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, 2025

with comparative totals for the year ended June 30, 2024

THE PORT OF PORTLAND

(a municipal corporation)

THE PORT OF PORTLAND

COMMISSIONERS AS OF JUNE 30, 2025

Name	Term Expires
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, 2029
Katherine Lam, Treasurer 5921 NE 80th 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 26th Avenue Portland, Oregon 97202	November 24, 2027
Stuart Strader 2435 NW Front Avenue Portland, Oregon 97209	March 14, 2029

Curtis Robinhold, Executive Director

REGISTERED AGENT AND OFFICE
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THE PORT OF PORTLAND
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Report of Independent Auditors

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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 statement of net position as of June 30, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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 24, 2025, 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

Ashley Osten, Principal
for Baker Tilly US, LLP
Portland, Oregon
October 24, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

(UNAUDITED)

The Port of Portland
Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Port of Portland (the Port) for the fiscal years ended June 30, 2025, and 2024. The analysis focuses on significant financial issues, major financial activities, resulting changes in financial position, and budget and economic factors affecting the Port. Readers should consider the information presented here in conjunction with the *Basic Financial Statements*, the *Notes to Basic Financial Statements*, and the additional information contained in this report.

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 of notes to basic 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 *Basic Financial Statements*.

Overview of the Financial Statements:

This section introduces the Port's *Basic Financial Statements.* The Port is a self-supporting entity and follows enterprise fund reporting. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Port's Basic Financial Statements are comprised of four components: 1) *Statement of Net Position*, 2) *Statement of Revenues, Expenses, and Changes in Net Position*, 3) *Statement of Cash Flows*, and 4) *Notes to Basic Financial Statements*. This report also contains *Required Supplementary Information* in addition to the *Basic Financial Statements* themselves.

The *Statement of Net Position* includes all the Port's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to the Port's creditors (liabilities). They also provide the basis for computing rate of return, evaluating the capital structure of the Port and assessing the liquidity and financial flexibility of the Port. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Port is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing profitability and creditworthiness as well as the change in net position during the two most recent fiscal years. These statements show income and expenses from operations, nonoperating revenues and expenses, and reconcile the change from one fiscal year to the next. These statements measure the success of the Port's operations during the past two years and the success of recovering its costs through user fees and other charges.

The *Statement of Cash Flows* is prepared using the direct method and are concerned solely with input and outlay of cash from operating activities, capital, and related financing activities, and investing activities. This statement also includes reconciliations to the *Statement of Revenues, Expenses, and Changes in Net Position.* The primary purpose of this statement is to provide information about the Port's cash receipts and cash payments during the reporting periods. It demonstrates where cash came from, what cash was used for, and the change in cash balance during the reporting period.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information provided in the *Basic Financial Statements*.

Financial Results:

A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 is as follows:

Table 1
Net Position
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2025	2024* (as restated)	2025	2024* (as restated)	2025	2024* (as restated)	2024-2025
Current and other assets	$ 1,502.0	$ 1,195.8	$ 664.9	$ 606.5	$ 2,155.5 *	$ 1,787.0 *	20.6%
Capital assets	3,181.9	3,020.2	299.6	285.3	3,481.5	3,305.5	5.3%
Deferred outflows	29.2	22.5	21.8	14.6	51.0	37.1	37.5%
Total assets	4,713.1	4,238.5	986.3	906.4	5,688.0 *	5,129.6 *	10.9%
Long-term debt outstanding	2,986.6	2,501.5	49.1	58.7	3,035.7	2,560.2	18.6%
Other liabilities	292.9	353.4	167.1	150.1	448.6 *	488.0 *	(8.1)%
Deferred inflows	213.4	215.5	184.0	162.2	397.4	377.7	5.2%
Total liabilities	3,492.9	3,070.4	400.2	371.0	3,881.7 *	3,425.9 *	13.3%
Net position:							
Net investment in capital assets	327.8	447.5	326.0	310.8	653.8	758.3	(13.8)%
Restricted	571.3	405.0	9.9	3.0	581.2	408.0	42.5%
Unrestricted	321.1	315.6	250.0	221.6	571.1	537.2	6.3%
Total net position	$ 1,220.2	$ 1,168.1	$ 585.9	$ 535.4	$ 1,806.1	$ 1,703.5	6.0%

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

Effective July 1, 2024, the Port adopted GASB 101. The provisions of this statement was applied retroactively, and fiscal year 2024 has been restated.

The Port's total net position increased $102.6 million from the restated 2024 amount, or 6.0 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 $33.9 million, or 6.3 percent during that same time. In comparison, last year total net position, as restated, increased by $131.9 million, or 8.4 percent. The analysis in Table 1 (above) focuses on the net position of the Airport and of the Port's Marine & Other activities separately.

Total net position of the Airport, as restated, increased by $52.1 million, or 4.5 percent, primarily as a result of net income and capital grants in fiscal year 2025. Net investment in capital assets decreased $119.7 million, or 26.7 percent, for the fiscal year ended June 30, 2025. The decrease is primarily attributable to the issuance of new debt to finance ongoing terminal improvement projects that were still under construction at year-end, as the related unspent bond proceeds are deducted when calculating this component of net position. The increase in outstanding debt reduced the net investment balance until the related assets are completed and placed in service. This change reflects the timing of major infrastructure investments rather than a reduction in asset value. Restricted net position increased by $166.3 million, or 41.1 percent, primarily due to required deposits to debt service reserve accounts in accordance with bond covenant requirements. In addition, higher Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) collections, driven by increased passenger volumes, contributed to the overall increase. These restricted resources are dedicated for future debt service payments and approved Airport capital improvement projects. Unrestricted net position increased by $5.5 million, or 1.7 percent, primarily as a result of net income and capital grants for fiscal 2025.

Total net position of Marine & Other increased from the restated 2024 balance by $50.7 million, or 9.4 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 $15.2 million, or 4.9 percent, primarily as a result of capital additions and construction spending, partially offset by normal capital asset depreciation. Restricted net position increased $6.9 million, or 230 percent, versus the restated prior year as a result of navigation loans classified as payable from unrestricted assets. Unrestricted net position increased by $28.4 million or 12.8 percent, primarily due to net income, capital grants received during fiscal year 2025, and transfers from the Airport.

A summary of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30 is as follows:

Table 2
Changes in Net Position
($ millions)

	Airport		Marine & Other		Total Port	
	2025	2024** (as restated)	2025	2024** (as restated)	2025	2024** (as restated)
Revenues:						
Operating revenues						
Charges for services	$ 398.6	$ 344.9	$ 91.5	$ 88.9	$ 490.1	$ 433.8
Land sales				16.5		16.5
Other	2.0	1.2	2.9	0.2	4.9	1.4
Nonoperating revenues						
Property tax revenue			16.5	15.9	16.5	15.9
Interest revenue	59.9	47.0	29.8	19.5	89.7	66.5
PFC revenue	34.7	32.4			34.7	32.4
CFC revenue	20.2	18.3			20.2	18.3
Other nonoperating revenue	(7.0)	27.1	15.2	21.1	8.2	48.2
Total revenues	508.4	470.9	155.9	162.1	664.3	633.0
Expenses:						
Operating expenses	369.4	303.6	114.7	116.9	484.1	420.5
Nonoperating expenses	113.8	95.0	3.6	3.1	117.4	98.1
Total expenses	483.2	398.6	118.3	120.0	601.5	518.6
Income before contributions and transfers	25.2	72.3	37.6	42.1	62.8	114.4
Capital contributions and reversions	30.8	10.1	9.1	7.4	39.9	17.5
Transfers (out) in	(3.9)	(2.2)	3.9	2.2		
Change in accounting principle GASB 101 - restatement of net position		(1.0)		(1.3)		(2.3)
Increase in net position	$ 52.1	$ 79.2	$ 50.6	$ 50.4	$ 102.7	$ 129.6

**Effective July 1, 2024, the Port adopted GASB 101. The provisions of this statement was applied retroactively, and fiscal year 2024 has been restated. Please see Note 1 to the basic financial statements for more detailed information.

Several factors caused changes in net position to decrease $26.9 million or 20.8 percent from the restated 2024 amount.

Airport changes in net position decreased $27.1 million when compared to the restated prior year due mainly to higher operating and non-operating expenses. The decrease was largely attributable to increased interest expense associated with the repayment of outstanding debt and higher personnel-related costs. Marine & Other changes in net position increased modestly by $0.2 million, primarily due to slightly lower revenues offset by slightly lower operating expenses. In the prior year, Marine & Other recognized one-time revenue from land sales, which did not recur in the current year, but were largely offset by an increase of $10.3 million in interest revenue versus prior year, primarily the result of higher cash balances and higher investment returns. Excluding these nonrecurring transactions, operating revenues remained relatively consistent with the prior year.

Total revenues for the Port increased by approximately $31.3 million or 4.9 percent from the prior year. Total expenses increased approximately $82.9 million or 16.0 percent during the same timeframe.

At the Airport, charges for services operating revenues increased by $53.7 million, or 15.6 percent, when compared to the prior year; this was primarily due to higher passenger volumes as air travel demand continues to strengthen. Activity levels have nearly fully recovered to pre-pandemic levels, resulting in higher operating revenues in almost every category at the Airport, including airline, parking, and concession activities. Nonoperating interest revenue increased $12.9 million, or 27.4 percent as a result of significantly higher cash balances and higher investment returns in 2025. PFC revenues increased $2.3 million, or 7.1 percent, while CFC revenues increased by $1.9 million, or 10.4 percent, over the same period. PFC and CFC revenues increased during the fiscal year due to higher passenger volumes as the airline industry continues to recover from the impacts of the pandemic. The growth in enplanements and rental car activity contributed to the overall increase in these revenues.

Other nonoperating revenue decreased by $34.1 million in fiscal year 2025 due to the reduction in federal grant funding, as pandemic relief stimulus funds have been fully expended. The increase of $65.8 million in operating expenses was 21.7 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 moves into the final stages of new terminal expansion project. Nonoperating expenses increased $18.8 million in fiscal year 2025 primarily due to higher interest expense on higher outstanding debt principal resulting from bond issuance. Capital contributions increased $20.7 million in 2025 as a result of incurring more grant-eligible costs than in 2025. Transfers out to fund construction at general aviation airports increased $1.7 million in 2025 due to more general aviation construction activity not funded with FAA grants.

For Marine & Other, charges for services operating revenue increased $2.6 million year over year as a result of higher rent revenues for industrial properties, and higher revenues resulting from increased grain and mineral bulk volumes. Land sales revenues decreased $16.5 million in the current fiscal year reflecting that the Port did not conduct any industrial property sales during this period. Nonoperating interest revenue increased $10.3 million versus prior year, primarily the result of higher cash balances and higher investment returns. Other nonoperating revenue decreased $5.9 million in fiscal year 2025 due to a reduction in one-time non-operating revenues. During 2025, operating expenses decreased $2.2 million associated with lower material and equipment expenses, and lower internal central services costs, in addition to the Port recording no land sale activity costs in the fiscal year; these decreases were partially offset by modest increases in salaries and wages and longshore labor expenses associated with higher container throughput activity. Transfers in from the Airport increased $1.7 million in fiscal year 2025 as a result of slightly more general aviation construction activity not funded with FAA grants.

Budgetary Highlights:
The Port's budget for fiscal year 2025 was adopted by the Port Commission and certified by the Multnomah County Tax Supervising and Conservation Commission (TSCC) in June 2024. During fiscal year 2025, 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. 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 to account for Terminal 4 grain elevator improvements, to provide for operating expenses related to the Troutdale Airport airfield reconstruction project, 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 $307.8 million, or 33.2 percent, under the $460.6 million revised budget largely due to timing delays and project deferrals in fiscal year 2025. Capital grants for the year were $30.8 million, 32.0 percent less than the budget of $45.3 million as a result of incurring fewer grant eligible costs. Airport operating revenues of $405.0 million were 5.3 percent less than the $427.6 million budget due to higher than anticipated American Rescue Plan Act funds and higher interest income, both of which reduced the amount of revenue required from the airlines. Customer Facility Charges were $20.2 million, or 24.6 percent, above the fiscal year 2025 budget due to more rental car activity than anticipated. Investment interest earnings were higher by a combined $32.7 million or 171 percent than budget across all Airport funds, primarily due to the continued higher interest rate environment and stronger portfolio yields. The favorable variance reflects higher returns on invested cash balances and short-term investments throughout the fiscal year. Operating expenditures of $166.0 million were 3.3 percent less than the $171.6 million budget due to lower insurance and outside services costs. Other notable budget variances included lower-than-anticipated commercial paper issuances and redemptions, and reduced transfers from other funds during the fiscal year. These variances primarily reflect timing differences and lower funding needs for ongoing capital projects.

Fiscal year 2025 budgetary capital expenditures for Marine & Other were $31.8 million, or 68.3 percent, below the budget of $100.0 million, largely due to timing delays and project deferrals. Capital grants for the year were $9.1 million, 76.2 percent less than the budget of $38.3 million due to incurring fewer grant eligible costs and delays in federal grant awards. Budgetary operating revenues were $6.2 million higher than the $52.9 million budget for marine due primarily to increased revenues from mineral and grain bulks as well as $2.5 million in state grant funds to offset Terminal 6 container losses. In trade and economic development, budgetary operating revenues of $12.0 million were $0.4 million better than the $11.6 million budget due to higher lease revenue. Budgetary operating revenues for navigation of $25.2 million were $2.7 million less than budget due to less river dredging during the fiscal 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 $21.4 million as compared to the budget of $3.0 million primarily due to unbudgeted settlement payments and non-operating grants in fiscal year 2025.

Interest income was $15.5 million higher than the $6.4 million budget due to the continued higher interest rate environment, stronger portfolio yields on higher cash balances, and unbudgeted lease interest income booked under GASB Statement No. 87, Leases. Budgetary operating expenditures were $3.8 million less than budget for administration, primarily due to vacant positions. Budgetary operating expenditures for marine were less than revised budget by approximately $3.8 million primarily due to lower than anticipated personnel and outside services costs. Navigation budgetary operating expenditures were $3.0 million less than budget due to lower fuel and labor costs. Long-term debt payments totaled $14.9 million, slightly below the budgeted amount of $15.4 million, reflecting minor timing differences in scheduled debt service payments related to Navigation projects. Other environmental budgetary operating expenditures were $11.4 million less than budget of $13.1 million, primarily due to revisions in cost estimates related to environmental liabilities as project assessments and remediation plans were updated during the year.

Capital Assets:

At the end of fiscal year 2025, the Port had over $3.5 billion invested in a broad range of capital assets. This amount represents an increase (essentially additions offset by depreciation expense) of $176.1 million versus the prior year, as outlined in Table 3 (below).

Table 3
Capital Assets
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-2025
Land	$ 68.0	$ 68.0	$ 81.1	$ 81.1	$ 149.1	$ 149.1	
Construction in progress	575.8	1,468.8	64.9	56.8	640.7	1,525.6	
Total capital assets not being depreciated	643.8	1,536.8	146.0	137.9	789.8	1,674.7	(52.8)%
Land improvements	1,091.2	1,011.7	341.7	325.0	1,432.9	1,336.7	
Buildings, equipment and right-of-use assets	3,333.1	2,202.2	294.6	285.0	3,627.7	2,487.2	
Total capital assets being depreciated and amortized	4,424.3	3,213.9	636.3	610.0	5,060.6	3,823.9	32.3%
Less: accumulated depreciation and amortization	(1,886.2)	(1,730.5)	(482.7)	(462.7)	(2,368.9)	(2,193.2)	8.0%
Total capital assets being depreciated or amortized, net	2,538.1	1,483.4	153.6	147.3	2,691.7	1,630.7	65.1%
Total capital assets, net	$ 3,181.9	$ 3,020.2	$ 299.6	$ 285.2	$ 3,481.5	$ 3,305.4	5.3%

This year's major capital asset spending included:

Airport:
- Terminal improvements - $251.4 million
- Baggage handling system expansion - $26.5 million
- Runway and taxiway improvements - $13.3 million

Marine & Other:
- Hillsboro airport taxiway improvements - $3.1 million
- Navigation division vessel and equipment replacements - $10.3 million
- Marine terminal 6 berth rehabilitation – $11.1 million

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

The Port's 2025 capital budget estimates spending approximately $325.7 million on capital projects at the Airport and $160.1 million in Marine & Other. Spending at the Airport is primarily slated for phase two of the 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 fiscal year 2025, the Port had just over $2.7 billion in bonds, contracts and loans payable outstanding. This is an increase of $364.2 million from the prior year due to the issuance of the Series Thirty bonds, as seen in Table 4 (below).

Table 4
Outstanding Long-Term Debt
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-2025
Pension bonds			$ 24.2	$ 32.2	$ 24.2	$ 32.2	(24.8)%
Revenue bonds	$ 2,520.2	$ 2,053.1			2,520.2	2,053.1	22.8%
PFC revenue bonds	51.6	61.9			51.6	61.9	(16.6)%
CFC revenue bonds	146.6	150.1			146.6	150.1	
Contracts and loans payable			24.9	26.4	24.9	26.4	(5.7)%
Commercial Paper		79.6				79.6	
	$ 2,718.4	$ 2,344.7	$ 49.1	$ 58.6	$ 2,767.5	$ 2,403.3	15.2%

The outstanding amount of Airport long-term debt increased $373.7 million due to issuance of $589.9 million of the series Thirty airport revenue construction bonds and was partially offset by scheduled bond payments on outstanding debt. At the end of fiscal year 2025, 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 decreased $9.5 million as a result of 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 fiscal 2026 budget was developed amidst significant economic uncertainty, particularly evolving federal trade policy and economic slowdown / inflationary concerns that could impact the Port's financial performance. The budget did not assume weakening demand in air travel or Marine volumes tied to escalating economic uncertainty. We are closely monitoring actual financial performance and economic indicators to assess if changes are required. The impact of the COVID pandemic on the airline industry was dramatic, and business and international traffic still lag at the Airport. The forecast for fiscal year 2026 airline passenger volumes is 19.0 million, which is 7.9 percent higher than our fiscal 2025 budget, but still roughly 5.0 percent below pre-pandemic passenger levels. It is anticipated that the Airport will recover to pre-pandemic passenger levels in fiscal year 2027 or 2028. In Marine & Other, the fiscal year 2026 budget assumes the Port continues to operate the Terminal 6 container yard for the entire fiscal year. However, in September 2025 the Commission approved a seven-year lease of the container facility with Harbor Industrial. Actual financial performance will improve significantly when the Port transitions container operations to Harbor. That is anticipated to be complete by January 1, 2026. Revenues at Terminal 5 are expected to increase $0.8 million due to continued improvement in mineral bulk activity. Revenues at Terminal 4 are expected to increase $1.8 million, primarily due to an increase in a tenant's rent. Results in other operations are expected to be mixed, with relatively flat auto volumes and lower anticipated grain bulk volumes. Port facilities have a diverse mix of marine tenants and business lines, with many fixed land and facility leases that reduce the Port's financial exposure in challenging times when volumes and activity decrease.

In the Port's 2026 adopted budget, total Port operating revenue is budgeted to increase about 9.0 percent over 2025 budget to approximately $572.6 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. Total operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 5.8 percent to approximately $329.5 million, primarily reflecting increased salary and benefit costs and outside services costs.

Operating revenues for the Airport are budgeted to increase 10.4 percent to $471.9 million in the fiscal year 2026 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 parking, terminal concessions and rental car revenues as passenger traffic continues to increase. Airport operating expenses (excluding depreciation and non-cash pension expense, including interfund reimbursements) are budgeted to increase about 5.6 percent to $222.2 million as a result of increased outside service, salary, and internal central services costs.

In Marine & Other, operating revenues are budgeted to increase by 3.6 percent to $100.8 million, primarily due to increased lease and rent revenues, as well as higher dockage and wharfage revenues and higher container throughput revenues. Operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 6.5 percent to $168.5 million primarily due to higher salary and benefits, longshore labor, and outside services costs in the fiscal year 2026 budget. Budgeted property taxes make up less than 1.0 percent of total 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
STATEMENT OF NET POSITION
as of June 30, 2025
with comparative totals as of June 30, 2024

	2025			2024
	Airport	Marine & Other	Total	Total (As restated)
ASSETS				
Current assets:				
Cash and cash equivalents	$ 38,340	$ 188,481,228	$ 188,519,568	$ 224,376,257
Equity in pooled investments	398,540,655	196,410,523	594,951,178	485,590,166
Restricted cash and equity in pooled investments	165,447,045		165,447,045	182,130,874
Receivables, net of allowance for doubtful accounts of $646,000 in 2025 and $841,000 in 2024 for Airport and $280,000 in 2025 and $347,000 in 2024 for Marine & Other	24,308,355	32,164,900	56,473,255	60,082,850
Lease receivable	30,385,970	13,352,632	43,738,602	43,620,554
Prepaid insurance and other assets	5,514,907	3,026,001	8,540,908	9,045,138
Total current assets	624,235,272	433,435,284	1,057,670,556	1,004,845,839
Noncurrent assets:				
Restricted assets:				
Cash and equity in pooled investments	662,670,263	11,190,019	673,860,282	393,465,690
Receivables	24,326,309		24,326,309	13,318,427
Contract retainage deposits	2,036,942		2,036,942	1,075,582
Total restricted assets	689,033,514	11,190,019	700,223,533	407,859,699
Land held for sale		33,577,089	33,577,089	33,532,410
Depreciable capital assets, net of accumulated depreciation and amortization	2,538,028,710	153,602,005	2,691,630,715	1,630,628,274
Nondepreciable capital assets	643,865,341	145,978,545	789,843,886	1,674,838,501
Lease receivable	186,171,792	175,266,938	361,438,730	336,575,340
Due from Airport		11,351,108	*	*
Unamortized bond issue costs and other noncurrent assets	2,573,682	101,290	2,674,972	4,115,351
Total noncurrent assets	4,059,673,039	531,066,994	4,579,388,925	4,087,549,575
Deferred outflows of resources:				
Deferred charges on refunding bonds	6,610,750		6,610,750	7,763,206
Deferred charges on pensions and OPEB	22,571,801	21,753,427	44,325,228	29,307,617
Total deferred outflows of resources	29,182,551	21,753,427	50,935,978	37,070,823
Total assets and deferred outflows of resources	$ 4,713,090,862	$ 986,255,705	$ 5,687,995,459	$ 5,129,466,237
LIABILITIES				
Current liabilities (payable from current assets):				
Current portion of long-term debt		$ 11,247,654	$ 11,247,654	$ 89,205,214
Accounts payable, lease and other accrued liabilities	$ 40,522,363	30,061,271	70,583,634	49,366,590
Accrued wages, vacation and sick leave pay	11,361,405	11,527,897	22,889,302	21,910,403
Workers' compensation and other accrued liabilities	420,119	5,378,385	5,798,504	5,088,284
Total current liabilities (payable from current assets)	52,303,887	58,215,207	110,519,094	165,570,491
Restricted liabilities (payable from restricted assets)				
Current portion of long-term debt and other	46,325,000		46,325,000	58,510,000
Accrued interest payable	66,474,479	1,282,202	67,756,681	54,325,687
Accounts payable	49,794,635		49,794,635	67,994,397
Contract retainage payable	2,852,931		2,852,931	1,473,547
Total restricted current liabilities (payable from restricted assets)	165,447,045	1,282,202	166,729,247	182,303,631
Total current liabilities	217,750,932	59,497,409	277,248,341	347,874,122
Noncurrent liabilities:				
Long-term environmental and other accruals	1,160,303	52,172,569	53,332,872	55,841,138
Long-term debt	2,940,259,333	37,804,462	2,978,063,795	2,492,029,399
Unearned revenue and other	38,171,955	23,056,485	61,228,440	62,695,954
Net pension and OPEB liability	70,804,812	43,695,494	114,500,306	89,807,893
Due to Marine & Other	11,351,108		*	*
Total noncurrent liabilities	3,061,747,511	156,729,010	3,207,125,413	2,700,374,384
Deferred inflows of resources:				
Deferred lease inflows	205,535,989	176,074,667	381,610,656	358,712,820
Deferred pension inflows and other deferred inflows of resources	7,827,759	7,907,231	15,734,990	19,022,343
Total deferred inflows of resources	213,363,748	183,981,898	397,345,646	377,735,163
Total liabilities and deferred inflows of resources	3,492,862,191	400,208,317	3,881,719,400	3,425,983,669
NET POSITION				
Net investment in capital assets	327,837,627	326,130,325	653,967,952	758,369,313
Restricted for capital and debt service	571,322,918	9,907,817	581,230,735	407,942,149
Unrestricted	321,068,126	250,009,246	571,077,372	537,171,106
Total net position	1,220,228,671	586,047,388	1,806,276,059	1,703,482,568
Total deferred inflows of resources and liabilities and net position	$ 4,713,090,862	$ 986,255,705	$ 5,687,995,459	$ 5,129,466,237

* 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, 2025
with comparative totals for the year ended June 30, 2024

	2025			2024
	Airport	Marine & Other	Total	Total (As restated)
Operating revenues:				
Charges for services	$ 398,633,575	$ 91,491,884	$ 490,125,459	$ 433,755,409
Land sales				16,460,688
Other	1,990,166	2,874,397	4,864,563	1,446,155
Total operating revenues	400,623,741	94,366,281	494,990,022	451,662,252
Operating expenses:				
Salaries, wages and fringe benefits	78,929,884	49,578,055	128,507,939	113,882,318
Longshore labor and fringe benefits		24,324,062	24,324,062	23,094,007
Contract, professional and consulting services	56,842,314	16,747,084	73,589,398	65,226,212
Materials and supplies	7,619,796	3,450,988	11,070,784	13,162,709
Utilities	13,630,653	6,625,470	20,256,123	18,104,013
Equipment rents, repair and fuel	1,627,803	2,746,447	4,374,250	5,756,530
Insurance	7,124,925	2,644,160	9,769,085	10,810,968
Lease and rent	5,198	2,086,097	2,091,295	2,021,484
Travel and management expense	3,794,153	1,331,952	5,126,105	4,103,989
Intra-Port charges and expense allocations	35,724,461		35,724,461	31,729,769
Cost of land sold				6,540,794
Other	4,007,521	1,772,731	5,780,252	4,845,414
Less expenses for capital projects	(4,722,367)	(18,026,917)	(22,749,284)	(21,924,412)
Total operating expenses, excluding depreciation and amortization	204,584,341	93,280,129	297,864,470	277,353,795
Operating income before depreciation and amortization	196,039,400	1,086,152	197,125,552	174,308,457
Depreciation and amortization expense	164,771,220	21,466,342	186,237,562	143,155,956
Total operating expenses, including depreciation and amortization	369,355,561	114,746,471	484,102,032	420,509,751
Operating income (loss)	31,268,180	(20,380,190)	10,887,990	31,152,501
Nonoperating revenues (expenses):				
Property tax revenue		16,513,659	16,513,659	15,916,506
Passenger facility charge revenue	34,656,336		34,656,336	32,448,898
Customer facility charge revenue	20,167,530		20,167,530	18,324,408
Interest expense	(113,770,422)	(3,567,217)	(117,337,639)	(98,138,445)
Interest revenue	59,878,865	29,844,733	89,723,598	66,532,211
Other income, including gain (loss) on disposal of properties	(6,964,429)	15,238,106	8,273,677	48,215,069
Nonoperating revenues (expenses)	(6,032,120)	58,029,281	51,997,161	83,298,647
Income before contributions and transfers	25,236,060	37,649,091	62,885,151	114,451,148
Capital contributions	30,794,129	9,114,211	39,908,340	17,465,634
Transfers (out) in	(3,941,321)	3,941,321		
Change in net position	52,088,868	50,704,623	102,793,491	131,916,782
Total net position - beginning, as previously presented	1,168,139,803	535,342,765	1,703,482,568	1,573,903,498
Change in accounting principle -adoption of GASB 101				(2,337,712)
Total net position - beginning, as restated				1,571,565,786
Total net position - ending	$ 1,220,228,671	$ 586,047,388	$ 1,806,276,059	$ 1,703,482,568

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, 2025
with comparative totals for the year ended June 30, 2024

	2025			2024
	Airport	Marine & Other	Total	Total
Cash flows from operating activities:				
Cash received from customers	$ 405,177,013	$ 103,656,972	$ 508,833,985	$ 423,065,420
Cash payments to employees	(75,446,052)	(45,111,003)	(120,557,055)	(107,953,971)
Cash payments to suppliers and vendors	(75,825,379)	(79,972,459)	(155,797,838)	(160,257,370)
Cash payments (to) from other funds	(38,492,253)	38,492,253		
Net cash provided by operating activities	215,413,329	17,065,763	232,479,092	154,854,079
Cash flows from noncapital financing activities:				
Property taxes		16,463,503	16,463,503	15,850,919
Grant proceeds not specifically restricted for capital				35,086,024
Net cash provided by noncapital financing activities		16,463,503	16,463,503	50,936,943
Cash flows from capital and related financing activities:				
Capital expenditures	(343,804,258)	(30,434,855)	(374,239,113)	(520,831,873)
Lease interest received	6,781,740	7,311,588	14,093,328	13,177,755
Sale of properties	171,861	2,150,676	2,322,537	2,912,314
Net proceeds from issuance of debt	637,298,973		637,298,973	97,981,687
Redemption of commercial paper	(79,600,000)		(79,600,000)	
Interest paid	(117,657,360)	(2,566,320)	(120,223,680)	(106,882,907)
Proceeds from insurance buyout agreements and settlements				17,711,340
Proceeds from passenger facility charges	34,222,421		34,222,421	31,972,360
Proceeds from customer facility charges	18,206,114		18,206,114	18,030,342
Principal payments and redemptions on debt	(136,560,000)	(9,605,214)	(146,165,214)	(62,303,461)
Contributions from (payments to) governmental agencies	21,677,599	(355,402)	21,322,197	20,319,772
Cash transfers (to) from other Port divisions, net	(3,941,321)	3,941,321		
Other, primarily nonoperating (expense) income	(5,310,682)	13,186,294	7,875,612	(1,644,230)
Net cash (used in) provided by capital and related financing activities	31,485,087	(16,371,912)	15,113,175	(489,556,901)
Cash flows from investing activities:				
Interest received	41,733,019	13,523,761	55,256,780	42,346,693
Investment activity:				
Purchases	(1,221,468,448)	(237,107,681)	(1,458,576,129)	(458,043,356)
Proceeds from sales or maturities	932,837,013	170,569,877	1,103,406,890	792,491,871
Net cash provided by (used in) investing activities	(246,898,416)	(53,014,043)	(299,912,459)	376,795,208
Net increase (decrease) in cash and cash equivalents		(35,856,689)	(35,856,689)	93,029,329
Cash and cash equivalents - beginning of year	38,340	224,337,917	224,376,257	131,346,928
Cash and cash equivalents - end of year	$ 38,340	$ 188,481,228	$ 188,519,568	$ 224,376,257
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 31,268,180	$ (20,380,190)	$ 10,887,990	$ 31,152,501
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	164,771,220	21,466,342	186,237,562	143,155,956
Cost of land sales				6,540,794
Non cash pension, OPEB expense, compensated absences	1,831,658	5,140,327	6,971,985	443,705
Amortization of unearned revenue	(1,058,618)	(1,607,872)	(2,666,490)	(2,650,984)
Change in assets and liabilities:				
Receivables and other current assets	7,303,473	10,595,836	17,899,309	(22,909,849)
Lease receivable	(1,142,112)	(23,839,326)	(24,981,438)	34,943,284
Deferred lease inflows	(654,583)	23,552,419	22,897,836	(40,503,416)
Accounts payable and accruals	17,308,967	196,529	17,505,496	6,530,536
Lease payable	(41,285)	(1,055,216)	(1,096,501)	1,340,622
Long-term environmental and other accruals	(4,173,571)	1,797,938	(2,375,633)	(4,335,133)
Additions to unearned revenue		1,198,976	1,198,976	1,146,063
Net cash provided by operating activities	$ 215,413,329	$ 17,065,763	$ 232,479,092	$ 154,854,079

The accompanying notes are an integral
part of these 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 820 full-time equivalent persons.

Financial Reporting Entity

Accounting principles generally accepted in the United States of America (U.S.) require that the reporting entity include the primary government, all organizations for which the primary government is financially accountable and other organizations that, by the nature and significance of their relationship with the primary government, would cause the financial statements to be incomplete or misleading if excluded. Based on these criteria, the Port of Portland is considered a primary government and is not a component unit of any other government.

Basis of Accounting

The accounting and reporting policies of the Port conform to accounting principles generally accepted in the U.S. (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. The Port has applied all applicable GASB pronouncements in the financial statements. Accordingly, the financial statements are reported using the flow of economic resources measurement focus using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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 accounting principles generally accepted in the United States of America (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.

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

Restricted Assets and Related Liabilities

Assets and related liabilities restricted to specific purposes by state statute, bond indenture or otherwise are segregated on the statement of net position. 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, and then unrestricted resources as they are needed.

Cash, Cash Equivalents and Equity in Pooled Investments

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

The Port pools the majority of its cash and investments and uses a controlled disbursement system in order to maximize earnings on available funds. Cash and investments are presented on the statement of net position in the financial statements at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*.

Oregon Revised Statutes (ORS) 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 (LGIP) and various interest-bearing municipal bonds.

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.

Capital Assets and Depreciation

Capital assets, other than lease improvements acquired upon termination of operating leases, are reported at cost less accumulated depreciation. Capital assets with an individual purchase cost exceeding $10,000 with a useful life of more than one year are capitalized. 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 in the statement of revenues, expenses and changes in net position.

Depreciation of capital assets is recorded using the straight-line method over the estimated useful lives of the assets.

Capital assets are assigned the following estimated useful lives:

Land improvements - 5 to 40 years
Buildings, building components, and terminals - 40 years
Equipment - 2 to 15 years

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.

1. <u>Description of the Port and Summary of Significant Accounting Policies</u>, continued:

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.

<u>Subscription-Based Information Technology Arrangements (SBITAs)</u>

Subscription-based information technology arrangements (SBITAs) are recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines a SBITA as a contract that conveys control of the right to use another party's (the SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction.

For financial statements prepared using the economic resources measurement focus, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset at the commencement of the subscription term. The subscription liability is recognized at the net present value of future subscription payments and is adjusted over time by payments and interest. Future subscription payments are discounted using the Port's estimated incremental borrowing rate. Future subscription payments include fixed and/or variable payments, based on the contract between the subscriber and vendor. The subscription asset is initially recorded as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term and is subsequently amortized over the life of the subscription. Subscription and capitalizable implementation cost payments made prior to the commencement of the subscription are classified as prepaid assets until the subscription commences; after the subscription commences, the prepaid assets are reclassified as an intangible right-to-use subscription asset.

<u>Amortization of Bond Issue Costs</u>

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 statement of net position. 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 statement of net position. Amortization is included in interest expense. All other bond issuance costs are expensed as incurred.

<u>Compensated Absences</u>

The Port recognizes compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*.

Compensated absences are defined as leave for which employees receive compensation, such as vacation, sick leave and other forms of paid time off. The Port recognizes a liability for compensated absences that meet the following criteria (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) it is more likely than not to be used for time off or otherwise paid or settled through noncash means to the extent allowed under Port policy or as defined by collective bargaining agreements. Vacation leave is accrued as earned for most employees, based on length of past service, up to a maximum number of hours per employee. Vacation is recorded as a liability as it is earned and is expected to be paid in the future either through time off or cash payment upon separation from employment. Sick leave is accrued only to the extent it is probable it will be used for paid time off or paid upon separation from employment, in accordance with historical use patterns and Port policies.

The liability for compensated absences is measured using the economic resources measurement focus, the Port measures the liability for leave that has not been used using the employees' pay rates as of the date of the financial statements. The liability for leave that has been used but not yet paid or settled is measured at the amount of cash payment or noncash settlement to be made.

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

Certain salary-related payments that are directly and incrementally associated with payments for leave are included in the measurement of the liabilities (e.g., employer portion of payroll taxes). Salary-related payments related to defined benefit pensions or defined benefit OPEB are not included in the measurement of liabilities for compensated absences.

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 statement of net position.

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 capital assets 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.

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.

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

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

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, 2025, and one budget adjustment for the year ended June 30, 2024.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

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 statement of net position.

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, 2024, from which the summarized information was derived.

New GASB Pronouncements Implemented

During the fiscal year ended June 30, 2025, the Port implemented the following GASB Pronouncements:

During the current year, the Port implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused leave owed to employees upon termination of employment, the Port now recognizes the value of sick leave more likely than not to be used as part of the liability for compensated absences. Certain salary-related payments that are directly and incrementally associated with payments for leave are included in the measurement of the liabilities (e.g., the employer portion of payroll taxes). Salary-related payments related to defined benefit pensions or defined benefit OPEB are no longer included in the measurement of liabilities for compensated absences. The effects of the change in accounting principle are summarized by column A in the table below.

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

	June 30, 2024 as previously reported	Change in accounting principle (A)	June 30, 2024 as restated
Airport			
Current Liabilities			
Accrued wages, vacation and sick leave pay	$ 9,709,231	$ 981,839	$ 10,691,070
Net position			
Unrestricted	1,169,121,642	(981,839)	1,168,139,803
Marine & Other			
Current Liabilities			
Accrued wages, vacation and sick leave pay	9,863,460	1,355,873	11,219,333
Net position			
Unrestricted	536,698,638	(1,355,873)	535,342,765

GASB Statement No. 102, *Certain Risk Disclosures.* This Statement was issued in December 2023 with the objective to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. As of June 30, 2025, the Port did not identify any concentrations or constraints that met all three of the criteria for disclosure.

Future Adoption of GASB Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement was issued in April 2024 to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This 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 propriety 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 requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Port is currently evaluating the effects this statement will have on its financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. This statement was issued in September 2024 with the objective to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class as well as those held for sale. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. 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.

Statement of Net Position information for Marine & Other is not available at the identifiable activity level. Statement of Revenues, Expenses and Changes in Net Position identifiable activity information available for Marine & Other for the year ended June 30, 2025, was as follows (in thousands):

	Marine Terminals	Trade & Economic Development	Environmental	Navigation	General Aviation	Engineering & Admin	Total
Operating revenues	$ 53,793	$ 11,104		$ 25,060	$ 4,035	$ 374	$ 94,366
Operating expenses	54,664	12,596	$ 3,692	18,565	5,409	(1,646)	93,280
Depreciation/amortization expense	7,816	1,061		5,199	5,370	2,020	21,466
Operating (loss) income	$ (8,687)	$ (2,553)	$ (3,692)	$ 1,296	$ (6,744)	$	$ (20,380)
Capital contributions	$ 6,140	$ 43			$ 2,931		$ 9,114
Properties activity:							
Additions	$ 14,702	$ 2,366		$ 11,016	$ 4,763	$ 2,468	$ 35,315
Deletions	$ (445)			$ (861)	$ (84)		$ (1,390)

3. Cash and Investments:

Cash and investments are reflected on the statement of net position as follows:

Balance sheet classification:	2025			2024
	Airport	Marine & Other	Total	Total
Unrestricted cash and cash equivalents	$ 38,340	$ 188,481,228	$ 188,519,568	$ 224,376,257
Unrestricted equity in pooled investments	398,540,655	196,410,523	594,951,178	485,590,166
Restricted cash and equity in pooled investments	828,117,308	11,190,019	839,307,327	575,596,564
Total cash and investments	$ 1,226,696,303	$ 396,081,770	$ 1,622,778,073	$ 1,285,562,987

At June 30, 2025, the Port had the following cash and investments and maturities for the Airport:

	Investment Maturities (in years)				
	Less than 1	1 - 2	2 - 3	3 - 5	Value
U.S. Treasuries	$ 267,407,987	$ 86,067,294	$ 42,293,482	$ 267,654,137	$ 663,422,900
U.S. Agencies	112,316,280	15,755,294	79,229,262	32,194,963	239,495,799
Municipal debt	3,879,190	1,570,910	3,482,337	20,804,394	29,736,831
Corporate indebtedness	26,937,162				26,937,162
Certificates of deposit	426,034				426,034
	$ 410,966,653	$ 103,393,498	$ 125,005,081	$ 320,653,494	960,018,726
Cash and cash equivalents					38,340
Restricted deposits held in trust accounts					266,639,237
Total cash and investments for the Airport					$ 1,226,696,303

3. Cash and Investments, continued**:**

Following are the cash and investments and maturities for Marine & Other at June 30, 2025:

	Investment Maturities (in years)				
	Less than 1	1 - 2	2 - 3	3 - 5	Value
U.S. Treasuries	$ 9,489,956	$ 23,476,220	$ 11,536,218	$ 73,006,913	$ 117,509,307
U.S. Agencies	30,636,048	4,297,506	21,611,038	8,781,687	65,326,279
Municipal debt	1,058,110	428,490	949,863	5,674,729	8,111,192
Corporate indebtedness	7,347,538				7,347,538
Certificates of deposit	116,207				116,207
	$ 48,647,859	$ 28,202,216	$ 34,097,119	$ 87,463,329	198,410,523
State of Oregon local government investment pool					63,711,507
Construction escrow					8,856,671
Cash and deposits with financial institutions					125,103,069
Total cash and investments for Marine & Other					$ 396,081,770

Deposits with financial institutions include bank demand deposits. The total bank balance as shown on the bank statements was $124,913,477. Of these deposits, $250,000 was covered by federal depository insurance and $124,663,477 was covered by collateral pledged by the Port's qualified depositories. In accordance with Oregon Revised Statutes (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 price quotations in active markets/exchanges for identical instruments.
>
> *Level 2* – Other unobservable inputs (including, but not limited to) quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices that are observable for the instruments (such as interest rates, yield curves, credit risks and default rates) or other model-derived valuations in which all significant inputs are observable.
>
> *Level 3* – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

Cash and cash equivalents and the Oregon Short-Term Fund Local Government Investment Pool (LGIP) are not measured at fair value and, thus, are not subject to the fair value hierarchy disclosure requirements.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical instruments (*Level 1* measurements) and the lowest priority to unobservable inputs (*Level 3* measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized in *Level 3*. The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

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 are reported at fair value and asset types allowable per the Port's investment policy typically fall within hierarchy level 1 and 2. U.S. Treasury obligations are level 1 investments. U.S. Agency, corporate and municipal bonds are level 2 investments.

3. Cash and Investments, continued**:**

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:

- The investment portfolio's maximum maturity shall not exceed five years
- The weighted average maturity of the portfolio including cash and investments shall not exceed three years

ORS 294.035 limit investments in corporate indebtedness to those rated P-1 or Aa3 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 on the settlement date. Port investment policy on credit risk follows ORS requirements. All investments in corporate indebtedness made during fiscal 2025 met or exceeded these ratings requirements.

ORS 294.035 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 the fiscal year ending June 30, 2025, met or exceeded these ratings requirements.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund (Fund), which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Investments in the Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency and is unrated. The fair value of the Port's position in the pool is the same as the value of the pool shares. The State's investment policies are governed by ORS 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 by 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 $2,000,000 at June 30, 2025 and 2024, 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, 2025 and 2024, approximately $720,974,622 and $641,465,000, 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 receivables are monitored on an ongoing basis, and allowances for doubtful accounts are established and maintained. Total trade receivables for the aviation industry were approximately $29,600,000 at June 30, 2025 and $35,500,000 at June 30, 2024.

4. Receivables, continued**:**

Total trade receivables for the marine shipping industry were approximately $7,100,000 at June 30, 2025, and $7,700,000 at June 30, 2024. Total grants receivable for the Airport were approximately $17,200,000 at June 30, 2025 and $5,700,000 at June 30, 2024. Total grant receivables for Marine and Other were approximately $11,700,000 at June 30, 2025 and $4,600,000 at June 30, 2024. Other significant receivables include interest on investments and a dredging contract.

5. Capital assets:

Capital asset activity for the year ended June 30, 2025, was as follows:

Airport:	Beginning Balances	Additions	Disposals & Transfers	Completed Projects	Ending Balances
Assets being depreciated or amortized:					
Land improvements	$ 1,011,691,717		$ (6,314,446)	$ 85,803,960	$ 1,091,181,231
Buildings and equipment	2,201,058,470		(2,601,509)	1,133,386,198	3,331,843,159
Intangible right-of-use assets	1,098,442	$ 285,603	(130,592)		1,253,453
Total assets being depreciated or amortized	3,213,848,629	285,603	(9,046,547)	1,219,190,158	4,424,277,843
Less accumulated depreciation and amortization					
Land improvements	611,561,510	35,608,192	(6,315,588)		640,854,114
Buildings & equipment	1,118,267,651	128,926,910	(2,557,341)		1,244,637,220
Intangible right-of-use assets	652,273	236,118	(130,592)		757,799
Total accumulated depreciation and amortization	1,730,481,434	164,771,220	(9,003,521)		1,886,249,133
Total assets being depreciated or amortized, net	1,483,367,195	(164,485,617)	(43,026)	1,219,190,158	2,538,028,710
Assets not being depreciated or amortized:					
Land	68,042,167				68,042,167
Construction in progress	1,468,807,173	326,206,159		(1,219,190,158)	575,823,174
Total assets not being depreciated or amortized	1,536,849,340	326,206,159		(1,219,190,158)	643,865,341
Airport assets, net	$ 3,020,216,535	$ 161,720,542	$ (43,026)	$	$ 3,181,894,051
Marine & Other:					
Assets being depreciated or amortized:					
Land improvements	$ 324,958,044		$ 7,164	$ 16,721,891	$ 341,687,099
Buildings and equipment	277,389,915		(713,314)	10,533,748	287,210,349
Intangible right-of-use assets	7,652,380	$ 451,307	(689,500)		7,414,187
Total assets being depreciated or amortized	610,000,339	451,307	(1,395,650)	27,255,639	636,311,635
Less accumulated depreciation and amortization					
Land improvements	241,271,419	9,784,074			251,055,493
Buildings & equipment	217,415,942	10,663,168	(806,473)		227,272,637
Intangible right-of-use assets	4,051,899	1,019,100	(689,499)		4,381,500
Total accumulated depreciation and amortization	462,739,260	21,466,342	(1,495,972)		482,709,630
Total assets being depreciated or amortized, net	147,261,079	(21,015,035)	100,322	27,255,639	153,602,005
Assets not being depreciated or amortized:					
Land	81,143,587		(65,434)		81,078,153
Construction in progress	56,845,574	35,310,457		(27,255,639)	64,900,392
Total assets not being depreciated or amortized	137,989,161	35,310,457	(65,434)	(27,255,639)	145,978,545
Marine & Other assets, net	$ 285,250,240	$ 14,295,422	$ 34,888	$	$ 299,580,550

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 first-priority liens on vessels used by its navigation division as security for related loans.

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 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, 2025, the Airport, as a lessor, recognized approximately $42,573,000 and $6,782,000 as charges for services operating revenue and nonoperating interest revenue, respectively. 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 years ended June 30, 2025, and 2024, the Airport also recognized approximately $11,760,000 and $9,112,000, 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, 2025, Marine & Other, as a lessor, recognized approximately $23,830,000 and $7,312,000 as charges for services operating revenue and nonoperating interest revenue, respectively. 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 years ended June 30, 2025, and 2024, Marine & Other also recognized approximately $4,479,000 and $3,309,000 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
2026	$ 30,385,970	$ 6,761,113	$ 13,352,632	$ 7,263,608	$ 43,738,602	$ 14,024,721
2027	33,797,385	5,848,009	12,650,140	7,140,755	46,447,525	12,988,764
2028	31,130,485	4,744,393	12,054,568	7,194,598	43,185,053	11,938,991
2029	29,970,087	3,728,170	12,984,130	6,597,069	42,954,217	10,325,239
2030	29,379,062	2,727,921	12,166,113	5,977,232	41,545,175	8,705,153
2031-2035	49,573,184	4,651,935	59,642,391	20,530,905	109,215,575	25,182,840
2036-2040	7,238,721	1,233,826	16,866,925	11,783,495	24,105,646	13,017,321
2041-2045	2,730,307	606,194	9,260,027	9,549,653	11,990,334	10,155,847
2046-2050	2,191,497	175,575	9,530,165	7,168,116	11,721,662	7,343,691
2051-2055	161,064	1,511	3,413,201	6,014,668	3,574,265	6,016,179
2056-2060			4,818,926	5,156,093	4,818,926	5,156,093
2061-2065			6,979,515	3,925,650	6,979,515	3,925,650
2066-2070			9,937,508	2,161,842	9,937,508	2,161,842
2071-2075			4,963,329	220,584	4,963,329	220,584
Total	$ 216,557,762	$ 30,478,647	$ 188,619,570	$ 100,684,268	$ 405,177,332	$ 131,162,915

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

6. Leases, continued:

331,000 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 28 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 $142,733,000 and $114,602,000 for the years ended June 30, 2025, and 2024, 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 $12,113,000 and $12,374,000 for fiscal 2025 and 2024, respectively. Marine & Other operating revenues earned under regulated leases with aeronautical users that are not short-term leases were approximately $1,672,000 and $1,554,000 for fiscal years 2025 and 2024, respectively. Expected future minimum payments for regulated leases with other aeronautical users are as follows:

	Airport	Marine & Other	Total Port
2026	$ 11,695,000	$ 1,587,000	$ 13,282,000
2027	10,319,000	1,303,000	11,622,000
2028	8,242,000	1,213,000	9,455,000
2029	8,206,000	993,000	9,199,000
2030	6,476,000	955,000	7,431,000
2031-2035	20,513,000	4,149,000	24,662,000
2036-2040	17,064,000	3,642,000	20,706,000
2041-2045	6,191,000	2,924,000	9,115,000
2046-2050	538,000	1,273,000	1,811,000
2051-2055		646,000	646,000
Total	$ 89,244,000	$ 18,685,000	$ 107,929,000

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 7 years. The intangible right-of-use assets that the Port has recorded under these leases are included in depreciable capital assets, net of accumulated depreciation and amortization on the statement of net position. Following is a schedule of changes in the right-of-use assets with the accumulated amortization for the fiscal year ended June 30, 2025:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Right-of-use assets:				
Security equipment	$ 154,018		$ (64,676)	$ 89,342
Office equipment	567,117			567,117
Total right-of-use assets	721,135		(64,676)	656,459
Less accumulated amortization:				
Security equipment	68,397	$ 22,336	(64,676)	26,057
Office equipment	334,078	113,424		447,502
Total accumulated amortization	402,475	135,760	(64,676)	473,559
Total right-of-use assets, net	$ 318,660	$ (135,760)	$	$ 182,900
Marine & Other:				
Right-of-use assets:				
Office and warehouse space	$ 2,793,377		$ (418,345)	$ 2,375,032
Office equipment	160,608			160,608
Total right-of-use assets	2,953,985		(418,345)	2,535,640
Less accumulated amortization:				
Office and warehouse space	616,264	$ 263,892	(418,345)	461,811
Office equipment	87,793	32,417		120,210
Total accumulated amortization	704,057	296,309	(418,345)	582,021
Total right-of-use assets, net	$ 2,249,928	$ (296,309)	$	$ 1,953,619

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

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
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			303,303	55,860	303,303	55,860
2031-2032			791,408	55,525	791,408	55,525
Total	$ 171,234	$ 5,438	$ 2,096,652	$ 489,383	$ 2,267,886	$ 494,821

6. Leases, continued:

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 capital assets, net of accumulated depreciation and amortization on the statement of net position. Following is a schedule of changes in the right-of-use subscription assets with the accumulated amortization for the fiscal year ended June 30, 2025:

	Beginning Balances	Additions	Reductions	Ending Balances
Airport:				
Subscription assets	$ 377,308	$ 285,603	$ (65,917)	$ 596,994
Less accumulated amortization	249,797	100,360	(65,917)	284,240
Total subscription assets, net	$ 127,511	$ 185,243	$	$ 312,754
Marine & Other:				
Subscription assets	$ 4,698,395	$ 451,307	$ (271,154)	$ 4,878,548
Less accumulated amortization	3,347,843	722,789	(271,154)	3,799,478
Total subscription assets, net	$ 1,350,552	$ (271,482)	$	$ 1,079,070

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
2026	$ 126,957	$ 9,153	$ 1,057,170	$ 32,255	$ 1,184,127	$ 41,408
2027	57,602	6,350	265,456	6,349	323,058	12,699
2028	57,008	3,784	67,904	238	124,912	4,022
2029	59,596	1,127			59,596	1,127
Total	$ 301,163	$ 20,414	$ 1,390,530	$ 38,842	$ 1,691,693	$ 59,256

7. Long-Term Debt:

At June 30, 2025, long-term debt consisted of the following:

	Pension	Airport Revenue	Passenger Facility Charge Revenue	Customer Facility Charge Revenue
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			
2005 Series (issued in fiscal 2006, original issue $20,230,000):				
5.004%, due fiscal 2028	5,385,000			
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		$ 7,175,000		
currently 3.99%, due fiscal 2027		7,175,000		
Series Twenty-Three (issued in fiscal 2015, original issue $109,440,000):				
5.0%, due serially through fiscal 2036		61,245,000		
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		89,725,000		
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		89,140,000		
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		20,795,000		
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		138,790,000		
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		260,075,000		
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		
Series Thirty (issued in fiscal 2025, original issue $589,905,000):				
5.0% to 5.25%, due serially through fiscal 2046		330,845,000		
5.25%, due fiscal 2050		100,600,000		
5.25%, due fiscal 2055		158,460,000		
Passenger Facility Charge revenue bonds:				
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				$ 32,610,000
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 $8,980,000, $42,700,000, and $3,625,000 respectively, due within one year	$ 24,170,000	$ 2,520,205,000	$ 51,620,000	$ 146,620,000

7. Long-Term Debt, continued:

	Direct Borrowings - Contracts and Loans Payable at June 30, 2025
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 \$380,553 due December 1, 2025 to \$488,663 due December 1, 2030, including \$380,553 due within one year	$ 2,600,883
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 \$101,267 due August 1, 2025 to \$115,011 due June 1, 2028, including \$1,240,588 due within one year	3,779,917
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 \$16,774 due July 8, 2025 to \$437,084 due May 8, 2039, including \$207,341 due within one year	4,516,316
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, including \$439,173 due within one year	13,985,000
Total, including \$2,267,655 due within one year	$ 24,882,116

Future debt service requirements on bonds, contracts and loans payable at June 30, 2025 are as follows:

	Airport					
	Revenue Bonds		PFC Revenue Bonds		CFC Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 42,700,000	$ 123,949,176		$ 2,581,000	$ 3,625,000	$ 5,843,839
2027	44,330,000	122,075,415	$ 2,670,000	2,514,250	3,735,000	5,727,377
2028	39,465,000	120,002,575	8,860,000	2,226,000	3,855,000	5,603,458
2029	43,570,000	117,926,700	9,300,000	1,772,000	3,985,000	5,470,522
2030	60,525,000	115,324,325	9,765,000	1,295,375	4,120,000	5,328,043
2031-2035	351,190,000	526,870,925	21,025,000	1,063,875	23,020,000	24,154,873
2036-2040	437,890,000	429,907,706			27,940,000	19,104,327
2041-2045	511,910,000	316,250,050			34,225,000	12,667,465
2046-2050	593,545,000	176,669,632			42,115,000	4,608,903
2051-2055	395,080,000	43,465,673				
	$ 2,520,205,000	$ 2,092,442,177	$ 51,620,000	$ 11,452,500	$ 146,620,000	$ 88,508,807

	Marine & Other			
	Pension Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
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			1,575,670	1,156,869
2031-2035			7,252,694	4,361,362
2036-2040			7,044,788	1,650,963
	$ 24,170,000	$ 2,867,525	$ 24,882,116	$ 12,565,542

7. <u>Long-Term Debt</u>, continued:

Changes in long-term debt on the statement of net position for the year ended June 30, 2025, were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Long-term privately placed bonds outstanding	$ 10,260,000		$ (10,260,000)	
less: current portion	(10,260,000)		10,260,000	
Long-term bonds outstanding	2,254,840,000	$ 589,905,000	(126,300,000)	$ 2,718,445,000
less: current portion	(48,250,000)	(46,325,000)	48,250,000	(46,325,000)
Unamortized bond issue premium	236,387,283	49,176,791	(17,424,741)	268,139,333
Long-term debt	$ 2,442,977,283	$ 592,756,791	$ (95,474,741)	$ 2,940,259,333
Marine & Other:				
Long-term direct borrowings outstanding	$ 26,447,330		$ (1,565,214)	$ 24,882,116
less: current portion	(1,565,214)	$ (2,267,654)	1,565,214	(2,267,654)
Long-term bond debt outstanding	32,210,000		(8,040,000)	24,170,000
less: current portion	(8,040,000)	(8,980,000)	8,040,000	(8,980,000)
Long-term debt	$ 49,052,116	$ (11,247,654)	$	$ 37,804,462

In addition, at June 30, 2025 and 2024, the Port has recorded $6,610,750 and $7,763,206 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 Statement of Net Position.

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 at June 30, 2025 and 2024, was $313,930 and $434,895 respectively, is recorded as a deferred inflow of resources on the Statement of Net Position 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, 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.

7. <u>Long-Term Debt</u>, 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, 2025, and 2024.

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 $8,509,861 for fiscal 2025 and by $8,230,240 for fiscal 2024.

In fiscal 2025, the Port issued Series Thirty A bonds to pay, or to reimburse the Port for the payment of, costs of the design, construction, renovation, acquisition, equipping and installation of capital improvements at the Portland International Airport; repay certain Commercial Paper Notes issued to finance a portion of the Series Thirty Projects, pay a portion of the interest to accrue on the Series Thirty Bonds during construction of the Series Thirty Projects, to cash fund a debt service reserve; and pay certain costs of issuing the Series Thirty A bonds. The Port issued Series Thirty B bonds to refund all of the outstanding Series Twenty-Two bonds and pay certain costs of issuing the Series Thirty B bonds. Series Twenty-Two bonds are considered defeased as of June 30, 2025. The bonds have coupon rates ranging from 5 percent to 5.25 percent, with maturities ranging from 2025 to 2054. Series Thirty bonds maturing on or before July 1, 2034, are not subject to optional redemption prior to maturity. Series Thirty bonds maturing on or after July 1, 2035, are redeemable at

7. <u>Long-Term Debt</u>, continued:

the option of the Port on or after July 1, 2034, at 100 percent of the principal amount plus accrued interest. Series Thirty A bonds maturing on or after July 1, 2049, are term bonds and are subject to mandatory sinking fund redemption prior to their stated maturity at 100 percent of the principal amount plus accrued interest, and without premium.

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.

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 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 after July 1, 2025, were defeased during fiscal 2025. At June 30, 2025, $78,050,000 of bonds outstanding are considered defeased. The refunding resulted in an economic gain of $5.8 million.

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.

7. Long Term Debt, continued:

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.

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. During fiscal 2025, Series 2012A bonds were redeemed.

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

7. Long Term Debt, continued:

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. An amendment was issued on April 24, 2025, to reduce the aggregate amount outstanding to $150 million.

Commercial paper outstanding totaled $0 and $79,600,000 at June 30, 2025 and 2024, respectively. Commercial paper balances are included in current portion of long-term debt on the statement of net position. 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, 2025, and 2024.

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 percent of annual covered payroll for fiscal years 2025 and 2024. 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

9. Pension Plans and Deferred Compensation Plan, continued:

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 statement of net position 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 $8,040,000 and $7,165,000 in fiscal 2025 and 2024, respectively, of which $3,963,570 and $3,535,310 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 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. The matching funds were reported in other nonoperating income on the statement of revenues, expenses, and changes in net position. 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 years 2025 and 2024. The Port also pays the required employee contributions of 6 percent of annual covered salary.

The Port's fiscal 2025 and 2024 regular pension contributions recognized by PERS were $12,335,284 and $11,923,360. Actuarial determinations are not made solely as to Airport employees. PERS contributions of $6,429,816 and $6,032,095 were applicable to the Airport for fiscal years 2025 and 2024, 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

9. Pension Plans and Deferred Compensation Plan, continued:

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, 2025, was determined based on an actuarial valuation as of December 31, 2022, and rolled forward to the measurement date of June 30, 2024; 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 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.

For the year ended June 30, 2025, the Port's proportionate share of the collective NPL of PERS is $111,888,732, or 0.50338557 percent of the total, and the Port recognized pension expense of $19,155,317 as its proportionate share of PERS pension expense. 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. Actuarial determinations are not made solely as to Airport employees. For the year ended June 30, 2025, $69,538,506 of the NPL, and $9,486,442 of pension expense, was applicable to the Airport. 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.

Actuarial assumptions used in the 2022 valuation rolled forward to the measurement date of June 30, 2024, and the 2021 valuation rolled forward to the measurement date of June 30, 2023, were as follows:

Valuation date	December 31, 2022
Measurement date	June 30, 2024
Experience study	2022, published July 24, 2023
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40%
Investment rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2022 Experience Study, which reviewed experience for the six-year period ended on December 31, 2022.

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

9. Pension Plans and Deferred Compensation Plan, continued:

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 discount rate used to measure the TPL of PERS was 6.90 percent for the measurement dates of Junes 30, 2024 and 2023. 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.

The following presents the reporting entity's net pension liability calculated using the discount rate of 6.90 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 5.90 percent or 1-percentage-point higher 7.90 percent than the current rate.

Sensitivity of the Port's proportionate share of the net pension liability to changes in the discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% increase (7.90%)
Proportionate share of the net pension liability, 6/30/2025	$ 176,499,931	$ 111,888,732	$ 57,773,696
Proportionate share of the net pension liability, 6/30/2024	$ 143,454,398	$ 86,846,701	$ 39,472,058

Assumed asset allocation:

Asset Class / Strategy	Low Range	High Range	OIC Target
Fixed Income	20.0 %	30.0 %	25.0 %
Public Equity	22.5	32.5	27.5
Real Estate	7.5	17.5	12.5
Private Equity	15.0	27.5	20.0
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio		5.0	
Total			100.0 %

9. Pension Plans and Deferred Compensation Plan, continued:

Long term expected rate of return.

In January 2023, the PERS Board sought to develop an analytical basis for selecting the long-term expected rate of return assumption used in the calculation of the TPL at June 30, 2024 and 2023. The Board reviewed long-term assumptions developed by both Milliman's Capital Market Assumptions Team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustments for the inflation assumption. These assumptions are not based on historical returns; instead, they 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, 2024, and 2023, there were deferred outflows and inflows of resources related to the following sources:

	Deferred outflows of resources		Deferred inflows of resources	
Measurement date of June 30,	2024	2023	2024	2023
Differences between expected and actual experience	$ 6,628,372	$ 2,303,824	$ 267,042	$ 344,355
Changes of assumptions	11,249,329	7,714,947	14,412	57,523
Net difference between projected and actual earnings on plan investments	7,108,063	1,560,990		
Changes in proportionate share	5,124,850		7,064,849	
Differences between Port contributions and proportionate share of system contributions	1,844,024	5,692,538	5,993,358	15,852,386
Total (prior to post-measurement date contributions)	31,954,638	17,272,299	13,339,661	16,254,264
Contributions made subsequent to the measurement date	12,335,284	11,923,360		
Net deferred outflows / (inflows) of resources	$ 44,289,922	$ 29,195,659	$ 13,339,661	$ 16,254,264

$12,335,284 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. $6,429,816 and $6,032,095 of the deferred outflows were applicable to the Airport at June 30, 2025 and 2024, respectively.

9. Pension Plans and Deferred Compensation Plan, continued:

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
2026	$ (868,245)	$ (738,260)	$ (1,606,505)
2027	5,531,155	4,703,084	10,234,239
2028	2,815,636	2,394,105	5,209,741
2029	2,047,156	1,740,675	3,787,831
2030	534,874	454,797	989,671
Total	$ 10,060,576	$ 8,554,401	$ 18,614,977

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 can 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.

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, 2025, the following employees were covered by the benefits terms of the plan:

Inactive employees currently receiving benefit payments	16
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	828
	844

For the year ended June 30, 2025, the Port's total other postemployment benefit (OPEB) liability of $2,611,576 was determined based upon a July 1, 2025, actuarial valuation, measured as of June 30, 2025, with a reporting date of June 30, 2025; $1,266,304 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of ($372,022) in fiscal 2025, with ($239,814) of OPEB benefit applicable to the Airport. For the year ended June 30, 2024, the Port's total OPEB liability of $2,961,194 was determined based upon a July 1, 2023, actuarial valuation, measured as of June 30,

10. <u>Postemployment Healthcare Benefits</u>, continued:

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.

The OPEB liability in the July 1, 2025, actuarial valuation measured as of June 30, 2025, was determined using the following actuarial assumptions:

- A discount rate of 4.81 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2025
- A healthcare cost trend rate of 7.50 percent grading uniformly to 6.60 percent over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04 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 2025 are shown in the following table:

	Airport	Marine & Other	Total Port
Balance at 6/30/2024	$ 1,502,324	$ 1,458,870	$ 2,961,194
Service cost	65,621	49,970	115,591
Interest	72,805	67,842	140,647
Differences between expected and actual experience	(232,489)	(83,531)	(316,020)
Changes of assumptions	(87,636)	(49,473)	(137,109)
Benefit payments	(54,321)	(98,406)	(152,727)
Net change	(236,020)	(113,598)	(349,618)
Balance at 6/30/2025	$ 1,266,304	$ 1,345,272	$ 2,611,576

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:

	1% Decrease	7.50% decreasing to 6.60% over 3 years, following the Getzen model thereafter	1% increase
Total OPEB liability, 6/30/2025	$ 2,383,907	$ 2,611,576	$ 2,874,162

	1% Decrease	6.25% decreasing to 5.20% over 2 years, following the Getzen model thereafter	1% increase
Total OPEB liability, 6/30/2024	$ 2,662,543	$ 2,961,194	$ 3,308,796

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 (3.81%)	Discount Rate (4.81%)	1% increase (5.81%)
Total OPEB liability, 6/30/2025	$ 2,804,139	$ 2,611,576	$ 2,432,443

	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

At June 30, 2025, there were deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of
Differences between expected and actual experience		$ (2,081,399)
Changes of assumptions	$ 35,306	
Total	$ 35,306	$ (2,081,399)

10. Postemployment Healthcare Benefits, continued:

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
2026	$ (360,877)	$ (272,600)	$ (633,477)
2027	(360,873)	(272,601)	(633,474)
2028	(191,470)	(133,375)	(324,845)
2029	(191,461)	(133,377)	(324,838)
2030	(45,732)	(19,002)	(64,734)
Thereafter	(45,733)	(18,992)	(64,725)
Total	$ (1,196,146)	$ (849,947)	$ (2,046,093)

11. Compensated Absences

The liability for compensated absences is reported on the statement of net position under accrued wages, vacation and sick leave pay. The liability is measured using current pay rates in effect at June 30, 2025, and includes salary-related payments (such as the employer's share of payroll taxes and retirement contributions) that are directly and incrementally associated with payments for compensated absences. The liability reflects management's estimate of leave that is more likely than not to be used or paid rather than forfeited. Expenses for earned leave are recognized in the period the leave is earned. Payments for used leave reduce the liability when made.

Changes in estimated compensated absences liabilities were as follows:

	Beginning balance (as restated)	Additions	Reductions	Ending balance
Airport				
Compensated absences	$ 6,396,989	$ 352,937	$	$ 6,749,926
Marine & Other				
Compensated absences	5,547,260	210,958	(97,201)	5,661,017
Total	$ 11,944,249	$ 563,895	$ (97,201)	$ 12,410,943

12. 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 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.

12. Risk Management, continued**:**

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, 2025	Fiscal Year Ended June 30, 2024
Beginning liability	$ 997,856	$ 1,207,878
Current year claims and changes in estimates	726,880	474,449
Claim payments	(669,896)	(684,471)
Ending liability	$ 1,054,840	$ 997,856

Approximately $706,579 and $607,629 of the liability was applicable to the Airport at June 30, 2025 and 2024, respectively.

13. Commitments and Contingencies:

At June 30, 2025, land acquisition and construction contract commitments aggregated approximately $460,000,000 for the Airport, $48,100,000 for Marine & Other, and $508,100,000 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 $1,800,000 for its estimated remaining share of the costs of these Portland Harbor investigative and remedial activities at June 30, 2025. 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 $23,500,000 and $1,100,000 in estimated costs for these cleanups at June 30, 2025. At another site, the Port has accrued approximately $22,300,000 in estimated remaining costs at June 30, 2025. 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 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.

13. Commitments and Contingencies, continued:

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

		Beginning Balances		Increases		Decreases		Ending Balances
Airport:								
Environmental liabilities	$	765,000	$	195,000	$	(210,000)	$	750,000
less: current portion		(15,000)				(195,000)		(210,000)
Long-term liability	$	750,000	$	195,000	$	(405,000)	$	540,000
Marine & Other:								
Environmental liabilities	$	60,116,987	$	1,286,973	$	(5,874,524)	$	55,529,436
less: current portion		(9,060,779)		(2,818,499)		5,521,948		(6,357,330)
Long-term liability	$	51,056,208	$	(1,531,526)	$	(352,576)	$	49,172,106

14. 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 $225,000 under agreements entered into by Multnomah County, $536,000 under agreements entered into by Clackamas County, and $1,711,000 under agreements entered into by Washington County.

15. Net Position Deficit:

The Port had a net position deficit of $86,352,105 in the CFC Fund (fund within the Airport activity) as of June 30, 2025. This deficit exists because bond proceeds are recorded in or reimbursed to construction funds and related long-term debt is recorded in these funds.

16. Subsequent Events:

On August 26, 2025, the Port successfully issued Series Twenty-Five A airport refunding revenue bonds with a par amount of $66,595,000. The bonds were issued to refund all the outstanding Series Twenty-Three airport refunding revenue bonds and to pay costs of issuing the Series Twenty-Five A bonds.

On September 10, 2025, the Port entered into a seven-year lease agreement with Harbor Industrial Services Corporation (Harbor Industrial), a private terminal operator, to take over operations at Terminal 6, the Port's international container terminal. The agreement also included the sale of several cranes to Harbor Industrial. Harbor Industrial will officially take over container service at Terminal 6 by the end of the calendar year.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ 2,961,194	$ 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	115,591	110,087	207,641	197,753	310,168	295,398	281,331	146,462	139,488
Interest	140,647	117,447	89,161	98,467	188,153	179,675	186,044	190,716	191,760
Differences between expected and actual experience	(316,020)		(1,261,187)		(2,283,987)		(376,487)		
Changes of assumptions	(137,109)		(559,583)		123,566		413,000		
Benefit payments	(152,727)	(184,267)	(173,428)	(328,899)	(309,552)	(333,212)	(309,965)	(371,575)	(345,651)
Net change	(349,618)	43,267	(1,697,396)	(32,679)	(1,971,652)	141,861	193,923	(34,397)	(14,403)
Total OPEB liability - ending	$ 2,611,576	$ 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	$ 75,238,968	$ 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	3.5%	4.5%	4.5%	8.5%	8.5%	11.4%	11.2%	10.1%	10.1%

Notes to the schedule:

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of Statement 75, to pay-related benefits for the OPEB plan.

Changes since the prior actuarial valuation include:

1. The discount rate is 4.81% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025, compared to the prior Statement No. 75 discount rate of 4.13%.
2. The retirement and termination assumptions were changed to be consistent with the PERS actuarial valuation assumptions, based on the most recent valuation report.
3. The Salary Scale was updated to a flat 3%.
4. Medical trend (inflation) was updated to an initial rate 7.50% grading to 6.60% over 3 years and following the Getzen scale thereafter reaching an ultimate rate of 4.04% in the year 2075.

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY

Measurement date as-of June 30,	**2024**	**2023**	**2022**	**2021**	**2020**
Port share of Net Pension Liability - percentage	0.503386%	0.463660%	0.508547%	0.523302%	0.539894%
Port share of Net Pension Liability - amount [A]	$ 111,888,732	$ 86,846,701	$ 77,868,793	$ 62,620,834	$ 117,823,511
Port covered-employee payroll [B]	$ 86,001,211	$ 78,726,000	$ 73,197,000	$ 72,503,000	$ 76,097,000
Port share of Net Pension Liability as a percentage of Port covered-employee payroll [A/B]	130.1%	110.3%	106.4%	86.4%	154.8%
PERS fiduciary net position as a percentage of TPL	79.3%	81.7%	84.5%	87.6%	75.8%

Measurement date as-of June 30,	**2019**	**2018**	**2017**	**2016**	**2015**
Port share of Net Pension Liability - percentage	0.656754%	0.659650%	0.643710%	0.687390%	0.627646%
Port share of Net Pension Liability - amount [A]	$ 113,602,700	$ 99,928,241	$ 86,772,304	$ 103,193,124	$ 36,036,033
Port covered-employee payroll [B]	$ 72,101,000	$ 71,239,000	$ 70,942,000	$ 66,585,000	$ 66,637,000
Port share of Net Pension Liability as a percentage of Port covered-employee payroll [A/B]	157.6%	140.3%	122.3%	155.0%	54.1%
PERS fiduciary net position as a percentage of TPL	80.2%	82.1%	83.1%	80.5%	91.9%

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

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016 [1]	2015
Actuarially Determined Contribution	$ 12,335	$ 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	$ 12,335	$ 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	$ 96,483	$ 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	12.8%	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.

Per GASB Statement 68, the required supplementary information reports a 10-year Schedule of Proportionate Share of the Net Pension Liability and a 10-year Schedule of employer contribution. Additional years' information will be displayed as it becomes available.

Changes in Actuarial Methods and Assumptions: A summary of key changes implemented since the December 31, 2021; valuation are described briefly below. Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2022 Experience Study for the System, which was published in July 2023, and can be found at: https://www.oregon.gov/pers/Documents/Financials/Actuarial/2023/2022_Exp_Study.pdf

Allocation of Liability for Service Segments: For purposes of allocating Tier One/Tier Two member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population. For the December 31, 2020, and December 31, 2021, valuations, the Money Match was weighted 10% for general service members, and 0% for police and fire members. For the December 31, 2022, valuations, this weighting has been adjusted to 5% for general service members, and less than 1% for police and fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates. This continues the decreasing trend of Money Match benefits seen in prior Experience Studies.

Changes in Economic Assumptions:

Administrative Expenses. The administrative expense assumptions were updated to $64 million per year combined for Tier 1/Tier 2 and OPSRP. Previously these were assumed to be $59 million per year combined.

Healthcare Cost Inflation. The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced by the Affordable Care Act. The Further Consolidated Appropriations Act passed in December 2019 repealed the excise tax, and as a result no adjustment is required for the proposed trend assumption. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

Changes in Demographic Assumptions:

Healthy Annuitant Mortality Base Tables. The Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments were continued to be used as the underlying abase mortality tables for generational mortality assumptions.

Disabled Mortality Base Tables. The Pub-2010 generational Disabled Retiree mortality tables with group- specified job category and setback adjustments were continued to be used as the starting point for setting disabled mortality assumptions.

Non-Annuitant Mortality Base Tables. The Pub-2010 generational mortality tables with the same group- specific job category and setback adjustments as for healthy annuitants, and with an additional scaling factor adjustment for certain subgroups were continued to be used as the starting point for setting mortality assumptions for this group.

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.

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, 2025

	Budgetary Basis *		Excess
	Revenues	Expenditures	Revenues (Expenditures)
Port Funds:			
General Fund	$ 144,204,661	$ 164,954,912	$ (20,750,251)
Bond Construction Fund	26,481,854	31,783,201	(5,301,347)
Airport Revenue Fund	527,733,811	166,290,296	361,443,515
Airport Revenue Bond Fund	34,103,605	164,903,839	(130,800,234)
Airport Construction Fund	479,962,896	309,547,830	170,415,066
PFC Fund	39,348,861		39,348,861
PFC Bond Fund	167,487	2,581,001	(2,413,514)
CFC Fund	22,555,708	19,999	22,535,709
CFC Bond Fund	293,308	9,525,280	(9,231,972)
Totals - budgetary reporting basis	$ 1,274,852,191	$ 849,606,358	425,245,833
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			327,577,441
Internal costs on capital projects			22,499,757
Depreciation and amortization expense			(186,237,562)
Expenses that will be expended in future years			2,094,102
Contributions from governmental agencies			(40,028,833)
Bond sale proceeds			(559,920,556)
Bond and contract payable principal expenditures			75,095,066
Change in unearned revenues and certain noncurrent receivables			(242,776)
Noncash pension and OPEB expense			(6,589,241)
Amortization of bond issuance costs and deferred charges on refunding bonds			(533,811)
Amortization of deferred lease inflows			3,792,864
Difference between property sale proceeds and loss on sales			(70,275)
Other			203,142
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			$ 62,885,151

* 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, 2025

	Budgetary Basis *		Excess Revenues
	Revenues	Expenditures	(Expenditures)
Airport Funds:			
Airport Revenue Fund	$ 527,733,811	$ 166,290,296	$ 361,443,515
Airport Revenue Bond Fund	34,103,605	164,903,839	(130,800,234)
Airport Construction Fund	479,962,896	309,547,830	170,415,066
PFC Fund	39,348,861		39,348,861
PFC Bond Fund	167,487	2,581,001	(2,413,514)
CFC Fund	22,555,708	19,999	22,535,709
CFC Bond Fund	293,308	9,525,280	(9,231,972)
Totals - budgetary reporting basis	$ 1,104,165,676	$ 652,868,245	451,297,431
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			305,471,717
Internal costs on capital projects			4,722,367
Depreciation and amortization expense			(164,771,220)
Contributions from governmental agencies			(30,794,129)
Bond sale proceeds			(559,920,556)
Bond principal expenditures			63,847,411
Amortization of bond issuance costs and deferred charges on refunding bonds			(642,360)
Amortization of deferred lease inflows			2,453,116
Allocation of pension debt service			(4,968,252)
Change in unearned revenues and certain noncurrent receivables			431,360
Noncash pension and OPEB expense			(2,899,950)
Intra-Port services received, provided, and overhead			(39,422,920)
Difference between property sale proceeds and loss on sales			(44,791)
Other			476,837
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			$ 25,236,060

* 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, 2025

	Resources				Over
	Original	Transfers In (Out)	Revised	Actual	(Under) Budget
REVENUES:					
Operating revenues:					
Administration	$ 403,750		$ 403,750	$ 374,822	$ (28,928)
Marine	52,938,187		52,938,187	59,127,132	6,188,945
Trade and Economic Development	11,589,452		11,589,452	12,002,452	413,000
Navigation	27,865,653		27,865,653	25,201,122	(2,664,531)
General Aviation	4,423,237		4,423,237	4,222,861	(200,376)
	97,220,279		97,220,279	100,928,389	3,708,110
Bonds, loans and other	30,000,000		30,000,000		(30,000,000)
Fixed asset sales and other	3,000,000		3,000,000	21,432,474	18,432,474
Interest	6,357,199		6,357,199	21,843,798	15,486,599
Total revenues	136,577,478		136,577,478	144,204,661	7,627,183
TRANSFERS FROM OTHER FUNDS:					
Bond Construction Fund	3,982,231		3,982,231	3,520,801	(461,430)
Airport Construction Fund	12,756,302	2,000,000	14,756,302	14,256,590	(499,712)
Airport Revenue Fund	44,458,343		44,458,343	50,099,047	5,640,704
Total transfers	61,196,876	2,000,000	63,196,876	67,876,438	4,679,562
Total revenues and transfers	197,774,354	2,000,000	199,774,354	212,081,099	12,306,745
BEGINNING WORKING CAPITAL	244,434,404		244,434,404	313,426,235	68,991,831
Total resources	$ 442,208,758	$ 2,000,000	$ 444,208,758	$ 525,507,334	$ 81,298,576

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS), Continued
for the year ended June 30, 2025

	Appropriations				(Over)
		Transfers			Under
	Original	In (Out)	Revised	Actual	Budget
EXPENDITURES:					
Administration	$ 70,637,523		$ 70,637,523	$ 66,820,931	$ 3,816,592
Marine	53,315,345	2,000,000	55,315,345	51,526,905	3,788,440
Trade and Economic Development	11,222,748		11,222,748	10,380,459	842,289
Navigation	18,531,292		18,531,292	15,509,999	3,021,293
General Aviation	4,136,741	3,200,000	7,336,741	4,198,513	3,138,228
Long-term debt payments	15,364,325		15,364,325	14,736,779	627,546
System development charges/other	600,000		600,000		600,000
Other environmental	11,646,468	1,500,000	13,146,468	1,781,326	11,365,142
Contingencies	221,178,570	(4,700,000)	216,478,570		216,478,570
Total expenditures	406,633,012	2,000,000	408,633,012	164,954,912	243,678,100
TRANSFERS TO OTHER FUNDS:					
Bond Construction Fund	34,906,137		34,906,137		34,906,137
Airport Revenue Fund	669,609		669,609	406,368	263,241
Total transfers	35,575,746		35,575,746	406,368	35,169,378
Total expenditures and transfers	$ 442,208,758	$ 2,000,000	$ 444,208,758	165,361,280	$ 278,847,478
ENDING WORKING CAPITAL				$ 360,146,054	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
BOND CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 486,832	$ 837,744	$ 350,912
Grants	38,324,748	9,114,229	(29,210,519)
	38,811,580	9,951,973	(28,859,607)
Tax and tax items:			
Current property tax levy - net	16,579,923	16,513,659	(66,264)
Interest on taxes	10,000	16,222	6,222
	16,589,923	16,529,881	(60,042)
Total revenues	55,401,503	26,481,854	(28,919,649)
TRANSFERS FROM OTHER FUNDS:			
General Fund	34,906,137		(34,906,137)
Airport Revenue Fund	10,028,291	3,219,820	(6,808,471)
Total transfers	44,934,428	3,219,820	(41,714,608)
BEGINNING WORKING CAPITAL	13,771,876	21,320,103	7,548,227
Total resources	$ 114,107,807	51,021,777	$ (63,086,030)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Capital outlay	$ 100,096,553	31,783,201	$ 68,313,352
Contingencies	10,000,000		10,000,000
Total expenditures	110,096,553	31,783,201	78,313,352
TRANSFERS TO OTHER FUNDS:			
General Fund	3,982,231	3,520,801	461,430
Airport Revenue Fund	29,023	643,752	(614,729)
Total transfers	4,011,254	4,164,553	(153,299)
Total expenditures and transfers	$ 114,107,807	35,947,754	$ 78,160,053
ENDING WORKING CAPITAL		$ 15,074,023	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Operating revenue - Portland International Airport	$ 427,607,823	$ 405,095,487	$ (22,512,336)
Interest and other	8,032,911	17,692,058	9,659,147
Commercial paper proceeds	300,000,000	104,946,266	(195,053,734)
Total revenues	735,640,734	527,733,811	(207,906,923)
TRANSFERS FROM OTHER FUNDS:			
General Fund	669,609	406,367	(263,242)
Bond Construction Fund	29,023	643,752	614,729
Airport Construction Fund	306,425,093	7,556,484	(298,868,609)
Total transfers	307,123,725	8,606,603	(298,517,122)
Total revenues and transfers	1,042,764,459	536,340,414	(506,424,045)
BEGINNING WORKING CAPITAL	140,000,000	324,735,848	184,735,848
Total resources	$ 1,182,764,459	861,076,262	$ (321,688,197)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Operating expenditures	$ 171,623,552	166,002,683	$ 5,620,869
Commercial paper debt service payments	301,250,000	53,183	301,196,817
System development charges/letter of credit/other	2,530,000	234,430	2,295,570
Contingencies	140,000,000		140,000,000
Total expenditures	615,403,552	166,290,296	449,113,256
TRANSFERS TO OTHER FUNDS:			
General Fund	44,458,343	50,099,047	(5,640,704)
Bond Construction Fund	10,028,291	3,219,820	6,808,471
Airport Construction Fund	362,162,273	71,787,039	290,375,234
Airport Revenue Bond Fund	150,712,000	163,195,720	(12,483,720)
Total transfers	567,360,907	288,301,626	279,059,281
Total expenditures and transfers	$ 1,182,764,459	454,591,922	$ 728,172,537
ENDING WORKING CAPITAL		$ 406,484,340	

THE PORT OF PORTLAND

SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 1,532,675	$ 10,272,975	$ 8,740,300
Bond sale and other debt proceeds	50,000,000	23,830,630	(26,169,370)
Total revenues	51,532,675	34,103,605	(17,429,070)
TRANSFERS FROM OTHER FUNDS:			
Airport Revenue Fund	150,712,000	163,195,720	12,483,720
Airport Construction Fund	16,700,000	15,562,968	(1,137,032)
Total transfers	167,412,000	178,758,688	11,346,688
Total revenues and transfers	218,944,675	212,862,293	(6,082,382)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	160,017,194	149,280,798	(10,736,396)
Total resources	$ 378,961,869	362,143,091	$ (16,818,778)

	Original	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 168,944,675	164,903,839	$ 4,040,836
Total expenditures	168,944,675	164,903,839	$ 4,040,836
UNAPPROPRIATED BALANCE	210,017,194		
	$ 378,961,869		
ENDING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE		$ 197,239,252	

THE PORT OF PORTLAND

SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Resources				Over
		Transfers			(Under)
	Original	In (Out)	Revised	Actual	Budget
REVENUES:					
Grants	$ 45,290,917		$ 45,290,917	$ 30,794,129	$ (14,496,788)
Interest and other	7,366,875		7,366,875	16,242,290	8,875,415
Bond and Other Debt Proceeds	600,000,000		600,000,000	432,926,477	(167,073,523)
Total revenues	652,657,792		652,657,792	479,962,896	(172,694,896)
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	362,162,273		362,162,273	71,787,039	(290,375,234)
CFC Fund	7,000,000		7,000,000	3,317,108	(3,682,892)
PFC Fund	100,000,000		100,000,000		(100,000,000)
Total transfers	469,162,273		469,162,273	75,104,147	(394,058,126)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	297,188,000		297,188,000	53,567,781	(243,620,219)
Total resources	$ 1,419,008,065		$ 1,419,008,065	608,634,824	$ (810,373,241)

	Appropriations				(Over)
		Transfers			Under
	Original	In (Out)	Revised	Actual	Budget
EXPENDITURES:					
Capital outlay	$ 420,612,126	40,000,000	$ 460,612,126	307,765,013	$ 152,847,113
Bond issue costs/other	5,000,000		5,000,000	1,782,817	3,217,183
Contingencies	657,514,544	(42,000,000)	615,514,544		615,514,544
Total expenditures	1,083,126,670	(2,000,000)	1,081,126,670	309,547,830	771,578,840
TRANSFERS TO OTHER FUNDS:					
General Fund	12,756,302	2,000,000	14,756,302	14,256,590	499,712
Airport Revenue Fund	306,425,093		306,425,093	7,556,484	298,868,609
Airport Revenue Bond Fund	16,700,000		16,700,000	15,562,968	1,137,032
Total transfers	335,881,395	2,000,000	337,881,395	37,376,042	300,505,353
Total expenditures and transfers	$ 1,419,008,065	$	$ 1,419,008,065	346,923,872	$ 1,072,084,193
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION				$ 261,710,952	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 918,565	$ 4,692,525	$ 3,773,960
Passenger facility charges	33,977,400	34,656,336	678,936
Total revenues	34,895,965	39,348,861	4,452,896
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	86,330,388	89,850,669	3,520,281
Total resources	$ 121,226,353	129,199,530	$ 7,973,177

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Other	$ 36,500		$ 36,500
Contingencies	18,757,618		18,757,618
Total expenditures	18,794,118		18,794,118
TRANSFERS TO OTHER FUNDS:			
PFC Bond Fund	2,432,235	1,974,122	458,113
Airport Construction Fund	100,000,000		100,000,000
Total transfers	102,432,235	1,974,122	100,458,113
Total expenditures and transfers	$ 121,226,353	1,974,122	$ 119,252,231
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 127,225,408	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 128,765	$ 167,486	$ 38,721
Total revenues	128,765	167,486	38,721
TRANSFERS FROM OTHER FUNDS:			
PFC Fund	2,432,235	1,974,122	(458,113)
BEGINNING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE	13,485,599	12,962,086	(523,513)
Total resources	$ 16,046,599	15,103,694	$ (942,905)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 2,581,000	2,581,000	$
Total expenditures	2,581,000	2,581,000	$
UNAPPROPRIATED BALANCE	13,465,599		
	$ 16,046,599		
ENDING RESTRICTED ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE		$ 12,522,694	

THE PORT OF PORTLAND

SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS

CFC FUND

(BUDGETARY BASIS)

for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 934,326	$ 2,388,178	$ 1,453,852
Customer facility charges	16,183,774	20,167,530	3,983,756
Total revenues	17,118,100	22,555,708	5,437,608
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	40,019,719	47,740,988	7,721,269
Total resources	57,137,819	70,296,696	$ 13,158,877

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Bank fees and other	$ 56,500	19,999	$ 36,501
Contingencies	40,687,682		40,687,682
Total expenditures	40,744,182	19,999	40,724,183
TRANSFERS TO OTHER FUNDS:			
Airport Construction Fund	7,000,000	3,317,108	3,682,892
CFC Bond Fund	9,393,637	10,316,694	(923,057)
Total transfers	16,393,637	13,633,802	2,759,835
UNAPPROPRIATED BALANCE			
Total expenditures and transfers	$ 57,137,819	13,653,801	$ 43,484,018
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 56,642,895	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2025

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 131,643	$ 293,309	$ 161,666
Total revenues	131,643	293,309	161,666
TRANSFERS FROM OTHER FUNDS:			
CFC Fund	9,393,638	10,316,694	923,056
Total transfers	9,393,638	10,316,694	923,056
Total revenues and transfers	9,525,281	10,610,003	1,084,722
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	10,817,670	10,483,195	(334,475)
Total resources	$ 20,342,951	21,093,198	$ 750,247

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 9,525,281	9,525,281	$
Total expenditures	9,525,281	9,525,281	$
UNAPPROPRIATED BALANCE	10,817,670		
Total expenditures and transfers	$ 20,342,951		
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 11,567,917	

THE PORT OF PORTLAND
COMBINING STATEMENT OF NET POSITION – ALL FUNDS
June 30, 2025

		Marine & Other			Airport							
ASSETS	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	$ 188,519,568	$ 188,481,228	$ 188,429,518	$ 51,710	$ 38,340	$ 38,340						
Equity in pooled investments	594,951,178	196,410,523	183,145,935	13,264,588	398,540,655	398,540,655						
Restricted cash and equity in pooled investments	165,447,045				165,447,045		$ 104,933,839	$ 52,647,566		$ 1,290,500		$ 6,575,140
Receivables, net of allowance for doubtful accounts	56,473,255	32,164,900	22,711,381	9,453,519	24,308,355	24,308,355						
Lease receivable	43,738,602	13,352,632	13,352,632		30,385,970	30,385,970						
Prepaid insurance and other assets	8,540,908	3,026,001	2,599,756	426,245	5,514,907	5,514,907						
Total current assets	1,057,670,556	433,435,284	410,239,222	23,196,062	624,235,272	458,788,227	104,933,839	52,647,566		1,290,500		6,575,140
Noncurrent assets:												
Restricted assets:												
Cash and equity in pooled investments	673,860,282	11,190,019	11,190,019		662,670,263	22,124,396	197,051,574	243,855,935	$ 121,212,426	12,522,694	$ 54,340,730	11,562,508
Receivables	24,326,309				24,326,309		187,678	15,818,075	6,012,982		2,302,165	5,409
Contract retainage deposits	2,036,942				2,036,942			2,036,942				
Total restricted assets	700,223,533	11,190,019	11,190,019		689,033,514	22,124,396	197,239,252	261,710,952	127,225,408	12,522,694	56,642,895	11,567,917
Land held for sale	33,577,089	33,577,089	30,577,778	2,999,311								
Depreciable properties, net of accumulated depreciation and amortization	2,691,630,715	153,602,005	153,602,005		2,538,028,710	2,538,028,710						
Nondepreciable properties	789,843,886	145,978,545	81,078,154	64,900,391	643,865,341	68,042,167		575,823,174				
Lease receivable	361,438,730	175,266,938	175,266,938		186,171,792	186,171,792						
Due from other funds		11,351,108 *	11,351,108 *									
Unamortized bond issue costs and other noncurrent assets	2,674,972	101,290	101,290		2,573,682	2,573,682						
Total noncurrent assets	4,579,388,925	531,066,994	463,167,292	67,899,702	4,059,673,039	2,816,940,747	197,239,252	837,534,126	127,225,408	12,522,694	56,642,895	11,567,917
Deferred outflows of resources:												
Deferred charges on refunding bonds	6,610,750				6,610,750	6,610,750						
Deferred charges on pensions and OPEB	44,325,228	21,753,427	21,753,427		22,571,801	22,571,801						
Total deferred outflows of resources	50,935,978	21,753,427	21,753,427		29,182,551	29,182,551						
Total assets	$ 5,687,995,459	$ 986,255,705	$ 895,159,941	$ 91,095,764	$ 4,713,090,862	$ 3,304,911,525	$ 302,173,091	$ 890,181,692	$ 127,225,408	$ 13,813,194	$ 56,642,895	$ 18,143,057
LIABILITIES												
Current liabilities (payable from current assets):												
Current portion of long-term debt	$ 11,247,654	$ 11,247,654	$ 11,247,654		$	$						
Accounts payable, lease and other accrued liabilities	70,583,634	30,061,271	21,939,232	$ 8,122,039	40,522,363	40,522,363						
Accrued wages, vacation and sick leave pay	22,889,302	11,527,897	11,527,897		11,361,405	11,361,405						
Workers' compensation and other accrued liabilities	5,798,504	5,378,385	5,378,385		420,119	420,119						
Total current liabilities (payable from current assets)	110,519,094	58,215,207	50,093,168	8,122,039	52,303,887	52,303,887						
Restricted liabilities (payable from restricted assets):												
Current portion of long-term debt and other	46,325,000				46,325,000		$ 42,700,000					$ 3,625,000
Accrued interest payable	67,756,681	1,282,202	1,282,202		66,474,479		62,233,839			$ 1,290,500		2,950,140
Accounts payable	49,794,635				49,794,635			$ 49,794,635				
Contract retainage payable	2,852,931				2,852,931			2,852,931				
Total restricted current liabilities (payable from restricted assets)	166,729,247	1,282,202	1,282,202		165,447,045		104,933,839	52,647,566		1,290,500		6,575,140
Total current liabilities	277,248,341	59,497,409	51,375,370	8,122,039	217,750,932	52,303,887	104,933,839	52,647,566		1,290,500		6,575,140
Noncurrent liabilities:												
Long-term environmental and other accruals	53,332,872	52,172,569	52,172,569		1,160,303	1,160,303						
Long-term debt	2,978,063,795	37,804,462	37,804,462		2,940,259,333	2,737,904,615			$ 59,359,718		$ 142,995,000	
Unearned revenue and other	61,228,440	23,056,485	23,056,485		38,171,955	38,171,955						
Net pension and OPEB liability	114,500,306	43,695,494	43,695,494		70,804,812	70,804,812						
Due to other funds					11,351,108 *	11,351,108 *						
Total noncurrent liabilities	3,207,125,413	156,729,010	156,729,010		3,061,747,511	2,859,392,793			59,359,718		142,995,000	
Deferred inflows of resources:												
Deferred lease inflows	381,610,656	176,074,667	176,074,667		205,535,989	205,535,989						
Deferred pension inflows and other deferred inflows of resources	15,734,990	7,907,231	7,907,231		7,827,759	7,827,759						
Total deferred inflows of resources	397,345,646	183,981,898	183,981,898		213,363,748	213,363,748						
Total liabilities	3,881,719,400	400,208,317	392,086,278	8,122,039	3,492,862,191	3,125,060,428	104,933,839	52,647,566	59,359,718	1,290,500	142,995,000	6,575,140
NET POSITION												
Net investment in capital assets	653,967,952	326,130,325	258,230,623	67,899,702	327,837,627	(143,451,066)	(42,700,000)	719,968,411	(59,359,718)		(142,995,000)	(3,625,000)
Restricted for capital and debt service	581,230,735	9,907,817	9,907,817		571,322,918	2,234,037	239,939,252	117,565,715	127,225,408	12,522,694	56,642,895	15,192,917
Unrestricted	571,077,372	250,009,246	234,935,223	15,074,023	321,068,126	321,068,126						
Total net position	1,806,276,059	586,047,388	503,073,663	82,973,725	1,220,228,671	179,851,097	197,239,252	837,534,126	67,865,690	12,522,694	(86,352,105)	11,567,917
Total liabilities and net position	$ 5,687,995,459	$ 986,255,705	$ 895,159,941	$ 91,095,764	$ 4,713,090,862	$ 3,304,911,525	$ 302,173,091	$ 890,181,692	$ 127,225,408	$ 13,813,194	$ 56,642,895	$ 18,143,057

* Amount eliminated in the Combined All Funds column.

THE PORT OF PORTLAND
SCHEDULE OF NET REVENUES
for the year ended June 30, 2025

Operating revenues:	
Airline revenues	$ 221,806,929
Concessions and other rentals	176,443,471
Other	7,175,630
	405,426,030
Interest income - revenue fund and revenue bond fund	29,313,336
	434,739,366
Costs of operation and maintenance, excluding depreciation:	
Salaries, wages and fringe benefits	76,029,934
Contract, professional and consulting services	56,842,314
Materials and supplies	7,619,796
Utilities	13,630,653
Equipment rents, repair and fuel	1,774,698
Insurance	7,124,925
Lease and rent	5,198
Travel and management expense	3,794,153
Allocation of general and administration expense of the Port of Portland	34,740,637
Other	4,208,749
	205,771,057
Net revenues, as defined by Section 2(r) of Ordinance No. 155 *	$ 228,968,309

* 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, 2025

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		$ 228,968,309
SLB debt service requirement:		
Interest and principal amount	$ 150,690,261	
	x 130%	
Total net revenues required		195,897,339
Excess of net revenues over 130% of SLB debt service requirement		$ 33,070,970

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		$ 33,070,970
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		$ 33,070,970

In addition, Section 5f of Ordinance No. 323 requires that the net nevenues, 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	$ 33,070,970
Other amounts available to pay other swap obligations	
Total available to pay Other Obligations	33,070,970
Total Other Obligations	
Excess amount over 130% of SLB debt service requirement, 100% of excess principal requirement, and Other Obligations	$ 33,070,970

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF REVENUE BOND CONSTRUCTION ACCOUNT ACTIVITY
for the year ended June 30, 2025

	Bond Proceeds Portion	Capitalized Interest Portion
Construction account, June 30, 2024	$ 18,173,712	$ 961,330
Bond sale proceeds	406,808,729	26,117,747
Interest income	10,237,381	807,589
	435,219,822	27,886,666
Construction expenditures	301,903,002	
Issuance expenditures	1,883,340	
Transfers to revenue bond fund		15,174,909
Construction account, June 30, 2025	$ 131,433,480	$ 12,711,757

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, 2025

Net revenues, per accompanying schedule of net revenues	$	228,968,309	
Less revenue bond fund interest income		(10,272,975)	
Applied to General Account, available to be applied to debt service of bonds	$	218,695,334	(1)
Bond debt service requirement, per accompanying schedule of compliance with Ordinance Nos. 155 and 323	$	150,690,261	(2)
Ratio (1)/(2)		1.45	
Required ratio		1.30	

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, 2025

	First Lien Bond Account	First Lien Reserve Account	Capital Account
Balances at June 30, 2024	$ 866,049	$ 12,096,037	$ 89,850,669
PFC revenues:			
PFC bond account	1,974,122		
Capital account			32,682,214
Interest earnings		167,486	4,692,525
Transfer from reserve account to bond account	5,939,986	(5,939,986)	
Bond payments to trustee	(2,581,000)		
Balances at June 30, 2025	$ 6,199,157	$ 6,323,537	$ 127,225,408

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

THE PORT OF PORTLAND

SCHEDULE OF BOND AND OTHER LONG-TERM DEBT PRINCIPAL TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2025

	Maturity Date	Outstanding at June 30, 2024	2024-2025 Transactions Issued	Matured	Redeemed	Outstanding June 30, 2025 Total	Due Within One Year
LIMITED TAX PENSION BONDS:							
Series 2002B, 6.60% to 6.85%	06/01/28	$ 24,990,000		$ 6,205,000	$ 6,205,000	$ 18,785,000	$ 6,965,000
Series 2005, 4.00% to 5.50%	06/01/28	7,220,000		1,835,000	1,835,000	5,385,000	2,015,000
Total Limited Tax Pension Bonds		32,210,000		8,040,000	8,040,000	24,170,000	8,980,000
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:							
Series 18A, 4.65% *	07/01/26	10,780,000		3,605,000	3,605,000	7,175,000	3,785,000
Series 18B, 3.99% *	07/01/26	10,785,000		3,610,000	3,610,000	7,175,000	3,780,000
Series 22, 4.00% to 5.00%	07/01/44	80,300,000		2,250,000	78,050,000		
Series 23, 5.00%	07/01/38	88,605,000		4,110,000	4,110,000	84,495,000	4,310,000
Series 24A, 5.00%	07/01/47	21,965,000				21,965,000	
Series 24B, 5.00%	07/01/47	192,715,000		4,825,000	4,825,000	187,890,000	5,070,000
Series 25A, 5.00%	07/01/49	21,825,000				21,825,000	
Series 25B, 5.00%	07/01/49	179,270,000		3,935,000	3,935,000	175,335,000	4,130,000
Series 26A, 4.00% to 5.00%	07/01/40	10,360,000		695,000	695,000	9,665,000	735,000
Series 26B, 5.00%	07/01/40	14,360,000		540,000	540,000	13,820,000	560,000
Series 26C, 5.00%	07/01/28	28,465,000		6,435,000	6,435,000	22,030,000	4,610,000
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	11,580,000		5,755,000	5,755,000	5,825,000	5,825,000
Series 28, 4.00% to 5.00%	07/01/52	526,415,000		8,970,000	8,970,000	517,445,000	9,420,000
Series 29, 5.00% to 5.50%	07/01/53	566,120,000				566,120,000	
Series 30A, 5.00% to 5.25%	07/01/54		$ 518,260,000			518,260,000	
Series 30B, 5.00% to 5.25%	07/01/44		71,645,000			71,645,000	475,000
Total Portland Int'l Airport Revenue Bonds		2,053,080,000	589,905,000	44,730,000	120,530,000	2,520,205,000	42,700,000
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:							
Series 2012A, 4.813% *	07/01/24	10,260,000		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		61,880,000		10,260,000	10,260,000	51,620,000	
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:							
Series 2019, 2.635% to 4.237%	07/01/49	150,140,000		3,520,000	3,520,000	146,620,000	3,625,000
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds		150,140,000		3,520,000	3,520,000	146,620,000	3,625,000
Total Port Bonds		$ 2,297,310,000	$ 589,905,000	$ 66,550,000	$ 142,350,000	$ 2,742,615,000	$ 55,305,000
CONTRACTS & LOANS PAYABLE:							
Oregon Business Development Dept., B08005, 5.00%	12/01/30	$ 2,963,314		$ 362,431	$ 362,431	$ 2,600,883	$ 380,553
Banc of America Leasing & Capital, LLC, 4.5%	06/01/28	4,966,016		1,186,099	1,186,099	3,779,917	1,240,588
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39	4,533,000		16,684	16,684	4,516,316	207,341
Banc of America Leasing & Capital, LLC, 6.4440%	05/08/39	13,985,000				13,985,000	439,173
Total Contracts & Loans Payable		$ 26,447,330		$ 1,565,214	$ 1,565,214	$ 24,882,116	$ 2,267,655
TOTAL PORT LONG-TERM DEBT		$ 2,323,757,330	$ 589,905,000	$ 68,115,214	$ 143,915,214	$ 2,767,497,116	$ 57,572,655

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.
* Interest rate at June 30, 2025. 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, 2025

	Outstanding at June 30, 2024	2024 - 25 Transactions: Issued	2024 - 25 Transactions: Interest Matured and Paid	2024 - 25 Transactions: Interest Fluctuations and Redemptions	Outstanding at June 30, 2025	Maturing Within One Year
LIMITED TAX PENSION BONDS:						
Series 2002B, 6.60% to 6.85%	$ 4,067,431		$ 1,696,303		$ 2,371,128	$ 1,286,773
Series 2005, 4.00% to 5.50%	857,686		361,289		496,397	269,465
Total Limited Tax Pension Bonds	4,925,117		2,057,592		2,867,525	1,556,238
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:						
Series 18A, 4.65% *	992,543		268,640	$ 528,450	195,453	132,738
Series 18B, 3.99% *	852,066		239,128	348,688	264,250	179,375
Series 22, 4.00% to 5.00%	49,211,750		2,657,917	46,553,833		
Series 23, 5.00%	37,226,625		4,327,500		32,899,125	4,117,000
Series 24A, 5.00%	23,719,125		1,098,250		22,620,875	1,098,250
Series 24B, 5.00%	129,623,875		9,515,125		120,108,750	9,267,750
Series 25A, 5.00%	25,750,875		1,091,250		24,659,625	1,091,250
Series 25B, 5.00%	131,847,750		8,865,125		122,982,625	8,663,500
Series 26A, 4.00% to 5.00%	3,670,225		458,575		3,211,650	422,825
Series 26B, 5.00%	6,959,000		704,500		6,254,500	677,000
Series 26C, 5.00%	3,687,625		1,262,375		2,425,250	986,250
Series 27A, 4.00% to 5.00%	220,260,875		13,418,950		206,841,925	13,418,950
Series 27B, 0.80% to 1.30%	148,118		110,256		37,863	37,863
Series 28, 4.00% to 5.00%	416,358,225		23,726,500		392,631,725	23,266,750
Series 29, 5.00% to 5.50%	608,678,613		30,151,052		578,527,562	30,151,050
Series 30A, 5.00% to 5.25%		$ 544,099,421	10,144,608		533,954,813	26,853,375
Series 30B, 5.00% to 5.25%		46,185,101	1,358,914		44,826,188	3,585,250
Total Portland Int'l Airport Revenue Bonds	1,658,987,290	590,284,523	109,398,664	47,430,971	2,092,442,178	123,949,176
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:						
Series 2012A, 4.813% *	493,849		493,849			
Series 2022A, 5.00%	14,033,500		2,581,000		11,452,500	2,581,000
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds	14,527,349		3,074,849		11,452,500	2,581,000
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:						
Series 2019, 2.635% to 4.237%	94,460,972		5,952,165		88,508,807	5,843,839
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds	94,460,972		5,952,165		88,508,807	5,843,839
Total Port Bonds	$ 1,772,900,728	$ 590,284,523	$ 120,483,270	$ 47,430,971	$ 2,195,271,010	$ 133,930,253
CONTRACTS & LOANS PAYABLE:						
Oregon Business Development Dept., B08005, 5.00%	$ 621,863		$ 148,166		$ 473,697	$ 130,044
Banc of America Leasing & Capital, LLC, 4.5%	459,759		199,206		260,553	144,717
Banc of America Leasing & Capital, LLC, 6.4440%	2,816,979		27,065		2,789,914	317,658
Banc of America Leasing & Capital, LLC, 6.4440%	9,041,377				9,041,377	690,956
Total Contracts & Loans Payable	$ 12,939,978		$ 374,437		$ 12,565,541	$ 1,283,375
TOTAL PORT LONG-TERM DEBT	$ 1,785,840,706	$ 590,284,523	$ 120,857,707	$ 47,430,971	$ 2,207,836,551	$ 135,213,628

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.
* Interest rate at June 30, 2025. 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, 2025

		Date of Issue	Total Requirements	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31 to 2034-35	2035-36 to 2039-40	2040-41 to 2044-45	2045-46 to 2049-50	2050-51 to 2054-55
LIMITED TAX PENSION BONDS:													
Series 2002B	-Principal	03/28/02	$ 18,785,000	$ 6,965,000	$ 7,810,000	$ 4,010,000							
6.85%	-Interest		2,371,128	1,286,773	809,670	274,685							
Series 2005	-Principal	09/23/05	5,385,000	2,015,000	2,205,000	1,165,000							
5.004%**	-Interest		496,397	269,465	168,635	58,297							
Total Limited Tax Pension Bonds	-Principal		$ 24,170,000	$ 8,980,000	$ 10,015,000	$ 5,175,000							
Total Limited Tax Pension Bonds	-Interest		$ 2,867,525	$ 1,556,238	$ 978,305	$ 332,982							
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:													
Series 18A	-Principal	06/11/08	$ 7,175,000	$ 3,785,000	$ 3,390,000								
1.85%**	-Interest		195,453	132,738	62,715								
Series 18B	-Principal	06/11/08	7,175,000	3,780,000	3,395,000								
2.50%**	-Interest		264,250	179,375	84,875								
Series 23	-Principal	03/31/15	84,495,000	4,310,000	4,525,000	$ 4,750,000	$ 4,990,000	$ 5,240,000	$ 30,405,000	$ 30,275,000			
5.00%	-Interest		32,899,125	4,117,000	3,896,125	3,664,250	3,420,750	3,165,000	11,516,875	3,119,125			
Series 24A	-Principal	01/25/17	21,965,000								$ 8,150,000	$ 13,815,000	
5.00%	-Interest		22,620,875	1,098,250	1,098,250	1,098,250	1,098,250	1,098,250	5,491,250	5,491,250	5,088,750	1,058,375	
Series 24B	-Principal	01/25/17	187,890,000	5,070,000	5,315,000	5,585,000	5,865,000	6,155,000	35,725,000	45,585,000	50,035,000	28,555,000	
5.00%	-Interest		120,108,750	9,267,750	9,008,125	8,735,625	8,449,375	8,148,875	35,682,875	25,567,125	13,060,625	2,188,375	
Series 25A	-Principal	04/24/19	21,825,000									21,825,000	
5.00%	-Interest		24,659,625	1,091,250	1,091,250	1,091,250	1,091,250	1,091,250	5,456,250	5,456,250	5,456,250	2,834,625	
Series 25B	-Principal	04/24/19	175,335,000	4,130,000	4,335,000	4,550,000	4,780,000	5,020,000	29,135,000	37,190,000	47,455,000	38,740,000	
5.00%	-Interest		122,982,625	8,663,500	8,451,875	8,229,750	7,996,500	7,751,500	34,630,625	26,379,000	15,848,625	5,031,250	
Series 26A	-Principal	04/24/20	9,665,000	735,000	770,000	810,000	845,000	415,000	2,420,000	3,000,000	670,000		
4.00% to 5.00%	-Interest		3,211,650	422,825	385,200	345,700	304,325	272,825	1,024,175	443,200	13,400		
Series 26B	-Principal	04/24/20	13,820,000	560,000	600,000	645,000	680,000	715,000	4,130,000	5,265,000	1,225,000		
5.00%	-Interest		6,254,500	677,000	648,000	616,875	583,750	548,875	2,158,750	990,625	30,625		
Series 26C	-Principal	04/24/20	22,030,000	4,610,000	4,840,000	5,090,000	7,490,000						
5.00%	-Interest		2,425,250	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	7,135,000	41,435,000	52,860,000	66,320,000	83,525,000	$ 18,820,000
4.00% to 5.00%	-Interest		206,841,925	13,418,950	13,264,825	12,948,700	12,616,825	12,268,575	55,473,125	43,800,375	30,023,775	12,644,900	381,875
Series 27B	-Principal	09/30/20	5,825,000	5,825,000									
1.30%	-Interest		37,863	37,863									
Series 28	-Principal	02/17/22	517,445,000	9,420,000	9,890,000	10,390,000	10,905,000	11,455,000	66,430,000	83,110,000	101,725,000	124,460,000	89,660,000
4.00% to 5.00%	-Interest		392,631,725	23,266,750	22,784,000	22,277,000	21,744,625	21,185,625	96,517,000	79,838,350	60,756,150	37,392,225	6,870,000
Series 29	-Principal	03/21/23	566,120,000					11,525,000	66,875,000	85,350,000	114,300,000	159,930,000	128,140,000
5.00% to 5.50%	-Interest		578,527,563	30,151,050	30,151,050	30,151,050	30,151,050	29,862,925	139,840,625	120,879,031	95,611,981	57,162,326	14,566,475
Series 30A	-Principal	08/15/24	518,260,000					10,005,000	58,040,000	74,065,000	94,995,000	122,695,000	158,460,000
5.00% to 5.25%	-Interest		533,954,810	26,853,375	26,853,375	26,853,375	26,853,375	26,603,250	124,793,875	108,358,250	86,781,056	58,357,556	21,647,323
Series 30B	-Principal	08/15/24	71,645,000	475,000	1,105,000	1,165,000	1,220,000	2,860,000	16,595,000	21,190,000	27,035,000		
5.00% to 5.25%	-Interest		44,826,188	3,585,250	3,545,750	3,489,000	3,429,375	3,327,375	14,285,500	9,585,125	3,578,813		
Total Portland Int'l Airport Revenue Bonds	-Principal		$2,520,205,000	$ 42,700,000	$ 44,330,000	$ 39,465,000	$ 43,570,000	$ 60,525,000	$ 351,190,000	$ 437,890,000	$ 511,910,000	$ 593,545,000	$ 395,080,000
Total Portland Int'l Airport Revenue Bonds	-Interest		$2,092,442,177	$ 123,949,176	$ 122,075,415	$ 120,002,575	$ 117,926,700	$ 115,324,325	$ 526,870,925	$ 429,907,706	$ 316,250,050	$ 176,669,632	$ 43,465,673
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:													
Series 2022A	-Principal	11/10/11	$ 51,620,000		$ 2,670,000	$ 8,860,000	$ 9,300,000	$ 9,765,000	$ 21,025,000				
5.00%	-Interest		11,452,500	$ 2,581,000	2,514,250	2,226,000	1,772,000	1,295,375	1,063,875				
Total Portland Int'l Airport PFC Revenue Bonds	-Principal		$ 51,620,000		$ 2,670,000	$ 8,860,000	$ 9,300,000	$ 9,765,000	$ 21,025,000				
Total Portland Int'l Airport PFC Revenue Bonds	-Interest		$ 11,452,500	$ 2,581,000	$ 2,514,250	$ 2,226,000	$ 1,772,000	$ 1,295,375	$ 1,063,875				

THE PORT OF PORTLAND

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2025, Continued

		Date of Issue	Total Requirements	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31 to 2034-35	2035-36 to 2039-40	2040-41 to 2044-45	2045-46 to 2049-50	2050-51 to 2054-55
PORTLAND INTERNATIONAL AIRPORT													
CUSTOMER FACILITY CHARGE REVENUE BONDS:													
Series 2019	-Principal	04/29/19	$ 146,620,000	$ 3,625,000	$ 3,735,000	$ 3,855,000	$ 3,985,000	$ 4,120,000	$ 23,020,000	$ 27,940,000	$ 34,225,000	$ 42,115,000	
3.114% to 4.237%	-Interest		88,508,807	5,843,839	5,727,377	5,603,458	5,470,522	5,328,043	24,154,873	19,104,327	12,667,465	4,608,903	
Total Portland Int'l Airport CFC Revenue Bonds	-Principal		$ 146,620,000	$ 3,625,000	$ 3,735,000	$ 3,855,000	$ 3,985,000	$ 4,120,000	$ 23,020,000	$ 27,940,000	$ 34,225,000	$ 42,115,000	
Total Portland Int'l Airport CFC Revenue Bonds	-Interest		$ 88,508,807	$ 5,843,839	$ 5,727,377	$ 5,603,458	$ 5,470,522	$ 5,328,043	$ 24,154,873	$ 19,104,327	$ 12,667,465	$ 4,608,903	
Total Port Bonds	-Principal		$ 2,742,615,000	$ 55,305,000	$ 60,750,000	$ 57,355,000	$ 56,855,000	$ 74,410,000	$ 395,235,000	$ 465,830,000	$ 546,135,000	$ 635,660,000	$ 395,080,000
Total Port Bonds	-Interest		$ 2,195,271,009	$ 133,930,253	$ 131,295,347	$ 128,165,015	$ 125,169,222	$ 121,947,743	$ 552,089,673	$ 449,012,033	$ 328,917,515	$ 181,278,535	$ 43,465,673
CONTRACTS & LOANS PAYABLE:													
Oregon Business Development Dept. B08005	-Principal	08/31/10	$ 2,600,883	$ 380,553	$ 403,830	$ 422,272	$ 440,885	$ 464,680	$ 488,663				
5.00%	-Interest		473,697	130,044	111,017	90,825	69,711	47,667	24,433				
Banc of America Leasing & Capital, LLC	-Principal	06/06/13	3,779,917	1,240,588	1,297,580	1,241,749							
4.5%	-Interest		260,554	144,717	87,723	28,114							
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	4,516,316	207,341	221,104	235,780	251,430	268,120	1,632,393	$ 1,700,148			
6.4440%	-Interest		2,789,914	317,658	303,895	289,218	273,568	256,879	992,601	356,095			
Banc of America Leasing & Capital, LLC	-Principal	05/08/24	13,985,000	439,173	695,068	741,206	790,405	842,870	5,131,638	5,344,640			
6.4440%	-Interest		9,041,377	690,956	1,000,125	953,988	904,789	852,323	3,344,328	1,294,868			
Total Contracts & Loans Payable	-Principal		$ 24,882,116	$ 2,267,655	$ 2,617,582	$ 2,641,007	$ 1,482,720	$ 1,575,670	$ 7,252,694	$ 7,044,788			
Total Contracts & Loans Payable	-Interest		$ 12,565,542	$ 1,283,375	$ 1,502,760	$ 1,362,145	$ 1,248,068	$ 1,156,869	$ 4,361,362	$ 1,650,963			
TOTAL PORT LONG-TERM DEBT	-Principal		$ 2,767,497,116	$ 57,572,655	$ 63,367,582	$ 59,996,007	$ 58,337,720	$ 75,985,670	$ 402,487,694	$ 472,874,788	$ 546,135,000	$ 635,660,000	$ 395,080,000
TOTAL PORT LONG-TERM DEBT	-Interest		$ 2,207,836,551	$ 135,213,628	$ 132,798,107	$ 129,527,160	$ 126,417,290	$ 123,104,612	$ 556,451,035	$ 450,662,996	$ 328,917,515	$ 181,278,535	$ 43,465,673

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

** Interest rate at June 30, 2025. Rate is variable, depending on weekly resets.

		Date of Issue	Total Requirements	2025-26	2026-27
INDUSTRIAL DEVELOPMENT REVENUE BONDS:					
Horizon Air Project:	-Principal	08/07/97	$ 17,300,000		$ 17,300,000
1997 Series, 4.20% *	-Interest		1,392,650	$ 726,600	666,050
TOTAL INDUSTRIAL REVENUE BONDS	-Principal		$ 17,300,000	$ -	$ 17,300,000
TOTAL INDUSTRIAL REVENUE BONDS	-Interest		$ 1,392,650	$ 726,600	$ 666,050

* Interest rate at June 30, 2025. 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 statement of net position as of June 30, 2025, 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 24, 2025.

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.

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.

Ashley Osten

Ashley Osten, Principal
for Baker Tilly US, LLP
Portland, Oregon
October 24, 2025