35,038
	565,734	608,537
CHANGE IN NET POSITION	**432,644**	235,634
NET POSITION AT BEGINNING OF YEAR	**26,882,788**	26,647,154
NET POSITION AT END OF YEAR	**$ 27,315,432**	$ 26,882,788

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	**$ 2,111,577**	$ 1,493,130
Cash paid to suppliers and employees	**8,442,337**	(1,371,651)
Net cash provided by operating activities	**10,553,914**	121,479
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	**407,468**	408,928
Sales tax	**135,197**	138,021
Tax replacement funds	**12,667**	8,779
Net cash provided by noncapital financing activities	**555,332**	555,728
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Grant proceeds		10,000
Acquisition of capital assets	**(916,489)**	(1,128,639)
Net cash used by capital financing activities	**(916,489)**	(1,118,639)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**30,459**	7,461
Net cash provided by investing activities	**30,459**	7,461
Net change in cash	**10,223,216**	(433,971)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**5,484,930**	5,918,901
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 15,708,146**	$ 5,484,930

See accompanying notes

PORT OF LEWISTON

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

	2023	2022
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	**$ (133,090)**	$ (372,903)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	**570,795**	525,345
Changes in assets:		
Receivables	**93,219**	(81,759)
Changes in liabilities:		
Accounts payable	**33,420**	4,174
Accrued liabilities	**(20,840)**	(678)
Deferred rental income	**10,000,000**	
Rental deposits	**10,410**	47,300
Net cash provided by operating activities	**$ 10,553,914**	$ 121,479

See accompanying notes

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:

Asset Category	Cost	Life
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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued). 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, asset, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from the Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

Implementation of GASB Statement No. 87. As of July 1, 2021, the Port of Lewiston adopted GASB Statement No. 87, *Lease Accounting.* The objective of this Statement is to improve the identification of leasing activities for accounting and financial reporting purposes and how those activities should be reported for lessees and lessors.

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.

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 changes. 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 2022 financial statements have been reclassified to conform with the 2023 presentation with no effect on previously reported net position.

2. BANK DEPOSITS

At June 30, 2023, the carrying amount of the Port's deposits was $15,708,146 and the bank balance was $15,720,900. Of the bank balance, $1,984,863 was covered by federal depository insurance. The remaining bank balance of $13,736,036 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 2022, the Port certified a tax levy for the fiscal year beginning July 1, 2022, and ending June 30, 2023, totaling $405,000. 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.

5. CAPITAL ASSETS

At June 30, capital assets consisted of:

	2023			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Industrial park development	$ 1,012,951	$ 137,064		$ 1,150,015
Capital assets, being depreciated				
Land and improvements	19,132,298	$ 727,926		19,860,224
Port facilities	11,401,177	51,499		11,452,676
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	456,713			456,713
Vehicles	50,953			50,953
	$ 34,371,032	$ 916,489	$ 0	35,287,521
Less accumulated depreciation				
Land and improvements	$ 3,772,026	$ 306,372		4,078,398
Port facilities	6,638,512	242,114		6,880,626
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	285,175	10,494		295,669
Vehicles	22,433	6,065		28,498
	$ 13,035,086	$ 565,045	$ 0	13,600,131
Net capital assets				$ 21,687,390

	2022			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Industrial park development	$ 1,012,951			$ 1,012,951
Capital assets, being depreciated				
Land and improvements	18,174,429	$ 957,869		19,132,298
Port facilities	11,377,912	23,265		11,401,177
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	309,208	147,505		456,713
Vehicles	50,953			50,953
	$ 33,242,393	$ 1,128,639	$ 0	34,371,032
Less accumulated depreciation				
Land and improvements	$ 3,514,175	$ 257,851		3,772,026
Port facilities	6,389,742	248,770		6,638,512
Downriver facilities	2,309,772			2,309,772
Office furniture and equipment	7,168			7,168
Buildings	278,266	6,909		285,175
Vehicles	16,368	6,065		22,433
	$ 12,515,491	$ 519,595	$ 0	13,035,086
Net capital assets				$ 21,335,946

Depreciation of $565,045 was charged to the current year operations ($519,595 for 2022).

6. NONCURRENT ASSETS

Effective May 2021, the Port of Lewiston entered into a 20-year license agreement with the Port of Whitman for 180 strands of fiber optic cable connecting the two fiber networks at a cost of $115,000. The cost of the license will be amortized over the life of the agreement. Amortization of $5,750, was charged to the current year operations, reflecting $102,542 for noncurrent assets.

7. PROPERTY LEASES

Leases as a Lessor. As a lessor, the Port of Lewiston has entered into agreements involving commercial property. The Port of Lewiston recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

8. DEFINED BENEFIT PENSION PLAN

Plan Description. The Port of Lewiston contributes to the Base Plan, which is a cost-sharing, multiple-employer defined plan administered by the Idaho Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. 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.

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.

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2023, it was 7.16 percent. The employer contribution rate is set by the Retirement Board and was 11.94 percent of covered compensation. The Port of Lewiston's contributions required and paid were $54,636 for the year ended June 30, 2023.

Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the Port of Lewiston reported a liability of $367,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the Port of Lewiston's proportion was .009325741 percent.

For the year ended June 30, 2023, the Port of Lewiston recognized net pension expense of $19,573. At June 30, 2023, 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	$ 54,636	
Differences between expected and actual experience	$ 40,392	$ 1,639
Changes in assumptions or other inputs	$ 59,884	
Net difference between projected and actual earnings on pension plan investments	$ 84,515	

Deferred outflows of resources in the amount of $54,636 related to pensions resulting from employee contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2023.

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, 2022, the beginning of the measurement period ended June 30, 2022, is 4.6 years.

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

***Pension Liabilities, Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*.** 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:

2024	$	43,798
2025		47,547
2026		21,991
2027		69,816

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, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases including inflation	3.05%
Investment rate of return	6.35%, net of pension plan investment expense
Cost of Living Adjustments (COLA)	1.00%

Several different sets of mortality rates are used in the valuation for contributing members, service retirement members, and beneficiaries. These rates were adopted for the valuation dated July 1, 2023.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Male	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries – Female	Pub-2010 General Tables, increased 21%
Teachers – Male	Pub-2010 Teacher Tables, increased 12%
Teachers – Female	Pub-2010 Teacher Tables, increased 21%
Fire & Police – Male	Pub-2010 Safety Tables, increased 21%
Fire & Police – Female	Pub-2010 Safety Tables, increased 26%
Disabled Members – Male	Pub-2010 Disabled Tables, increased 38%
Disabled Members – Female	Pub-2010 Disabled Tables, increased 36%

An experience study was performed for the period July 1, 2015 through June 30, 2020, which reviewed all economic and demographic assumptions other than mortality The Total Pension Liability as of June 30, 2022, is based on the results of an actuarial valuation date of July 1, 2022.

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributing Members, Service Retirement Members, and Beneficiaries (Continued)

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.

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 are as of 2022.

CAPITAL MARKET ASSUMPTIONS

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	(0.25%)
TIPS	10.00%	(0.30%)
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate. The discount rate used to measure the total pension liability was 6.35 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.

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Port of Lewiston's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the Port of Lewiston's proportionate share of the net pension asset calculated using the discount rate of 6.35 percent, as well as what the Port of Lewiston's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Port of Lewiston's proportionate share of the net pension liability (asset)	$ 648,281	$ 367,318	$ 137,358

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.

9. 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, 2023.

10. 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.

11. LEASE COMMITMENTS

In accordance with GASB No. 87, the Port recognizes a lease receivable and a deferred inflow of resources for leases the Port categorizes as in-scope of GASB No. 87. The Port is reporting lessor lease receivable of $1,305,662 for the ending of the fiscal year ended June 30, 2023. For each of the fiscal years ended June 30, 2023 and 2022, the Port reported lease revenue of $926,949 and $904,655, respectively. The amounts of inflows of resources recognized for June 30, 2023 and 2022, was $1,305,662 and $1,719,252, respectively.

11. LEASE COMMITMENTS (CONTINUED)

The Port is the lessor of a number of leases of commercial real estate within the boundary of the Port. The future expected lease receivable and revenue balances for this in-scope GASB No. 87 lease is as follows:

June 30, 2024	$ 284,538
June 30, 2025	97,758
June 30, 2026	51,991
June 30, 2027	29,204
June 30, 2028	28,440
Thereafter	813,731
	$ 1,305,662

12. SUBSEQUENT EVENT

Management has evaluated subsequent events through January 11, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

PORT OF LEWISTON

SCHEDULE OF PENSION FUNDING

SCHEDULE OF THE PORT OF LEWISTON'S SHARE OF NET PENSION ASSET AND LIABILITY - PERSI BASE PLAN
Data reported is measured as of June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Employer's portion of the net pension (asset) liability	0.0093257%	0.0105491%	0.0100245%	0.0096621%	0.0093720%	0.0100705%	0.0099165%	0.0139631%	0.0151262%	(1)
Employer's proportionate share of the net pension (asset) liability	$ 367,318	$ (8,331)	$ 233,000	$ 110,000	$ 138,000	$ 158,000	$ 201,000	$ 184,000	$ 111,000	$ 289,000
Employer's covered payroll	457,588	337,772	393,677	356,960	328,163	298,984	302,332	300,309	377,253	409,903
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	80%	-2%	59%	31%	42%	53%	66%	61%	29%	71%
Plan fiduciary net position as a percentage of the total pension liability	83%	100%	100%	88%	94%	92%	91%	87%	91%	95%

SCHEDULE OF THE PORT OF LEWISTON'S CONTRIBUTIONS TO PENSION PLANS - PERSI BASE PLAN
Data reported is measured as of June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 54,636	$ 40,330	$ 47,005	$ 42,621	$ 37,148	$ 33,845	$ 34,224	$ 33,995	$ 42,705	$ 46,401
Contributions in relation to the statutorily required contribution	54,636	40,330	47,005	42,621	37,148	33,845	34,224	33,995	42,705	46,401
Contribution (deficiency) excess	0	0	0	0	0	0	0	0	0	0
Employer's covered payroll	457,588	337,772	393,677	356,960	328,163	298,984	302,332	300,309	377,253	409,903
Contributions as a percentage of covered payroll	11.94%	11.94%	11.94%	11.94%	11.32%	11.32%	11.32%	11.32%	11.32%	11.32%

(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, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
REVENUES				
Tax levy	$ 405,000	$ 407,000	$ 406,984	$ (16)
Sales tax	115,000	132,000	135,197	3,197
Lieu tax	97,797	70,306	70,306	
Terminal revenue	706,000	1,080,000	1,075,371	(4,629)
Rentals	576,618	556,000	577,449	21,449
Dark Fiber Optic	640,000	373,000	292,572	(80,428)
Other income				
Miscellaneous			2,660	2,660
Interest	6,000	29,300	30,459	1,159
Prior revenue carryover	1,000,989	340,244		(340,244)
Tax replacement funds	12,000	11,200	12,667	1,467
Total revenues	3,559,404	2,999,050	2,603,665	(395,385)
EXPENDITURES				
General operations				
Port commission				
Per diem	15,000	15,700	15,072	628
Fringe benefits	597	560	544	16
Travel	18,500	29,000	23,061	5,939
Other expense	27,940	27,940	26,299	1,641
Port administration				
Salaries	413,930	515,500	446,751	68,749
Fringe benefits	146,090	145,830	152,164	(6,334)
Travel	19,500	26,314	20,538	5,776
Other expense	38,800	61,000	66,472	(5,472)
Equipment	2,500	2,500	1,879	621
Navigation issues	53,000	38,500	34,743	3,757
Legal services	52,500	17,000	13,674	3,326
Accounting and auditing	28,000	37,300	36,850	450
General promotion	42,600	38,300	37,189	1,111
Partnerships/Grants	136,000	145,000	125,780	19,220
General insurance	61,000	61,000	65,211	(4,211)
Facilities maintenance	68,000	80,000	85,242	(5,242)
Utilities	39,000	37,000	30,002	6,998
Lieu tax	97,587	70,306	70,306	0
Terminal operations	180,460	214,500	128,371	86,129
Land acquisition/development	2,118,400	1,435,800	1,116,994	318,806
Total expenditures	3,559,404	2,999,050	2,497,142	501,908
CHANGE IN NET POSITION	$ 0	$ 0	$ 106,523	$ 106,523

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	$ 432,644
Depreciation	570,795
Property acquisitions	(916,489)
PERSI retirement actuarial changes	19,573
Change in net position, budget basis	$ 106,523

SUPPLEMENTARY INFORMATION

PRESNELL GAGE, PLLC
ACCOUNTING AND CONSULTING

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, 2023, 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 11, 2024.

Report on 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 responses that we consider to be significant deficiency (Finding #2023-001).

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Moscow Office: 609 South Washington, Suite 202, Moscow, Idaho 83843, (208) 882-2211
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: P.O. Box 632, 216 Johnson Avenue, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541
Eagle Office: 1159 E Iron Eagle Drive, Suite 100, Eagle, Idaho 83616, (208) 319-2929

Report on 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 responses. 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.

PRESNELL GAGE PLLC

January 11, 2024
Lewiston, Idaho

SIGNIFICANT DEFICIENCY

Finding #2023-001

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, 2023 and 2022

	2023		
	Administration	Port Commission	Terminals
Salaries	$ 446,751	$ 15,072	$ 56,540
Fringe benefits and payroll taxes	152,164	544	22,265
Travel	20,538	23,061	
Other	66,472	26,299	1,206
Navigational issues	34,743		
Equipment repairs and maintenance	1,879		16,075
Insurance			32,285
	$ 722,547	$ 64,976	$ 128,371

	2022		
	Administration	Port Commission	Terminals
Salaries	$ 332,666	$ 14,220	$ 33,372
Fringe benefits and payroll taxes	117,806	710	16,664
Travel	8,885	7,998	
Other	70,615	22,997	9,835
Navigational issues	32,945		
Equipment repairs and maintenance	5,988		27,880
Insurance			30,863
	$ 568,905	$ 45,925	$ 118,614

PORT OF LEWISTON

DETAILS OF CAPITAL ASSETS
June 30, 2023

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, 2023

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	622,654
Industrial Development District containing approximately	
Wright Property	150,000
Zelma Smith property	60,153
Business Technology Park	1,408,560
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	7,855,277
Fiber Optic	4,729,907
	21,010,238
Accumulated depreciation	4,078,398
	16,931,840
PORT FACILITIES	
Dock facilities	6,932,153
Warehouse	4,243,842
Truck area	10,756
Equipment	265,925
	11,452,676
Accumulated depreciation	6,880,626
	4,572,050
DOWNRIVER FACILITIES	
Access road	121,663
Facilities	2,188,109
	2,309,772
Accumulated depreciation	2,309,772
	0
BUILDINGS	456,714
Accumulated depreciation	295,669
	161,045
FURNITURE AND FIXTURES	7,168
Accumulated depreciation	7,168
	0
VEHICLE	50,953
Accumulated depreciation	28,498
	22,455
	$ 21,687,390