
THE PORT OF PORTLAND
(A Municipal Corporation)

REPORT ON AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

(Containing Audit Comments and Disclosures Required by State Regulations)

FOR THE YEAR ENDED JUNE 30, 2024
with comparative totals for the year ended June 30, 2023

THE PORT OF PORTLAND

(a municipal corporation)

THE PORT OF PORTLAND

COMMISSIONERS AS OF JUNE 30, 2024

<u>Name</u>	<u>Term Expires</u>
Katy Coba, President 7200 NE Airport Way Portland, Oregon 97218	June 9, 2026
Richelle Luther, Vice President 14375 NW Science Park Drive Portland, Oregon 97229	February 16, 2028
Ketan Sampat, Secretary 525 3rd Street, Suite 200 Lake Oswego, Oregon 97034	March 14, 2025
Katherine Lam, Treasurer 5921 NE 80 th Avenue Portland, Oregon 97218	November 24, 2027
Rukaiyah Adams 3514 N Vancouver Ave, Suite 200 Portland, OR 97227	June 4, 2028
Mike DeVaughn 5000 N Willamette Blvd Portland, OR 97203	May 24, 2026
Sam Johnson 3100 NE Shute Rd Hillsboro, OR 97124	February 16, 2028
Meg Niemi 3536 SE 26 th Avenue Portland, Oregon 97202	November 24, 2027
Stuart Strader 2435 NW Front Avenue Portland, Oregon 97209	March 14, 2025

Curtis Robinhold, Executive Director

REGISTERED AGENT AND OFFICE

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THE PORT OF PORTLAND
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REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

The Board of Commissioners
Port of Portland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Airport and Marine & Other Activities of the Port of Portland (Port of Portland), which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows of the Airport and Marine & Other Activities of the Port of Portland for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport and Marine & Other Activities of the Port of Portland as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Portland 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 Portland'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 opinion. 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port of Portland'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 Portland'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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Port of Portland's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information


Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of PERS net pension liability (asset), and schedule of contributions to PERS, as listed in the table of contents, 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 audit 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Portland's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated October 22, 2024, on our consideration of the Port of Portland's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

(UNAUDITED)

The Port of Portland Management's Discussion and Analysis

This discussion and analysis of the Port of Portland's (Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Port's financial statements, which follow this section.

Overview of the Financial Statements:

These financial statements consist of four parts – management's discussion and analysis (this section), the basic financial statements (including notes), required supplementary information, and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB), and also by the Oregon Secretary of State (OSS). The basic financial statements are prepared on the accrual basis, similar to a private business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of a balance sheet, which includes the Port's assets, including deferred outflows, liabilities, including deferred inflows, and net position at year end; statement of revenues, expenses, and changes in net position, which includes all revenues, expenses, and grants expended for construction for the year; and statement of cash flows, which presents the sources and uses of cash for the year. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, nearly all of which is required by the GASB, the OSS, or bond ordinances. The Port's two activities are Airport (Portland International Airport) and Marine & Other (marine terminals, trade and economic development, environmental, navigation, general aviation, engineering, and administration). These activities are described in Notes 1 and 2 to the financial statements. Of special significance to readers of the financial statements is that, with certain limited exceptions, Airport monies are restricted by bond ordinances and Federal Aviation Administration regulations for use at the Airport only. Airport net revenues (essentially operating revenues less operating expenses other than depreciation and amortization) are largely determined by bond ordinances and contracts with airlines, as more fully explained in Note 7 to the financial statements.

Financial Results:

The Port's total net position increased \$131.9 million from the 2023 amount, or 8.4 percent. Unrestricted net position – the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants or legal requirements – increased by \$148.1 million, or 37.8 percent during that same time. In comparison, last year total net position increased by \$45.8 million, or 3.0 percent. The analysis in Table 1 (below) focuses on the net position of the Airport and of the Port's Marine & Other activities separately.

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Current and other assets	\$ 1,195.8	\$ 1,493.8	\$ 606.5	\$ 565.7	\$ 1,787.0	\$ 2,040.7	(12.4)%
Capital assets	3,020.2	2,652.3	285.3	275.3	3,305.5	2,927.6	12.9%
Deferred outflows	22.5	27.0	14.6	17.0	37.1	44.0	(15.7)%
Total assets	<u>4,238.5</u>	<u>4,173.1</u>	<u>906.4</u>	<u>858.0</u>	<u>5,129.6</u>	<u>5,012.3</u>	2.3%
Long-term debt outstanding	2,501.5	2,572.2	58.7	48.8	2,560.2	2,621.0	(2.3)%
Other liabilities	352.3	261.1	148.7	143.7	485.7	386.0	25.8%
Deferred inflows	215.5	250.9	162.2	180.6	377.7	431.5	(12.5)%
Total liabilities	<u>3,069.3</u>	<u>3,084.2</u>	<u>369.6</u>	<u>373.1</u>	<u>3,423.6</u>	<u>3,438.5</u>	(0.4)%
Net position:							
Net investment							
in capital assets	447.5	392.6	310.8	306.0	758.3	698.6	8.5%
Restricted	405.0	478.1	3.0	5.8	408.0	483.9	(15.7)%
Unrestricted	316.6	218.2	222.9	173.2	539.5	391.4	37.8%
Total net position	<u>\$ 1,169.1</u>	<u>\$ 1,088.9</u>	<u>\$ 536.7</u>	<u>\$ 485.0</u>	<u>\$ 1,705.8</u>	<u>\$ 1,573.9</u>	8.4%

* Receivables and payables between activities are eliminated in the Total Port column.

The Port of Portland
Management's Discussion and Analysis, continued

Total net position of the Airport increased by \$80.2 million, or 7.4 percent, primarily as a result of net income and capital grants in fiscal 2024. Net investment in capital assets increased \$54.9 million, or 14.0 percent, as a result of increases in capital additions and construction spending. Restricted net position decreased by \$73.1 million, or 15.3 percent, primarily due to spending of bond proceeds to fund Airport construction. Unrestricted net position increased by \$98.4 million, or 45.1 percent, primarily as a result of net income and capital grants for fiscal 2024.

Total net position of Marine & Other increased by \$51.7 million, or 10.7 percent, the result of net income, capital grants and transfers from the Airport (primarily to fund construction at general aviation airports included in Marine & Other). Net investment in capital assets increased \$4.8 million, or 1.6 percent, primarily as a result of capital additions and construction spending, partially offset by normal capital asset depreciation. Restricted net position decreased \$2.8 million, or 48.3 percent, versus the prior year as a result of spending down restricted-purpose grants during fiscal 2024. Unrestricted net position increased by \$49.7 million or 28.7 percent, primarily due to net income, capital grants received during fiscal 2024, and transfers from the Airport.

Several factors caused changes in net position (Table 2, below) to increase \$86.1 million from the 2023 amount.

Airport changes in net position increased \$50.9 million when compared to the prior year due mainly to significantly higher net income, as well as increased capital grants, in 2024. Marine & Other changes in net position increased \$35.2 million, primarily due to increased net income as compared to 2023.

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenues:							
Operating revenues							
Charges for services	\$ 344.9	\$ 305.0	\$ 88.9	\$ 93.2	\$ 433.8	\$ 398.2	8.9%
Land sales			16.5	2.2	16.5	2.2	650.0%
Other	1.2	0.6	0.2	0.1	1.4	0.7	100.0%
Nonoperating revenues							
Property tax revenue			15.9	15.0	15.9	15.0	6.0%
Interest revenue	47.0	20.7	19.5	12.9	66.5	33.6	97.9%
PFC revenue	32.4	30.8			32.4	30.8	5.2%
CFC revenue	18.3	16.9			18.3	16.9	8.3%
Other nonoperating revenue	27.1	4.5	21.1	9.0	48.2	13.5	257.0%
Total revenues	<u>470.9</u>	<u>378.5</u>	<u>162.1</u>	<u>132.4</u>	<u>633.0</u>	<u>510.9</u>	23.9%
Expenses:							
Operating expenses	303.6	264.8	116.9	124.6	420.5	389.4	8.0%
Nonoperating expenses	95.0	77.1	3.1	3.4	98.1	80.5	21.9%
Total expenses	<u>398.6</u>	<u>341.9</u>	<u>120.0</u>	<u>128.0</u>	<u>518.6</u>	<u>469.9</u>	10.4%
Income before contributions and transfers	72.3	36.6	42.1	4.4	114.4	41.0	179.0%
Capital contributions and reversions	10.1	1.1	7.4	3.7	17.5	4.8	264.6%
Transfers (out) in	(2.2)	(8.4)	2.2	8.4			
Increase in net position	<u>\$ 80.2</u>	<u>\$ 29.3</u>	<u>\$ 51.7</u>	<u>\$ 16.5</u>	<u>\$ 131.9</u>	<u>\$ 45.8</u>	188.0%

Total revenues for the Port increased by approximately \$122.1 million from the prior year. Total expenses increased approximately \$48.7 million during the same timeframe.

At the Airport, charges for services operating revenues increased by \$39.9 million, or 13.1 percent, when compared to the prior year; this was primarily due to an increase in passengers traveling through the Airport as the airline industry has continued to recover from pandemic impacts, which manifested in higher operating revenues in almost every category at the Airport. Nonoperating interest revenue increased \$26.3

The Port of Portland
Management's Discussion and Analysis, continued

million as a result of significantly higher cash balances and higher investment returns in 2024. PFC revenues increased \$1.6 million, or 5.2 percent, as a result of modestly higher enplanements at the Airport. CFC revenues increased by \$1.4 million, or 8.3 percent, also as a result of increased passengers moving through the Airport during fiscal 2024. Other nonoperating revenue increased by \$22.6 million in fiscal 2024 as the Airport drew down the remaining balance of federal pandemic relief funding. The increase of \$38.8 million in operating expenses was up 14.7 percent as compared to the prior year and was generally attributable to higher operating expenses in nearly all categories driven by increased passenger volumes and increased activity as the Airport prepares to open a new terminal expansion. Nonoperating expenses increased \$17.9 million in fiscal 2024 as a result of the first full year of interest on higher outstanding debt principal resulting from bond issuance. Capital contributions increased \$9.0 million in 2024 as a result of incurring more grant-eligible costs than in 2023. Transfers out to fund construction at general aviation airports decreased \$6.2 million in 2024 due to less construction activity not covered by FAA capital grants.

For Marine & Other, charges for services operating revenue decreased \$4.3 million year over year as a result of lower container volumes, offset in part by higher dredging revenues due to more dredging activity in fiscal 2024, higher rent revenues for industrial properties, and higher revenues resulting from increased grain and mineral bulk volumes. Land sales revenues increased \$14.3 million in fiscal 2024 as a result of more industrial property sales. Nonoperating interest revenue increased \$6.6 million versus prior year, primarily the result of higher cash balances and higher investment returns. Other nonoperating revenue increased \$12.1 million in fiscal 2024 due to the receipt of a settlement payment in fiscal 2024. During 2024, operating expenses decreased \$7.7 million due to lower longshore labor expense associated with lower container throughput activity, lower environmental expenses, and lower internal central services costs; these decreases were partially offset by higher salaries expense and higher costs associated with more industrial property sales. Transfers in from the Airport decreased \$6.2 million in fiscal 2024 as a result of less general aviation construction activity not funded with FAA grants.

Budgetary Highlights:

The Port's budget for fiscal 2024 was adopted by the Port Commission and certified by the Multnomah County Tax Supervising and Conservation Commission (TSCC) in June 2023. During fiscal 2024, budget appropriations at the Airport were increased during the year to account for timing of capital project expenditures and increased transfers to Marine & Other for additional engineering support of Airport capital projects, as well as to correct budgeted debt service requirements. For Marine & Other, resources in the budget were adjusted during the year to reflect higher service reimbursement resources for increased engineering support to Airport capital projects. Marine & Other appropriations for expenditures were increased for higher than expected utility costs at Terminal 2, to provide for potential expenses related to insurance recoveries, and to provide for non-cash budgetary impacts of accounting accruals for environmental liabilities. While legally a local government subject to governmental budgeting requirements, the Port operates much like a business, with expenditure levels driven by business needs, and utilizes the accrual basis of accounting. Revisions to reflect expenditure patterns are, therefore, common for an entity like the Port. As explained in Note 1 to the financial statements, Oregon budget laws differ, in certain situations, from accounting principles generally accepted in the United States of America.

On a budgetary basis, Airport expenditures for the largest capital program ever at the Airport were \$4.6 million, or 1.0 percent, over the \$469.2 million revised budget due to a slight acceleration in timing of construction costs into fiscal 2024. Capital grants for the year were \$10.1 million, 53.4 percent less than the budget of \$21.6 million as a result of incurring fewer grant eligible costs. Airport operating revenues of \$350.9 million were 1.3 percent below the \$355.4 million budget as a result of slightly lower-than-budgeted passengers during 2024. Customer Facility Charges were \$18.3 million, or 16.5 percent, above the fiscal 2024 budget due to more rental car activity than anticipated. Interest revenues tracked above budget in all Airport funds as a result of a higher interest rate environment. Operating grant and other revenues at the Airport were above budget as a result of drawing the final installment of federal pandemic relief funding. Operating expenditures of \$154.5 million tracked slightly under budget at 1.5 percent below the \$156.8 million budgeted amount due to slightly lower than forecast passenger activity. Other significant budgetary variances included commercial paper issuance and redemptions as a result of funding strategy and issue sizing.

The Port of Portland
Management's Discussion and Analysis, continued

Fiscal 2024 budgetary capital expenditures for Marine & Other were \$50.5 million, or 65.6 percent, below the budget of \$77.0 million, largely due to timing delays and project deferrals. Capital grants for the year were \$7.4 million, 75.5 percent less than the budget of \$30.1 million due to incurring fewer grant eligible costs. Budgetary operating revenues were \$2.7 million over the \$46.5 million budget for marine due primarily to increased revenues from higher bulk and auto volumes, offset in part by decreased container throughput at Terminal 6. In trade and economic development, budgetary operating revenues of \$25.9 million were \$17.5 million better than the \$8.4 million budget due to an unbudgeted industrial land sale in fiscal 2024. Budgetary operating revenues for navigation of \$28.6 million were \$1.1 million under budget due to less river dredging during the year than anticipated. Bonds, loans and other were \$0 during the year due to a delay in a project and related financing. Fixed asset sales and other revenues were \$23.5 million as compared to the budget of \$3.0 million primarily as a result of receipt of an unbudgeted settlement payment in fiscal 2024. Interest income was \$12.9 million higher than the \$3.5 million budget as a result of higher interest rates, higher cash balances, and unbudgeted lease interest income booked under GASB Statement No. 87. Budgetary operating expenditures were \$5.4 million below budget for administration, primarily due to lower than anticipated materials and outside services costs. Budgetary operating expenditures for marine were lower than revised budget by approximately \$4.2 million primarily due to lower container throughput at Terminal 6. Navigation budgetary operating expenditures were \$1.3 million under budget, primarily as a result of performing less dredging than anticipated during the year. Long-term debt payments of \$12.9 million were \$54.8 million below the budget of \$67.7 million as a result of delays in a project financing and related debt service. Other environmental budgetary operating expenditures were \$6.6 million under the budget of \$11.9 million as a result of revisions to estimated environmental liabilities.

Capital Assets:

At the end of fiscal 2024, the Port had over \$3.3 billion invested in a broad range of capital assets. This amount represents an increase (essentially additions offset by depreciation expense) of \$377.9 million versus the prior year, as outlined in Table 3 (below).

Table 3
Capital Assets
(\$ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 68.0	\$ 68.0	\$ 81.1	\$ 81.1	\$ 149.1	\$ 149.1	
Construction in progress	1,468.8	987.1	56.8	37.2	1,525.6	1,024.3	
Total capital assets not being depreciated	<u>1,536.8</u>	<u>1,055.1</u>	<u>137.9</u>	<u>118.3</u>	<u>1,674.7</u>	<u>1,173.4</u>	42.7%
Land improvements	1,011.7	1,034.5	325.0	323.7	1,336.7	1,358.2	
Buildings, equipment and right-of-use assets	2,202.2	2,223.8	285.0	283.2	2,487.2	2,507.0	
Total capital assets being depreciated and amortized	<u>3,213.9</u>	<u>3,258.3</u>	<u>610.0</u>	<u>606.9</u>	<u>3,823.9</u>	<u>3,865.2</u>	(1.1)%
Less: accumulated depreciation and amortization	<u>(1,730.5)</u>	<u>(1,661.2)</u>	<u>(462.7)</u>	<u>(449.9)</u>	<u>(2,193.2)</u>	<u>(2,111.1)</u>	3.9%
Total capital assets being depreciated or amortized, net	<u>1,483.4</u>	<u>1,597.1</u>	<u>147.3</u>	<u>157.0</u>	<u>1,630.7</u>	<u>1,754.1</u>	(7.0)%
Total capital assets, net	<u>\$ 3,020.2</u>	<u>\$ 2,652.2</u>	<u>\$ 285.2</u>	<u>\$ 275.3</u>	<u>\$ 3,305.4</u>	<u>\$ 2,927.5</u>	12.9%

This year's major capital asset spending included:

Airport:

Terminal improvements - \$428.5 million
Baggage handling system expansion - \$22.5 million
Runway and taxiway improvements - \$8.8 million

Marine & Other:

Hillsboro airport runway safety area improvements - \$9.7 million
Navigation division vessel and equipment replacements - \$4.2 million
Marine terminal 5 berth rehabilitation – \$4.0 million

The Port of Portland
Management's Discussion and Analysis, continued

Please see Note 5 to the financial statements for more detailed information of capital asset activity.

The Port's 2025 capital budget estimates spending approximately \$438.5 million on capital projects at the Airport and \$104.1 million in Marine & Other. Spending at the Airport is primarily slated for terminal core redevelopment and baggage handling system expansion. Airport capital projects are budgeted to be funded by Airport operating revenues, debt proceeds, PFC revenues, CFC revenues, and federal, state, and other grants. Capital spending for Marine & Other is budgeted principally for marine Terminal 6 pavement rehabilitation and electrical improvements, marine Terminal 2 mass timber and housing innovation campus improvements, and replacement of a dredge tender vessel to support the dredging operation. Funding for these projects is budgeted from operating revenues, property taxes, and federal, state, and other grants.

Debt Administration:

At the end of 2024, the Port had just over \$2.4 billion in bonds, contracts and loans payable outstanding. This is a slight increase from the prior year, as seen in Table 4 (below).

Table 4
Outstanding Long-Term Debt
(\$ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2024	2023	2024	2023	2024	2023	2023-2024
Pension bonds			\$ 32.2	\$ 39.4	\$ 32.2	\$ 39.4	(18.3)%
Revenue bonds	\$ 2,053.1	\$ 2,093.6			2,053.1	2,093.6	(1.9)%
PFC revenue bonds	61.9	71.6			61.9	71.6	(13.5)%
CFC revenue bonds	150.1	153.6			150.1	153.6	
Contracts and loans payable			26.4	9.4	26.4	9.4	180.9%
Commercial Paper	79.6				79.6		
	<u>\$ 2,344.7</u>	<u>\$ 2,318.8</u>	<u>\$ 58.6</u>	<u>\$ 48.8</u>	<u>\$ 2,403.3</u>	<u>\$ 2,367.6</u>	1.5%

The outstanding amount of Airport long-term debt increased due to issuance of airport commercial paper for construction funding, offset partially by scheduled bond payments. At the end of fiscal 2024, the Airport revenue bonds were rated AA- by Standard & Poor's and Fitch. These ratings are among the higher underlying ratings for airport revenue bonds rated by those agencies. The balance of PFC and CFC revenue bonds decreased as a result of regularly scheduled bond payments.

In Marine & Other, the amount of outstanding long-term debt increased as a result of entering into \$18.5 million in new loans payable, offset in part by scheduled payments made on pension bonds, contracts and loans payable.

Please see Note 7 to the financial statements for more detailed information of long-term debt activity.

Economic Factors and Next Year's Budgets and Rates:

As part of the Port's strategic planning and business planning process, regional, national, and global economic trends and forecasts are reviewed and assumptions regarding passenger, cargo, and population growth are coupled with these trends and forecasts to produce the annual budget. The post-pandemic recovery continues with strong employment and consumer spending, while inflation is slowing and national and regional economic indicators continue to point to a soft economic landing. The impact of the COVID pandemic on the airline industry was dramatic, and business and international traffic still lag at the Airport, but there continues to be recovery in passengers traveling through the Airport. The forecast for fiscal 2025 airline passenger volumes is 17.6 million, which is 3.0 percent higher than our fiscal 2024 budget, but still roughly 11.5 percent below pre-pandemic passenger levels. It is anticipated that the Airport will recover to pre-pandemic passenger levels in fiscal 2029. In Marine & Other, revenues at the Terminal 6 container

The Port of Portland
Management's Discussion and Analysis, continued

terminal are expected to increase due to higher throughput rates, and revenues at Terminal 5 are expected to increase due to resumed mineral bulk activity. Results in other operations are expected to be mixed, with new land leases at business parks, relatively flat auto volumes, and lower anticipated grain bulk volumes forecast in fiscal 2025. Port facilities have a diverse mix of marine tenants and business lines, with many fixed land leases which have provided a measure of protection during challenging times.

In the Port's 2025 adopted budget, total Port operating revenue is budgeted to increase about 16.2 percent over 2024 results to approximately \$528.4 million largely as a result of increased airline, rental car and parking revenues at the Airport, as well as higher throughput, dockage, and lease revenues in Marine & Other, offset in part by lower budgeted land sales revenues. Total operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 9.5 percent to approximately \$303.7 million, primarily reflecting increased salary and benefit costs as well as outside services costs, offset in part by lower costs related to decreased land sales.

Operating revenues for the Airport are budgeted to increase 23.5 percent to \$427.6 million in the fiscal 2025 budget due primarily to increased airline revenues as a result of the signatory airlines' contractual obligation to cover airport operating and debt costs, as well as higher rental car, and parking revenues as passenger traffic continues to increase. Airport operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase about 10.3 percent to \$200.3 million as a result of increased outside service, salary, and internal central services costs.

In Marine & Other, operating revenues are budgeted to decrease by 8.0 percent to \$97.2 million, primarily due to no land sales budgeted in fiscal 2025, offset in part by increased lease and rent revenues, as well as higher container throughput and dockage revenues. Operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 7.9 percent to \$103.4 million primarily due to higher outside service, equipment rent and repair, and salary costs in the fiscal 2025 budget, offset in part by lower costs of property sold resulting from no land sales budgeted in 2025. Property taxes are budgeted to comprise less than 1.0 percent of Port resources on a legal budget basis.

Contacting the Port's Financial Management:

This financial report is designed to provide users with a general overview of the Port's finances. If you have questions about this report or need additional financial information, contact the Port of Portland's Controller's Office, PO Box 3529, Portland, OR 97208.

BASIC FINANCIAL STATEMENTS

THE PORT OF PORTLAND
BALANCE SHEET
as of June 30, 2024
with comparative totals as of June 30, 2023

	2024			2023
	<u>Airport</u>	<u>Marine & Other</u>	<u>Total</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 38,340	\$ 224,337,917	\$ 224,376,257	\$ 131,346,928
Equity in pooled investments	372,177,719	113,412,447	485,590,166	455,196,614
Restricted cash and equity in pooled investments	182,130,874		182,130,874	168,138,798
Receivables, net of allowance for doubtful accounts of \$841,000 in 2024 and \$475,000 in 2023 for Airport and \$347,000 in 2024 and \$288,000 in 2023 for Marine & Other	30,427,649	29,655,201	60,082,850	46,922,865
Lease receivable	31,277,571	12,342,983	43,620,554	41,878,981
Prepaid insurance and other assets	5,409,795	3,635,343	9,045,138	7,667,068
Total current assets	<u>621,461,948</u>	<u>383,383,891</u>	<u>1,004,845,839</u>	<u>851,151,254</u>
Noncurrent assets:				
Restricted assets:				
Cash and equity in pooled investments	371,848,359	21,617,331	393,465,690	762,513,118
Receivables	13,318,427		13,318,427	8,106,087
Contract retainage deposits	1,075,582		1,075,582	655,921
Total restricted assets	<u>386,242,368</u>	<u>21,617,331</u>	<u>407,859,699</u>	<u>771,275,126</u>
Land held for sale		33,532,410	33,532,410	40,111,470
Depreciable properties, net of accumulated depreciation and amortization	1,483,367,195	147,261,079	1,630,628,274	1,754,128,487
Nondepreciable properties	1,536,849,340	137,989,161	1,674,838,501	1,173,480,227
Lease receivable	184,138,079	152,437,261	336,575,340	373,260,197
Due from Airport		15,314,678		*
Unamortized bond issue costs and other noncurrent assets	3,928,262	187,089	4,115,351	4,871,716
Total noncurrent assets	<u>3,594,525,244</u>	<u>508,339,009</u>	<u>4,087,549,575</u>	<u>4,117,127,223</u>
Deferred outflows of resources:				
Deferred charges on refunding bonds	7,763,206		7,763,206	10,110,154
Deferred charges on pensions and OPEB	14,719,355	14,588,262	29,307,617	33,860,015
Total deferred outflows of resources	<u>22,482,561</u>	<u>14,588,262</u>	<u>37,070,823</u>	<u>43,970,169</u>
Total assets	<u>\$ 4,238,469,753</u>	<u>\$ 906,311,162</u>	<u>\$ 5,129,466,237</u>	<u>\$ 5,012,248,646</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Current portion of long-term debt	\$ 79,600,000	\$ 9,605,214	\$ 89,205,214	\$ 8,648,461
Accounts payable, lease and other accrued liabilities	24,744,297	24,622,293	49,366,590	46,073,707
Accrued wages, vacation and sick leave pay	9,709,231	9,863,460	19,572,691	14,088,049
Workers' compensation and other accrued liabilities	541,698	4,546,586	5,088,284	7,274,313
Total current liabilities (payable from current assets)	<u>114,595,226</u>	<u>48,637,553</u>	<u>163,232,779</u>	<u>76,084,530</u>
Restricted liabilities (payable from restricted assets)				
Current portion of long-term debt and other	58,510,000		58,510,000	53,655,000
Accrued interest payable	54,152,930	172,757	54,325,687	48,288,764
Accounts payable	67,994,397		67,994,397	65,443,088
Contract retainage payable	1,473,547		1,473,547	751,946
Total restricted current liabilities (payable from restricted assets)	<u>182,130,874</u>	<u>172,757</u>	<u>182,303,631</u>	<u>168,138,798</u>
Total current liabilities	<u>296,726,100</u>	<u>48,810,310</u>	<u>345,536,410</u>	<u>244,223,328</u>
Noncurrent liabilities:				
Long-term environmental and other accruals	999,096	54,842,042	55,841,138	59,000,185
Long-term debt	2,442,977,283	49,052,116	2,492,029,399	2,558,695,566
Unearned revenue and other	39,230,573	23,465,381	62,695,954	64,200,876
Net pension and OPEB liability	58,565,002	31,242,891	89,807,893	80,786,718
Due to Marine & Other	15,314,678			*
Total noncurrent liabilities	<u>2,557,086,632</u>	<u>158,602,430</u>	<u>2,700,374,384</u>	<u>2,762,683,345</u>
Deferred inflows of resources:				
Deferred lease inflows	206,190,572	152,522,248	358,712,820	399,216,236
Deferred pension inflows and other deferred inflows of resources	9,344,807	9,677,536	19,022,343	32,222,239
Total deferred inflows of resources	<u>215,535,379</u>	<u>162,199,784</u>	<u>377,735,163</u>	<u>431,438,475</u>
Total liabilities	<u>3,069,348,111</u>	<u>369,612,524</u>	<u>3,423,645,957</u>	<u>3,438,345,148</u>
NET POSITION				
Net investment in capital assets	447,532,677	310,836,636	758,369,313	698,630,061
Restricted for capital and debt service	404,998,891	2,943,258	407,942,149	483,834,934
Unrestricted	316,590,074	222,918,744	539,508,818	391,438,503
Total net position	<u>1,169,121,642</u>	<u>536,698,638</u>	<u>1,705,820,280</u>	<u>1,573,903,498</u>
Total liabilities and net position	<u>\$ 4,238,469,753</u>	<u>\$ 906,311,162</u>	<u>\$ 5,129,466,237</u>	<u>\$ 5,012,248,646</u>

* Receivables and payables between activities are eliminated in the Total columns.

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

THE PORT OF PORTLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the year ended June 30, 2024
with comparative totals for the year ended June 30, 2023

	2024			2023
	Airport	Marine & Other	Total	Total
Operating revenues:				
Charges for services	\$ 344,900,153	\$ 88,855,256	\$ 433,755,409	\$ 398,211,716
Land sales		16,460,688	16,460,688	2,179,627
Other	1,186,905	259,250	1,446,155	755,671
Total operating revenues	<u>346,087,058</u>	<u>105,575,194</u>	<u>451,662,252</u>	<u>401,147,014</u>
Operating expenses:				
Salaries, wages and fringe benefits	68,703,167	45,179,151	113,882,318	102,941,905
Longshore labor and fringe benefits		23,094,007	23,094,007	35,585,641
Contract, professional and consulting services	48,318,064	16,908,148	65,226,212	60,468,004
Materials and supplies	7,986,608	5,176,101	13,162,709	11,192,848
Utilities	12,901,720	5,202,293	18,104,013	16,626,212
Equipment rents, repair and fuel	1,786,093	3,970,437	5,756,530	6,268,967
Insurance	8,645,090	2,165,878	10,810,968	8,847,831
Lease and rent	4,925	2,016,559	2,021,484	2,010,212
Travel and management expense	2,984,374	1,119,615	4,103,989	3,722,036
Intra-Port charges and expense allocations	31,729,769		31,729,769	27,687,965
Cost of land sold		6,540,794	6,540,794	1,661,936
Other	3,298,788	1,546,626	4,845,414	2,857,791
Less expenses for capital projects	(4,758,369)	(17,166,043)	(21,924,412)	(20,000,444)
Total operating expenses, excluding depreciation and amortization	<u>181,600,229</u>	<u>95,753,566</u>	<u>277,353,795</u>	<u>259,870,904</u>
Operating income before depreciation and amortization	<u>164,486,829</u>	<u>9,821,628</u>	<u>174,308,457</u>	<u>141,276,110</u>
Depreciation and amortization expense	<u>122,030,076</u>	<u>21,125,880</u>	<u>143,155,956</u>	<u>129,551,082</u>
Total operating expenses, including depreciation and amortization	<u>303,630,305</u>	<u>116,879,446</u>	<u>420,509,751</u>	<u>389,421,986</u>
Operating income (loss)	<u>42,456,753</u>	<u>(11,304,252)</u>	<u>31,152,501</u>	<u>11,725,028</u>
Nonoperating revenues (expenses):				
Property tax revenue		15,916,506	15,916,506	15,028,626
Passenger facility charge revenue	32,448,898		32,448,898	30,753,287
Customer facility charge revenue	18,324,408		18,324,408	16,863,270
Interest expense	(95,015,274)	(3,123,171)	(98,138,445)	(80,537,992)
Interest revenue	47,026,235	19,505,976	66,532,211	33,633,007
Other income, including gain (loss) on disposal of properties	27,108,238	21,106,831	48,215,069	13,543,213
Nonoperating revenues	<u>29,892,505</u>	<u>53,406,142</u>	<u>83,298,647</u>	<u>29,283,411</u>
Income before contributions and transfers	72,349,258	42,101,890	114,451,148	41,008,439
Capital contributions	10,094,119	7,371,515	17,465,634	4,789,224
Transfers (out) in	(2,194,115)	2,194,115		
Change in net position	<u>80,249,262</u>	<u>51,667,520</u>	<u>131,916,782</u>	<u>45,797,663</u>
Total net position - beginning of year	<u>1,088,872,380</u>	<u>485,031,118</u>	<u>1,573,903,498</u>	<u>1,528,105,835</u>
Total net position - end of year	<u>\$ 1,169,121,642</u>	<u>\$ 536,698,638</u>	<u>\$ 1,705,820,280</u>	<u>\$ 1,573,903,498</u>

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

THE PORT OF PORTLAND
STATEMENT OF CASH FLOWS
for the year ended June 30, 2024
with comparative totals for the year ended June 30, 2023

	2024			2023
	Airport	Marine & Other	Total	Total
Cash flows from operating activities:				
Cash received from customers	\$ 328,063,504	\$ 95,001,916	\$ 423,065,420	\$ 415,167,529
Cash payments to employees	(66,367,567)	(41,586,404)	(107,953,971)	(102,811,076)
Cash payments to suppliers and vendors	(81,406,767)	(78,850,603)	(160,257,370)	(160,248,194)
Cash payments (to) from other funds	(34,984,150)	34,984,150		
Net cash provided by operating activities	<u>145,305,020</u>	<u>9,549,059</u>	<u>154,854,079</u>	<u>152,108,259</u>
Cash flows from noncapital financing activities:				
Property taxes		15,850,919	15,850,919	15,024,183
Grant proceeds not specifically restricted for capital	35,063,927	22,097	35,086,024	4,968,467
Net cash provided by noncapital financing activities	<u>35,063,927</u>	<u>15,873,016</u>	<u>50,936,943</u>	<u>19,992,650</u>
Cash flows from capital and related financing activities:				
Capital expenditures	(489,393,381)	(31,438,492)	(520,831,873)	(321,288,798)
Lease interest received	7,370,951	5,806,804	13,177,755	13,150,446
Sale of properties	125,915	2,786,399	2,912,314	1,409,115
Net proceeds from issuance of debt	79,463,687	18,518,000	97,981,687	604,919,608
Interest paid	(103,809,316)	(3,073,591)	(106,882,907)	(84,117,447)
Proceeds from insurance buyout agreements and settlements		17,711,340	17,711,340	3,000,000
Proceeds from passenger facility charges	31,972,360		31,972,360	28,125,061
Proceeds from customer facility charges	18,030,342		18,030,342	16,614,360
Principal payments and redemptions on debt	(53,655,000)	(8,648,461)	(62,303,461)	(57,335,822)
Contributions from governmental agencies	6,324,132	13,995,640	20,319,772	1,966,066
Cash transfers (to) from other Port divisions, net	(2,194,115)	2,194,115		
Other, primarily nonoperating (expense) income	(5,613,364)	3,969,134	(1,644,230)	(732,503)
Net cash (used in) provided by capital and related financing activities	<u>(511,377,789)</u>	<u>21,820,888</u>	<u>(489,556,901)</u>	<u>205,710,086</u>
Cash flows from investing activities:				
Interest received	30,684,707	11,661,986	42,346,693	35,431,061
Investment activity:				
Purchases	(421,478,821)	(36,564,535)	(458,043,356)	(926,300,309)
Proceeds from sales or maturities	721,802,956	70,688,915	792,491,871	536,393,456
Net cash provided by (used in) investing activities	<u>331,008,842</u>	<u>45,786,366</u>	<u>376,795,208</u>	<u>(354,475,792)</u>
Net increase in cash and cash equivalents		93,029,329	93,029,329	23,335,203
Cash and cash equivalents - beginning of year	38,340	131,308,588	131,346,928	108,011,725
Cash and cash equivalents - end of year	<u>\$ 38,340</u>	<u>\$ 224,337,917</u>	<u>\$ 224,376,257</u>	<u>\$ 131,346,928</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 42,456,753	\$ (11,304,252)	\$ 31,152,501	\$ 11,725,028
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	122,030,076	21,125,880	143,155,956	129,551,082
Cost of land sales		6,540,794	6,540,794	1,661,936
Non cash pension and OPEB expense	(6,038)	449,743	443,705	(658,333)
Amortization of unearned revenue	(1,058,618)	(1,592,366)	(2,650,984)	(2,677,363)
Change in assets and liabilities:				
Receivables and other current assets	(14,781,391)	(8,128,458)	(22,909,849)	21,137,952
Lease receivable	26,332,880	8,610,404	34,943,284	49,253,616
Deferred lease inflows	(28,935,501)	(11,567,915)	(40,503,416)	(54,907,152)
Accounts payable and accruals	2,939,222	3,591,314	6,530,536	(6,346,377)
Lease payable	(122,053)	1,462,675	1,340,622	1,734,023
Long-term environmental and other accruals	(3,550,310)	(784,823)	(4,335,133)	605,620
Additions to unearned revenue		1,146,063	1,146,063	1,028,227
Net cash provided by operating activities	<u>\$ 145,305,020</u>	<u>\$ 9,549,059</u>	<u>\$ 154,854,079</u>	<u>\$ 152,108,259</u>

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

**THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

1. Description of the Port and Summary of Significant Accounting Policies:

The Port

The Port of Portland (the Port) is a special municipal district created by the Oregon State Legislature. It is governed by a nine-member Board of Commissioners who are appointed by the Governor of the State; Commissioners serve four-year terms without compensation. The Port facilitates aviation and marine trade within the Port District (Multnomah, Clackamas, and Washington Counties), and its influence spreads over a multi-state region. The Port owns and operates Portland International Airport (the Airport), which provides the metropolitan area with commercial airline passenger service, air cargo services, and general aviation service. The Port also owns two general aviation airports, four marine terminals, a dredge, six industrial and business parks, and develops land principally to support, enhance, and expand its core transportation operations. Principal funding sources are charges to users, revenue bonds, grants, interest earnings, passenger facility charges, customer facility charges, and, to a lesser extent, property tax levies. Its activities are carried out by a staff of approximately 776 full-time equivalent persons.

Basis of Accounting

The accounting and reporting policies of the Port conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to proprietary funds of local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Accordingly, the Port utilizes the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Intra-Port Charges and Expense Allocations

Labor and associated costs for services performed by one functional area of the Port to another area, most commonly by administrative departments, are charged in the accounting records as an expense to the receiver of services and as a credit to expense to the provider of services. The amount charged includes labor, fringe benefits, and an allocated portion of other costs, including materials and supplies, utilities, contract services, insurance, rent and depreciation. All other administrative department costs not charged in this manner are allocated as overhead based on a formula involving full time equivalent positions, legal services rendered, and operating expenses.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Operating Revenues and Expenses

Revenues and expenses that are earned or incurred during the course of normal business operations are classified as operating. Revenues and expenses that are earned or incurred outside of the course of normal operations, including interest income and expense, property tax revenue, customer facility charges, and passenger facility charges, are classified as nonoperating.

Restricted Assets and Related Liabilities

Assets and related liabilities restricted to specific purposes by state statute, bond indenture or otherwise are segregated on the balance sheet. These assets and liabilities are primarily restricted for construction and debt service purposes. When both restricted and unrestricted resources are available for use, it is the Port's policy to generally consider restricted assets to be used first over unrestricted assets.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Land Held for Sale

Land held for sale includes costs of land acquisition and development on property held for eventual sale. Land held for sale is stated at the lower of average cost or net realizable value. Costs that are capitalized consist of acquisition and development costs incurred to bring the land to salable condition. At closing, sales and related cost of land are recorded as operating revenues and expenses.

Properties and Depreciation

Properties, other than lease improvements acquired upon termination of operating leases, are stated at cost less accumulated depreciation. Properties with an individual purchase cost exceeding \$5,000 with a useful life exceeding one year are capitalized, and depreciable properties are depreciated over their estimated useful lives on a straight-line basis. The useful lives generally range from 5 to 40 years for land improvements; 5 to 40 years for buildings, building components, and terminals; and 2 to 15 years for equipment. Normal maintenance and repairs are charged to operating expense as incurred; expenditures for major additions, improvements, infrastructure, and replacements are capitalized. The cost of assets retired or otherwise disposed of and related accumulated depreciation are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to nonoperating revenue or expense.

Leases

The Port as a lessor leases to others certain land, buildings, and equipment. At the commencement of the lease term, the Port recognizes a lease receivable and a deferred inflow of resources, with certain exceptions for leases held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. 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 plus any payments received at or before the commencement of the lease term that relate to future periods.

The Port as a lessee leases from others certain building space and equipment. The Port recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of lease payments expected to be made during the lease term. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Subscription-Based Information Technology Arrangements

The Port enters into subscription-based contracts to utilize vendor-provided information technology software. These contracts convey control of the right to use a vendor's information technology software as specified in the contract. The Port recognizes a right-of-use subscription asset and a corresponding subscription liability for these contracts. Material implementation costs to place the subscription asset into service are capitalized as an addition to the subscription asset.

Amortization of Bond Issue Costs

Bond issue costs related to prepaid insurance costs are amortized over the life of the related debt and reported as a noncurrent asset on the balance sheet. The difference between the reacquisition price and the net carrying amount of old debt arising from defeasance and refunding transactions is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is reported as a deferred outflow of resources on the balance sheet. Amortization is included in interest expense. All other bond issuance costs are expensed as incurred.

Accrued Vacation and Sick Leave Pay

Vacation and sick leave pay are accrued as earned for most employees, based on length of past service, up to a maximum number of hours per employee. Vacation and sick leave liabilities are reduced when leave is taken, and unused portions are paid off upon termination to the extent allowed for in Port policy.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Unearned Revenue

Unearned revenue typically represents prepaid lease financing related to real property development projects and transactions and is generally amortized over the life of the related lease. Lease terms generally range from 5 to 55 years. Unearned revenue is reported as a noncurrent liability on the balance sheet.

Accounting for Contributions from Federal Government and Other

Capital grants and other contributions from governmental agencies are recorded as net position when earned. Operating grants are recorded as revenue when earned. Lease improvements acquired upon termination of leases are included in properties and credited to net position at estimated fair value at date of acquisition.

Property Taxes

Property taxes are used for capital and debt service purposes. Property taxes are recorded as nonoperating revenue in the year levied. Property taxes are levied and attached as an enforceable lien on property as of July 1. Taxes are payable in three installments on November 15, February 15, and May 15.

Cash and Cash Equivalents

Highly liquid investments (excluding restricted investments) with a maturity of three months or less when purchased are considered cash equivalents.

Environmental Remediation Liabilities

The Port records future pollution remediation costs that meet measurement criteria outlined in GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations." Those criteria require accrual of pollution remediation obligation amounts when a) one of certain obligating events occurs, and b) the amount can be reasonably estimated. Obligating events include imminent endangerment to public health or welfare or the environment; violation of a pollution prevention-related permit or license; evidence that the Port will be named as a responsible party, or potentially responsible party, for sharing costs; evidence that the Port will be named in a lawsuit to compel participation in remediation; and the Port commencing or legally obligating itself to commence pollution remediation. Costs for pollution remediation obligations are expensed unless expenditures meet specific criteria which allow them to be capitalized. Capitalization criteria include preparation of an asset for sale; preparation of property for use when the property was acquired with known or suspected pollution that was expected to be remediated; performing pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment; and acquisition of property, plant and equipment that have a future alternative use.

Passenger Facility Charges

Passenger facility charges (PFCs) are imposed on enplaned passengers at the Airport. PFC revenue is recorded as nonoperating revenue and is required to be used to fund Federal Aviation Administration approved expenditures for capital projects or debt repayments eligible under federal legislation permitting the imposition of PFCs.

Customer Facility Charges

Customer facility charges (CFCs) are imposed on rental car transactions at the Airport. CFC revenue is recorded as nonoperating revenue and is required by Port ordinance to be used to fund rental car-related projects, programs and related expenses.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

Cash and Equity in Pooled Investments

The Port pools the majority of its cash and investments and uses a controlled disbursement system in order to maximize earnings on available funds. Investments are stated at fair value based upon evaluated quotes from independent pricing vendors. Oregon Revised Statutes, Chapter 294 or Port ordinances, if more restrictive, authorize the Port to invest in obligations of the U.S. Treasury and U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, and certain corporate indebtedness. In addition, the Marine & Other activity is authorized to invest in a State of Oregon local government investment pool and various interest bearing municipal bonds.

Budgets

The Port budgets all funds in accordance with the requirements of State of Oregon (State) law. The Port Commission authorizes appropriations for each fund, setting the level by which expenditures cannot legally exceed appropriations. Total expenditures by department in the General Fund, operating expenditures in the Airport Revenue Fund, and capital outlay and debt service in the other funds are the levels of control for each fund. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at the end of each fiscal year.

With the approval of the Port Commission, unexpected additional resources may be appropriated through the use of a supplemental budget. The original and supplemental budgets require budget hearings before the public, publications in newspapers, and approval by the Commission for submittal to the Multnomah County Tax Supervising and Conservation Commission (TSCC). The TSCC conducts a review and certification of the original and certain supplemental budgets to comply with State law. After TSCC certification, such budgets are presented to the Port Commission for adoption. Original and supplemental budgets may be modified during the fiscal year by the use of appropriations transfers between the legal categories. Such transfers require approval by the Port Commission. The Port adopted one budget adjustment for the year ended June 30, 2024 and adopted one supplemental budget and two budget adjustments for the year ended June 30, 2023.

The Port budgets all funds on an accrual basis unless otherwise required by State law. For budgetary reporting purposes, State law requires that charges for services provided and certain expense allocations, from one fund to another fund, be reported as transfers to other funds, rather than as operating or capital expenditures.

Transfers Between Activities

The Port's policy is to fund certain general aviation (Marine & Other activity) requirements from the Airport activity. Amounts funded in this manner are shown as transfers on the statement of revenues, expenses, and changes in net position.

Internal Receivables and Payables

Intra-Port receivables and payables between activities are eliminated in the total column of the balance sheet.

Prior Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Port's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

New Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022." The statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, as well as terminology updates which were effective immediately

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

1. Description of the Port and Summary of Significant Accounting Policies, continued:

upon issuance. Additionally, the statement provides guidance related to leases, PPPs, and SBITAs which were effective for the Port's fiscal year beginning July 1, 2022. The statement also provides guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for the Port's fiscal year beginning July 1, 2023. The adoption of this statement did not have a material effect on the Port's financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections," effective for the Port's fiscal year beginning July 1, 2023. The statement defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error corrections. The adoption of this statement did not have a material effect on the Port's financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences," effective for the Port's fiscal year beginning July 1, 2024. The statement updates the recognition and measurement guidance for compensated absences to better meet the information needs of financial statement users. The Port is currently evaluating the effects this statement will have on its financial statements.

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures," effective for the Port's fiscal year beginning July 1, 2024. The statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The Port is currently evaluating the effects this statement will have on its financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements," effective for the Port's fiscal year beginning July 1, 2025. The statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The Port is currently evaluating the effects this statement will have on its financial statements.

2. Identifiable Activity Information:

The Airport is an identifiable activity in and of itself, providing commercial airline passenger service, air cargo services, and general aviation services. The activities comprising Marine & Other are the Port's marine terminals, which load, unload, and transfer commodities to and from trucks, railcars, barges, and ships; trade and economic development, which is responsible for real estate development and related services; environmental, which includes costs and recoveries associated with environmental cleanup not directly attributable to specific Port facilities, or which pertain to facilities for which operations have been discontinued; navigation, which performs maintenance dredging for the Columbia River channel and maintains a river level reporting system; general aviation, which provides general aviation relief services; engineering, which provides drafting, environmental planning, permit coordination, and engineering support for the Port; and administrative departments (admin), which provide support and services to the Port's operating departments.

Balance sheet information for Marine & Other is not available at the identifiable activity level. Identifiable activity information available for Marine & Other for the year ended June 30, 2024 was as follows (in thousands):

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

2. Identifiable Activity Information, continued:

	Marine <u>Terminals</u>	Trade & Economic <u>Development</u>	<u>Environmental</u>	<u>Navigation</u>	General <u>Aviation</u>	Engineering <u>& Admin</u>	<u>Total</u>
Operating revenues	\$ 47,783	\$ 25,107		\$ 28,415	\$ 3,875	\$ 395	\$ 105,575
Operating expenses	48,627	17,688	\$ 6,048	21,383	4,052	(2,045)	95,753
Depreciation/amortization expense	7,905	1,113		5,081	4,587	2,440	21,126
Operating (loss) income	<u>\$ (8,749)</u>	<u>\$ 6,306</u>	<u>\$ (6,048)</u>	<u>\$ 1,951</u>	<u>\$ (4,764)</u>	<u>\$</u>	<u>\$ (11,304)</u>
Capital contributions	\$ 185	\$ 59			\$ 7,128		\$ 7,372
Properties activity:							
Additions	\$ 10,283	\$ 340		\$ 5,736	\$ 11,219	\$ 846	\$ 28,424
Deletions	\$ (3,934)	\$ (254)		\$ (1,662)	\$ (38)	\$ (2,899)	\$ (8,787)

3. Cash and Investments:

Following are the Port's balance sheet classifications for cash and investments:

Balance sheet classification:	2024			2023
	<u>Airport</u>	<u>Marine & Other</u>	<u>Total</u>	<u>Total</u>
Unrestricted cash and cash equivalents	\$ 38,340	\$ 224,337,917	\$ 224,376,257	\$ 131,346,928
Unrestricted equity in pooled investments	372,177,719	113,412,447	485,590,166	455,196,614
Restricted cash and equity in pooled investments	553,979,233	21,617,331	575,596,564	930,651,916
	<u>\$ 926,195,292</u>	<u>\$ 359,367,695</u>	<u>\$ 1,285,562,987</u>	<u>\$ 1,517,195,458</u>

At June 30, 2024, the Port had the following cash and investments and maturities for the Airport:

	Investment Maturities (in years)				Value
	<u>Less than 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 5</u>	
U.S. Treasuries	\$ 255,271,915	\$ 16,136,895	\$ 36,332,951	\$ 43,701,777	\$ 351,443,538
U.S. Agencies	118,708,624	117,369,651	16,770,375	118,056,730	370,905,380
Municipal debt	7,835,399	3,999,177		3,522,156	15,356,732
Corporate indebtedness	15,323,500	27,759,955	24,559,381		67,642,836
Certificates of deposit	441,277				441,277
	<u>\$ 397,580,715</u>	<u>\$ 165,265,678</u>	<u>\$ 77,662,707</u>	<u>\$ 165,280,663</u>	805,789,763
Cash and cash equivalents					38,340
Restricted deposits held in trust accounts					120,367,189
					<u>\$ 926,195,292</u>

Following are the cash and investments and maturities for Marine & Other at June 30, 2024:

	Investment Maturities (in years)				Value
	<u>Less than 1</u>	<u>1 - 2</u>	<u>2 - 3</u>	<u>3 - 5</u>	
U.S. Treasuries	\$ 16,096,938	\$ 4,854,727	\$ 6,430,649	\$ 7,734,873	\$ 35,117,187
U.S. Agencies	21,010,500	20,773,512	2,968,225	20,895,120	65,647,357
Municipal debt	1,386,804	707,823		623,394	2,718,021
Corporate indebtedness	2,712,140	4,913,295	4,346,819		11,972,254
Certificates of deposit	78,102				78,102
	<u>\$ 41,284,484</u>	<u>\$ 31,249,357</u>	<u>\$ 13,745,693</u>	<u>\$ 29,253,387</u>	115,532,921
State of Oregon local government investment pool					62,065,213
Construction escrow					18,518,000
Cash and deposits with financial institutions					163,251,561
					<u>\$ 359,367,695</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

3. Cash and Investments, continued:

Deposits with financial institutions include bank demand deposits. The total bank balance as shown on the bank statements was \$164,708,431. Of these deposits, \$250,000 was covered by federal depository insurance and \$164,458,431 was covered by collateral pledged by the Port's qualified depositories. In accordance with ORS 295, the collateral pledged is held by the agent of the qualified depositories; is designated as subject to the Pledge Agreement between the agent, the qualified depositories, and the Oregon Office of the State Treasurer (OST); and is held for the benefit of the OST on behalf of the Port.

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

Level 1 – Unadjusted quoted prices in active markets for identical instruments.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Not leveled – Cash and cash equivalents and the Oregon Short-Term Fund investment pool are not measured at fair value and, thus, are not subject to the fair value disclosure requirements.

The Port's investments are valued using evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. All of the Port's investments at June 30, 2024 are considered level 2.

To address interest rate risk and limit its exposure to fair value losses arising from rising interest rates, the Port's investment policy places restrictions on the maturities of the Port's investment portfolio. Investment maturities are limited as follows:

<u>Maturity</u>	<u>Minimum Investment</u>
Two years and under	55% of par value
Three years and under	75% of par value
Five years and under	100% of par value

Oregon Revised Statutes (ORS) limit investments in corporate indebtedness to those rated P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard and Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in corporate indebtedness made during fiscal 2024 met or exceeded these ratings requirements.

Oregon Revised Statutes (ORS) limit investments in municipal debt to those lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. In addition, lawfully issued debt obligations of the agencies and instrumentalities of the States of California, Idaho and Washington and political subdivisions of those states are authorized if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in municipal debt made during fiscal 2024 met or exceeded these ratings requirements.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

3. Cash and Investments, continued:

A portion of the Port's investments are invested in an external investment pool, the Oregon Short-Term Fund (Fund). Numerous local governments in Oregon, as well as State agencies, participate in the Fund. The fair value of the Port's position in the pool is the same as the value of the pool shares. The Fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments in the Fund are further governed by portfolio guidelines issued by the Fund Board. While the Fund itself is not rated, the Fund's policies provide that the composite minimum weighted average credit quality rating for the Fund's holdings are the equivalent of AA for Standard and Poor's.

As required by federal law, the Port held investments (classified as restricted assets) with a par value of \$2,000,000 and \$2,500,000 at June 30, 2024 and 2023, respectively, as collateral for certain accrued liabilities for workers' compensation (Note 11). Federal law requires these investments to be in only certain prescribed negotiable securities.

Certain investment earnings are paid to the Airport from the Port General Fund pooled investments when earned. At June 30, 2024 and 2023, approximately \$641,465,000 and \$586,640,000, respectively, of the Airport's investments represent an allocated share of the Port's total investments.

4. Receivables:

Port operations are concentrated within the aviation industry for the Airport and the industrial property market and marine shipping industry for Marine & Other. Principal customers in these industries are national airlines, tenants of large Port industrial properties, and international steamship lines/agents. Each of these principal customers is affected by changes in industry market and other economic conditions. The Port evaluates the financial capacity of prospective and current customers to determine their ability to pay amounts due on a timely basis. Various forms of collateral, including irrevocable standby letters of credit and pledges from other related industry customers under a joint agreement, are obtained from certain customers, mainly for the Airport, where these pledges encompass substantially all trade receivables. Accounts receivable are monitored on an ongoing basis, and allowances for doubtful accounts are established and maintained. Total trade receivables for the aviation industry were approximately \$35,500,000 at June 30, 2024 and \$16,200,000 at June 30, 2023. Total trade receivables for the marine shipping industry were approximately \$7,700,000 at June 30, 2024 and \$5,700,000 at June 30, 2023. Total grants receivable for the Airport were approximately \$5,700,000 at June 30, 2024 and \$8,600,000 at June 30, 2023. Total grant receivables for Marine and Other were approximately \$4,600,000 at June 30, 2024 and \$4,500,000 at June 30, 2023. Other significant receivables include interest on investments, a dredging contract, and an environmental insurance settlement.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

5. Properties:

Properties activity for the year ended June 30, 2024 was as follows:

	Beginning Balances	Additions	Disposals & Transfers	Completed Projects	Ending Balances
Airport:					
<i>Assets being depreciated or amortized:</i>					
Land improvements	\$ 1,034,490,149		\$ (30,058,889)	\$ 7,260,457	\$ 1,011,691,717
Buildings and equipment	2,222,791,948		(25,089,291)	3,355,813	2,201,058,470
Intangible right-of-use assets	1,009,100	\$ 89,342			1,098,442
Total assets being depreciated or amortized	3,258,291,197	89,342	(55,148,180)	10,616,270	3,213,848,629
Less accumulated depreciation and amortization					
Land improvements	608,076,506	33,287,197	(29,802,193)		611,561,510
Buildings & equipment	1,052,691,531	88,487,536	(22,911,416)		1,118,267,651
Intangible right-of-use assets	396,931	255,342			652,273
Total accumulated depreciation and amortization	1,661,164,968	122,030,075	(52,713,609)		1,730,481,434
Total assets being depreciated or amortized, net	1,597,126,229	(121,940,733)	(2,434,571)	10,616,270	1,483,367,195
<i>Assets not being depreciated or amortized:</i>					
Land	68,042,167				68,042,167
Construction in progress	987,103,141	492,488,450	(168,148)	(10,616,270)	1,468,807,173
Total assets not being depreciated or amortized	1,055,145,308	492,488,450		(10,616,270)	1,536,849,340
Airport assets, net	\$ 2,652,271,537	\$ 370,547,717	\$ (2,602,719)	\$	\$ 3,020,216,535
Marine & Other:					
<i>Assets being depreciated or amortized:</i>					
Land improvements	\$ 323,707,400		\$ (1,571,577)	\$ 2,822,221	\$ 324,958,044
Buildings and equipment	278,090,555		(6,646,258)	5,945,618	277,389,915
Intangible right-of-use assets	5,071,011	\$ 2,581,369			7,652,380
Total assets being depreciated or amortized	606,868,966	2,581,369	(8,217,835)	8,767,839	610,000,339
Less accumulated depreciation and amortization					
Land improvements	235,357,662	9,313,863	(3,400,106)		241,271,419
Buildings & equipment	211,869,422	10,399,741	(4,853,221)		217,415,942
Intangible right-of-use assets	2,639,624	1,412,275			4,051,899
Total accumulated depreciation and amortization	449,866,708	21,125,879	(8,253,327)		462,739,260
Total assets being depreciated or amortized, net	157,002,258	(18,544,510)	35,492	8,767,839	147,261,079
<i>Assets not being depreciated or amortized:</i>					
Land	81,144,282		(695)		81,143,587
Construction in progress	37,190,637	28,422,776		(8,767,839)	56,845,574
Total assets not being depreciated or amortized	118,334,919	28,422,776	(695)	(8,767,839)	137,989,161
Marine & Other assets, net	\$ 275,337,177	\$ 9,878,266	\$ 34,797	\$	\$ 285,250,240

The ordinances authorizing the issuance of Airport revenue and PFC revenue bonds do not convey title to or mortgage the Airport or any part thereof; however, the Port covenants not to encumber or dispose of Airport properties other than as specifically permitted in the ordinances and in certain grant agreements. In Marine & Other, the Port has granted a lender a first lien on a vessel used by its navigation activity as security for a related loan.

6. Leases:

The Port leases nonfinancial assets to and from other entities as a lessor and lessee, respectively. In accordance with GASB 87, the Port as a lessor has recognized lease receivables and deferred inflows of resources, with exceptions for short-term leases and certain regulated leases. The Port as a lessee has recognized intangible right-of-use assets and corresponding lease liabilities.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

The Port as a Lessor

The Port, as a lessor, leases to others certain land and buildings at various locations for terms generally ranging from 2 to 55 years. The leases typically include provisions for periodic consumer price index or fair market value escalations, as well as volume or activity-based rents, resulting in additional variable revenues that are not included in the measurement of lease receivables.

For the year ended June 30, 2024 the Airport, as a lessor, recognized approximately \$40,963,000 and \$7,371,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the year ended June 30, 2023 the Airport, as a lessor, recognized approximately \$35,308,000 and \$7,981,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the years ended June 30, 2024 and 2023, the Airport also recognized approximately \$9,112,000 and \$8,544,000, respectively, in charges for services operating revenue for variable and other payments not previously included in the measurement of lease receivables. For the year ended June 30, 2024 Marine & Other, as a lessor, recognized approximately \$21,120,000 and \$5,807,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the year ended June 30, 2023 Marine & Other, as a lessor, recognized approximately \$18,438,000 and \$5,841,000 as charges for services operating revenue and nonoperating interest revenue, respectively. For the years ended June 30, 2024 and 2023, Marine & Other also recognized approximately \$3,309,000 and \$2,299,000 respectively, in charges for services operating revenue for variable and other payments not previously included in the measurement of lease receivables.

Following is a schedule showing the future payments that are included in the measurement of lease receivables for the five succeeding fiscal years and in five-year increments thereafter:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 31,277,571	\$ 6,429,399	\$ 12,342,983	\$ 5,480,267	\$ 43,620,554	\$ 11,909,666
2026	27,790,632	5,483,354	12,056,087	5,066,041	39,846,719	10,549,395
2027	26,686,889	4,663,457	11,535,880	5,059,466	38,222,769	9,722,923
2028	27,418,976	3,787,343	11,024,447	5,224,356	38,443,423	9,011,699
2029	27,827,129	2,895,294	11,807,674	4,743,704	39,634,803	7,638,998
2030-2034	66,307,902	4,025,555	37,235,535	18,136,966	103,543,437	22,162,521
2035-2039	2,528,201	1,090,670	20,858,776	11,815,520	23,386,977	12,906,190
2040-2044	2,644,169	692,332	7,300,808	9,401,851	9,944,977	10,094,183
2045-2049	2,458,634	250,590	9,982,321	7,491,640	12,440,955	7,742,230
2050-2054	475,547	12,176	3,102,333	6,151,746	3,577,880	6,163,922
2055-2059			4,542,128	5,352,618	4,542,128	5,352,618
2060-2064			6,531,357	4,209,202	6,531,357	4,209,202
2065-2069			9,214,715	2,562,864	9,214,715	2,562,864
2070-2074			7,245,200	482,670	7,245,200	482,670
Total	<u>\$ 215,415,650</u>	<u>\$ 29,330,170</u>	<u>\$ 164,780,244</u>	<u>\$ 91,178,911</u>	<u>\$ 380,195,894</u>	<u>\$ 120,509,081</u>

The Port is the lessor for certain aviation leases with air carriers and other aeronautical users, which are subject to regulation by the U.S. Department of Transportation and the Federal Aviation Administration. In accordance with GASB 87, the Port does not recognize a lease receivable or deferred inflow of resources for these regulated leases. Inflows of resources from regulated leases are recognized in operating revenues as earned during the year.

Regulated leases at the Airport include lease and operating agreements with passenger and cargo airlines serving the Airport. These lease and operating agreements were effective on July 1, 2015 for a fifteen year term ending June 30, 2030, and govern the use of certain Airport facilities including ramp, terminal, baggage claim, ticket counters and gate areas and certain cargo and other facilities, and permit the signatory passenger airlines to lease exclusive space, preferential space and shared space in the airport terminal. Exclusive space includes ticket counter space, office space, operations space, airline club lounges, baggage makeup space and baggage service area space, which makes up approximately 332,000

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

square feet in the Airport terminal. Preferential space includes aircraft loading bridges and/or support equipment to which the airline has a higher and continuous priority over other air carriers and includes 27 of the 42 available loading bridges at the Airport. The Port has additional regulated leases for certain land and buildings with other aeronautical users at the Airport and at general aviation airports reported in Marine & Other.

Operating revenues earned under the lease and operating agreements with airlines are reported on the Statement of Revenues, Expenses, and Changes in Net position as charges for services, and were approximately \$114,602,000 and \$95,301,000 for the years ending June 30, 2024 and 2023, respectively. Due to the variable nature of revenues from year-to-year under the lease and operating agreements with airlines serving the Airport, expected future minimum payments are not determinable. Operating revenues earned under regulated leases with other aeronautical users that are not short-term leases were \$12,374,000 and \$17,641,000 for fiscal 2024 and 2023, respectively. Marine & Other operating revenues earned under regulated leases with aeronautical users that are not short-term leases were approximately \$1,554,000 and \$1,580,000 for fiscal years 2024 and 2023, respectively. Expected future minimum payments for regulated leases with other aeronautical users are as follows:

	Airport	Marine & Other	Total Port
2025	\$ 11,684,000	\$ 1,516,000	\$ 13,200,000
2026	11,222,000	1,299,000	12,521,000
2027	9,863,000	1,092,000	10,955,000
2028	7,788,000	1,009,000	8,797,000
2029	7,617,000	900,000	8,517,000
2030-2034	22,076,000	4,075,000	26,151,000
2035-2039	17,751,000	3,408,000	21,159,000
2040-2044	7,996,000	3,013,000	11,009,000
2045-2049	1,267,000	1,324,000	2,591,000
2050-2054		760,000	760,000
2055-2059		51,000	51,000
Total	<u>\$ 97,264,000</u>	<u>\$ 18,447,000</u>	<u>\$ 115,711,000</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

The Port as a Lessee

The Port leases from others certain office and warehouse space as well as security and office equipment, with lease terms ranging from 1 to 8 years. The intangible right-of-use assets that the Port has recorded under these leases are included in depreciable properties, net of accumulated depreciation and amortization on the balance sheet. Following is a schedule of changes in the right-of-use assets with the accumulated amortization for the fiscal year ended June 30, 2024:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Right-of-use assets:				
Security equipment	\$ 64,675	\$ 89,343		\$ 154,018
Office equipment	567,117			567,117
Total right-of-use assets	631,792	89,343		721,135
Less accumulated amortization:				
Security equipment	10,729	57,668		68,397
Office equipment	220,655	113,423		334,078
Total accumulated amortization	231,384	171,091		402,475
Total right-of-use assets, net	\$ 400,408	\$ (81,748)	\$	\$ 318,660
Marine & Other:				
Right-of-use assets:				
Office and warehouse space	\$ 418,345	\$ 2,375,032		\$ 2,793,377
Office equipment	158,391	2,217		160,608
Total right-of-use assets	576,736	2,377,249		2,953,985
Less accumulated amortization:				
Office and warehouse space	376,510	239,754		616,264
Office equipment	55,437	32,356		87,793
Total accumulated amortization	431,947	272,110		704,057
Total right-of-use assets, net	\$ 144,789	\$ 2,105,139	\$	\$ 2,249,928

Minimum future lease payments for the leases for the five succeeding fiscal years and thereafter are as follows:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 137,629	\$ 9,183	\$ 217,553	\$ 128,232	\$ 355,182	\$ 137,415
2026	137,323	4,368	239,573	115,507	376,896	119,875
2027	33,911	1,070	235,745	101,867	269,656	102,937
2028			250,593	87,952	250,593	87,952
2029			276,030	72,672	276,030	72,672
2030-2034			1,094,711	111,385	1,094,711	111,385
Total	\$ 308,863	\$ 14,621	\$ 2,314,205	\$ 617,615	\$ 2,623,068	\$ 632,236

Subscription-Based Information Technology Arrangements (SBITAs)

The Port enters into subscription-based contracts to utilize vendor-provided information technology software, with contract terms ranging from 1 to 4 years. The intangible right-of-use subscription assets that the Port has recorded under these contracts are included in the depreciable properties, net of accumulated depreciation and amortization on the balance sheet. Following is a schedule of changes in the right-of-use subscription assets with the accumulated amortization for the fiscal year ended June 30, 2024:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

6. Leases, continued:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Subscription assets	\$ 377,308			\$ 377,308
Less accumulated amortization	165,547	\$ 84,250		249,797
Total subscription assets, net	<u>\$ 211,761</u>	<u>\$ (84,250)</u>	<u>\$</u>	<u>\$ 127,511</u>
Marine & Other:				
Subscription assets	\$ 4,494,275	\$ 204,120		\$ 4,698,395
Less accumulated amortization	2,207,677	1,140,166		3,347,843
Total subscription assets, net	<u>\$ 2,286,598</u>	<u>\$ (936,046)</u>	<u>\$</u>	<u>\$ 1,350,552</u>

Minimum future payments for SBITAs for the four succeeding fiscal years are as follows:

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 72,467	\$ 2,788	\$ 832,659	\$ 58,348	\$ 905,126	\$ 61,136
2026	74,792	396	837,663	22,012	912,455	22,408
2027	3,069	25	265,456	6,349	268,525	6,374
2028			67,904	238	67,904	238
Total	<u>\$ 150,328</u>	<u>\$ 3,209</u>	<u>\$ 2,003,682</u>	<u>\$ 86,947</u>	<u>\$ 2,154,010</u>	<u>\$ 90,156</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt:

At June 30, 2024, long-term debt consisted of the following:

	<u>Pension</u>	<u>Airport Revenue</u>	<u>Passenger Facility Charge Revenue</u>	<u>Customer Facility Charge Revenue</u>
Limited Tax Pension bonds:				
2002 Series (issued in fiscal 2002, original issue \$54,952,959):				
6.85%, due serially from fiscal 2021 through fiscal 2028	\$ 18,785,000			
6.6%, due fiscal 2025	6,205,000			
2005 Series (issued in fiscal 2006, original issue \$20,230,000):				
5.004%, due fiscal 2028	7,220,000			
Portland International Airport revenue bonds:				
Series Eighteen (issued in fiscal 2008, original issue \$138,890,000 variable interest rate):				
currently 4.65%, due fiscal 2027		\$ 10,780,000		
currently 3.99%, due fiscal 2027		10,785,000		
Series Twenty-Two (issued in fiscal 2015, original issue \$90,050,000):				
5.0%, due serially through fiscal 2035		31,945,000		
5.0%, due fiscal 2040		21,245,000		
5.0%, due fiscal 2045		27,110,000		
Series Twenty-Three (issued in fiscal 2015, original issue \$109,440,000):				
5.0%, due serially through fiscal 2036		65,355,000		
5.0%, due fiscal 2039		23,250,000		
Series Twenty-Four (issued in fiscal 2017, original issue \$233,240,000):				
5.0%, due serially through fiscal 2038		94,550,000		
5.0%, due fiscal 2043		52,770,000		
5.0%, due fiscal 2048		67,360,000		
Series Twenty-Five (issued in fiscal 2019, original issue \$208,255,000):				
5.0%, due serially through fiscal 2040		93,075,000		
5.0%, due fiscal 2045		47,455,000		
5.0%, due fiscal 2050		60,565,000		
Series Twenty-Six (issued in fiscal 2020, original issue \$72,725,000):				
5.0%, due fiscal 2027		3,900,000		
5.0%, due serially through fiscal 2029		28,465,000		
5.0%, due fiscal 2030		4,110,000		
5.0%, due fiscal 2034		5,110,000		
4.0% to 5.0%, due fiscal 2038		6,170,000		
4.0% to 5.0%, due fiscal 2041		5,430,000		
Series Twenty-Seven (issued in fiscal 2021, original issue \$312,460,000):				
1.2% to 5.0%, due serially through fiscal 2041		144,545,000		
5.0%, due fiscal 2046		69,510,000		
4.0% to 5.0%, due fiscal 2051		87,060,000		
Series Twenty-Eight (issued in fiscal 2022, original issue \$527,005,000):				
4.0% to 5.0%, due serially through fiscal 2043		269,045,000		
4.0%, due fiscal 2048		114,835,000		
5.0%, due fiscal 2053		142,535,000		
Series Twenty-Nine (issued in fiscal 2023, original issue \$566,120,000):				
5.0% to 5.25%, due serially through fiscal 2044		249,245,000		
5.5%, due fiscal 2049		160,765,000		
5.5%, due fiscal 2054		156,110,000		
Passenger Facility Charge revenue bonds:				
Series 2012A (issued and privately placed in fiscal 2013, original issue \$57,725,000):				
variable interest rate, currently 4.813%, due fiscal 2025			\$ 10,260,000	
Series 2022A (issued in fiscal 2022, original issue \$51,620,000):				
5.00%, due serially through fiscal 2032			51,620,000	
Customer Facility Charge revenue bonds:				
Series 2019 (issued in fiscal 2019, original issue \$163,290,000):				
2.948% to 3.865%, due serially through fiscal 2033				\$ 36,130,000
3.915%, due serially through fiscal 2035				9,730,000
4.067%, due serially through fiscal 2040				27,940,000
4.237%, due serially through fiscal 2050				76,340,000
Totals, including \$8,040,000, \$44,730,000, \$10,260,000, and \$3,520,000 respectively, due within one year	<u>\$ 32,210,000</u>	<u>\$ 2,053,080,000</u>	<u>\$ 61,880,000</u>	<u>\$ 150,140,000</u>

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

	Direct Borrowings - Contracts and Loans Payable at June 30, 2024
State of Oregon Business Development Department Special Public Works Fund loan (issued in fiscal 2009, original amount available \$8,700,000), 5.00% in annual installments ranging from \$362,431 due December 1, 2024 to \$488,663 due December 1, 2030, including \$362,431 due within one year	\$ 2,963,314
Banc of America Leasing & Capital, LLC, (issued in fiscal 2013, original amount \$15,100,000, secured by a lien on the financed asset), 4.5%, payable in monthly installments ranging from \$96,820 due August 1, 2024 to \$115,011 due June 1, 2028, including \$1,186,099 due within one year	4,966,016
Banc of America Leasing & Capital, LLC, (issued in fiscal 2024, original amount \$4,533,000, secured by a lien on the financed asset), 6.444%, payable in monthly installments ranging from \$16,684 due June 8, 2025 to \$437,084 due May 8, 2039, including \$16,684 due within one year	4,533,000
Banc of America Leasing & Capital, LLC, (issued in fiscal 2024, original amount \$13,985,000, secured by a lien on the financed asset), 6.444%, payable in monthly installments ranging from \$439,173 due November 8, 2025 to \$1,374,032 due May 8, 2039	13,985,000
Total, including \$1,565,214 due within one year	\$ 26,447,330

Future debt service requirements on bonds, contracts and loans payable at June 30, 2024 are as follows:

Airport									
				Directly Placed 2012A					
				Revenue Bonds		PFC Revenue Bonds		PFC Revenue Bonds	
				Principal	Interest	Principal	Interest	Principal	Interest
2025	\$	44,730,000	\$	99,619,797		\$	2,581,000	\$	10,260,000
2026		44,585,000		97,661,859			2,581,000		493,849
2027		45,705,000		95,544,296	\$	2,670,000	2,514,250		3,520,000
2028		40,905,000		93,255,575		8,860,000	2,226,000		5,952,165
2029		45,085,000		91,105,825		9,300,000	1,772,000		5,843,839
2030-2034		279,245,000		416,349,875		30,790,000	2,359,250		3,735,000
2035-2039		355,325,000		338,675,900					5,727,377
2040-2044		395,410,000		249,039,075					3,855,000
2045-2049		479,000,000		141,475,888					5,603,458
2050-2054		323,090,000		36,259,200					5,470,522
	\$	2,053,080,000	\$	1,658,987,290	\$	51,620,000	14,033,500	\$	10,260,000
								\$	493,849
								\$	150,140,000
								\$	94,460,972

Marine & Other					
Pension Bonds				Direct Borrowings	
	Principal		Interest	Principal	Interest
2025	\$ 8,040,000	\$	2,057,592	\$ 1,565,214	\$ 374,436
2026	8,980,000		1,556,238	2,267,655	1,283,375
2027	10,015,000		978,305	2,617,582	1,502,760
2028	5,175,000		332,982	2,641,007	1,362,145
2029				1,482,720	1,248,068
2030-2034				7,296,340	4,830,063
2035-2039				8,576,812	2,339,131
	\$ 32,210,000	\$	4,925,117	\$ 26,447,330	\$ 12,939,978

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

Changes in long-term debt on the balance sheet for the year ended June 30, 2024 were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Long-term privately placed bonds outstanding	\$ 20,010,000		\$ (9,750,000)	\$ 10,260,000
less: current portion	(9,750,000)	\$ (10,260,000)	9,750,000	(10,260,000)
Long-term bonds outstanding	2,298,745,000		(43,905,000)	2,254,840,000
less: current portion	(43,905,000)	(48,250,000)	43,905,000	(48,250,000)
Unamortized bond issue premium	253,456,235		(17,068,952)	236,387,283
Long-term debt	<u>\$ 2,518,556,235</u>	<u>\$ (58,510,000)</u>	<u>\$ (17,068,952)</u>	<u>\$ 2,442,977,283</u>
Marine & Other:				
Long-term direct borrowings outstanding	\$ 9,412,791	\$ 18,518,000	\$ (1,483,461)	\$ 26,447,330
less: current portion	(1,483,461)	(1,565,214)	1,483,461	(1,565,214)
Long-term bond debt outstanding	39,375,000		(7,165,000)	32,210,000
less: current portion	(7,165,000)	(8,040,000)	7,165,000	(8,040,000)
Long-term debt	<u>\$ 40,139,330</u>	<u>\$ 8,912,786</u>	<u>\$</u>	<u>\$ 49,052,116</u>

In addition, at June 30, 2024 and 2023, the Port has recorded \$7,763,206 and \$10,110,154 respectively, within the Airport activity, for the difference between the reacquisition price and the net carrying amount of refunded bonds, which is recorded as a deferred outflow of resources on the balance sheet.

CONTRACTS, LOANS AND PENSION BONDS

Contracts and loans in Marine & Other are direct borrowings payable from revenues of the Port, including existing property tax levies. The contracts and loans provide that in the event of default, outstanding amounts may be immediately due and payable. One of the loans also grants a lien under which the lender may choose to sell the secured property in the event of default.

In February 2021, the State refinanced a loan payable by the Port, resulting in a reduction in the principal balance of approximately \$899,000 and an increase in the interest rate to 5 percent. The reduction in the principal balance is recorded as a deferred inflow of resources on the balance sheet, and is being amortized as a reduction of interest expense over the remaining term of the loan.

Limited Tax Pension Bonds were issued to fund the Port's estimated unfunded actuarial accrued liability as of April 1, 2002 (Note 9). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. Bonds maturing on June 1, 2025 are redeemable at the option of the Port on or after June 1, 2007 at par, in whole or in part, by lot, on any date up to June 1, 2025. Bonds maturing on June 1, 2028 are subject to mandatory redemption, at par, prior to maturity, in part, by lot, beginning June 1, 2020, and on each June 1 thereafter.

Limited Tax Pension Bonds were also issued to fund the Port's estimated unfunded actuarial accrued liability as of October 1, 2005 (Note 9). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. These bonds are subject to optional redemption by the Port, in whole or in part, on any date, at a price equal to the greater of par or a discounted value, as defined. Bonds maturing on June 1, 2028 are subject to mandatory redemption, beginning June 1, 2021, and on each June 1 thereafter.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS

Port Ordinance No. 155, enacted November 10, 1971, and Ordinance No. 323, enacted October 9, 1985, both subsequently amended (Ordinances), authorize the issuance of Portland International Airport Revenue Bonds (Airport revenue bonds) to pay the costs of acquiring and constructing Airport and other Port improvements. Port Ordinance No. 323 further restricts sales of Airport revenue bonds except for the purpose of paying the costs of construction of additions, expansion, and improvements at the Airport and the costs of acquisition and construction of general aviation airports. Both Ordinances also allow for the issuance of refunding bonds. The revenue bonds are not in any manner or to any extent a general obligation, a lien on tax revenues of the Port, or a charge upon any revenues or property of the Port not specifically pledged thereto. The proceeds of all such revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, Airport purposes only.

These Ordinances require that Airport revenues and costs of operation and maintenance be accounted for in an Airport revenue fund. Any excess of revenues over costs other than depreciation is to be credited in the following order for uses specified in Ordinance No. 155:

- General account for payment to an Airport revenue bond fund to provide for the punctual payment of bond interest and principal.
- General account for all other permitted uses.

Proceeds from sales of bonds not expended for allowable acquisitions or construction shall be used for repayment of bonds.

These Ordinances established debt service reserve accounts in an Airport revenue bond fund to accumulate the maximum debt service requirements, as defined in the Ordinances, for any future fiscal year for all outstanding bonds. Debt service reserve insurance may be substituted for any portion of the bond reserve requirement. For all outstanding Airport revenue bonds, the bond reserve requirement has been met. The Ordinances state that upon the occurrence of a default, outstanding amounts may be declared immediately due and payable upon written request by a majority of bond holders based upon aggregate principal.

Section 16(ii) of Ordinance No. 155 and Section 5f of Ordinance No. 323 further stipulate that defined net revenues in each fiscal year must equal at least 130 percent of defined debt service requirements. The Airport has complied with this provision of the Ordinances for the years ended June 30, 2024 and 2023.

On July 1, 2015, ten year contracts with major airline customers became effective in which the airlines have provided financial guarantees sufficient to meet the net revenues requirement for airline supported activities, primarily airfield and terminal operations; effective January 1, 2019, the term of those contracts was extended to fifteen years. Net revenues of other activities, primarily parking, air cargo, and a portion of rental car operations are neither guaranteed nor limited to specified levels by these contracts. The contracts also contain an annual revenue sharing provision through June 30, 2030 in which fees to signatory airlines are discounted \$6,000,000 annually. The annual discount is subject to certain 1) reductions, contingent on the Port managing operating expenses to a defined target level and 2) increases, contingent on Airport coverage ratio thresholds. The discount amount was increased by \$8,230,240 for fiscal 2024 and by \$6,386,360 for fiscal 2023.

Series Twenty-Nine bonds maturing on or before July 1, 2033 are not subject to optional redemption prior to their stated maturity. Series Twenty-Nine bonds maturing on or after July 1, 2034 are redeemable at the option of the Port, on or after July 1, 2033, at 100 percent of the principal amount plus accrued interest.

Series Twenty-Eight bonds maturing on or before July 1, 2032 are not subject to optional redemption prior to their started maturity. Series Twenty-Eight bonds maturing on or after July 1, 2033, are redeemable at the option of the Port, on or after July 1, 2032, at 100 percent of the principal amount plus accrued interest.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long-Term Debt, continued:

Series Twenty-Seven A bonds maturing on or before July 1, 2030, are not subject to optional redemption prior to their stated maturity. Series Twenty-Seven A Bonds maturing on or after July 1, 2031 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Seven B Bonds are subject to redemption at the option of the Port, in whole or in part, on any date, at a redemption price equal to the greater of 100% of the principal amount of the redeemed bonds plus accrued interest; or the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the redeemed bonds, discounted to the date of redemption on a semi-annual basis, at a rate for a US Treasury security with a maturity comparable to the average remaining life of the bonds being redeemed plus 15 basis points in maturities 2023-2024, and plus 20 basis points in maturity 2025, plus accrued interest.

Series Twenty-Six bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. Series Twenty-Six A and B bonds maturing on or after July 1, 2033 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Six C bonds are not subject to optional redemption prior to their stated maturity.

Series Twenty-Five bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. Series Twenty-Five bonds maturing on or after July 1, 2030 are redeemable at the option of the Port, on or after January 1, 2029 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Four bonds maturing on or before July 1, 2027 are not subject to optional redemption prior to maturity. Series Twenty-Four bonds maturing on or after July 1, 2028 are redeemable at the option of the Port on or after July 1, 2027 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Three bonds maturing on or before July 1, 2025 are not subject to optional redemption prior to maturity. Series Twenty-Three bonds maturing on or after July 1, 2026 are redeemable at the option of the Port on or after July 1, 2025 at 100 percent of the principal amount plus accrued interest.

Series Twenty-Two bonds maturing on or before July 1, 2024 are not subject to optional redemption prior to maturity. Series Twenty-Two bonds maturing on or after July 1, 2025 are redeemable at the option of the Port on or after July 1, 2024 at 100 percent of the principal amount plus accrued interest.

Series Eighteen variable rate demand bonds bear an interest rate that is generally reset weekly by remarketing agents, and cannot exceed 12.0 percent. Payments of principal and interest on the Series Eighteen bonds and the purchase price of Series Eighteen bonds that are subject to optional or mandatory purchase and not remarketed will be payable by draws on an irrevocable direct pay letter of credit. Series Eighteen bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part, by lot, on any business day. In the event that Series Eighteen bonds are not remarketed and the irrevocable direct pay letter of credit is drawn upon, the draw will constitute a liquidity advance by the letter of credit bank. The Port must repay the liquidity advance over a term of three years at a variable rate of interest that increases over time, reaching a maximum rate of the greater of the federal funds rate plus 2.5 percent, or the bank's prime rate plus 2.0 percent. In the event of default, outstanding amounts become immediately due and payable.

All Airport revenue bonds principal and interest are payable solely from revenues derived from the operation and related services of the Airport.

PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS

Port Ordinance No. 395-B, enacted June 10, 1999, authorized the issuance of Portland International Airport Passenger Facility Charge Revenue Bonds (PFC revenue bonds) to pay the costs of construction of certain Federal Aviation Administration approved PFC projects. The PFC revenue bonds are backed by a pledge and assignment of PFC revenues. The PFC revenue bonds are not in any manner or to any extent a general obligation, a lien on tax revenues of the Port, or a charge upon any other revenues or property of the Port not specifically pledged thereto. The proceeds of all PFC revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, prescribed purposes only.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long Term Debt, continued:

Ordinance No. 395-B established a debt service reserve account in an amount equal to the maximum annual debt service. The reserve account was fully funded from PFC bond proceeds. Ordinance No. 395-B requires that PFC revenues be accounted for in a PFC fund and used for, in order of priority, payments into a PFC bond fund to provide for payment of PFC bond interest and principal, payments into the reserve account, any required payments into an obligations account, any required payments into an obligations reserve account, and then to a PFC capital account. The capital account may be used to pay costs of construction, additions, improvements, repairs to, or extensions of approved PFC projects or be used for any other lawful Port purpose to the extent permitted by PFC regulations. Until so applied, amounts in the capital account are pledged to payment of and subject to a lien and charge in favor of registered owners of the PFC revenue bonds.

In connection with the PFC revenue bonds, the Port has also covenanted to comply with PFC laws and regulations, noise regulations, and to manage the PFC program so that remaining PFC authority (as defined in Ordinance No. 395-B) less contractual commitments, shall exceed 105 percent of defined unpaid debt service.

The Series 2022A Passenger Facility Charge Refunding Revenue bonds are not subject to optional redemption prior to their stated maturity.

The Series 2012A variable rate bonds were issued in the form of index bonds bearing an interest rate that is generally reset weekly based on an applicable spread of 55 basis points plus 80 percent of 1 month LIBOR, and cannot exceed 12.0 percent. During fiscal 2023, the Port replaced LIBOR with the Secured Overnight Financing Rate (SOFR) as the index rate for the 2012A bonds; all other components of the interest rate calculation remain the same. The Series 2012A bonds have a maturity date of July 1, 2024 and are subject to mandatory sinking account payments prior to maturity. The Series 2012A bonds were directly purchased by a single buyer for an initial purchase period ending July 1, 2024. Series 2012A bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part. In the event of default, outstanding amounts become immediately due and payable.

PFC revenue bonds principal and interest are payable solely from PFC revenues.

PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS

Port Ordinance 461-B, enacted February 13, 2019, authorized the issuance and sale of Portland International Airport Customer Facility Charge Revenue Bonds (CFC revenue bonds) to finance and refinance costs of rental car facilities and related projects at Portland International Airport. CFC revenue bonds are secured by and payable solely from customer facility charges (CFCs) collected from rental car customers who rent cars from rental car companies operating at the Airport, with the backstop of a contingent fee payment from the rental car companies operating at the Airport in the event that there is a deficiency in CFCs needed to make payments or meet covenants pursuant to the CFC bond ordinances. The CFC revenue bonds are not in any manner or to any extent a general obligation, nor a charge upon any other revenues or property of the Port not specifically pledged thereto. The proceeds of all CFC revenue bonds issued to date have been deposited in funds (accounts) designated for, and have been used for, prescribed purposes only.

Series 2019 CFC revenue bonds maturing on or after July 1, 2030, are redeemable at the option of the Port, on any date on or after July 1, 2029 at 100 percent of the principal amount plus interest. In addition, the Series 2019 CFC revenue bonds are subject to redemption prior to July 2029, at the option of the Port, on any date at a make-whole redemption price equal to either 1) the greater of 100 percent of the principal amount plus accrued interest, or 2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds being redeemed plus a make-whole spread, plus accrued interest.

PORTLAND INTERNATIONAL AIRPORT COMMERCIAL PAPER

Port Ordinance No. 463-CP, enacted November 8, 2017, authorized the issuance of Portland International Airport Third Lien Commercial Paper Notes (commercial paper) of up to \$300 million aggregate principal amount outstanding at any one time to pay, refinance, or reimburse the Port for the payment of costs of constructing, renovating, acquiring, equipping and installing improvements at the Airport, to pay costs of issuing commercial paper, and for any other lawful purposes of the Port. Commercial paper is issued pursuant to Section 6B of Port Ordinance 323 and is payable solely from the defined net revenues of the Airport that are available in the Third Lien Obligation Fund.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

7. Long Term Debt, continued:

In fiscal 2024, the Port issued Series B commercial paper to fund the costs of constructing improvements at the Airport and to pay interest on maturing commercial paper. Commercial paper outstanding totaled \$79,600,000 and \$0 at June 30, 2024 and 2023, respectively. Commercial paper balances are included in current portion of long-term debt on the balance sheet. In the event of default, outstanding amounts become immediately due and payable.

8. Industrial Revenue Bonds:

The Port facilitates the issuance of industrial revenue bonds by others to finance construction of industrial facilities within the Port district which it leases or sells on installment contracts to the industrial users. Such facilities and the related receipts from lease rentals and contract payments are pledged for payment of the bonds. The bonds are not a liability or contingent liability of the Port or a lien on any of its properties or revenues other than the industrial facilities for which they were issued. Accordingly, the bond liability and related receivables are not reflected in the Port's financial statements.

Industrial revenue bonds for Airport industrial facilities were outstanding in the amount of \$17,300,000 at both June 30, 2024 and 2023.

9. Pension Plans and Deferred Compensation Plan:

Most employees, after six months of employment, are participants in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan (Plan), administered by PERS, to which employees and employers both contribute. Benefits generally vest after five years of service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Retirement benefits are generally based on salary and length of service or retiree account balance, are calculated using a formula, and are payable in a lump sum or monthly using several payment options. Monthly benefits are adjusted annually through cost-of-living adjustments (COLA). A prospective cap on the COLA which took effect in fiscal 2015 and beyond varies based upon the amount of the annual benefit. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of PERS, and additions to/deductions from PERS' fiduciary net position, have been determined on the same basis as they are reported by PERS. PERS uses accrual basis accounting for all funds, recognizing revenues when earned, contributions when due, benefits in the month they are earned, and withdrawals in the month they are due and payable. PERS issues a publicly available financial report, which may be obtained at www.oregon.gov/pers or by writing to PERS, PO Box 23700, Tigard, Oregon 97281. The rate of employee contributions (6 percent of annual covered salary) is established by state statute, and the rate of employer contributions to PERS is set periodically by PERS based on actuarial valuations. The Port's contribution rates were 14.11 and 12.84 percent of annual covered payroll for fiscal years 2024 and 2023, respectively. The Port also pays the required employee contribution. The Port, by electing to join the State and Local Government Rate Pool, effective January 1, 2002, is part of the cost-sharing multiple-employer segment of the pension plan. Limited tax pension bonds were issued to fund the Port's estimated unfunded actuarial accrued liability (UAL) of \$54,068,039 as of April 1, 2002, and \$20,012,029 as of October 1, 2005. The proceeds from these bond issues are held by PERS in side accounts specific to the Port, and are factors in the calculation of the Port's employer contribution rates and the Port's proportionate share of the collective Net Pension Liability (NPL) or Net Pension Asset (NPA). Of these bond issue amounts, \$25,550,920 and \$11,244,225 were applicable to the Airport, and were recorded on the Airport balance sheet as liabilities (due to Marine & Other). The Airport liability is reduced proportionately as the Marine & Other activity makes principal payments on the pension bonds. Principal payments on the pension bonds were made in the amounts of \$7,165,000 and \$6,350,000 in fiscal 2024 and 2023, respectively, of which \$3,535,310 and \$3,135,853 were applicable to the Airport.

In December 2019, the Port contributed \$30 million to PERS in order to create two new Port-specific side accounts to provide future pension contribution rate relief for the Port. Both new accounts were funded by the Marine & Other activity. One side account in the amount of \$20 million qualified for nearly \$5 million in matching funds from the Oregon

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

State Employer Incentive Fund; this account is being amortized to provide pension rate relief over 16 years beginning January 1, 2020. The second side account was established in the amount of \$10 million and is being amortized to provide pension rate relief over 10 years, with rate relief deferred to commence on July 1, 2029. The intent of creating these side accounts was to effectively offset a portion of the Port's proportionate share of the collective NPL attributable to the Marine & Other activity and reduce future Port pension contributions for the Marine & Other activity over a total of 20 years. PERS does not recognize the Airport as a separate activity of the Port, so internal accounting adjustments are necessary for rate relief from the new side accounts to be credited only to the Marine & Other activity.

The 2003 Oregon legislature adopted a number of amendments to the benefit structure of PERS, later modified by the Oregon Supreme Court. In addition to adopting amendments to the benefit structure of PERS, the 2003 legislature passed HB 2020, which established a successor pension plan to PERS, the Oregon Public Service Retirement Plan (OPSRP). All public employees hired on or after August 29, 2003, unless membership was previously established in PERS, become participants in OPSRP, generally after six months of employment. OPSRP is a hybrid pension plan with two components, the Pension Program (a defined benefit program) and the Individual Account Program (IAP) (a defined contribution program), and is administered by PERS, the agency. The Pension Program is funded by employer contributions. For general service members, normal retirement age is 65 or age 58 with 30 years of service, and for police and fire members, normal retirement age is 60 or age 53 with 25 years of service. Retirement benefits under the Pension Program are calculated using a formula based on final average salary, as defined, and years of service.

The IAP is funded by a 6 percent employee contribution (which may be paid by the employer for the employee). The Port pays the employee contribution. Employee contributions are placed in an employee account, accounts are adjusted for earnings or losses, and are paid at retirement, either as a lump sum or in installments. Effective January 1, 2004, required 6 percent employee contributions for PERS members were paid to the member's IAP account rather than the member's PERS account, as required by the 2003 legislation. In 2019, Oregon Legislature enacted Senate Bill 1049, which made a number of amendments to PERS, including redirecting 2.5 percent for PERS members and 0.75 percent for OPSRP members of the required employee 6 percent contributions from a member's IAP account to the member's employee pension stability account, effective July 1, 2020. The Port's employer contribution rate to OPSRP, set periodically by PERS based on actuarial valuations, was 9.24 percent of annual covered payroll for general service members and 14.03 percent for police and fire members for fiscal 2024, and 7.94 percent of annual covered payroll for general service members and 12.30 percent for police and fire members for fiscal 2023. The Port also pays the required employee contributions of 6 percent of annual covered salary.

The Port's fiscal 2024 and 2023 regular pension contributions recognized by PERS were \$11,923,360 and \$11,018,267. Actuarial determinations are not made solely as to Airport employees. PERS contributions of \$6,032,095 and \$5,545,611 were applicable to the Airport for fiscal years 2024 and 2023, respectively, based upon Port payroll expense.

GASB Statement No. 68 (GASB 68) establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 requires the liability of employers to employees for defined benefit plans (NPL or NPA) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (Total Pension Liability (TPL) or Total Pension Asset (TPA)), less the amount of the pension plan's fiduciary net position. Employers participating in cost-sharing plans recognize their proportionate share of the collective pension amounts for all benefits provided through the plan based on an allocation methodology.

The Port recognizes its proportion of the PERS NPL or NPA, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense. The TPL at June 30, 2024, was determined based on an actuarial valuation as of December 31, 2021, and rolled forward to the measurement date of June 30, 2023; the TPL at June 30, 2023, was determined based on an actuarial valuation as of December 31, 2020, and rolled forward to the measurement date of June 30, 2022. The basis for the Port's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

For the year ended June 30, 2024, the Port's proportionate share of the collective NPL of PERS is \$86,846,701, or 0.46366001 percent of the total, and the Port recognized pension expense of \$13,062,392 as its proportionate share of PERS pension expense. For the year ended June 30, 2023, the Port's proportionate share of the collective NPL of PERS is \$77,868,793, or 0.50854729 percent of the total, and the Port recognized pension expense of \$10,708,585 as its proportionate share of PERS pension expense. Actuarial determinations are not made solely as to Airport employees. For the year ended June 30, 2024, \$57,062,678 of the NPL, and \$6,441,392 of pension expense, was applicable to the Airport. For the year ended June 30, 2023, \$52,803,103 of the NPL, and \$5,279,482 of pension expense, was applicable to the Airport.

Actuarial assumptions used in the 2021 valuation rolled forward to the measurement date of June 30, 2023, and the 2020 valuation rolled forward to the measurement date of June 30, 2022, were as follows:

- Investment Rate of Return: 6.90 percent per annum
- Projected Salary Increases: 3.40 percent overall payroll growth
- Inflation Rate: 2.40 percent per annum

For the 2021 valuation rolled forward to the measurement date of June 30, 2023, and for the 2020 valuation rolled forward to the measurement date of June 30, 2022, mortality assumptions for healthy retirees and beneficiaries are based on Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Active members' mortality assumptions are based on Pub-2010 Employee, sex distinct, generational projection with Unisex Social Security Data Scale. Disabled retirees' mortality assumptions are based on Pub-2010 generational Disabled Retiree mortality tables with group-specified job category and setback adjustments.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

GASB 68 generally requires that a blended discount rate be used to measure the TPL (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is PERS' independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

The discount rate used to measure the TPL of PERS was 6.90 percent for the measurement dates of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, PERS' fiduciary net position was projected to be available to make all projected future benefit payments of current PERS members. Therefore, the long-term expected rate of return on PERS investments was applied to all periods of projected benefit payments to determine the TPL.

For fiscal 2024, the Port's \$86,846,701 proportionate share of the NPL was calculated using the discount rate of 6.90 percent as of the measurement date of June 30, 2023. If a discount rate 1 percentage point lower (5.90 percent) were used in the calculation, it would result in an NPL for the Port of \$143,454,398. If a discount rate 1 percentage point higher (7.90 percent) were used in the calculation, it would result in an NPL for the Port of \$39,472,058. For fiscal 2023, the Port's \$77,868,793 proportionate share of the NPL was calculated using the discount rate of 6.90 percent as of the measurement date of June 30, 2022. If a discount rate 1 percentage point lower (5.90 percent) were used in the calculation, it would result in an NPL for the Port of \$138,093,569. If a discount rate 1 percentage point higher (7.90 percent) were used in the calculation, it would result in an NPL for the Port of \$27,463,437.

To develop an analytical basis for the selection of the long-term expected rate of return assumption used in the calculation of the TPL at June 30, 2023 and 2022, the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors in 2023 and 2021, respectively. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset class	Target allocation	20-year annualized geometric mean
Global equity	27.50%	7.07%
Private equity	25.50%	8.83%
Core fixed income	25.00%	4.50%
Real estate	12.25%	5.83%
Master limited partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge fund of funds - multistrategy	1.25%	6.27%
Hedge fund equity - hedge	0.63%	6.48%
Hedge fund - macro	5.62%	4.83%
Assumed inflation - mean	n/a	2.35%

Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

Deferred items are calculated at the PERS level and allocated to the Port based upon its proportionate share. For the measurement dates of June 30, 2023 and 2022, there were deferred outflows and inflows of resources related to the following sources:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

9. Pension Plans and Deferred Compensation Plan, continued:

Measurement date of June 30,	Deferred outflows of resources		Deferred inflows of resources	
	2023	2022	2023	2022
Differences between expected and actual experience	\$ 2,303,824	\$ 1,836,657	\$ 344,355	\$ 485,604
Changes of assumptions	7,714,947	12,218,034	57,523	111,624
Net difference between projected and actual earnings on plan investments	1,560,990			13,921,434
Differences between contributions and Port's proportionate share of system contributions	5,692,538	8,598,447	15,852,386	14,159,725
Total	<u>\$ 17,272,299</u>	<u>\$ 22,653,138</u>	<u>\$ 16,254,264</u>	<u>\$ 28,678,387</u>

Port employer contributions for PERS made after the measurement date are reported as deferred outflows on the balance sheet at June 30, 2024 and 2023 in the amount of \$11,923,360 and \$11,018,267, respectively; these contributions are recognized as a reduction in the Port's NPL in the ensuing year. \$6,032,095 and \$5,545,611 of the deferred outflows were applicable to the Airport at June 30, 2024 and 2023, respectively.

Cumulative deferred inflows and outflows related to PERS will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources - Airport	Deferred Outflows/ (Inflows) of Resources - Marine & Other	Deferred Outflows/ (Inflows) of Resources - Total
2025	\$ 303,546	\$ 214,324	\$ 517,870
2026	(3,219,570)	(2,273,228)	(5,492,798)
2027	3,159,154	2,230,571	5,389,725
2028	516,883	364,953	881,836
2029	(163,298)	(115,299)	(278,597)
Total	<u>\$ 596,715</u>	<u>\$ 421,321</u>	<u>\$ 1,018,036</u>

The Port sponsors an eligible deferred compensation plan under IRC Section 457(b) known as the Port of Portland Deferred Compensation Plan (the Plan) which is available to all Port employees. The Plan qualifies as a defined contribution pension plan under the criteria in GASB Statement No. 68, and permits eligible employees to defer a portion of their current salary until future years. The Port may at any time either prospectively or retroactively amend the Plan. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of an employee trust, held for the exclusive benefit of participants and their beneficiaries, and are not subject to the claims of the Port's general creditors. Employees in the Plan are able to direct their funds to any investment options available in the Plan, and the Port makes no contributions to, recognizes no expense and has no liability for, and has little administrative involvement with the Plan. The Port has concluded that the Plan does not meet the criteria to be reported as a fiduciary activity, and the Plan assets are not included in the Port's financial statements.

10. Postemployment Healthcare Benefits:

The Port administers a single-employer defined-benefit healthcare plan which provides certain qualifying employees retiring under PERS or OPSRP with Port-paid healthcare coverage for the qualifying retiree until age 65. This program is being phased out and is closed to any employees that did not meet age and length-of-service eligibility requirements by December 31, 2011. The Port does not issue a publicly available report on the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75, and contributions to the plan are made on a pay-as-you-go basis.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

10. Postemployment Healthcare Benefits, continued:

Under Oregon State law, employees retiring under PERS or OPSRP may make a one-time election at retirement to continue their health insurance coverage through the Port until eligible for Medicare (usually age 65). Coverage may be elected for the retiring employee, their spouse, and for qualifying dependents. Premiums are paid by the retiree at the Port's pooled rate, which is the same rate paid for active employees. Retirees, on average, are expected to have higher health care costs than active employees, primarily due to the older average age of retirees. Since the same premium applies to both groups, the premiums paid for active employees by the Port are subsidizing the premiums for retirees. As a result, there is an 'implicit subsidy' paid by the Port; the implicit subsidy associated with retiree health care costs paid during the last year is also considered to be a contribution from the Port.

At June 30, 2023, the following employees were covered by the benefits terms of the plan:

Inactive employees currently receiving benefit payments	23
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>782</u>
	<u>805</u>

For the year ended June 30, 2024, the Port's total other postemployment benefit (OPEB) liability of \$2,961,194 was determined based upon a July 1, 2023 actuarial valuation, measured as of June 30, 2024, with a reporting date of June 30, 2024; \$1,502,324 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of \$(335,993) in fiscal 2024, with \$(210,426) of OPEB benefit applicable to the Airport. For the year ended June 30, 2023, the Port's total OPEB liability of \$2,917,927 was determined based upon a July 1, 2023 actuarial valuation, measured as of June 30, 2023, with a reporting date of June 30, 2023; \$1,469,665 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of \$(266,725) in fiscal 2023, with \$(165,900) of OPEB benefit applicable to the Airport.

The OPEB liability in the July 1, 2023 actuarial valuation measured as of June 30, 2024 and June 30, 2023 was determined using the following actuarial assumptions:

- A discount rate of 4.13 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2023
- A healthcare cost trend rate of 6.25 percent grading uniformly to 5.20 percent over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94 percent in the year 2075
- Mortality rates were based on the Pub-2010 General Government and Safety Headcount weighted tables with improvements projected using scale MP-2021

Changes in the OPEB liability during fiscal 2024 are shown in the following table:

	Airport	Marine & Other	Total Port
Balance at 6/30/2023	\$ 1,469,665	\$ 1,448,262	\$ 2,917,927
Service cost	62,497	47,590	110,087
Interest	59,585	57,862	117,447
Benefit payments	(89,423)	(94,844)	(184,267)
Net change	32,659	10,608	43,267
Balance at 6/30/2024	<u>\$ 1,502,324</u>	<u>\$ 1,458,870</u>	<u>\$ 2,961,194</u>

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a health care trend rate assumption that is 1-percentage-point lower or 1-percentage-point higher than the current health care trend rate assumption:

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

10. Postemployment Healthcare Benefits, continued:

		6.25% decreasing to 5.20% over 2 years, following the Getzen model thereafter	
		1% Decrease	1% increase
Total OPEB liability, 6/30/2024	\$	2,662,543	\$ 3,308,796
Total OPEB liability, 6/30/2023	\$	2,650,152	\$ 3,227,902

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

		1% Decrease (3.13%)	Discount Rate (4.13%)	1% increase (5.13%)
Total OPEB liability, 6/30/2024	\$	3,218,234	\$ 2,961,194	\$ 2,728,188
Total OPEB liability, 6/30/2023	\$	3,170,383	\$ 2,917,927	\$ 2,689,237

At June 30, 2024, there were deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$ 2,333,182
Changes of assumptions	\$ 111,958	
Total	<u>\$ 111,958</u>	<u>\$ 2,333,182</u>

Cumulative deferred inflows and outflows related to OPEB will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources - Airport	Deferred Outflows/(Inflows) of Resources - Marine & Other	Deferred Outflows/(Inflows) of Resources - Total
2025	\$ (332,508)	\$ (231,018)	\$ (563,526)
2026	(315,145)	(253,598)	(568,743)
2027	(315,141)	(253,599)	(568,740)
2028	(145,738)	(114,373)	(260,111)
2029	(145,729)	(114,375)	(260,104)
Total	<u>\$ (1,254,261)</u>	<u>\$ (966,963)</u>	<u>\$ (2,221,224)</u>

11. Risk Management:

The Port has a comprehensive risk management program which primarily utilizes commercial insurance, with certain self-insurance, to provide protection from losses involving property, liability, injuries to personnel and errors and omissions, with various deductibles and self-insured retentions. Claims, litigation and other settlements have not exceeded the limits of available insurance coverage in any of the past three years, when insurance was applicable.

The Airport is a full participant in the Port's risk management program. The Airport's expenses related to this program are recorded when incurred, with cash being paid to the Port's General Fund for ease of administration.

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

11. Risk Management, continued:

The Port self-insures for certain workers' compensation losses for amounts up to \$1,000,000 per accident. For amounts in excess of self-insured limits, insurance in the amount of the statutory limit per loss (unlimited) is maintained. Claim expenses and liabilities are recorded when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Liabilities include an estimate for claims that have been incurred but not reported. Claims liabilities are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends through a case-by-case review of all claims. Effective May 8, 1993, certain workers' compensation losses incurred after such date are the responsibility of an independent marine terminal management company.

Changes in the reported liability for workers' compensation resulted from the following:

	Fiscal Year Ended June 30,	
	<u>2024</u>	<u>2023</u>
Beginning liability	\$ 1,207,878	\$ 662,486
Current year claims and changes in estimates	474,449	1,037,320
Claim payments	(684,471)	(491,928)
Ending liability	<u>\$ 997,856</u>	<u>\$ 1,207,878</u>

Approximately \$607,629 and \$615,297 of the liability was applicable to the Airport at June 30, 2024 and 2023, respectively.

12. Commitments and Contingencies:

At June 30, 2024, land acquisition and construction contract commitments aggregated approximately \$1,438,500,000 for the Airport, \$35,900,000 for Marine & Other, and \$1,474,400,000 in total.

The Port is subject to federal, state, and local environmental laws and regulations. Pursuant to these laws and regulations, the Port has identified a number of contaminated sites on Port properties that will require remedial investigation and action. Some properties owned or operated by the Port may have unacceptable levels of contaminants in soil, sediments, or groundwater. In some cases, the Port has been designated by Federal or State government as a potentially responsible party (PRP) for the investigation and cleanup of properties owned by the Port or where the Port may have contributed to site contamination.

In December 2000, the Environmental Protection Agency (EPA) listed the Portland Harbor, including uplands portions, on the National Priorities List of Superfund sites pursuant to the Comprehensive Environmental Response Compensation and Liability Act. The EPA and the Oregon Department of Environmental Quality (DEQ) have identified the Port and other PRPs as potentially liable for cleanup of the site. The Port and other PRPs have signed an Administrative Settlement Agreement and Order on Consent (ASAOC) to perform remedial investigation and action activities for the site. Uplands activities are being conducted under the supervision of the DEQ. The Port has accrued approximately \$2,100,000 for its estimated remaining share of the costs of these Portland Harbor investigative and remedial activities at June 30, 2024. In January 2017, the EPA released a Record of Decision (ROD) for the Portland Harbor. Cleanup costs for the Portland Harbor remain uncertain under the ROD and are not yet estimable and the Port's ultimate share of cleanup costs is not known. Within the Portland Harbor, there are certain Port-owned, or formerly owned facilities that require remedial investigation and/or cleanup. The Port has entered into separate ASAOCs with the EPA governing early action cleanup activities on two of these sites. The Port has accrued approximately \$24,700,000 and \$1,700,000 in estimated costs for these cleanups at June 30, 2024. At another site, the Port has accrued approximately \$25,000,000 in estimated remaining costs at June 30, 2024. These sites are accounted for within the Marine & Other activity.

Operating expense and the corresponding liability measured at current value using the expected cash flow method have been recognized for certain pollution remediation obligations that may not have been previously required to be recognized. Certain other environmental contingencies may have limited measurable transactions and events at initial recognition, but

THE PORT OF PORTLAND
NOTES TO FINANCIAL STATEMENTS, Continued

12. Commitments and Contingencies, continued:

estimates will increase over time as more components become reasonably estimable. Liabilities will also be remeasured when new information indicates increases or decreases in estimated outlays.

Changes in estimated long-term environmental liabilities were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Environmental liabilities	\$ 780,000	\$ 8,029	\$ (23,029)	\$ 765,000
less: current portion	(15,000)			(15,000)
Long-term liability	<u>\$ 765,000</u>	<u>\$ 8,029</u>	<u>\$ (23,029)</u>	<u>\$ 750,000</u>
Marine & Other:				
Environmental liabilities	\$ 63,600,679	\$ 3,241,386	\$ (6,725,078)	\$ 60,116,987
less: current portion	(8,524,338)	(7,662,621)	7,126,180	(9,060,779)
Long-term liability	<u>\$ 55,076,341</u>	<u>\$ (4,421,235)</u>	<u>\$ 401,102</u>	<u>\$ 51,056,208</u>

13. Tax Abatements:

The Port is subject to property tax abatements granted by counties within the Port District pursuant to State statute. Tax abatements granted within the Port District reduce the amount of property taxes collected under the Port's property tax levy in each county. Port property tax revenues were reduced by approximately \$219,000 under agreements entered into by Multnomah County, \$502,000 under agreements entered into by Clackamas County, and \$1,439,000 under agreements entered into by Washington County.

14. Net Position Deficit and Budget Overexpenditures:

The Port has net position deficits of \$455,828,918 and \$98,879,012 in the Airport Revenue Fund and CFC Fund (funds within the Airport activity) as of June 30, 2024. These deficits exist because bond proceeds are recorded in or reimbursed to construction funds and related long-term debt is recorded in these funds.

In the Airport Construction Fund, the Port overexpended two budget appropriation items. An overexpenditure for capital outlay of \$4,572,494 resulted from the non-cash budgetary impact of accounting expense accruals that took place after final appropriations were made for the fiscal year. A second overexpenditure of \$131,313 occurred as a result of bond issuance costs incurred in advance of the Series Thirty airport revenue bond issuance budgeted in fiscal 2025.

15. Subsequent Events:

On August 15, 2024, the Port successfully closed on Series Thirty airport revenue bonds with a par amount of \$589,905,000. The bonds were issued to pay, or reimburse the Port for the payment of, costs of the design, construction, renovation, acquisition, equipping and installation of capital improvements at the Airport, to repay certain Commercial Paper Notes issued to finance a portion of the Series Thirty projects, to refund all of the outstanding Series Twenty-Two airport revenue bonds, to capitalize a portion of bond interest during construction, to fund a portion of a debt service reserve, and to pay costs of issuing the Series Thirty bonds.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	\$ 2,917,927	\$ 4,615,323	\$ 4,648,002	\$ 6,619,654	\$ 6,477,793	\$ 6,283,870	\$ 6,318,267	\$ 6,332,670
Service cost	110,087	207,641	197,753	310,168	295,398	281,331	146,462	139,488
Interest	117,447	89,161	98,467	188,153	179,675	186,044	190,716	191,760
Differences between expected and actual experience		(1,261,187)		(2,283,987)		(376,487)		
Changes of assumptions		(559,583)		123,566		413,000		
Benefit payments	(184,267)	(173,428)	(328,899)	(309,552)	(333,212)	(309,965)	(371,575)	(345,651)
Net change	43,267	(1,697,396)	(32,679)	(1,971,652)	141,861	193,923	(34,397)	(14,403)
Total OPEB liability - ending	\$ 2,961,194	\$ 2,917,927	\$ 4,615,323	\$ 4,648,002	\$ 6,619,654	\$ 6,477,793	\$ 6,283,870	\$ 6,318,267
Covered-employee payroll	\$ 65,516,829	\$65,516,826	\$54,531,536	\$54,531,536	\$57,832,773	\$57,832,773	\$62,444,085	\$62,444,085
Total OPEB liability as a percentage of covered-employee payroll	4.5%	4.5%	8.5%	8.5%	11.4%	11.2%	10.1%	10.1%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria of paragraph 4 of Statement 75.

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (ASSET)

Measurement date as-of June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Port share of Net Pension Liability (Asset) - percentage	0.463660%	0.508547%	0.523302%	0.539894%	0.656754%
Port share of Net Pension Liability (Asset) - amount [A]	\$ 86,846,701	\$ 77,868,793	\$ 62,620,834	\$ 117,823,511	\$ 113,602,700
Port covered-employee payroll [B]	\$ 78,726,000	\$ 73,197,000	\$ 72,503,000	\$ 76,097,000	\$ 72,101,000
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	110.3%	106.4%	86.4%	154.8%	157.6%
PERS fiduciary net position as a percentage of TPL	81.7%	84.5%	87.6%	75.8%	80.2%

Measurement date as-of June 30,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Port share of Net Pension Liability (Asset) - percentage	0.659650%	0.643710%	0.687390%	0.627646%	0.636022%
Port share of Net Pension Liability (Asset) - amount [A]	\$ 99,928,241	\$ 86,772,304	\$ 103,193,124	\$ 36,036,033	\$ (14,416,804)
Port covered-employee payroll [B]	\$ 71,239,000	\$ 70,942,000	\$ 66,585,000	\$ 66,637,000	\$ 61,267,000
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	140.3%	122.3%	155.0%	54.1%	-23.5%
PERS fiduciary net position as a percentage of TPL	82.1%	83.1%	80.5%	91.9%	103.6%

THE PORT OF PORTLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO PERS (\$000)

Fiscal Year:	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016⁽¹⁾</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 11,923	\$ 11,018	\$ 10,418	\$ 8,899	\$ 10,871	\$ 8,714	\$ 8,143	\$ 5,549	\$ 5,549	\$ 5,332
Contribution in relation to Actuarially Determined Contribution	\$ 11,923	\$ 11,018	\$ 10,418	\$ 8,899	\$ 10,871	\$ 8,714	\$ 8,143	\$ 5,549	\$ 5,549	\$ 5,332
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 86,001	\$ 78,726	\$ 73,197	\$ 72,503	\$ 76,097	\$ 72,101	\$ 71,239	\$ 70,942	\$ 66,585	\$ 66,637
Contribution as a percentage of Covered Employee Payroll	13.9%	14.0%	14.2%	12.3%	14.3%	12.1%	11.4%	7.8%	8.3%	8.0%

⁽¹⁾ Effective in Port fiscal year 2016, the actuarial methodology utilized by PERS for determining employer contributions changed from projected unit credit to entry age normal.

SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND ORGANIZATION AND INTERNAL FUND DIVISIONS

The Port of Portland is a municipal corporation created in its present form by the 1971 merger of The Port of Portland and the Commission of Public Docks. A nine-member commission establishes and maintains Port policy for a staff under the guidance of an executive director.

The original Port of Portland was created in 1891 by the Oregon Legislative Assembly with the objective of dredging and maintaining a channel between Portland and the Pacific Ocean. As its operations and responsibilities increased, the Port acquired its aviation and land development interests.

The City of Portland in 1910 created the Commission of Public Docks to promote and develop maritime commerce through Portland Harbor and, in 1970, the voters approved a merger of these two organizations. In 1973, the Port district was expanded to include all of Multnomah, Clackamas, and Washington Counties.

For financial reporting and operating purposes, management considers the activities of the Port to be that of a unitary enterprise operation. For budgetary and bond ordinance requirement purposes only, the primary divisions of the accounts of the Port consist of the following funds (accounts):

General Fund

Used to finance the general operations of the Port and, subject to restrictions of the local budget law, its assets may be transferred to another fund for any authorized purpose. Principal revenue sources are marine facilities operations, land sales, and leases.

Bond Construction Fund

This fund finances the acquisition, construction, expansion, and improvement of new and existing structures and facilities. Resources are from transfers from the General Fund, grants, interest on investments, and a property tax levy for Port improvements.

Airport Revenue Fund

This fund is to be held and administered by the Port as long as any Portland International Airport Revenue Bonds are outstanding. The monies deposited in this fund are not commingled with any other monies of the Port and are used and applied only in the manner as specified by Section 13, Ordinance No. 155 and Section 6, Ordinance No. 323. Airport operations are accounted for in this fund. Principal revenue sources are flight fees, rentals, parking, and concession income.

Airport Revenue Bond Fund

This fund is administered by a trustee appointed under Section 11, Ordinance No. 323. The monies in this fund are used solely for the payment of principal and interest due on Portland International Airport Revenue Bonds. Principal resources are revenue bond proceeds, interest, and transfers from the Airport Revenue Fund and the Airport Construction Fund.

Airport Construction Fund

The monies credited to this fund are used and applied solely to the payment of costs of additions, expansions, and improvements to the Airport in accordance with Section 12, Ordinance No. 155 and Section 8, Ordinance No. 323. Principal resources are interest, grants, and revenue bond proceeds.

PFC Fund

This fund is used to account for PFC revenue. Amounts credited to this fund are used to provide for debt service on Portland International Airport Passenger Facility Charge Revenue Bonds and to construct certain assets in accordance with Section 2, Ordinance No. 395-B. Principal resources are PFC revenue, bond proceeds, and interest.

PFC Bond Fund

This fund, created in accordance with Section 8, Ordinance No. 395-B, is administered by a trustee, for the payment of principal and interest on Portland International Airport Passenger Facility Charge Revenue Bonds. Principal resources are transfers from the PFC Fund, bond proceeds, and interest.

THE PORT OF PORTLAND
ORGANIZATION AND INTERNAL FUND DIVISIONS, Continued

CFC Fund

This fund is used to account for CFC revenues. The monies credited to this fund are used and applied solely to the payment of costs of projects related to rental car facilities, related Port-approved enabling projects, and program costs at the Airport in accordance with Section 4, Ordinance No. 448. The principal resources for this fund are a customer facility charge imposed on rental car customers who rent automobiles from Airport facilities and interest.

CFC Bond Fund

This fund, created in accordance with Section 5, Ordinance 461-B, is administered by a trustee for the payment of principal and interest on Portland International Airport Customer Facility Charge Revenue Bonds. Principal resources are transfers from the CFC Fund, bond proceeds, and interest.

THE PORT OF PORTLAND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE
CONTRIBUTIONS AND TRANSFERS
for the year ended June 30, 2024

	Budgetary Basis *		Excess Revenues (Expenditures)
	Revenues	Expenditures	
Port Funds:			
General Fund	\$ 144,413,258	\$ 159,342,901	\$ (14,929,643)
Bond Construction Fund	24,303,674	26,470,803	(2,167,129)
Airport Revenue Fund	398,746,549	156,889,729	241,856,820
Airport Revenue Bond Fund	3,950,170	145,081,382	(141,131,212)
Airport Construction Fund	27,109,711	473,940,775	(446,831,064)
PFC Fund	36,841,493	8,500	36,832,993
PFC Bond Fund	570,201	13,341,495	(12,771,294)
CFC Fund	22,148,335	23,117	22,125,218
CFC Bond Fund	459,240	9,524,050	(9,064,810)
Totals - budgetary reporting basis	\$ <u>658,542,631</u>	\$ <u>984,622,752</u>	(326,080,121)
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			498,978,527
Internal costs on capital projects			21,690,221
Depreciation and amortization expense			(143,155,956)
Expenses that will be expended in future years			4,035,133
Contributions from governmental agencies			(18,505,197)
Bond and contract payable principal expenditures			84,867,615
Change in unearned revenues and certain noncurrent receivables			(1,846,251)
Difference between income and proceeds from sales of land			(6,540,794)
Noncash pension and OPEB expense			(509,271)
Amortization of bond issuance costs and deferred charges on refunding bonds			(1,971,017)
Amortization of deferred lease inflows			5,574,872
Difference between property sale proceeds and loss on sales			(2,669,362)
Other			<u>582,749</u>
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			\$ <u>114,451,148</u>

* The Port budgets all funds on the accrual basis of accounting.

THE PORT OF PORTLAND
RECONCILIATION OF AIRPORT BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE
CONTRIBUTIONS AND TRANSFERS
for the year ended June 30, 2024

	Budgetary Basis *		Excess Revenues (Expenditures)
	Revenues	Expenditures	
Airport Funds:			
Airport Revenue Fund	\$ 398,746,549	\$ 156,889,729	\$ 241,856,820
Airport Revenue Bond Fund	3,950,170	145,081,382	(141,131,212)
Airport Construction Fund	27,109,711	473,940,775	(446,831,064)
PFC Fund	36,841,493	8,500	36,832,993
PFC Bond Fund	570,201	13,341,495	(12,771,294)
CFC Fund	22,148,335	23,117	22,125,218
CFC Bond Fund	459,240	9,524,050	(9,064,810)
Totals - budgetary reporting basis	<u>\$ 489,825,699</u>	<u>\$ 798,809,048</u>	(308,983,349)
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			472,823,056
Internal costs on capital projects			4,758,369
Depreciation and amortization expense			(122,030,076)
Contributions from governmental agencies			(10,094,119)
Bond principal expenditures			75,262,401
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,094,194)
Amortization of deferred lease inflows			2,617,362
Allocation of pension debt service			(4,764,840)
Change in unearned revenues and certain noncurrent receivables			1,880,215
Intra-Port services received, provided, and overhead			(35,194,703)
Difference between property sale proceeds and loss on sales			(2,329,928)
Other			<u>499,064</u>
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 72,349,258</u>

* The Airport budgets all funds on the accrual basis of accounting.

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	Resources			Actual	Over (Under) Budget
	Original	Transfers In (Out)	Revised		
REVENUES:					
Operating revenues:					
Administration	\$ 178,750		\$ 178,750	\$ 394,934	\$ 216,184
Marine	46,510,462		46,510,462	49,232,420	2,721,958
Trade and Economic Development	8,432,468		8,432,468	25,930,350	17,497,882
Navigation	29,636,911		29,636,911	28,574,423	(1,062,488)
General Aviation	4,018,657		4,018,657	3,905,831	(112,826)
	<u>88,777,248</u>		<u>88,777,248</u>	<u>108,037,958</u>	<u>19,260,710</u>
Bonds, loans and other	30,000,000		30,000,000		(30,000,000)
Fixed asset sales and other	3,000,000		3,000,000	23,513,653	20,513,653
Interest	3,486,082		3,486,082	12,861,647	9,375,565
Total revenues	<u>125,263,330</u>		<u>125,263,330</u>	<u>144,413,258</u>	<u>19,149,928</u>
TRANSFERS FROM OTHER FUNDS:					
Bond Construction Fund	3,341,977		3,341,977	2,268,533	(1,073,444)
Airport Construction Fund	14,620,659	\$ 2,000,000	16,620,659	14,663,318	(1,957,341)
Airport Revenue Fund	42,090,661		42,090,661	44,336,532	2,245,871
Total transfers	<u>60,053,297</u>	<u>2,000,000</u>	<u>62,053,297</u>	<u>61,268,383</u>	<u>(784,914)</u>
Total revenues and transfers	<u>185,316,627</u>	<u>2,000,000</u>	<u>187,316,627</u>	<u>205,681,641</u>	<u>18,365,014</u>
BEGINNING WORKING CAPITAL	266,439,591		266,439,591	267,761,858	1,322,267
Total resources	<u>\$ 451,756,218</u>	<u>\$ 2,000,000</u>	<u>\$ 453,756,218</u>	<u>\$ 473,443,499</u>	<u>\$ 19,687,281</u>

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS), Continued
for the year ended June 30, 2024

	Appropriations			Actual	(Over) Under Budget
	Original	Transfers In (Out)	Revised		
EXPENDITURES:					
Administration	\$ 68,476,869		\$ 68,476,869	\$ 63,100,025	\$ 5,376,844
Marine	49,017,269	\$ 1,000,000	50,017,269	45,807,741	4,209,528
Trade and Economic Development	9,186,274	800,000	9,986,274	9,312,011	674,263
Navigation	20,065,921		20,065,921	18,770,925	1,294,996
General Aviation	3,313,715		3,313,715	2,945,322	368,393
Long-term debt payments	67,684,706		67,684,706	12,851,562	54,833,144
System development charges/other	375,000	225,000	600,000		600,000
Other environmental	11,877,864		11,877,864	6,555,315	5,322,549
Contingencies	210,717,789	(25,000)	210,692,789		210,692,789
Total expenditures	<u>440,715,407</u>	<u>2,000,000</u>	<u>442,715,407</u>	<u>159,342,901</u>	<u>283,372,506</u>
TRANSFERS TO OTHER FUNDS:					
Bond Construction Fund	10,520,762		10,520,762		10,520,762
Airport Revenue Fund	520,049		520,049	674,363	(154,314)
Total transfers	<u>11,040,811</u>		<u>11,040,811</u>	<u>674,363</u>	<u>10,366,448</u>
Total expenditures and transfers	<u>\$ 451,756,218</u>	<u>\$ 2,000,000</u>	<u>\$ 453,756,218</u>	<u>160,017,264</u>	<u>\$ 293,738,954</u>
ENDING WORKING CAPITAL				<u>\$ 313,426,235</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
BOND CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 332,065	\$ 1,056,345	\$ 724,280
Grants	<u>30,067,605</u>	<u>7,371,515</u>	<u>(22,696,090)</u>
	<u>30,399,670</u>	<u>8,427,860</u>	<u>(21,971,810)</u>
Tax and tax items:			
Current property tax levy - net	15,538,591	15,916,506	377,915
Interest on taxes	<u>10,000</u>	<u>(40,692)</u>	<u>(50,692)</u>
	<u>15,548,591</u>	<u>15,875,814</u>	<u>327,223</u>
Total revenues	<u>45,948,261</u>	<u>24,303,674</u>	<u>(21,644,587)</u>
TRANSFERS FROM OTHER FUNDS:			
General Fund	10,520,762		(10,520,762)
Airport Revenue Fund	<u>23,875,002</u>	<u>7,952,783</u>	<u>(15,922,219)</u>
Total transfers	<u>34,395,764</u>	<u>7,952,783</u>	<u>(26,442,981)</u>
BEGINNING WORKING CAPITAL	10,000,000	23,729,425	13,729,425
Total resources	<u>\$ 90,344,025</u>	<u>55,985,882</u>	<u>\$ (34,358,143)</u>
EXPENDITURES:			
Capital outlay	\$ 76,955,671	26,470,803	\$ 50,484,868
Contingencies	<u>10,000,000</u>		<u>10,000,000</u>
Total expenditures	<u>86,955,671</u>	<u>26,470,803</u>	<u>60,484,868</u>
TRANSFERS TO OTHER FUNDS:			
General Fund	3,341,977	2,268,533	1,073,444
Airport Revenue Fund	<u>46,377</u>	<u>5,926,443</u>	<u>(5,880,066)</u>
Total transfers	<u>3,388,354</u>	<u>8,194,976</u>	<u>(4,806,622)</u>
Total expenditures and transfers	<u>\$ 90,344,025</u>	<u>34,665,779</u>	<u>\$ 55,678,246</u>
ENDING WORKING CAPITAL		<u>\$ 21,320,103</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Operating revenue - Portland International Airport	\$ 355,363,331	\$ 350,876,171	\$ (4,487,160)
Interest and other	4,280,422	15,306,451	11,026,029
Commercial paper proceeds	250,000,000		(250,000,000)
Grants	8,000,000	32,563,927	24,563,927
Total revenues	<u>617,643,753</u>	<u>398,746,549</u>	<u>(218,897,204)</u>
TRANSFERS FROM OTHER FUNDS:			
General Fund	520,049	674,362	154,313
Bond Construction Fund	46,377	5,926,443	5,880,066
Airport Construction Fund	<u>269,736,253</u>	<u>6,749,273</u>	<u>(262,986,980)</u>
Total transfers	<u>270,302,679</u>	<u>13,350,078</u>	<u>(256,952,601)</u>
Total revenues and transfers	887,946,432	412,096,627	(475,849,805)
BEGINNING WORKING CAPITAL	<u>140,000,000</u>	<u>315,436,643</u>	<u>175,436,643</u>
Total resources	<u>\$ 1,027,946,432</u>	<u>727,533,270</u>	<u>\$ (300,413,162)</u>
	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
EXPENDITURES:			
Operating expenditures	\$ 156,760,074	154,485,471	\$ 2,274,603
Commercial paper debt service payments	263,736,500	221,574	263,514,926
System development charges/letter of credit/other	2,500,000	2,182,684	317,316
Contingencies	<u>140,000,000</u>		<u>140,000,000</u>
Total expenditures	<u>562,996,574</u>	<u>156,889,729</u>	<u>406,106,845</u>
TRANSFERS TO OTHER FUNDS:			
General Fund	42,090,661	44,336,532	(2,245,871)
Bond Construction Fund	23,875,002	7,952,783	15,922,219
Airport Construction Fund	300,656,831	104,119,950	196,536,881
Airport Revenue Bond Fund	<u>98,327,364</u>	<u>89,498,428</u>	<u>8,828,936</u>
Total transfers	<u>464,949,858</u>	<u>245,907,693</u>	<u>219,042,165</u>
Total expenditures and transfers	<u>\$ 1,027,946,432</u>	<u>402,797,422</u>	<u>\$ 625,149,010</u>
ENDING WORKING CAPITAL		<u>\$ 324,735,848</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Original</u>	<u>Transfers In (Out)</u>	<u>Revised</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES:					
Interest and other	\$ 40,596		\$ 40,596	\$ 3,950,170	\$ 3,909,574
Total revenues	<u>40,596</u>		<u>40,596</u>	<u>3,950,170</u>	<u>3,909,574</u>
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	98,327,364		98,327,364	89,498,428	(8,828,936)
Airport Construction Fund	<u>42,648,000</u>	\$ <u>4,730,775</u>	<u>47,378,775</u>	<u>40,896,388</u>	<u>(6,482,387)</u>
Total transfers	<u>140,975,364</u>	<u>4,730,775</u>	<u>145,706,139</u>	<u>130,394,816</u>	<u>(15,311,323)</u>
Total revenues and transfers	141,015,960	4,730,775	145,746,735	134,344,986	(11,401,749)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	142,565,098		142,565,098	160,017,194	17,452,096
Total resources	<u>\$ 283,581,058</u>	<u>\$ 4,730,775</u>	<u>\$ 288,311,833</u>	<u>294,362,180</u>	<u>\$ 6,050,347</u>
EXPENDITURES:					
Long-term debt payments	\$ 141,015,960	\$ 4,730,775	\$ 145,746,735	145,081,382	\$ 665,353
Total expenditures	<u>141,015,960</u>	<u>4,730,775</u>	<u>145,746,735</u>	<u>145,081,382</u>	<u>\$ 665,353</u>
UNAPPROPRIATED BALANCE	<u>142,565,098</u>		<u>142,565,098</u>		
	<u>\$ 283,581,058</u>	<u>\$ 4,730,775</u>	<u>\$ 288,311,833</u>		
ENDING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE				\$ <u>149,280,798</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	Resources			Actual	Over (Under) Budget
	Original	Transfers In (Out)	Revised		
REVENUES:					
Grants	\$ 21,643,851		\$ 21,643,851	\$ 10,094,119	\$ (11,549,732)
Interest and other	4,209,373		4,209,373	17,015,592	12,806,219
Total revenues	<u>25,853,224</u>		<u>25,853,224</u>	<u>27,109,711</u>	<u>1,256,487</u>
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	300,656,831		300,656,831	104,119,950	(196,536,881)
CFC Fund	6,000,000		6,000,000	562,707	(5,437,293)
PFC Fund	75,000,000		75,000,000	47,169,956	(27,830,044)
Total transfers	<u>381,656,831</u>		<u>381,656,831</u>	<u>151,852,613</u>	<u>(229,804,218)</u>
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	<u>575,672,054</u>		<u>575,672,054</u>	<u>410,855,211</u>	<u>(164,816,843)</u>
Total resources	<u>\$ 983,182,109</u>		<u>\$ 983,182,109</u>	<u>589,817,535</u>	<u>\$ (393,364,574)</u>
	Appropriations			Actual	(Over) Under Budget
	Original	Transfers In (Out)	Revised		
EXPENDITURES:					
Capital outlay	\$ 369,231,967	\$ 100,000,000	\$ 469,231,967	473,804,462	\$ (4,572,495)
Bond issue costs/other	5,000		5,000	136,313	(131,313)
Contingencies	286,940,230	(106,730,775)	180,209,455		180,209,455
Total expenditures	<u>656,177,197</u>	<u>(6,730,775)</u>	<u>649,446,422</u>	<u>473,940,775</u>	<u>175,505,647</u>
TRANSFERS TO OTHER FUNDS:					
General Fund	14,620,659	2,000,000	16,620,659	14,663,318	1,957,341
Airport Revenue Fund	269,736,253		269,736,253	6,749,273	262,986,980
Airport Revenue Bond Fund	42,648,000	4,730,775	47,378,775	40,896,388	6,482,387
Total transfers	<u>327,004,912</u>	<u>6,730,775</u>	<u>333,735,687</u>	<u>62,308,979</u>	<u>271,426,708</u>
Total expenditures and transfers	<u>\$ 983,182,109</u>	<u>\$</u>	<u>\$ 983,182,109</u>	<u>536,249,754</u>	<u>\$ 446,932,355</u>
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION				<u>\$ 53,567,781</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 1,058,336	\$ 4,392,595	\$ 3,334,259
Passenger facility charges	<u>33,030,355</u>	<u>32,448,898</u>	<u>(581,457)</u>
Total revenues	<u>34,088,691</u>	<u>36,841,493</u>	<u>2,752,802</u>
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	109,818,137	112,415,413	2,597,276
Total resources	<u>\$ 143,906,828</u>	<u>149,256,906</u>	<u>\$ 5,350,078</u>
	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
EXPENDITURES:			
Other	\$ 98,000	8,500	\$ 89,500
Contingencies	<u>55,093,269</u>	<u></u>	<u>55,093,269</u>
Total expenditures	<u>55,191,269</u>	<u>8,500</u>	<u>55,182,769</u>
TRANSFERS TO OTHER FUNDS:			
PFC Bond Fund	13,715,559	12,227,781	1,487,778
Airport Construction Fund	<u>75,000,000</u>	<u>47,169,956</u>	<u>27,830,044</u>
Total transfers	<u>88,715,559</u>	<u>59,397,737</u>	<u>29,317,822</u>
Total expenditures and transfers	<u>\$ 143,906,828</u>	<u>59,406,237</u>	<u>\$ 84,500,591</u>
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		<u>\$ 89,850,669</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ <u>5,441</u>	\$ <u>570,201</u>	\$ <u>564,760</u>
Total revenues	<u>5,441</u>	<u>570,201</u>	<u>564,760</u>
TRANSFERS FROM OTHER FUNDS:			
PFC Fund	13,715,559	12,227,781	(1,487,778)
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE	<u>12,104,427</u>	<u>13,505,599</u>	<u>1,401,172</u>
Total resources	\$ <u><u>25,825,427</u></u>	<u>26,303,581</u>	\$ <u><u>478,154</u></u>
EXPENDITURES:			
Long-term debt payments	\$ <u>13,741,000</u>	<u>13,341,495</u>	\$ <u>399,505</u>
Total expenditures	<u>13,741,000</u>	<u>13,341,495</u>	<u>399,505</u>
UNAPPROPRIATED BALANCE	<u>12,084,427</u>		
	\$ <u><u>25,825,427</u></u>		
ENDING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE		\$ <u><u>12,962,086</u></u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 487,454	\$ 3,823,927	\$ 3,336,473
Customer facility charges	15,732,693	18,324,408	2,591,715
Total revenues	<u>16,220,147</u>	<u>22,148,335</u>	<u>5,928,188</u>
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	25,565,661	34,908,812	9,343,151
Total resources	<u>41,785,808</u>	<u>57,057,147</u>	<u>\$ 15,271,339</u>
EXPENDITURES:			
Bank fees and other	\$ 50,000	23,117	\$ 26,883
Contingencies	26,110,699		26,110,699
Total expenditures	<u>26,160,699</u>	<u>23,117</u>	<u>26,137,582</u>
TRANSFERS TO OTHER FUNDS:			
Airport Construction Fund	6,000,000	562,707	5,437,293
CFC Bond Fund	9,625,109	8,730,335	894,774
Total transfers	<u>15,625,109</u>	<u>9,293,042</u>	<u>6,332,067</u>
UNAPPROPRIATED BALANCE			
Total expenditures and transfers	<u>\$ 41,785,808</u>	<u>9,316,159</u>	<u>\$ 32,469,649</u>
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		<u>\$ 47,740,988</u>	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES:			
Interest and other	\$ 3,941	\$ 459,240	\$ 455,299
Total revenues	<u>3,941</u>	<u>459,240</u>	<u>455,299</u>
TRANSFERS FROM OTHER FUNDS:			
CFC Fund	9,625,109	8,730,335	(894,774)
Total transfers	<u>9,625,109</u>	<u>8,730,335</u>	<u>(894,774)</u>
Total revenues and transfers	9,629,050	9,189,575	(439,475)
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION	9,761,665	10,817,670	1,056,005
Total resources	<u>\$ 19,390,715</u>	<u>20,007,245</u>	<u>\$ 616,530</u>
EXPENDITURES:			
Long-term debt payments	\$ 9,629,050	9,524,050	\$ 105,000
Total expenditures	<u>9,629,050</u>	<u>9,524,050</u>	<u>\$ 105,000</u>
UNAPPROPRIATED BALANCE	9,761,665		
Total expenditures and transfers	<u>\$ 19,390,715</u>		
ENDING RESTRICTED ASSETS			
AVAILABLE FOR APPROPRIATION		<u>\$ 10,483,195</u>	

THE PORT OF PORTLAND
COMBINING BALANCE SHEET – ALL FUNDS
June 30, 2024

ASSETS	Marine & Other				Airport							
	Combined All Funds	Total Marine & Other	General Fund	Bond Construction Fund	Total Airport	Revenue Fund	Revenue Bond Fund	Construction Fund	PFC Fund	PFC Bond Fund	CFC Fund	CFC Bond Fund
Current assets:												
Cash and cash equivalents	\$ 224,376,257	\$ 224,337,917	\$ 224,286,745	\$ 51,172	\$ 38,340	\$ 38,340						
Equity in pooled investments	485,590,166	113,412,447	95,295,761	18,116,686	372,177,719	372,177,719						
Restricted cash and equity in pooled investments	182,130,874				182,130,874		\$ 94,551,995	\$ 69,465,944	\$ 2,000	\$ 11,588,910		\$ 6,522,025
Receivables, net of allowance for doubtful accounts	60,082,850	29,655,201	24,641,158	5,014,043	30,427,649	30,427,649						
Lease receivable	43,620,554	12,342,983	12,342,983		31,277,571	31,277,571						
Prepaid insurance and other assets	9,045,138	3,635,343	2,754,055	881,288	5,409,795	5,409,795						
Total current assets	<u>1,004,845,839</u>	<u>383,383,891</u>	<u>359,320,702</u>	<u>24,063,189</u>	<u>621,461,948</u>	<u>439,331,074</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Noncurrent assets:												
Restricted assets:												
Cash and equity in pooled investments	393,465,690	21,617,331	21,617,331		371,848,359	22,356,851	148,791,591	47,542,604	84,271,601	12,844,169	\$ 45,648,289	10,393,254
Receivables	13,318,427				13,318,427	489,207		4,949,595	5,579,068	117,917	2,092,699	89,941
Contract retainage deposits	1,075,582				1,075,582							
Total restricted assets	<u>407,859,699</u>	<u>21,617,331</u>	<u>21,617,331</u>		<u>386,242,368</u>	<u>22,356,851</u>	<u>149,280,798</u>	<u>53,567,781</u>	<u>89,850,669</u>	<u>12,962,086</u>	<u>47,740,988</u>	<u>10,483,195</u>
Land held for sale	33,532,410	33,532,410	30,537,828	2,994,582								
Depreciable properties, net of accumulated depreciation and amortization	1,630,628,274	147,261,079	147,261,079		1,483,367,195	1,483,367,195						
Nondepreciable properties	1,674,838,501	137,989,161	81,143,588	56,845,573	1,536,849,340	68,042,167		1,468,807,173				
Lease receivable	336,575,340	152,437,261	152,437,261		184,138,079	184,138,079						
Due from other funds		15,314,678 *	15,314,678 *									
Unamortized bond issue costs and other noncurrent assets	4,115,351	187,089	187,089		3,928,262	3,917,982			10,280			
Total noncurrent assets	<u>4,087,549,575</u>	<u>508,339,009</u>	<u>448,498,854</u>	<u>59,840,155</u>	<u>3,594,525,244</u>	<u>1,761,822,274</u>	<u>149,280,798</u>	<u>1,522,374,954</u>	<u>89,860,949</u>	<u>12,962,086</u>	<u>47,740,988</u>	<u>10,483,195</u>
Deferred outflows of resources:												
Deferred charges on refunding bonds	7,763,206				7,763,206	7,699,625			63,581			
Deferred charges on pensions and OPEB	29,307,617	14,588,262	14,588,262		14,719,355	14,719,355						
Total deferred outflows of resources	<u>37,070,823</u>	<u>14,588,262</u>	<u>14,588,262</u>		<u>22,482,561</u>	<u>22,418,980</u>			<u>63,581</u>			
Total assets	<u>\$ 5,129,466,237</u>	<u>\$ 906,311,162</u>	<u>\$ 822,407,818</u>	<u>\$ 83,903,344</u>	<u>\$ 4,238,469,753</u>	<u>\$ 2,223,572,328</u>	<u>\$ 243,832,793</u>	<u>\$ 1,591,840,898</u>	<u>\$ 89,926,530</u>	<u>\$ 24,550,996</u>	<u>\$ 47,740,988</u>	<u>\$ 17,005,220</u>
LIABILITIES												
Current liabilities (payable from current assets):												
Current portion of long-term debt	\$ 89,205,214	\$ 9,605,214	\$ 9,605,214		\$ 79,600,000	\$ 79,600,000						
Accounts payable, lease and other accrued liabilities	49,366,590	24,622,293	21,879,207	\$ 2,743,086	24,744,297	24,744,297						
Accrued wages, vacation and sick leave pay	19,572,691	9,863,460	9,863,460		9,709,231	9,709,231						
Workers' compensation and other accrued liabilities	5,088,284	4,546,586	4,546,586		541,698	541,698						
Total current liabilities (payable from current assets)	<u>163,232,779</u>	<u>48,637,553</u>	<u>45,894,467</u>	<u>2,743,086</u>	<u>114,595,226</u>	<u>114,595,226</u>						
Restricted liabilities (payable from restricted assets):												
Current portion of long-term debt and other	58,510,000				58,510,000		\$ 44,730,000		\$ 10,260,000		\$ 3,520,000	
Accrued interest payable	54,325,687	172,757	172,757		54,152,930		49,821,995		1,328,910		3,002,025	
Accounts payable	67,994,397				67,994,397			\$ 67,992,397	\$ 2,000			
Contract retainage payable	1,473,547				1,473,547			1,473,547				
Total restricted current liabilities (payable from restricted assets)	<u>182,303,631</u>	<u>172,757</u>	<u>172,757</u>		<u>182,130,874</u>		<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Total current liabilities	<u>345,536,410</u>	<u>48,810,310</u>	<u>46,067,224</u>	<u>2,743,086</u>	<u>296,726,100</u>	<u>114,595,226</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>2,000</u>	<u>11,588,910</u>		<u>6,522,025</u>
Noncurrent liabilities:												
Long-term environmental and other accruals	55,841,138	54,842,042	54,842,042		999,096	999,096						
Long-term debt	2,492,029,399	49,052,116	49,052,116		2,442,977,283	2,235,161,292			61,195,991		\$ 146,620,000	
Unearned revenue and other	62,695,954	23,465,381	23,465,381		39,230,573	39,230,573						
Net pension and OPEB liability	89,807,893	31,242,891	31,242,891		58,565,002	58,565,002						
Due to other funds		15,314,678 *	15,314,678 *									
Total noncurrent liabilities	<u>2,700,374,384</u>	<u>158,602,430</u>	<u>158,602,430</u>		<u>2,557,086,632</u>	<u>2,349,270,641</u>			<u>61,195,991</u>		<u>146,620,000</u>	
Deferred inflows of resources:												
Deferred lease inflows	358,712,820	152,522,248	152,522,248		206,190,572	206,190,572						
Deferred pension inflows and other deferred inflows of resources	19,022,343	9,677,536	9,677,536		9,344,807	9,344,807						
Total deferred inflows of resources	<u>377,735,163</u>	<u>162,199,784</u>	<u>162,199,784</u>		<u>215,535,379</u>	<u>215,535,379</u>						
Total liabilities	<u>3,423,645,957</u>	<u>369,612,524</u>	<u>366,869,438</u>	<u>2,743,086</u>	<u>3,069,348,111</u>	<u>2,679,401,246</u>	<u>94,551,995</u>	<u>69,465,944</u>	<u>61,197,991</u>	<u>11,588,910</u>	<u>146,620,000</u>	<u>6,522,025</u>
NET POSITION												
Net investment in capital assets	758,369,313	310,836,636	250,996,481	59,840,155	447,532,677	(774,157,408)	(44,730,000)	1,487,942,215	(61,122,130)	(10,260,000)	(146,620,000)	(3,520,000)
Restricted for capital and debt service	407,942,149	2,943,258	2,943,258		404,998,891	1,738,416	194,010,798	34,432,739	89,850,669	23,222,086	47,740,988	14,003,195
Unrestricted	539,508,818	222,918,744	201,598,641	21,320,103	316,590,074	316,590,074						
Total net position	<u>1,705,820,280</u>	<u>536,698,638</u>	<u>455,538,380</u>	<u>81,160,258</u>	<u>1,169,121,642</u>	<u>(455,828,918)</u>	<u>149,280,798</u>	<u>1,522,374,954</u>	<u>28,728,539</u>	<u>12,962,086</u>	<u>(98,879,012)</u>	<u>10,483,195</u>
Total liabilities and net position	<u>\$ 5,129,466,237</u>	<u>\$ 906,311,162</u>	<u>\$ 822,407,818</u>	<u>\$ 83,903,344</u>	<u>\$ 4,238,469,753</u>	<u>\$ 2,223,572,328</u>	<u>\$ 243,832,793</u>	<u>\$ 1,591,840,898</u>	<u>\$ 89,926,530</u>	<u>\$ 24,550,996</u>	<u>\$ 47,740,988</u>	<u>\$ 17,005,220</u>

* Amount eliminated in the Combined All Funds column.

THE PORT OF PORTLAND
SCHEDULE OF NET REVENUES
for the year ended June 30, 2024

Operating revenues:	
Airline revenues	\$ 181,818,271
Concessions and other rentals	163,447,188
Other	<u>38,505,183</u>
	383,770,642
Interest income - revenue fund and revenue bond fund	<u>15,893,729</u>
	<u>399,664,371</u>
Costs of operation and maintenance, excluding depreciation:	
Salaries, wages and fringe benefits	68,648,833
Contract, professional and consulting services	48,318,064
Materials and supplies	7,986,608
Utilities	12,901,720
Equipment rents, repair and fuel	1,934,822
Insurance	8,645,090
Lease and rent	4,925
Travel and management expense	2,984,374
Allocation of general and administration expense of the Port of Portland	31,502,209
Other	<u>3,766,750</u>
	<u>186,693,395</u>
Net revenues, as defined by Section 2(r) of Ordinance No. 155 *	<u><u>\$ 212,970,976</u></u>

* Presented in accordance with provisions of Ordinance Nos. 155 and 323 (ordinances authorizing issuance of Airport revenue bonds), which are different from generally accepted accounting principles.

THE PORT OF PORTLAND
SCHEDULE OF COMPLIANCE WITH ORDINANCE NOS. 155 AND 323
DEBT SERVICE COVERAGE REQUIREMENTS
for the year ended June 30, 2024

Section 16(ii) of Ordinance No. 155 and Section 5f of Ordinance No. 323 authorizing the issuance of Portland International Airport revenue bonds require that net revenues, as defined by Ordinance No. 155, in each fiscal year must equal at least 130 percent of the prior lien bond (PLB) and subordinate lien bond (SLB) debt service requirements, as defined, for such fiscal year on all outstanding Portland International Airport revenue bonds. The Airport paid off the last of the PLBs in 1993, and has covenanted not to issue any further PLBs.

The Airport has complied with this provision computed in accordance with ordinance definitions as follows:

Net revenues, per accompanying schedule of net revenues	\$ 212,970,976
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SLB debt service requirement:

Interest and principal amount	\$ 97,921,068	
	x 130%	
Total net revenues required	127,297,388	

Excess of net revenues over 130% of SLB debt service requirement	\$ <u>85,673,588</u>
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Section 5f of Ordinance No. 323 also requires that in a fiscal year when there is excess principal due, as defined in Section 5f of Ordinance No. 323, the net revenues in excess of 130% of the SLB debt service requirement equal 100% of such excess principal amount.

Excess of net revenues over 130% of SLB debt service requirement	\$ 85,673,588
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Excess principal amount	\$	
	x 100%	
Total additional net revenues required		

Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement	\$ <u>85,673,588</u>
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In addition, Section 5f of Ordinance No. 323 requires that the net revenues, together with other amounts that are available to pay other swap obligations, as defined in Ordinance No. 323, are sufficient to pay all other swap obligations and junior lien obligations (Other Obligations) when due.

Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement	\$ 85,673,588
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Other amounts available to pay other swap obligations	
---	--

Total available to pay Other Obligations	85,673,588
--	------------

Total Other Obligations	
-------------------------	--

Excess amount over 130% of SLB debt service requirement, 100% of excess principal requirement, and Other Obligations	\$ <u>85,673,588</u>
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THE PORT OF PORTLAND
 PORTLAND INTERNATIONAL AIRPORT
 SCHEDULE OF REVENUE BOND
 CONSTRUCTION ACCOUNT ACTIVITY
 for the year ended June 30, 2024

	Bond Proceeds <u>Portion</u>	Capitalized Interest <u>Portion</u>
Construction account, June 30, 2023	\$ 271,107,251	\$ 48,641,429
Interest income	<u>4,780,898</u>	<u>1,039,959</u>
	275,888,149	49,681,388
Construction expenditures	257,714,437	
Transfers to revenue bond fund	<u> </u>	<u>48,720,058</u>
Construction account, June 30, 2024	<u><u>\$ 18,173,712</u></u>	<u><u>\$ 961,330</u></u>

NOTE: This schedule is provided in compliance with Section 8(d) of Ordinance No. 323.

THE PORT OF PORTLAND
SCHEDULE OF GENERAL ACCOUNT AMOUNT AVAILABLE FOR
PAYMENT TO AIRPORT REVENUE BOND FUND AND RATIO TO
REVENUE BOND DEBT SERVICE REQUIREMENT
for the year ended June 30, 2024

Net revenues, per accompanying schedule of net revenues	\$ 212,970,976
Less revenue bond fund interest income	<u>(3,950,170)</u>
Applied to General Account, available to be applied to debt service of bonds	\$ <u>209,020,806</u> (1)
Bond debt service requirement, per accompanying schedule of compliance with Ordinance Nos. 155 and 323	\$ <u>97,921,068</u> (2)
Ratio (1)/(2)	<u>2.13</u>
Required ratio	<u>1.30</u>

NOTE: This schedule is provided in compliance with Section 5g of Ordinance No. 323.

THE PORT OF PORTLAND
SCHEDULE OF PASSENGER FACILITY CHARGE ACTIVITY
for the year ended June 30, 2024

	First Lien Bond <u>Account</u>	First Lien Reserve <u>Account</u>	Capital <u>Account</u>
Balances at June 30, 2023	\$ 1,459,563	\$ 12,096,037	\$ 112,365,413
PFC revenues:			
PFC bond account	12,177,781		
Capital account			20,271,117
Interest earnings		570,200	4,392,594
Transfer from reserve account to bond account	570,200	(570,200)	
Bond payments to trustee	(13,341,495)		
Costs of approved PFC projects			(47,169,955)
Other, net	<u> </u>	<u> </u>	<u>(8,500)</u>
Balances at June 30, 2024	\$ <u>866,049</u>	\$ <u>12,096,037</u>	\$ <u>89,850,669</u>

NOTE: This schedule is provided in compliance with Section 9(d) of Ordinance No. 395-B.

THE PORT OF PORTLAND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
for the year ended June 30, 2024

Fiscal Year	Property Taxes Receivable June 30, 2023	Current Levy as Extended by Assessors	Deduct Cash Collections	Deduct Discounts Allowed	Cancellations and Adjustments	Property Taxes Receivable June 30, 2024	Interest Collected
2023-24		\$ 16,481,008	\$ (15,704,646)	\$ (436,268)	\$ (101,567)	\$ 238,527	\$ 14,297
2022-23	\$ 193,096		(91,509)		(20,776)	80,811	6,812
2021-22	68,763		(25,038)		(3,216)	40,509	2,258
2020-21	36,343		(17,382)		(1,383)	17,578	2,594
2019-20	15,865		(9,597)		(548)	5,720	1,874
2018-19 and prior	23,664		(2,986)		(744)	19,934	672
	<u>\$ 337,731</u>	<u>\$ 16,481,008</u>	<u>\$ (15,851,158)</u>	<u>\$ (436,268)</u>	<u>\$ (128,234)</u>	<u>\$ 403,079</u>	<u>\$ 28,507</u>

Reconciliation to income from property taxes:

Current levy	\$ 16,481,008
Deduct discounts allowed	(436,268)
Cancellations and adjustments	(128,234)
	<u>\$ 15,916,506</u>

THE PORT OF PORTLAND
SCHEDULE OF BOND AND OTHER LONG-TERM DEBT PRINCIPAL TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2024

			2023-2024 Transactions			Outstanding June 30, 2024	
	Maturity Date	Outstanding at June 30, 2023	Issued	Matured	Redeemed	Total	Due Within One Year
<u>LIMITED TAX PENSION BONDS:</u>							
Series 2002B, 6.60% to 6.85%	06/01/28	\$ 30,485,000		\$ 5,495,000	\$ 5,495,000	\$ 24,990,000	\$ 6,205,000
Series 2005, 4.00% to 5.50%	06/01/28	8,890,000		1,670,000	1,670,000	7,220,000	1,835,000
Total Limited Tax Pension Bonds		<u>39,375,000</u>		<u>7,165,000</u>	<u>7,165,000</u>	<u>32,210,000</u>	<u>8,040,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>REVENUE BONDS:</u>							
Series 18A, 4.65% *	07/01/26	14,230,000		3,450,000	3,450,000	10,780,000	3,605,000
Series 18B, 3.99% *	07/01/26	14,235,000		3,450,000	3,450,000	10,785,000	3,610,000
Series 21C, 4.375% to 5.00%	07/01/23	6,050,000		6,050,000	6,050,000		
Series 22, 4.00% to 5.00%	07/01/44	82,440,000		2,140,000	2,140,000	80,300,000	2,250,000
Series 23, 5.00%	07/01/38	92,515,000		3,910,000	3,910,000	88,605,000	4,110,000
Series 24A, 5.00%	07/01/47	21,965,000				21,965,000	
Series 24B, 5.00%	07/01/47	197,310,000		4,595,000	4,595,000	192,715,000	4,825,000
Series 25A, 5.00%	07/01/49	21,825,000				21,825,000	
Series 25B, 5.00%	07/01/49	183,015,000		3,745,000	3,745,000	179,270,000	3,935,000
Series 26A, 4.00% to 5.00%	07/01/40	11,030,000		670,000	670,000	10,360,000	695,000
Series 26B, 5.00%	07/01/40	14,410,000		50,000	50,000	14,360,000	540,000
Series 26C, 5.00%	07/01/28	34,605,000		6,140,000	6,140,000	28,465,000	6,435,000
Series 27A, 4.00% to 5.00%	07/01/50	289,535,000				289,535,000	
Series 27B, 0.80% to 1.30%	07/01/25	17,275,000		5,695,000	5,695,000	11,580,000	5,755,000
Series 28, 4.00% to 5.00%	07/01/52	527,005,000		590,000	590,000	526,415,000	8,970,000
Series 29, 5.00% to 5.50%	07/01/53	566,120,000				566,120,000	
Total Portland Int'l Airport Revenue Bonds		<u>2,093,565,000</u>		<u>40,485,000</u>	<u>40,485,000</u>	<u>2,053,080,000</u>	<u>44,730,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>PASSENGER FACILITY CHARGE REVENUE BONDS:</u>							
Series 2012A, 4.813% *	07/01/24	20,010,000		9,750,000	9,750,000	10,260,000	10,260,000
Series 2022A, 5.00%	07/01/31	51,620,000				51,620,000	
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds		<u>71,630,000</u>		<u>9,750,000</u>	<u>9,750,000</u>	<u>61,880,000</u>	<u>10,260,000</u>
<u>PORTLAND INTERNATIONAL AIRPORT</u>							
<u>CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>							
Series 2019, 2.635% to 4.237%	07/01/49	153,560,000		3,420,000	3,420,000	150,140,000	3,520,000
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds		<u>153,560,000</u>		<u>3,420,000</u>	<u>3,420,000</u>	<u>150,140,000</u>	<u>3,520,000</u>
Total Port Bonds		<u>\$ 2,358,130,000</u>		<u>\$ 60,820,000</u>	<u>\$ 60,820,000</u>	<u>\$ 2,297,310,000</u>	<u>\$ 66,550,000</u>
<u>CONTRACTS & LOANS PAYABLE:</u>							
Oregon Business Development Dept., B08005, 5.00%	12/01/30	\$ 3,312,772		\$ 349,458	\$ 349,458	\$ 2,963,314	\$ 362,431
Banc of America Leasing & Capital, LLC, 4.5%	06/01/28	6,100,019		1,134,003	1,134,003	4,966,016	1,186,099
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39		\$ 4,533,000			4,533,000	16,684
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39		13,985,000			13,985,000	
Total Contracts & Loans Payable		<u>\$ 9,412,791</u>	<u>\$ 18,518,000</u>	<u>\$ 1,483,461</u>	<u>\$ 1,483,461</u>	<u>\$ 26,447,330</u>	<u>\$ 1,565,214</u>
TOTAL PORT LONG-TERM DEBT		<u>\$ 2,367,542,791</u>	<u>\$ 18,518,000</u>	<u>\$ 62,303,461</u>	<u>\$ 62,303,461</u>	<u>\$ 2,323,757,330</u>	<u>\$ 68,115,214</u>

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

* Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND
SCHEDULE OF BOND AND OTHER LONG-TERM DEBT INTEREST TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2024

		2023 - 24 Transactions				
	Outstanding at June 30, 2023	Issued	Interest Matured and Paid	Interest Fluctuations and Redemptions	Outstanding at June 30, 2024	Maturing Within One Year
<u>LIMITED TAX PENSION BONDS:</u>						
Series 2002B, 6.60% to 6.85%	\$ 6,140,141		\$ 2,072,710		\$ 4,067,431	\$ 1,696,303
Series 2005, 4.00% to 5.50%	1,302,542		444,856		857,686	361,289
Total Limited Tax Pension Bonds	<u>7,442,683</u>		<u>2,517,566</u>		<u>4,925,117</u>	<u>2,057,592</u>
<u>PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:</u>						
Series 18A, 4.65% *	1,618,663		443,785	\$ 182,335	992,543	501,270
Series 18B, 3.99% *	1,637,140		416,186	368,888	852,066	430,322
Series 21C, 4.375% to 5.00%	147,969		147,969			
Series 22, 4.00% to 5.00%	53,280,250		4,068,500		49,211,750	3,958,750
Series 23, 5.00%	41,754,625		4,528,000		37,226,625	4,327,500
Series 24A, 5.00%	24,817,375		1,098,250		23,719,125	1,098,250
Series 24B, 5.00%	139,374,500		9,750,625		129,623,875	9,515,125
Series 25A, 5.00%	26,842,125		1,091,250		25,750,875	1,091,250
Series 25B, 5.00%	140,904,875		9,057,125		131,847,750	8,865,125
Series 26A, 4.00% to 5.00%	4,162,925		492,700		3,670,225	458,575
Series 26B, 5.00%	7,678,250		719,250		6,959,000	704,500
Series 26C, 5.00%	5,264,375		1,576,750		3,687,625	1,262,375
Series 27A, 4.00% to 5.00%	233,679,825		13,418,950		220,260,875	13,418,950
Series 27B, 0.80% to 1.30%	321,378		173,260		148,118	110,255
Series 28, 4.00% to 5.00%	440,323,725		23,965,500		416,358,225	23,726,500
Series 29, 5.00% to 5.50%	632,129,430		23,450,817		608,678,613	30,151,050
Total Portland Int'l Airport Revenue Bonds	<u>1,753,937,430</u>		<u>94,398,917</u>	<u>551,223</u>	<u>1,658,987,290</u>	<u>99,619,797</u>
<u>PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:</u>						
Series 2012A, 4.813% *	1,416,094		540,093	382,152	493,849	493,849
Series 2022A, 5.00%	16,614,500		2,581,000		14,033,500	2,581,000
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds	<u>18,030,594</u>		<u>3,121,093</u>	<u>382,152</u>	<u>14,527,349</u>	<u>3,074,849</u>
<u>PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>						
Series 2019, 2.635% to 4.237%	100,513,723		6,052,751		94,460,972	5,952,165
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds	<u>100,513,723</u>		<u>6,052,751</u>		<u>94,460,972</u>	<u>5,952,165</u>
Total Port Bonds	<u>\$ 1,879,924,430</u>		<u>\$ 106,090,327</u>	<u>\$ 933,375</u>	<u>\$ 1,772,900,728</u>	<u>\$ 110,704,403</u>
<u>CONTRACTS & LOANS PAYABLE:</u>						
Oregon Business Development Dept., B08005, 5.00%	\$ 787,502		\$ 165,639		\$ 621,863	\$ 148,166
Banc of America Leasing & Capital, LLC, 4.5%	711,061		251,302		459,759	199,206
Banc of America Leasing & Capital, LLC, 6.4440%		\$ 2,816,979			2,816,979	27,065
Banc of America Leasing & Capital, LLC, 6.4440%		9,041,377			9,041,377	
Total Contracts & Loans Payable	<u>\$ 1,498,563</u>	<u>\$ 11,858,356</u>	<u>\$ 416,941</u>		<u>\$ 12,939,978</u>	<u>\$ 374,437</u>
TOTAL PORT LONG-TERM DEBT	<u>\$ 1,881,422,993</u>	<u>\$ 11,858,356</u>	<u>\$ 106,507,268</u>	<u>\$ 933,375</u>	<u>\$ 1,785,840,706</u>	<u>\$ 111,078,840</u>

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

* Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND
SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2024

		Date of Issue	Total Requirements	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30 to 2033-34	2034-35 to 2038-39	2039-40 to 2043-44	2044-45 to 2048-49	2049-50 to 2053-54
<u>LIMITED TAX PENSION BONDS:</u>													
Series 2002B	-Principal	03/28/02	\$ 24,990,000	\$ 6,205,000	\$ 6,965,000	\$ 7,810,000	\$ 4,010,000						
6.60% to 6.85%	-Interest		4,067,431	1,696,303	1,286,773	809,670	274,685						
Series 2005	-Principal	09/23/05	7,220,000	1,835,000	2,015,000	2,205,000	1,165,000						
4.00% to 5.50%	-Interest		857,686	361,289	269,465	168,635	58,297						
Total Limited Tax Pension Bonds	-Principal		\$ 32,210,000	\$ 8,040,000	\$ 8,980,000	\$ 10,015,000	\$ 5,175,000						
Total Limited Tax Pension Bonds	-Interest		\$ 4,925,117	\$ 2,057,592	\$ 1,556,238	\$ 978,305	\$ 332,982						
<u>PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:</u>													
Series 18A	-Principal	06/11/08	\$ 10,780,000	\$ 3,605,000	\$ 3,785,000	\$ 3,390,000							
4.65%**	-Interest		992,543	501,270	333,638	157,635							
Series 18B	-Principal	06/11/08	10,785,000	3,610,000	3,780,000	3,395,000							
3.99%**	-Interest		852,066	430,322	286,283	135,461							
Series 22	-Principal	09/25/14	80,300,000	2,250,000	2,360,000	2,480,000	\$ 2,605,000	\$ 2,735,000	\$ 15,855,000	\$ 20,230,000	\$ 25,820,000	\$ 5,965,000	
4.00% to 5.00%	-Interest		49,211,750	3,958,750	3,843,500	3,722,500	3,595,375	3,461,875	15,062,375	10,573,750	4,844,500	149,125	
Series 23	-Principal	03/31/15	88,605,000	4,110,000	4,310,000	4,525,000	4,750,000	4,990,000	28,960,000	36,960,000			
5.00%	-Interest		37,226,625	4,327,500	4,117,000	3,896,125	3,664,250	3,420,750	13,001,000	4,800,000			
Series 24A	-Principal	01/25/17	21,965,000								3,975,000	17,990,000	
5.00%	-Interest		23,719,125	1,098,250	1,098,250	1,098,250	1,098,250	1,098,250	5,491,250	5,491,250	5,391,875	1,853,500	
Series 24B	-Principal	01/25/17	192,715,000	4,825,000	5,070,000	5,315,000	5,585,000	5,865,000	34,025,000	43,415,000	51,435,000	37,180,000	
5.00%	-Interest		129,623,875	9,515,125	9,267,750	9,008,125	8,735,625	8,449,375	37,426,625	27,792,125	15,597,375	3,831,750	
Series 25A	-Principal	04/24/19	21,825,000									17,025,000	\$ 4,800,000
5.00%	-Interest		25,750,875	1,091,250	1,091,250	1,091,250	1,091,250	1,091,250	5,456,250	5,456,250	5,456,250	3,805,875	120,000
Series 25B	-Principal	04/24/19	179,270,000	3,935,000	4,130,000	4,335,000	4,550,000	4,780,000	27,745,000	35,420,000	45,195,000	40,655,000	8,525,000
5.00%	-Interest		131,847,750	8,865,125	8,663,500	8,451,875	8,229,750	7,996,500	36,052,625	28,194,250	18,164,875	7,016,125	213,125
Series 26A	-Principal	04/24/20	10,360,000	695,000	735,000	770,000	810,000	845,000	2,300,000	2,890,000	1,315,000		
4.00% to 5.00%	-Interest		3,670,225	458,575	422,825	385,200	345,700	304,325	1,139,500	561,000	53,100		
Series 26B	-Principal	04/24/20	14,360,000	540,000	560,000	600,000	645,000	680,000	3,940,000	5,010,000	2,385,000		
5.00%	-Interest		6,959,000	704,500	677,000	648,000	616,875	583,750	2,360,500	1,247,500	120,875		
Series 26C	-Principal	04/24/20	28,465,000	6,435,000	4,610,000	4,840,000	5,090,000	7,490,000					
5.00%	-Interest		3,687,625	1,262,375	986,250	750,000	501,750	187,250					
Series 27A	-Principal	09/30/20	289,535,000			6,165,000	6,480,000	6,795,000	39,460,000	50,345,000	63,385,000	79,990,000	36,915,000
4.00% to 5.00%	-Interest		220,260,875	13,418,950	13,418,950	13,264,825	12,948,700	12,616,825	57,495,500	46,322,375	33,087,325	16,174,700	1,512,725
Series 27B	-Principal	09/30/20	11,580,000	5,755,000	5,825,000								
0.80% to 1.30%	-Interest		148,118	110,255	37,863								
Series 28	-Principal	02/17/22	526,415,000	8,970,000	9,420,000	9,890,000	10,390,000	10,905,000	63,270,000	79,770,000	97,630,000	119,430,000	116,740,000
4.00% to 5.00%	-Interest		416,358,225	23,726,500	23,266,750	22,784,000	22,277,000	21,744,625	99,759,500	83,169,025	64,937,450	42,663,375	12,030,000
Series 29	-Principal	03/21/23	566,120,000						63,690,000	81,285,000	104,270,000	160,765,000	156,110,000
5.00% to 5.50%	-Interest		608,678,613	30,151,050	30,151,050	30,151,050	30,151,050	30,151,050	143,104,750	125,068,375	101,385,450	65,981,438	22,383,350
Total Portland Int'l Airport Revenue Bonds	-Principal		\$2,053,080,000	\$ 44,730,000	\$ 44,585,000	\$ 45,705,000	\$ 40,905,000	\$ 45,085,000	\$ 279,245,000	\$ 355,325,000	\$ 395,410,000	\$ 479,000,000	\$ 323,090,000
Total Portland Int'l Airport Revenue Bonds	-Interest		\$1,658,987,290	\$ 99,619,797	\$ 97,661,859	\$ 95,544,296	\$ 93,255,575	\$ 91,105,825	\$ 416,349,875	\$ 338,675,900	\$ 249,039,075	\$ 141,475,888	\$ 36,259,200
<u>PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:</u>													
Series 2012A	-Principal	08/15/12	\$ 10,260,000	\$ 10,260,000									
4.813%**	-Interest		493,849	493,849									
Series 2022A	-Principal	11/10/11	51,620,000			\$ 2,670,000	\$ 8,860,000	\$ 9,300,000	\$ 30,790,000				
5.00%	-Interest		14,033,500	2,581,000	\$ 2,581,000	2,514,250	2,226,000	1,772,000	2,359,250				
Total Portland Int'l Airport PFC Revenue Bonds	-Principal		\$ 61,880,000	\$ 10,260,000	\$ -	\$ 2,670,000	\$ 8,860,000	\$ 9,300,000	\$ 30,790,000				
Total Portland Int'l Airport PFC Revenue Bonds	-Interest		\$ 14,527,349	\$ 3,074,849	\$ 2,581,000	\$ 2,514,250	\$ 2,226,000	\$ 1,772,000	\$ 2,359,250				
<u>PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:</u>													
Series 2019	-Principal	04/29/19	\$ 150,140,000	\$ 3,520,000	\$ 3,625,000	\$ 3,735,000	\$ 3,855,000	\$ 3,985,000	\$ 22,180,000	\$ 26,855,000	\$ 32,845,000	\$ 40,405,000	\$ 9,135,000
2.769% to 4.237%	-Interest		94,460,972	5,952,165	5,843,839	5,727,377	5,603,458	5,470,522	25,014,978	20,214,814	14,083,205	6,357,089	193,525
Total Portland Int'l Airport CFC Revenue Bonds	-Principal		\$ 150,140,000	\$ 3,520,000	\$ 3,625,000	\$ 3,735,000	\$ 3,855,000	\$ 3,985,000	\$ 22,180,000	\$ 26,855,000	\$ 32,845,000	\$ 40,405,000	\$ 9,135,000
Total Portland Int'l Airport CFC Revenue Bonds	-Interest		\$ 94,460,972	\$ 5,952,165	\$ 5,843,839	\$ 5,727,377	\$ 5,603,458	\$ 5,470,522	\$ 25,014,978	\$ 20,214,814	\$ 14,083,205	\$ 6,357,089	\$ 193,525
Total Port Bonds	-Principal		\$2,297,310,000	\$ 66,550,000	\$ 57,190,000	\$ 62,125,000	\$ 58,795,000	\$ 58,370,000	\$ 332,215,000	\$ 382,180,000	\$ 428,255,000	\$ 519,405,000	\$ 332,225,000
Total Port Bonds	-Interest		\$1,772,900,728	\$ 110,704,403	\$ 107,642,936	\$ 104,764,228	\$ 101,418,015	\$ 98,348,347	\$ 443,724,103	\$ 358,890,714	\$ 263,122,280	\$ 147,832,977	\$ 36,452,725

THE PORT OF PORTLAND
SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2024, Continued

		Date of Issue	Total Requirements	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30 to 2033-34	2034-35 to 2038-39	2039-40 to 2043-44	2044-45 to 2048-49	2049-50 to 2053-54
<u>CONTRACTS & LOANS PAYABLE:</u>													
Oregon Business Development Dept. B08005	-Principal	08/31/10	\$ 2,963,314	\$ 362,431	\$ 380,553	\$ 403,830	\$ 422,272	\$ 440,885	\$ 953,343				
5.00%	-Interest		621,863	148,166	130,044	111,017	90,825	69,711	72,100				
Banc of America Leasing & Capital, LLC	-Principal	06/06/13	4,966,016	1,186,099	1,240,588	1,297,580	1,241,749						
4.5%	-Interest		459,759	199,205	144,717	87,723	28,114						
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	4,533,000	16,684	207,341	221,104	235,780	251,430	1,530,783	\$ 2,069,878			
6.4440%	-Interest		2,816,979	27,065	317,658	303,895	289,218	273,568	1,094,211	511,364			
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	13,985,000		439,173	695,068	741,206	790,405	4,812,214	6,506,934			
6.4440%	-Interest		9,041,377		690,956	1,000,125	953,988	904,789	3,663,752	1,827,767			
Total Contracts & Loans Payable	-Principal		\$ 26,447,330	\$ 1,565,214	\$ 2,267,655	\$ 2,617,582	\$ 2,641,007	\$ 1,482,720	\$ 7,296,340	\$ 8,576,812			
Total Contracts & Loans Payable	-Interest		\$ 12,939,978	\$ 374,436	\$ 1,283,375	\$ 1,502,760	\$ 1,362,145	\$ 1,248,068	\$ 4,830,063	\$ 2,339,131			
TOTAL PORT LONG-TERM DEBT	-Principal		\$2,323,757,330	\$ 68,115,214	\$ 59,457,655	\$ 64,742,582	\$ 61,436,007	\$ 59,852,720	\$ 339,511,340	\$ 390,756,812	\$ 428,255,000	\$ 519,405,000	\$ 332,225,000
TOTAL PORT LONG-TERM DEBT	-Interest		\$1,785,840,706	\$ 111,078,839	\$ 108,926,311	\$ 106,266,988	\$ 102,780,160	\$ 99,596,415	\$ 448,554,166	\$ 361,229,845	\$ 263,122,280	\$ 147,832,977	\$ 36,452,725

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.

** Interest rate at June 30, 2024. Rate is variable, depending on weekly resets.

INDUSTRIAL DEVELOPMENT REVENUE BONDS:

Horizon Air Project:	-Principal	08/07/97	\$ 17,300,000			\$ 17,300,000							
1997 Series, 5.04% *	-Interest		2,543,100	\$ 871,920	\$ 871,920	799,260							
TOTAL INDUSTRIAL REVENUE BONDS	-Principal		\$ 17,300,000			\$ 17,300,000							
TOTAL INDUSTRIAL REVENUE BONDS	-Interest		\$ 2,543,100	\$ 871,920	\$ 871,920	799,260							

* Interest rate at June 30, 2024. Rate is variable, depending on prime.

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding. This schedule is provided for information purposes only. Industrial development revenue bonds are not a liability or contingent liability of the Port.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Report of Independent Auditors Required by Oregon State Regulations

The Board of Commissioners
Port of Portland

We have audited, 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, the financial statements of the Airport and Marine & Other Activities of the Port of Portland, which comprise the balance sheet as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows of the Airport and Marine & Other Activities of the Port of Portland for the year then ended, and the related notes to the financial statements, which collectively comprise the Port of Portland's basic financial statements, and have issued our report thereon dated October 22, 2024.

Compliance

As part of obtaining reasonable assurance about whether the Port of Portland's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Port of Portland was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

The Port experienced two over-expenditures in one fund which is detailed in the notes to the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port of Portland's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port of Portland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port of Portland'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in cursive script that reads "Ashley Osten".

Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 22, 2024