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, 2022

with restated comparative totals for the year ended June 30, 2021

THE PORT OF PORTLAND

(a municipal corporation)

THE PORT OF PORTLAND

COMMISSIONERS AS OF JUNE 30, 2022

Name	Term Expires
Alice Cuprill-Comas, President 3181 SW Sam Jackson Park Road Portland, Oregon 97239	September 30, 2023
Michael C. Alexander, Vice President 7200 NE Airport Way Portland, Oregon 97218	May 31, 2024
Ketan Sampat, Secretary 525 3rd Street, Suite 200 Lake Oswego, Oregon 97034	March 14, 2025
Sean O'Hollaren, Treasurer 7200 NE Airport Way Portland, Oregon 97218	May 22, 2026
Katy Coba 7200 NE Airport Way Portland, Oregon 97218	June 9, 2026
Katherine Lam 5921 NE 80th Avenue Portland, Oregon 97218	November 24, 2023
Richelle Luther 14375 NW Science Park Drive Portland, Oregon 97229	February 16, 2024
Meg Niemi 3536 SE 26th Avenue Portland, Oregon 97202	November 24, 2023
Stuart Strader 2435 NW Front Avenue Portland, Oregon 97209	March 14, 2025

Curtis Robinhold, Executive Director

REGISTERED AGENT AND OFFICE
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THE PORT OF PORTLAND
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REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

The Board of Commissioners
Port of Portland

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Airport and Marine & Other Activities of the Port of Portland (Port of Portland), which comprise the balance sheet as of June 30, 2022, 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, 2022, and the respective changes in financial position 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.

Emphasis of Matter

As discussed in Note 1 of the financial statements, the Port of Portland adopted the provisions of GASB Statement No. 87, "Leases." The financial statements have been retroactively restated for these changes. Our opinion is not modified with respect to this matter.

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 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 25, 2022, 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, Partner
for Moss Adams LLP
Portland, Oregon
October 25, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

(UNAUDITED)

The Port of Portland
Management's Discussion and Analysis

This discussion and analysis of the Port of Portland's (Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Port's financial statements, which follow this section.

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

During fiscal 2022, the Port applied new lease reporting standards as required by GASB Statement No. 87, "Leases" (GASB 87). GASB 87 had a significant impact on both the Port's statement of revenues, expenses and changes in net position and balance sheet, and required retroactive application and restatement of fiscal 2021. Other significant impacts of GASB 87 included charges for services revenue, nonoperating interest revenue, current and noncurrent leases receivable, and deferred inflows of resources. Further discussion of the impacts of the implementation of GASB 87 can be found later in the Financial Results section of this discussion and analysis, and in Notes 1 and 6 to the financial statements.

Also during fiscal 2022, the Port applied the reporting standards as required by GASB Statement No. 93, "Replacement of Interbank Offered Rates" (GASB 93). GASB 93 required the Port to terminate hedge accounting for derivative instruments using LIBOR as a benchmark interest rate and had a material impact on both the Port's statement of revenues, expenses and changes in net position and balance sheet, and required retroactive application and a restatement of the beginning net position balance for fiscal 2021. Other impacts of GASB 93 included nonoperating interest revenue and deferred outflows of resources.

Financial Results:
The Port's total net position increased $96.8 million from the restated 2021 amount, or 6.8 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 $114.8 million, or 53.7 percent during that same time. In comparison, last year total net position, as restated, increased by $17.3 million, or 1.2 percent. The analysis in Table 1 (below) focuses on the net position of the Airport and of the Port's Marine & Other activities separately.

Table 1
Net Position
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2022	2021**	2022	2021**	2022	2021**	2021-2022
Current and other assets	$ 1,128.4	$ 818.8	$ 596.5	$ 550.8	$ 1,702.9 *	$ 1,344.8 *	26.6%
Capital assets	2,422.1	2,117.9	274.9	274.4	2,697.0	2,392.3	12.7%
Deferred outflows	33.3	38.8	21.1	23.5	54.4	62.3	(12.7)%
Total assets	3,583.8	2,975.5	892.5	848.7	4,454.3 *	3,799.4 *	17.2%
Long-term debt outstanding	2,031.5	1,557.5	56.6	64.8	2,088.1	1,622.3	28.7%
Other liabilities	210.6	296.0	140.8	170.2	329.4 *	441.4 *	(25.4)%
Deferred inflows	282.2	100.3	226.6	204.1	508.8	304.4	67.1%
Total liabilities	2,524.3	1,953.8	424.0	439.1	2,926.3 *	2,368.1 *	23.6%
Net position:							
Net investment in capital assets	496.9	656.0	305.2	302.1	802.1	958.1	(16.3)%
Restricted	387.3	254.0	10.0	5.3	397.3	259.3	53.2%
Unrestricted	175.4	111.7	153.3	102.2	328.7	213.9	53.7%
Total net position	$ 1,059.6	$ 1,021.7	$ 468.5	$ 409.6	$ 1,528.1	$ 1,431.3	6.8%

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

** Effective July 1, 2021, the Port adopted GASB 87 and GASB 93. The provisions of these statements were applied retroactively, and fiscal 2021 has been restated. Please see Note 1 to the financial statements for more detailed information.

Total net position of the Airport, as restated, increased by $37.9 million, or 3.7 percent, as a result of net income in fiscal 2022. Net investment in capital assets decreased $159.1 million, or 24.3 percent, as a result of the issuance of construction bonds, partially offset by increases in capital additions and construction spending. Restricted net position increased by $133.3 million, or 52.5 percent, primarily due to increased cash and income restricted for debt service and construction. Unrestricted net position increased by $63.7 million, or 57.0 percent, primarily as a result of net income for fiscal 2022, including federal stimulus funding drawn for fiscal 2022.

Total net position of Marine & Other increased from the restated 2021 balance by $58.9 million, or 14.4 percent, primarily the result of net income, capital grants and transfers from the Airport (mainly to fund construction at general aviation airports included in Marine & Other). Net investment in capital assets increased $3.1 million, or 1.3%, primarily as a result of capital additions and construction spending, offset by normal capital asset depreciation. Restricted net position increased $4.7 million, or 88.7%, versus the prior year as a result of receiving a restricted-purpose grant during fiscal 2022. Unrestricted net position increased by $51.1 million or 50.0 percent, primarily due to net income for the year.

Several factors caused changes in net position (Table 2, below) to increase $85.7 million from the restated 2021 amount.

Airport changes in net position increased $38.8 million when compared to the restated prior year due mainly to increased net income in 2022. Marine & Other changes in net position increased $46.9 million, also due to increased net income as compared to 2021.

Table 2
Changes in Net Position
($ millions)

	Airport 2022	Airport 2021**	Marine & Other 2022	Marine & Other 2021**	Total Port 2022	Total Port 2021**	Total Percentage Change 2021-2022
Revenues:							
Operating revenues							
Charges for services	$ 279.9	$ 200.5	$ 93.2	$ 72.7	$ 373.1	$ 273.2	36.6%
Land sales			18.0		18.0		
Other	0.4	0.5	0.7	0.1	1.1	0.6	83.3%
Nonoperating revenues							
Property tax revenue			14.3	13.7	14.3	13.7	4.4%
Interest revenue	1.1	7.0	3.8	8.2	4.9	15.2	(67.8)%
PFC revenue	27.5	16.6			27.5	16.6	65.7%
CFC revenue	14.0	6.6			14.0	6.6	112.1%
Other nonoperating revenue	17.7	63.7	38.3	6.6	56.0	70.3	(20.3)%
Total revenues	340.6	294.9	168.3	101.3	508.9	396.2	28.4%
Expenses:							
Operating expenses	239.5	235.5	113.6	89.7	353.1	325.2	8.6%
Nonoperating expenses	59.7	60.8	3.7	4.1	63.4	64.9	(2.3)%
Total expenses	299.2	296.3	117.3	93.8	416.5	390.1	6.8%
Income (loss) before contributions and transfers	41.4	(1.4)	51.0	7.5	92.4	6.1	1414.8%
Capital contributions and reversions	0.2	9.4	4.2	1.7	4.4	11.1	(60.4)%
Transfers (out) in	(3.7)	(2.8)	3.7	2.8			
GASB 93 restatement of beginning net position		(6.1)				(6.1)	
Increase (decrease) in net position	$ 37.9	$ (0.9)	$ 58.9	$ 12.0	$ 96.8	$ 11.1	772.1%

** Effective July 1, 2021, the Port adopted GASB 87 and GASB 93. The provisions of these statements were applied retroactively, and fiscal 2021 has been restated. Please see Note 1 to the financial statements for more detailed information.

Total revenues for the Port increased by approximately $112.7 million from the restated prior year. Total expenses increased approximately $26.4 million during the same timeframe.

At the Airport, charges for services operating revenues increased by $79.4 million, or nearly 39.6 percent, when compared to the restated prior year; this was primarily due to a resurgence in passengers traveling through the Airport as the airline industry recovers from the pandemic, which manifested in higher operating revenues in almost every category at the Airport. Nonoperating interest revenue decreased $5.9 million, or 84.3 percent, as a result of a fiscal 2022 year-end investment mark-to-market adjustment that reduced interest income. PFC revenues increased $10.9 million, or 65.7 percent as a result of significant increases in enplanements as the airline industry has emerged from the COVID pandemic. CFC revenues increased by $7.4 million, or 112.1 percent, also as a result of increased passengers at the Airport during fiscal 2022. Other nonoperating revenue decreased by $46.0 million in fiscal 2022 due to receiving less federal pandemic relief funding as compared to fiscal 2021. The increase of $4.0 million in operating expenses was up 1.6 percent as compared to the prior year and was generally attributable to higher operating expenses in nearly all categories driven by increased passenger activity, partially offset by one-time lease buyouts associated with construction in fiscal 2021. Nonoperating expenses in fiscal 2022 were flat as compared to 2021. Capital contributions and reversions decreased $9.2 million in 2022 as a result of incurring fewer grant-eligible costs as well as not receiving any asset reversions.

For Marine & Other, charges for services operating revenue increased $20.5 million, or 28.2 percent, from the restated prior year as a result of increased activity at the Terminal 6 container operation and higher dredging revenues. Land sales revenues increased $18.0 million in fiscal 2022 after a year with no land sales in fiscal 2021. Nonoperating interest revenue decreased $4.4 million versus prior year, primarily the result of year-end investment mark-to-market adjustment that reduced interest income. During 2022, operating expenses increased $23.9 million due to higher longshore labor expense associated with higher container activity, outside services costs, and cost of land sold expense, offset in part by lower pension expense. Capital contributions and reversions increased $2.5 million in 2022 as a result of incurring more grant-eligible costs than in 2021, as well as increased asset reversions in 2022.

Budgetary Highlights:
The Port's budget for fiscal 2022 was adopted by the Port Commission and certified by the Multnomah County Tax Supervising and Conservation Commission (TSCC) in June 2021. Budget appropriations at the Airport were adjusted during the year to increase the capital outlay appropriation to adjust for timing of capital expenditures, to increase transfers to Marine & Other for additional staff support of Airport capital projects, and to increase grant resources to provide for federal American Rescue Plan Act draws. For Marine & Other, resources in the budget were adjusted to reflect higher operating revenues resulting from increased container volumes at marine Terminal 6 and a land sale. Marine & Other resources were also adjusted to recognize increased State grant funding and to reflect higher service reimbursement resources for increased engineering support to Airport capital projects. Marine & Other appropriations for expenditures were increased for higher labor costs associated with increased container volumes at marine Terminal 6, to account for expenses associated with increased State grant funding and closing costs associated with a land sale, for higher General Aviation costs of aircraft hangar management and maintenance personnel costs, and to provide for non-cash budgetary impacts of accounting accruals for environmental liabilities. Marine & Other appropriations for expenditures were decreased for lower administrative personnel costs due to position vacancies, and for deferral of information technology outside services costs. 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 $49.9 million, or 11.3 percent, under the $441.9 million budget due a slight delay to timing of construction costs into fiscal 2023. Construction fund interest income was negative $3.9 million for the year, $4.2 million below the $0.3 million budget as a result of a large year end mark-to-market adjustments required by accounting standards; the impacts of these adjustments can be seen across other funds as well. Operating revenues, PFC revenues, and CFC revenues were all significantly better than budget due to higher than budgeted passengers as the airline industry continues to recover from the pandemic. Airport operating revenues of $284.4 million were 4.6 percent above the $271.8 million budget. Passenger Facility Charges and Customer Facility Charges were 13.2 percent and 20.2 percent, respectively, above the fiscal 2022 budget. Operating expenditures of $117.1 million tracked well against budget at 1.3 percent below the $118.6 million budgeted amount. The Port's implementation of GASB 87 drove a significant positive variance in interest and other revenue due to noncash budgetary revenue recorded as a result of the accounting change. During the year an unbudgeted refunding bond issue refunded outstanding PFC revenue bonds to achieve significant cost savings. Other significant budgetary variances included bond proceeds and commercial paper issuance and redemptions as a result of funding strategy and issue sizing.

Fiscal 2022 budgetary capital expenditures for Marine & Other were $35.5 million, or 70.6 percent, below the budget of $50.3 million, largely due to timing delays and project deferrals. Capital grants for the year were $3.1 million, 71.0 percent less than the budget of $10.7 million due to incurring fewer grant eligible costs. Fixed asset sales and other revenues were $31.8 million as compared to the budget of $28.0 million due to the impacts of the GASB 87 accounting implementation. Budgetary operating revenues were $7.4 million over the $59.2 million budget for marine due primarily to higher than planned container activity at Terminal 6. Budgetary operating revenues for navigation of $19.3 million were $3.5 million under the budget due to less river dredging during the year than originally anticipated. Budgetary operating expenditures were $3.4 million below budget for administration, primarily due to lower than anticipated salary and fringe expenses as the result of vacant positions as well as lower materials and services costs. Budgetary operating expenditures for Marine were higher than budget by approximately $2.6 million primarily due to higher labor costs associated with the higher container activity which drove higher revenues. Navigation budgetary operating expenditures were $1.1 million under budget, primarily as a result of performing less dredging than originally anticipated during the year. Other environmental budgetary operating expenditures were $1.5 million over the budget of $6.9 million as a result of revision to an estimated environmental liability.

Capital Assets:
At the end of fiscal 2022, the Port had nearly $2.7 billion invested in a broad range of capital assets. This amount represents an increase (essentially additions offset by depreciation expense) of $304.7 million versus the restated prior year, as outlined in Table 3 (below).

Table 3
Capital Assets
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021-2022
Land	$ 68.0	$ 68.0	$ 81.2	$ 83.4	$ 149.2	$ 151.4	
Construction in progress	1,003.2	835.7	51.3	41.0	1,054.5	876.7	
Total capital assets not being depreciated	1,071.2	903.7	132.5	124.4	1,203.7	1,028.1	17.1%
Land improvements	997.2	942.1	311.4	307.8	1,308.6	1,249.9	
Buildings, equipment and right-of-use assets	1,912.9	1,743.1	264.2	256.4	2,177.1	1,999.5	
Total capital assets being depreciated and amortized	2,910.1	2,685.2	575.6	564.2	3,485.7	3,249.4	7.3%
Less: accumulated depreciation and amortization	(1,559.2)	(1,471.0)	(433.2)	(414.2)	(1,992.4)	(1,885.2)	5.7%
Total capital assets being depreciated or amortized, net	1,350.9	1,214.2	142.4	150.0	1,493.3	1,364.2	9.5%
Total capital assets, net	$ 2,422.1	$ 2,117.9	$ 274.9	$ 274.4	$ 2,697.0	$ 2,392.3	12.7%

This year's major capital asset spending included:

Airport:
- Terminal improvements - $336.3 million
- Public parking and consolidated rental car facility - $49.2 million
- Taxiway, apron and ramp rehabilitation and improvements - $9.6 million
- New airport terminal electrical feeder - $6.4 million

Marine & Other:
- Hillsboro airport taxiway rehabilitation - $4.4 million
- Marine terminal stormwater improvements - $2.8 million
- Marine terminals 4 and 6 electrical and lighting replacements - $1.7 million
- Hillsboro airport runway safety area improvements - $1.1 million
- Marine terminal 6 pavement rehabilitation – $1.0 million

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

The Port's 2023 capital budget estimates spending approximately $415.2 million on capital projects at the Airport and $53.3 million in Marine & Other. Spending at the Airport is primarily slated for terminal core redevelopment. Airport capital projects are budgeted to be funded by Airport operating revenues, debt proceeds, and CFC revenues. Capital spending for Marine & Other is budgeted principally for runway and runway safety area improvements at the Hillsboro airport, barge replacement to support the dredging operation, marine Terminal 6 electrical and lighting upgrades and replacements, and replacement of a pier at marine Terminal 4. Funding for these projects is budgeted from operating revenues, property taxes, and federal, state, and other grants.

Debt Administration:
At the end of 2022, the Port had over $1.85 billion in bonds, contracts and loans payable outstanding. This is an increase from the prior year, as seen in Table 4 (below).

Table 4
Outstanding Long-Term Debt
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021-2022
Pension bonds			$ 45.7	$ 51.3	$ 45.7	$ 51.3	(10.9)%
Revenue bonds	$ 1,564.4	$ 1,069.7			1,564.4	1,069.7	46.2%
PFC revenue bonds	80.9	103.4			80.9	103.4	(21.8)%
CFC revenue bonds	156.9	160.1			156.9	160.1	(2.0)%
Contracts and loans payable			10.8	13.4	10.8	13.4	(19.4)%
Commercial Paper		80.6				80.6	(100.0)%
	$ 1,802.2	$ 1,413.8	$ 56.5	$ 64.7	$ 1,858.7	$ 1,478.5	25.7%

The outstanding amount of Airport long-term debt increased due to issuance of the Series Twenty-Eight airport revenue construction bonds, offset partially by scheduled bond payments. During fiscal 2022, Standard & Poor's improved its rating of the Airport revenue bonds from A+ to AA-, citing the Port's demonstrated financial resilience and rate-setting flexibility, coupled with management's prudent expense reductions. The balance of PFC and CFC revenue bonds decreased as a result of regularly scheduled bond payments. In fiscal 2022, the Port issued Series 2022A PFC refunding bonds to refund all of the outstanding PFC Series 2011A bonds and achieve $13.7 million in net present value savings. Commercial paper outstanding decreased due to payment of outstanding balances with Series Twenty-Eight airport revenue bond proceeds.

In Marine & Other, the amount of outstanding long-term debt decreased 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 pandemic recovery is firmly underway, and national and regional economic indicators continue to point to a strong recovery with employment and household income on the rise. The impact of the COVID pandemic on the airline industry was dramatic, but there has been steady recovery in passengers traveling through the Airport. The forecast for fiscal 2023 airline passenger volumes is 15.6 million, which is 24 percent higher than our fiscal 2022 budget, but still roughly 22 percent below pre-pandemic passenger levels. It is anticipated that the Airport will recover to pre-pandemic passenger levels in fiscal 2025. In Marine & Other, Terminal 6 container operations continue to do well in spite of pandemic challenges, with fiscal 2023 container volumes forecast to double the fiscal 2022 budget. Results in other operations are expected to be mixed, with higher bulk volumes expected at Terminal 5, while auto volumes are forecast to decrease as the industry works to address supply chain issues. Port facilities have a diverse mix of marine tenants and business lines, with many fixed land leases which have provided a measure of protection during challenging times.

In the Port's 2023 adopted budget, total Port operating revenue is budgeted to increase about 2.8 percent over 2022 results to approximately $403.0 million largely as a result of increased airline, parking and concessions revenues at the Airport, as well as higher dredging and container revenues in Marine & Other, offset in part by lower land sales and lease revenue. Total operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 17.8 percent to approximately $274.4 million, reflecting increased costs as the Port moves forward in post-pandemic recovery across our business lines.

Operating revenues for the Airport are budgeted to increase 8.7 percent to $304.7 million in the fiscal 2023 budget due primarily to increased airline revenues as a result of the signatory airlines' contractual obligation to cover airport costs, as well as higher parking, concessions, and rental car revenues as passenger traffic increases. Airport operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase about 21.6 percent to $167.7 million as a result of increased outside service, salary, travel and management, materials and supplies, and internal central services costs.

In Marine & Other, operating revenues are budgeted to decrease by 12.2 percent to $98.3 million, primarily due to no land sales budgeted in fiscal 2023 as well as lower rent revenue, offset in part by increased Navigation division dredging revenue and marine container operation revenues. Operating expenses (excluding depreciation and non-cash pension expense) are budgeted to increase by 12.3 percent to $106.7 million primarily due to higher outside service, salary, and environmental costs in the fiscal 2023 budget. Property taxes are budgeted to comprise less than 1.0 percent of Port resources on a legal budget basis.

Contacting the Port's Financial Management:

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

BASIC FINANCIAL STATEMENTS

THE PORT OF PORTLAND
BALANCE SHEET
as of June 30, 2022
with restated comparative totals as of June 30, 2021

	2022			2021
	Airport	Marine & Other	Total	Total (As restated)
ASSETS				
Current assets:				
Cash and cash equivalents	$ 38,240	$ 107,973,485	$ 108,011,725	$ 152,111,417
Equity in pooled investments	249,858,392	171,930,791	421,789,183	305,448,189
Restricted cash and equity in pooled investments	114,247,519		114,247,519	165,174,855
Receivables, net of allowance for doubtful accounts of $507,000 in 2022 and $568,000 in 2021 for Airport and $446,000 in 2022 and $180,000 in 2021 for Marine & Other	25,788,967	28,301,396	54,090,363	25,412,280
Lease receivable	29,140,762	10,320,258	39,461,020	37,245,104
Prepaid insurance and other assets	4,905,431	2,576,402	7,481,833	7,164,916
Total current assets	423,979,311	321,102,332	745,081,643	692,556,761
Noncurrent assets:				
Restricted assets:				
Cash and equity in pooled investments	468,955,426	9,986,308	478,941,734	334,282,281
Receivables	5,282,402		5,282,402	8,110,392
Contract retainage deposits	357,897		357,897	564,214
Total restricted assets	474,595,725	9,986,308	484,582,033	342,956,887
Land held for sale		41,729,187	41,729,187	41,724,689
Depreciable properties, net of accumulated depreciation and amortization	1,350,867,271	142,438,198	1,493,305,469	1,364,175,526
Nondepreciable properties	1,071,197,097	132,495,429	1,203,692,526	1,028,133,340
Lease receivable	229,554,233	195,377,541	424,931,774	266,183,786
Due from Airport		21,985,841	*	
Unamortized bond issue costs and other noncurrent assets	253,380	6,317,427	6,570,807	1,324,612
Total noncurrent assets	3,126,467,706	550,329,931	3,654,811,796	3,044,498,840
Deferred outflows of resources:				
Deferred charges on refunding bonds	12,503,375		12,503,375	14,940,161
Deferred charges on pensions and OPEB	20,813,392	21,056,212	41,869,604	47,408,080
Total deferred outflows of resources	33,316,767	21,056,212	54,372,979	62,348,241
Total assets	$ 3,583,763,784	$ 892,488,475	$ 4,454,266,418	$ 3,799,403,842
LIABILITIES				
Current liabilities (payable from current assets):				
Current portion of long-term debt		$ 7,765,822	$ 7,765,822	$ 88,070,505
Accounts payable, lease and other accrued liabilities	$ 22,596,225	28,717,059	51,313,284	43,303,014
Accrued wages, vacation and sick leave pay	6,959,971	6,338,916	13,298,887	13,134,680
Workers' compensation and other accrued liabilities	1,992,653	6,457,245	8,449,898	7,622,289
Total current liabilities (payable from current assets)	31,548,849	49,279,042	80,827,891	152,130,488
Restricted liabilities (payable from restricted assets)				
Current portion of long-term debt and other	50,025,825		50,025,825	45,056,034
Accrued interest payable	37,312,965		37,312,965	29,770,725
Accounts payable	26,172,440		26,172,440	88,794,511
Contract retainage payable	736,289		736,289	1,553,585
Total restricted current liabilities (payable from restricted assets)	114,247,519		114,247,519	165,174,855
Total current liabilities	145,796,368	49,279,042	195,075,410	317,305,343
Noncurrent liabilities:				
Long-term environmental and other accruals	3,171,283	55,424,942	58,596,225	67,516,194
Long-term debt	1,981,440,034	48,787,791	2,030,227,825	1,489,171,575
Unearned revenue and other	41,774,970	24,502,203	66,277,173	67,360,468
Net pension and OPEB liability	47,851,730	19,384,425	67,236,155	122,471,511
Due to Marine & Other	21,985,841		*	
Total noncurrent liabilities	2,096,223,858	148,099,361	2,222,337,378	1,746,519,748
Deferred inflows of resources:				
Deferred lease inflows	255,566,320	198,557,068	454,123,388	298,210,526
Deferred pension inflows and other deferred inflows of resources	26,585,115	28,039,292	54,624,407	6,133,363
Total deferred inflows of resources	282,151,435	226,596,360	508,747,795	304,343,889
Total liabilities	2,524,171,661	423,974,763	2,926,160,583	2,368,168,980
NET POSITION				
Net investment in capital assets	496,915,998	305,188,556	802,104,554	958,085,556
Restricted for capital and debt service	387,250,846	9,986,308	397,237,154	259,274,070
Unrestricted	175,425,279	153,338,848	328,764,127	213,875,236
Total net position	1,059,592,123	468,513,712	1,528,105,835	1,431,234,862
Total liabilities and net position	$ 3,583,763,784	$ 892,488,475	$ 4,454,266,418	$ 3,799,403,842

* 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, 2022
with restated comparative totals for the year ended June 30, 2021

	2022			2021
	Airport	Marine & Other	Total	Total (As restated)
Operating revenues:				
Charges for services	$ 279,860,676	$ 93,200,543	$ 373,061,219	$ 273,160,747
Land sales		18,000,000	18,000,000	
Other	461,604	656,250	1,117,854	718,103
Total operating revenues	280,322,280	111,856,793	392,179,073	273,878,850
Operating expenses:				
Salaries, wages and fringe benefits	55,903,288	39,236,310	95,139,598	109,361,037
Longshore labor and fringe benefits		33,760,056	33,760,056	18,218,054
Contract, professional and consulting services	37,626,667	16,833,914	54,460,581	40,022,868
Materials and supplies	4,934,193	3,592,626	8,526,819	10,684,015
Utilities	10,342,110	4,116,728	14,458,838	13,367,645
Equipment rents, repair and fuel	1,235,375	3,650,862	4,886,237	3,106,925
Insurance	3,732,395	1,653,922	5,386,317	5,362,871
Lease and rent	41,185	2,055,984	2,097,169	1,906,513
Travel and management expense	1,778,221	450,847	2,229,068	1,468,091
Intra-Port charges and expense allocations	23,941,194		23,941,194	23,331,857
Cost of land sold		2,255,404	2,255,404	
Other	3,098,901	3,248,628	6,347,529	2,684,496
Less expenses for capital projects	(4,713,208)	(15,805,321)	(20,518,529)	(23,674,504)
Total operating expenses, excluding depreciation and amortization	137,920,321	95,049,960	232,970,281	205,839,868
Operating income before depreciation and amortization	142,401,959	16,806,833	159,208,792	68,038,982
Depreciation and amortization expense	101,582,402	18,572,036	120,154,438	119,385,565
Total operating expenses, including depreciation and amortization	239,502,723	113,621,996	353,124,719	325,225,433
Operating income (loss)	40,819,557	(1,765,203)	39,054,354	(51,346,583)
Nonoperating revenues (expenses):				
Property tax revenue		14,348,615	14,348,615	13,730,375
Passenger facility charge revenue	27,539,749		27,539,749	16,627,484
Customer facility charge revenue	14,011,848		14,011,848	6,562,452
Interest expense	(59,735,816)	(3,660,695)	(63,396,511)	(57,876,401)
Interest revenue	1,052,321	3,833,042	4,885,363	15,341,621
Other income, including loss on disposal of properties	17,675,774	38,363,614	56,039,388	63,177,456
Nonoperating revenues	543,876	52,884,576	53,428,452	57,562,987
Income before contributions and transfers	41,363,433	51,119,373	92,482,806	6,216,404
Capital contributions and reversions	237,799	4,150,368	4,388,167	11,114,422
Transfers (out) in	(3,697,116)	3,697,116		
Change in net position	37,904,116	58,966,857	96,870,973	17,330,826
Total net position - beginning of year, as restated	1,021,688,007	409,546,855	1,431,234,862	1,413,904,036
Total net position - end of year	$ 1,059,592,123	$ 468,513,712	$ 1,528,105,835	$ 1,431,234,862

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, 2022
with restated comparative totals for the year ended June 30, 2021

	2022			2021
	Airport	Marine & Other	Total	Total (As restated)
Cash flows from operating activities:				
Cash received from customers	$ 264,128,403	$ 93,296,152	$ 357,424,555	$ 281,037,898
Cash payments to employees	(56,446,279)	(39,519,872)	(95,966,151)	(90,028,036)
Cash payments to suppliers and vendors	(52,834,852)	(79,306,891)	(132,141,743)	(94,057,762)
Cash payments (to) from other funds	(27,259,802)	27,259,802		
Net cash provided by operating activities	127,587,470	1,729,191	129,316,661	96,952,100
Cash flows from noncapital financing activities:				
Property taxes		14,335,629	14,335,629	13,736,889
Grant proceeds not specifically restricted for capital	25,000,000	5,051,024	30,051,024	61,606,081
Net cash provided by noncapital financing activities	25,000,000	19,386,653	44,386,653	75,342,970
Cash flows from capital and related financing activities:				
Capital expenditures	(469,018,182)	(20,424,858)	(489,443,040)	(462,610,072)
Lease interest received	6,258,368	6,892,078	13,150,446	10,649,166
Sale of properties	44,503	434	44,937	170,711
Net proceeds from issuance of debt	595,734,569		595,734,569	358,273,940
Interest paid	(62,254,502)	(3,805,974)	(66,060,476)	(56,667,005)
Proceeds from insurance buyout agreements		26,000,000	26,000,000	
Proceeds from passenger facility charges	29,752,110		29,752,110	12,396,393
Proceeds from customer facility charges	13,858,884		13,858,884	5,596,860
Principal payments and redemptions on debt	(109,625,000)	(8,213,205)	(117,838,205)	(50,121,997)
Contributions from governmental agencies	1,124,308	4,899,744	6,024,052	15,275,553
Cash transfers (to) from other Port divisions, net	(3,697,116)	3,697,116		
Other, primarily nonoperating (expense) income	(7,472,545)	1,521,739	(5,950,806)	2,086,934
Net cash (used in) provided by capital and related financing activities	(5,294,603)	10,567,074	5,272,471	(164,949,517)
Cash flows from investing activities:				
Interest received	3,605,201	2,429,192	6,034,393	2,747,179
Investment activity:				
Purchases	(669,051,408)	(191,382,433)	(860,433,841)	(831,727,932)
Proceeds from sales or maturities	518,153,340	113,170,631	631,323,971	894,812,138
Net cash (used in) provided by investing activities	(147,292,867)	(75,782,610)	(223,075,477)	65,831,385
Net (decrease) increase in cash and cash equivalents		(44,099,692)	(44,099,692)	73,176,938
Cash and cash equivalents - beginning of year	38,240	152,073,177	152,111,417	78,934,479
Cash and cash equivalents - end of year	$ 38,240	$ 107,973,485	$ 108,011,725	$ 152,111,417
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 40,819,557	$ (1,765,203)	$ 39,054,354	$ (51,346,583)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization expense	101,582,402	18,572,036	120,154,438	119,385,565
Cost of land sales		2,255,404	2,255,404	
Non cash pension and OPEB expense	(643,692)	(347,068)	(990,760)	19,110,388
Amortization of unearned revenue	(1,002,417)	(1,586,817)	(2,589,234)	(2,559,175)
Change in assets and liabilities:				
Receivables and other current assets	(15,014,198)	(14,760,257)	(29,774,455)	13,869,078
Lease receivable	(159,808,486)	(1,155,418)	(160,963,904)	40,138,381
Deferred lease inflows	158,025,355	(2,112,493)	155,912,862	(45,356,745)
Accounts payable and accruals	5,848,649	3,454,082	9,302,731	6,697,141
Lease payable	(323,213)	(297,890)	(621,103)	(767,073)
Long-term environmental and other accruals	(3,196,487)	(1,570,481)	(4,766,968)	(3,216,149)
Additions to unearned revenue	1,300,000	1,043,296	2,343,296	997,272
Net cash provided by operating activities	$ 127,587,470	$ 1,729,191	$ 129,316,661	$ 96,952,100

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 725 full-time equivalent persons.

Basis of Accounting

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

Intra-Port Charges and Expense Allocations

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

Use of Estimates

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

Operating Revenues and Expenses

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

Restricted Assets and Related Liabilities

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

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

Land Held for Sale

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

Properties and Depreciation

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

Amortization of Bond Issue Costs

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

Accrued Vacation and Sick Leave Pay

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

Unearned Revenue

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

Accounting for Contributions from Federal Government and Other

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

Property Taxes

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

Cash and Cash Equivalents

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

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

<u>Environmental Remediation Liabilities</u>

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.

<u>Passenger Facility Charges</u>

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.

<u>Customer Facility Charges</u>

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.

<u>Cash and Investments</u>

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

<u>Budgets</u>

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

With the approval of the Port Commission, unexpected additional resources may be appropriated through the use of a supplemental budget. The original and supplemental budgets require budget hearings before the public, publications in newspapers, and approval by the Commission for submittal to the Multnomah County Tax Supervising and Conservation Commission (TSCC). The TSCC conducts a review and certification of the original and certain supplemental budgets to comply with State law. After TSCC certification, such budgets are presented to the Port Commission for adoption. Original and supplemental budgets may be modified during the fiscal year by the use of appropriations transfers between the legal categories. Such transfers require approval by the Port Commission. The Port adopted one budget adjustment for the year ended June 30, 2022 and two supplemental budgets and one budget adjustment for the year ended June 30, 2021.

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

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

Transfers Between Activities

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

Internal Receivables and Payables

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

Prior Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Port's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain 2021 amounts have been reclassified to conform to current year classification. These reclassifications have no effect on previously reported net income, net position, or cash flows.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, "Fiduciary Activities," effective for the Port's fiscal year beginning July 1, 2020. The statement establishes standards of accounting and financial reporting for fiduciary activities. The adoption of this statement did not have a material effect on the Port's financial statements.

In June 2017, the GASB issued Statement No. 87, "Leases," (GASB 87) effective for the Port's fiscal year beginning July 1, 2021. The statement establishes standards of accounting and financial reporting for leases by lessees and lessors, and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Accounting changes adopted to conform to the provisions of GASB 87 have been applied retroactively, and fiscal 2021 has been restated. The impacts of the restatement are summarized in the following table (in thousands):

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

	As previously reported	As restated
Balance Sheet		
Current assets		
Lease Receivable		$ 37,245
Noncurrent assets		
Lease receivable		266,184
Depreciable properties, net of accumulated depreciation and amortization	$ 1,363,542	1,364,176
Current liabilities		
Accounts payable, lease and other accrued liabilities	43,105	43,303
Noncurrent liabilities		
Unearned revenue and other	66,938	67,360
Deferred inflows of resources		
Deferred lease inflows		298,211
Net Position		
Unrestricted	208,645	213,875
Statement of Revenues, Expenses, and Changes in Net Position		
Operating Revenues		
Charges for services	277,986	273,161
Operating Expenses		
Lease and rent	2,068	1,907
Depreciation and amortization expense	119,252	119,386
Nonoperating revenues (expenses)		
Interest expense	(57,861)	(57,876)
Interest revenue	3,172	15,342

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period," effective for the Port's fiscal year beginning July 1, 2021. The statement establishes accounting requirements for interest cost incurred before the end of a construction period. The Port early adopted the requirements of this statement for the Port's fiscal year beginning July 1, 2018. The adoption of this statement did not have a material effect on the Port's financial statements.

In August 2018, the GASB issued Statement No. 90, "Majority Equity Interests," effective for the Port's fiscal year beginning July 1, 2020. The statement provides guidance and clarification for the accounting and reporting requirements for a government's majority equity interest in legally separate organizations. The adoption of this statement did not have a material effect on the Port's financial statements.

In May 2019, the GASB issued Statement No. 91, "Conduit Debt Obligations," effective for the Port's fiscal year beginning July 1, 2022. The statement provides a single method of reporting conduit debt obligations by issuers. The Port is currently evaluating the effects this statement will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, "Omnibus 2020," effective for the Port's fiscal year beginning July 1, 2021. The statement addresses a variety of topics including the effective date of new lease guidance in interim financial reports, reporting intra-entity transfers for defined benefit pension plans or other postemployment benefit plans, reporting assets accumulated for postemployment benefits, certain requirements for postemployment benefit arrangements, measurement of assets and liabilities associated with asset retirement obligations, public entity risk pool reporting, nonrecurring fair value measurements, and terminology used to refer to derivative instruments. The adoption of this statement did not have a material effect on the Port's financial statements.

In March 2020, the GASB issued Statement No. 93, "Replacement of Interbank Offered Rates," (GASB 93) effective for the Port's fiscal year beginning July 1, 2021. The statement removes the London interbank offered rate (LIBOR) as an appropriate benchmark interest rate in hedging derivative instruments and leases and addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate. The Port terminated hedge accounting of derivatives using LIBOR as a benchmark interest rate in fiscal 2022, accounting changes adopted to conform to the provisions of GASB 93 have been applied retroactively, and fiscal 2021 has been restated. The impacts of the restatement are summarized in the following table (in thousands):

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

	As previously reported	As restated
Balance Sheet		
Deferred outflows of resources:		
Cumulative decrease in fair value of hedging derivative	$ 3,998	
Net position:		
Net investment in capital assets	962,084	$ 958,086
Statement of Revenues, Expenses, and Changes in Net Position		
Nonoperating revenues (expenses):		
Interest revenue	3,172	15,342
Change in net position:		
Total net position - beginning of year (July 1, 2020)	1,420,028	1,413,904

In March 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements," effective for the Port's fiscal year beginning July 1, 2022. The statement addresses issues related to public-private and public-public partnership (PPP) arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The Port is currently evaluating the effects this statement will have on its financial statements.

In June 2020, the GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements," effective for the Port's fiscal year beginning July 1, 2022. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The Port is currently evaluating the effects this statement will have on its financial statements.

In June 2020, the GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," effective for the Port's fiscal year beginning July 1, 2021. The statement amends the criteria for reporting governmental fiduciary component units to improve consistency and comparability in reporting on fiduciary component units and IRS Section 457 plans. The adoption of this statement did not have a material effect on the Port's financial statements.

In October 2021, the GASB issued Statement No. 98, "The Annual Comprehensive Financial Report,", effective for the Port's fiscal year ending June 30, 2022. The statement established the term annual comprehensive financial report and its acronym, ACFR, to replace the term comprehensive annual financial report and its acronym. The adoption of this statement did not have a material effect on the Port's financial statements.

In April 2022, the GASB issued Statement No. 99, "Omnibus 2022." The statement provides guidance on the requirements related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, as well as terminology updates which were effective immediately upon issuance. The adoption of these requirements did not have a material effect on the Port's financial statements. Additionally, the Statement provides guidance related to leases, PPPs, and SBITAs which are effective for the Port's fiscal year beginning July 1, 2022, and guidance related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which is effective for the Port's fiscal year beginning July 1, 2023. The Port is currently evaluating the effects these provisions will have on its financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections," effective for the Port's fiscal year beginning July 1, 2023. The statement defines accounting changes and prescribes the accounting and financial reporting for each type of accounting change and error corrections. The Port is currently evaluating the effects this statement will have on its financial statements.

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

2. <u>Identifiable Activity Information</u>:

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 equitable development, which is responsible for real estate development and related services; environmental, which includes costs and recoveries associated with environmental cleanup not directly attributable to specific Port facilities, or which pertain to facilities for which operations have been discontinued; navigation, which performs maintenance dredging for the Columbia River channel and maintains a river level reporting system; general aviation, which provides general aviation relief services; engineering, which provides drafting, environmental planning, permit coordination, and engineering support for the Port; and administrative departments (admin), which provide support and services to the Port's operating departments.

Balance sheet information for Marine & Other is not available at the identifiable activity level. Identifiable activity information available for Marine & Other for the year ended June 30, 2022 was as follows (in thousands):

	Marine Terminals	Trade & Equitable Development	Environmental	Navigation	General Aviation	Engineering & Admin	Total
Operating revenues	$ 64,700	$ 23,808		$ 19,285	$ 3,890	$ 174	$ 111,857
Operating expenses	59,182	11,711	$ 7,119	15,006	3,809	(1,777)	95,050
Depreciation expense	7,221	1,654		3,283	4,463	1,951	18,572
Operating income (loss)	$ (1,703)	$ 10,443	$ (7,119)	$ 996	$ (4,382)	$	$ (1,765)
Capital contributions and reversions		$ 1,056			$ 3,094		$ 4,150
Properties activity:							
Additions	$ 8,039	$ 278		$ 2,814	$ 5,988	$ 800	$ 17,919
Deletions		$ (100)					$ (100)

3. <u>Cash and Investments</u>:

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

Balance sheet classification:	2022			2021
	Airport	Marine & Other	Total	Total
Unrestricted cash and cash equivalents	$ 38,240	$ 107,973,485	$ 108,011,725	$ 152,111,417
Unrestricted equity in pooled investments	249,858,392	171,930,791	421,789,183	305,448,189
Restricted cash and equity in pooled investments	583,202,945	9,986,308	593,189,253	499,457,136
	$ 833,099,577	$ 289,890,584	$ 1,122,990,161	$ 957,016,742

At June 30, 2022, 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	$ 147,987,316	$ 62,783,954	$ 37,600,318	$ 13,473,747	$ 261,845,335
U.S. Agencies	165,651,349		73,315,231	81,489,886	320,456,466
Municipal debt	8,387,697		8,239,133	3,347,342	19,974,172
Corporate indebtedness	8,415,226		9,482,496	6,728,142	24,625,864
Certificates of deposit	367,970				367,970
	$ 330,809,558	$ 62,783,954	$ 128,637,178	$ 105,039,117	627,269,807
Cash and cash equivalents					38,240
Restricted deposits held in trust accounts					205,791,530
					$ 833,099,577

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

Following are the cash and investments and maturities for Marine & Other at June 30, 2022:

	Investment Maturities (in years)				
	Less than 1	1 - 2	2 - 3	3 - 5	Value
U.S. Treasuries	$ 56,202,230	$ 22,783,506	$ 13,644,682	$ 4,889,453	$ 97,519,871
U.S. Agencies	9,415,769		26,605,174	29,571,654	65,592,597
Municipal debt	3,043,789		2,989,877	1,214,708	7,248,374
Corporate indebtedness	3,053,779		3,441,079	2,441,558	8,936,416
Certificates of deposit	133,532				133,532
	$ 71,849,099	$ 22,783,506	$ 46,680,812	$ 38,117,373	179,430,790
State of Oregon local government investment pool					52,802,498
Cash and deposits with financial institutions					57,657,296
					$ 289,890,584

Deposits with financial institutions include bank demand deposits. The total bank balance as shown on the bank statements was $83,765,289. Of these deposits, $250,000 was covered by federal depository insurance and $83,515,289 was covered by collateral pledged by the Port's qualified depositories. In accordance with ORS 295, the collateral pledged is held by the agent of the qualified depositories; is designated as subject to the Pledge Agreement between the agent, the qualified depositories, and the Oregon Office of the State Treasurer (OST); and is held for the benefit of the OST on behalf of the Port.

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

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

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

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

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

The Port's investments are valued using evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. All of the Port's investments at June 30, 2022 are considered level 2.

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

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

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

Oregon Revised Statutes (ORS) limit investments in corporate indebtedness to those rated P-1 or Aa or better by Moody’s Investors Service or A-1 or AA or better by Standard and Poor’s Corporation or equivalent rating by any nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in corporate indebtedness made during fiscal 2022 met or exceeded these ratings requirements.

Oregon Revised Statutes (ORS) limit investments in municipal debt to those lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. In addition, lawfully issued debt obligations of the agencies and instrumentalities of the States of California, Idaho and Washington and political subdivisions of those states are authorized if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in municipal debt made during fiscal 2022 met or exceeded these ratings requirements.

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

As required by federal law, the Port held investments (classified as restricted assets) with a par value of $2,500,000 at both June 30, 2022 and 2021, 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, 2022 and 2021, approximately $487,565,000 and $414,190,000, respectively, of the Airport’s investments represent an allocated share of the Port’s total investments.

4. Receivables:

Port operations are concentrated within the aviation industry for the Airport and the industrial property market and marine shipping industry for Marine & Other. Principal customers in these industries are national airlines, tenants of large Port industrial properties, and international steamship lines/agents. Each of these principal customers is affected by changes in industry market and other economic conditions. The Port evaluates the financial capacity of prospective and current customers to determine their ability to pay amounts due on a timely basis. Various forms of collateral, including irrevocable standby letters of credit and pledges from other related industry customers under a joint agreement, are obtained from certain customers, mainly for the Airport, where these pledges encompass substantially all trade receivables. Accounts receivable are monitored on an ongoing basis, and allowances for doubtful accounts are established and maintained. Total trade receivables for the aviation industry were approximately $27,900,000 at June 30, 2022 and $14,900,000 at June 30, 2021. Total trade receivables for the marine shipping industry were approximately $14,900,000 at June 30, 2022 and $5,000,000 at June 30, 2021. Total grants receivable for the Airport were approximately $2,000,000 at June 30, 2022 and $4,300,000 at June 30, 2021. Total grant receivables for Marine and Other were approximately $1,400,000 at June 30, 2022 and $1,200,000 at June 30, 2021. Other significant receivables include interest on investments and a dredging contract.

5. **Properties**:

Properties activity for the year ended June 30, 2022 was as follows:

Airport:	Beginning Balances (As restated)	Additions	Disposals & Transfers	Completed Projects	Ending Balances
Assets being depreciated or amortized:					
Land improvements	$ 942,119,294		$ (57,578)	$ 55,164,594	$ 997,226,310
Buildings and equipment	1,742,750,556		(15,554,216)	185,037,460	1,912,233,800
Intangible right-of-use assets	348,728	$ 280,734			629,462
Total assets being depreciated or amortized	2,685,218,578	280,734	(15,611,794)	240,202,054	2,910,089,572
Less accumulated depreciation and amortization					
Land improvements	545,083,518	30,755,189	(57,578)		575,781,129
Buildings & equipment	925,929,296	70,720,790	(13,323,648)		983,326,438
Intangible right-of-use assets	8,311	106,423			114,734
Total accumulated depreciation and amortization	1,471,021,125	101,582,402	(13,381,226)		1,559,222,301
Total assets being depreciated or amortized, net	1,214,197,453	(101,301,668)	(2,230,568)	240,202,054	1,350,867,271
Assets not being depreciated or amortized:					
Land	68,042,167				68,042,167
Construction in progress	835,684,771	407,672,213		(240,202,054)	1,003,154,930
Total assets not being depreciated or amortized	903,726,938	407,672,213		(240,202,054)	1,071,197,097
Airport assets, net	$ 2,117,924,391	$ 306,370,545	$ (2,230,568)	$	$ 2,422,064,368
Marine & Other:					
Assets being depreciated or amortized:					
Land improvements	$ 307,823,464	$ 100,946		$ 3,470,485	$ 311,394,895
Buildings and equipment	256,066,978	966,875	$ 2,535,409	4,098,863	263,668,125
Intangible right-of-use assets	418,345	158,391			576,736
Total assets being depreciated or amortized	564,308,787	1,226,212	2,535,409	7,569,348	575,639,756
Less accumulated depreciation and amortization					
Land improvements	217,359,191	9,428,667			226,787,858
Buildings & equipment	196,846,019	8,994,106	298,809		206,138,934
Intangible right-of-use assets	125,504	149,262			274,766
Total accumulated depreciation and amortization	414,330,714	18,572,035	298,809		433,201,558
Total assets being depreciated or amortized, net	149,978,073	(17,345,823)	2,236,600	7,569,348	142,438,198
Assets not being depreciated or amortized:					
Land	83,417,483		(2,255,403)		81,162,080
Construction in progress	40,988,919	17,913,778		(7,569,348)	51,333,349
Total assets not being depreciated or amortized	124,406,402	17,913,778	(2,255,403)	(7,569,348)	132,495,429
Marine & Other assets, net	$ 274,384,475	$ 567,955	$ (18,803)	$	$ 274,933,627

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

6. **Leases**:

The Port adopted GASB No. 87, "Leases," in fiscal 2022, effective July 1, 2020, as further discussed in Note 1. 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

6. Leases, continued:

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, 2022 the Airport, as a lessor, recognized approximately $34,065,000 and $6,259,000 as charges for services operating revenue and nonoperating interest revenue, respectively. The Airport also recognized $11,676,000 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, 2022 Marine & Other, as a lessor, recognized approximately $17,938,000 and $6,892,000 as charges for services operating revenue and nonoperating interest revenue, respectively. Marine & Other also recognized $2,494,000 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
2023	$ 29,140,762	$ 7,874,718	$ 10,320,258	$ 6,655,111	$ 39,461,020	$ 14,529,829
2024	27,576,739	6,964,269	10,348,413	6,521,334	37,925,152	13,485,603
2025	27,461,455	6,072,612	10,772,620	6,205,451	38,234,075	12,278,063
2026	25,969,478	5,217,974	11,003,742	5,865,019	36,973,220	11,082,993
2027	24,922,868	4,400,370	10,877,749	5,996,212	35,800,617	10,396,582
2028-2032	114,595,567	9,726,938	47,193,914	26,226,640	161,789,481	35,953,578
2033-2037	2,505,212	1,249,538	31,182,190	18,188,985	33,687,402	19,438,523
2038-2042	2,479,960	856,541	11,551,170	13,715,277	14,031,130	14,571,818
2043-2047	2,911,092	425,409	14,082,502	11,168,023	16,993,594	11,593,432
2048-2052	1,131,862	63,186	11,149,769	8,250,701	12,281,631	8,313,887
2053-2057			9,306,344	6,185,824	9,306,344	6,185,824
2058-2062			5,651,776	4,721,467	5,651,776	4,721,467
2063-2067			8,131,430	3,290,598	8,131,430	3,290,598
2068-2072			14,125,922	1,271,002	14,125,922	1,271,002
Total	$ 258,694,995	$ 42,851,555	$ 205,697,799	$ 124,261,644	$ 464,392,794	$ 167,113,199

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 314,000 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 26 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 $89,545,000 for the year ending June 30, 2022. 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 $24,342,000 for fiscal 2022. Marine & Other operating revenues earned under regulated leases with aeronautical users that are not short-term leases were approximately $1,609,000 for fiscal 2022. Expected future minimum payments for regulated leases with other aeronautical users are as follows:

6. Leases, continued:

	Airport	Marine & Other	Total Port
2023	$ 10,011,000	$ 1,431,000	$ 11,442,000
2024	9,361,000	1,160,000	10,521,000
2025	8,668,000	1,096,000	9,764,000
2026	8,503,000	1,017,000	9,520,000
2027	7,817,000	820,000	8,637,000
2028-2032	48,703,000	12,023,000	60,726,000
Total	$ 93,063,000	$ 17,547,000	$ 110,610,000

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 5 years. The intangible right-of-use assets that the Port has recorded under these leases are included in depreciable properties, net of accumulated depreciation and amortization on the balance sheet. Following is a schedule of changes in the right-to-use assets with the accumulated amortization for the fiscal year ended June 30, 2022:

	Beginning Balances (As restated)	Additions	Reductions	Ending Balances
Airport:				
Right-of-use assets:				
Security equipment	$ 64,675			$ 64,675
Office equipment	284,053	$ 280,734		564,787
Total right-of-use assets	348,728	280,734		629,462
Less accumulated amortization:				
Security equipment	3,577	3,576		7,153
Office equipment	4,734	102,847		107,581
Total accumulated amortization	8,311	106,423		114,734
Total right-of-use assets, net	$ 340,417	$ 174,311	$	$ 514,728
Marine & Other:				
Right-of-use assets:				
Office and warehouse space	$ 418,345			$ 418,345
Office equipment		$ 158,391		158,391
Total right-of-use assets	418,345	158,391		576,736
Less accumulated amortization:				
Security equipment	125,504	125,503		251,007
Office equipment		23,759		23,759
Total accumulated amortization	125,504	149,262		274,766
Total right-of-use assets, net	$ 292,841	$ 9,129	$	$ 301,970

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

	Airport		Marine & Other		Total Port	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 130,534	$ 13,717	$ 159,430	$ 10,019	$ 289,964	$ 23,736
2024	114,347	9,737	75,657	4,283	190,004	14,020
2025	116,184	6,067	32,635	2,550	148,819	8,617
2026	114,852	2,282	34,036	1,149	148,888	3,431
2027	10,899	58	8,735	61	19,634	119
Total	$ 486,816	$ 31,861	$ 310,493	$ 18,062	$ 797,309	$ 49,923

7. Long-Term Debt:

At June 30, 2022, 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	$ 29,120,000			
6.6%, due fiscal 2025	6,205,000			
2005 Series (issued in fiscal 2006, original issue $20,230,000):				
5.004%, due fiscal 2028	10,400,000			
Portland International Airport revenue bonds:				
Series Eighteen (issued in fiscal 2008, original issue $138,890,000 variable interest rate):				
currently 1.21%, due fiscal 2027		$ 17,525,000		
currently 1.06%, due fiscal 2027		17,530,000		
Series Twenty-One C (issued in fiscal 2012, original issue $27,685,000):				
4.375% to 5.0%, due serially through fiscal 2024		11,835,000		
Series Twenty-Two (issued in fiscal 2015, original issue $90,050,000):				
5.0%, due serially through fiscal 2035		36,125,000		
5.0%, due fiscal 2040		21,245,000		
5.0%, due fiscal 2045		27,110,000		
Series Twenty-Three (issued in fiscal 2015, original issue $109,440,000):				
5.0%, due serially through fiscal 2036		72,985,000		
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		103,520,000		
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		99,145,000		
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		41,815,000		
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):				
0.8% to 5.0%, due serially through fiscal 2041		155,890,000		
5.0%, due fiscal 2046		69,510,000		
4.0% to 5.0%, due fiscal 2051		87,060,000		
Series Twenty-Eight (issued in fiscal 2022, original issue $527,005,000):				
4.0% to 5.0%, due serially through fiscal 2043		269,635,000		
4.0%, due fiscal 2048		114,835,000		
5.0%, due fiscal 2053		142,535,000		
Passenger Facility Charge revenue bonds:				
Series 2012A (issued and privately placed in fiscal 2013, original issue $57,725,000):				
variable interest rate, currently 1.908%, due fiscal 2025			$ 29,275,000	
Series 2022A (issued in fiscal 2022, original issue $51,620,000):				
5.00%, due serially through fiscal 2032			51,620,000	
Customer Facility Charge revenue bonds:				
Series 2019 (issued in fiscal 2019, original issue $163,290,000):				
2.769% to 3.865%, due serially through fiscal 2033				$ 42,880,000
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 $6,350,000, $36,975,000, $9,265,000, and $3,330,000 respectively, due within one year	$ 45,725,000	$ 1,564,420,000	$ 80,895,000	$ 156,890,000

7. Long-Term Debt, continued:

	Direct Borrowings - Contracts and Loans Payable at June 30, 2022
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 $331,627 due December 1, 2022 to $488,664 due December 1, 2030, including $331,627 due within one year	$ 3,644,399
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 $88,501 due August 1, 2022 to $115,011 due June 1, 2028, including $1,084,195 due within one year	7,184,214
Total, including $1,415,822 due within one year	$ 10,828,613

Future debt service requirements on bonds, contracts and loans payable at June 30, 2022 are as follows:

	Airport							
	Revenue Bonds		PFC Revenue Bonds		Directly Placed 2012A PFC Revenue Bonds		CFC Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 36,975,000	$ 68,770,813		$ 2,251,206	$ 9,265,000	$ 558,544	$ 3,330,000	$ 6,147,556
2024	40,485,000	70,411,203		2,581,000	9,750,000	381,775	3,420,000	6,052,751
2025	44,730,000	68,781,914		2,581,000	10,260,000	195,753	3,520,000	5,952,165
2026	44,585,000	67,053,761		2,581,000			3,625,000	5,843,839
2027	45,705,000	65,177,156	$ 2,670,000	2,514,250			19,965,000	27,304,688
2028-2032	208,965,000	294,519,375	48,950,000	6,357,250			23,900,000	23,245,705
2033-2037	241,965,000	238,759,175					29,080,000	17,939,479
2038-2042	292,820,000	174,480,725					35,675,000	11,186,634
2043-2047	316,930,000	104,846,725					34,375,000	2,988,462
2048-2052	259,905,000	34,546,000						
2053-2057	31,355,000	783,875						
	$ 1,564,420,000	$ 1,188,130,722	$ 51,620,000	$ 18,865,706	$ 29,275,000	$ 1,136,072	$ 156,890,000	$ 106,661,279

	Marine & Other			
	Pension Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	$ 6,350,000	$ 2,924,666	$ 1,415,822	$ 483,329
2024	7,165,000	2,517,566	1,483,461	416,941
2025	8,040,000	2,057,592	1,548,530	347,371
2026	8,980,000	1,556,238	1,621,141	274,761
2027	10,015,000	978,305	1,701,410	198,740
2028-2032	5,175,000	332,982	3,058,249	260,750
	$ 45,725,000	$ 10,367,349	$ 10,828,613	$ 1,981,892

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

Changes in long-term debt on the balance sheet for the year ended June 30, 2022 were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Long-term privately placed bonds outstanding	$ 38,080,000		$ (8,805,000)	$ 29,275,000
less: current portion	(8,805,000)	$ (9,265,000)	8,805,000	(9,265,000)
Long-term bonds outstanding	1,295,125,000	578,625,000	(100,820,000)	1,772,930,000
less: current portion	(35,640,000)	(40,305,000)	35,640,000	(40,305,000)
Unamortized bond issue premium	143,115,262	95,402,518	(9,712,746)	228,805,034
Long-term debt	$ 1,431,875,262	$ 624,457,518	$ (74,892,746)	$ 1,981,440,034
Marine & Other:				
Long-term direct borrowings outstanding	$ 13,436,818		$ (2,608,205)	$ 10,828,613
less: current portion	(1,865,505)	$ (1,415,822)	1,865,505	(1,415,822)
Long-term bond debt outstanding	51,330,000		(5,605,000)	45,725,000
less: current portion	(5,605,000)	(6,350,000)	5,605,000	(6,350,000)
Long-term portion outstanding	$ 57,296,313	$ (7,765,822)	$ (742,700)	$ 48,787,791

In addition, at June 30, 2022 and 2021, the Port has recorded $12,503,375 and $14,940,161 respectively, within the Airport activity, for the difference between the reacquisition price and the net carrying amount of refunded bonds, which is recorded as a deferred outflow of resources on the balance sheet.

CONTRACTS, LOANS AND PENSION BONDS

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

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

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

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

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, 2022 and 2021.

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 $7,158,355 for fiscal 2022 and by $5,959,197 for fiscal 2021.

In fiscal 2022, the Port issued Series Twenty-Eight 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 Twenty-Eight Projects; pay a portion of the interest to accrue on the Series Twenty-Eight Bonds during construction of the Series Twenty-Eight Projects; to cash fund a debt service reserve; and pay certain costs of issuing the Series Twenty-Eight Bonds. The bonds have coupon rates ranging from 4 percent to 5 percent, with maturities ranging from 2023 to 2052. Series Twenty-Eight bonds maturing on or before July 1, 2032, are not subject to optional redemption prior to their stated 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.

7. Long-Term Debt, continued:

Series Twenty-Seven A bonds maturing on or before July 1, 2030, are not subject to optional redemption prior to their stated maturity. Series Twenty-Seven A Bonds maturing on or after July 1, 2031 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Seven B Bonds are subject to redemption at the option of the Port, in whole or in part, on any date, at a redemption price equal to the greater of 100% of the principal amount of the redeemed bonds plus accrued interest; or the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the redeemed bonds, discounted to the date of redemption on a semi-annual basis, at a rate for a US Treasury security with a maturity comparable to the average remaining life of the bonds being redeemed plus 10 basis points in maturity 2022, plus 15 basis points in maturities 2023-2024, and plus 20 basis points in maturity 2025, plus, accrued interest.

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

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

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

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

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

Series Twenty-One C bonds maturing on or after July 1, 2022 are redeemable at the option of the Port on or after July 1, 2021 at 100 percent of the principal amount plus accrued interest.

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

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

PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS

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

7. Long Term Debt, continued:

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.

In fiscal 2022, the Port issued Series 2022A Passenger Facility Charge Refunding Revenue bonds, the proceeds of which were used to refund all of the outstanding PFC Series 2011A bonds and to pay costs of issuing the Series 2022A bonds and refunding the Series 2011A bonds. Cash flows to pay debt service on the new Series 2022A bonds are $14.7 million less than the cash flows required to pay debt service on the refunded Series 2011A bonds, resulting in a net present value savings of $13.7 million. The Series 2022A bonds have a 5 percent coupon rate, with maturities ranging from 2026 to 2031. The Series 2022A 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. 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 June 1, 2024. Series 2012A bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part. In the event of default, outstanding amounts become immediately due and payable.

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

PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS

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

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

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

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.

In fiscal 2018, the Port first issued Series B and Series C commercial paper to fund the costs of constructing improvements at the Airport and to pay interest on maturing commercial paper. Commercial paper outstanding totaled $0 and $80,600,000 at June 30, 2022 and 2021, respectively. Commercial paper balances are included in current portion of long-term debt on the balance sheet. In the event of default, outstanding amounts become immediately due and payable.

DERIVATIVE INSTRUMENTS

At June 30, 2022, the Airport had the following investment derivative instruments outstanding:

Item	Type	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value
A	Pay-fixed interest rate swap	$ 2,065,000	7/1/2005	7/1/2025	Pay 5.1292%, receive 68% 1 month LIBOR	$ (63,000)
B	Pay-fixed interest rate swap	$ 2,065,000	7/1/2005	7/1/2025	Pay 5.1339%, receive 68% 1 month LIBOR	$ (63,000)
C	Pay-fixed interest rate swap	$15,345,000	7/1/2006	7/1/2026	Pay 4.9356%, receive 68% 1 month LIBOR	$ (683,000)
D	Pay-fixed interest rate swap	$15,345,000	7/1/2006	7/1/2026	Pay 4.9403%, receive 68% 1 month LIBOR	$ (683,000)
E	Pay-fixed interest rate swap	$17,565,000	7/1/2009	7/1/2024	Pay 4.975%, receive 68% 1 month LIBOR	$ (329,000)
F	Pay-fixed interest rate swap	$11,710,000	7/1/2009	7/1/2024	Pay 4.955%, receive 68% 1 month LIBOR	$ (214,000)

At the inception of each interest rate swap agreement, the fixed rate on each of the swaps was off-market such that the Airport received an up-front payment. For derivative instruments A, B, C, and D, collectively, the Airport received three equal up-front payments totaling $9,293,538, and for derivative instruments E and F, the Airport received an up-front payment totaling $5,453,000. As such, each swap is comprised of a derivative instrument, an at-market swap, and a companion borrowing instrument represented by the upfront payment. The fair value of the derivatives was negative $2,035,000 at June 30, 2022 and is recorded on the Airport's balance sheet as a noncurrent liability; the unamortized balance of the borrowing is recorded on the Airport's balance sheet as a restricted current liability of $455,825 and a noncurrent liability of $427,161 at June 30, 2022. In fiscal 2022, the Port adopted GASB No. 93, "Replacement of Interbank Offered Rates" as further discussed in Note 1. GASB 93 removed LIBOR as an appropriate benchmark interest rate for hedging derivative instruments; therefore, for accounting and financial reporting purposes, derivative instruments A, B, C and D are considered investment derivative instruments. In fiscal 2013, the 2009A PFC variable rate bonds hedged by derivative instruments E and F were refunded; therefore, for accounting and financial reporting purposes, these derivatives are considered investment derivative instruments. Accordingly, the decrease in fair value of the swaps of

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

$4,153,000 during fiscal 2022 was recorded in interest revenue on the statement of revenues, expenses, and changes in net position.

The fair values of the at-market interest rate swaps are estimated using the zero-coupon method. The method calculated the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield curves correctly anticipate future spot interest rates. These payments are discounted using the spot rates implied by the current yield curves for the hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk. The Airport has three separate counterparties for these interest rate swaps. To minimize its exposure to loss related to credit risk, it is the Port's policy to enter into interest rate swaps with counterparties which have demonstrated experience in these types of financial instruments and either 1) rated in one of the top three rating categories by at least two nationally recognized rating agencies, or 2) will collateralize in accordance with all statutory requirements. The June 30, 2022 credit rating for each of the counterparties is as follows:

Derivative Instrument	Counterparty Credit Rating
Derivative A, C, and E	A+ / Aa2
Derivative B and D	AA- / Aa2
Derivative F	A- / A2

Interest rate swaps with positive fair values are exposed to credit risk; interest rate swaps with negative fair values are not exposed to credit risk. At June 30, 2022, none of the Airport's interest rate swaps were exposed to credit risk.

Interest rate risk. The Airport is exposed to interest rate risk on its pay-fixed, receive 68% of 1 month LIBOR interest rate swaps. As 1 month LIBOR decreases, the Airport's net payment on the swaps increases; this is offset substantially by decreases in the Airport's interest payments on the bonds.

Basis risk. The variable rate debt hedged by the Airport's interest rate swaps A, B, C, and D are variable rate demand obligation (VRDO) bonds that are remarketed weekly. The Airport is exposed to basis risk on its pay-fixed interest rate swap derivative instruments that are hedging the VRDO bonds, because the variable rate payments received by the Airport on these derivative instruments are based on a rate or index other than the interest rates the Airport pays on the VRDO bonds. At June 30, the weighted-average interest rate on the Airport's VRDO bonds is 1.135 percent, while 68 percent of 1 month LIBOR is approximately 0.761 percent. The variable rate debt hedged by the Airport's interest rate swaps E and F are index rate bonds with rates that are reset weekly. The Airport is exposed to basis risk on its pay-fixed interest rate swap derivative instruments that are hedged to the index rate bonds, because the variable rate payments received by the Airport on these derivative instruments are based on a rate other than the interest rate the Airport pays on the index rate bonds. At June 30, the weighted–average interest rate on the Airport's index rate bonds is approximately 1.908 percent, while 68 percent of 1 month LIBOR is approximately 0.931 percent.

Termination risk. The Airport or its counterparty may terminate an interest rate swap if the other party fails to perform under the terms of the contract. In addition, the swap may be terminated if the Airport or a swap counterparty's rating drops below BBB- / Baa3. At termination, the Airport may owe a termination payment if there is a realized loss based on the fair value of the terminated interest rate swap.

Derivative instruments A, B, C and D require the Airport to post collateral in the event that its Standard & Poors credit rating drops below A-. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the negative fair value of the interest rate swap. The Airport's credit rating is AA- at June 30, 2022; therefore, no collateral has been posted for these derivative instruments. Derivative instrument E requires the Airport to post collateral in the event that its Standard & Poors credit rating drops below A- or if the negative fair value of that derivative instrument exceeds $15 million. The Airport's credit rating is AA- at June 30, 2022, and the negative fair value of derivative instrument E does not exceed $15 million; therefore, no collateral has been posted for this derivative instrument. Derivative instrument F requires the Airport to post collateral in the event that its Standard & Poors credit rating drops below BBB- or if there is a negative fair value of that derivative instrument. Derivative instrument F has a negative fair value at June 30, 2022; therefore, the Airport has posted $350,000 in collateral with the counterparty (included in restricted cash and equity in pooled investments on the Airport's balance sheet).

7. Long-Term Debt, continued:

As rates vary, variable rate bond interest payments and net swap payments will vary. Although not a prediction by the Port of future interest cost of the variable rate bonds or of the impact of interest rate swaps, following are debt service requirements of the Airport's hedged variable rate debt and related net swap payments, using rates as of June 30, 2022:

	Variable Rate Airport Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, net	Total
2023	$ 6,590,000	$ 323,074	$ 1,046,059	$ 7,959,133
2024	6,900,000	244,759	751,605	7,896,364
2025	7,215,000	162,876	461,194	7,839,070
2026	7,565,000	77,006	282,954	7,924,960
2027	6,785,000			6,785,000
	$ 35,055,000	$ 807,715	$ 2,541,812	$ 38,404,527

	Variable Rate Passenger Facility			
	Principal	Interest	Interest Rate Swaps, net	Total
2023	$ 9,265,000	$ 381,775	$ 610,877	$ 10,257,652
2024	9,750,000	195,753	414,113	10,359,866
2025	10,260,000			10,260,000
	$ 29,275,000	$ 577,528	$ 1,024,990	$ 30,877,518

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, 2022 and 2021.

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

9. Pension Plans and Deferred Compensation Plan, continued:

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 12.84 percent and 12.81 percent of annual covered payroll for fiscal years 2022 and 2021, respectively. The Port also pays the required employee contribution. The Port, by electing to join the State and Local Government Rate Pool, effective January 1, 2002, is part of the cost-sharing multiple-employer segment of the pension plan. Limited tax pension bonds were issued to fund the Port's estimated unfunded actuarial accrued liability (UAL) of $54,068,039 as of April 1, 2002, and $20,012,029 as of October 1, 2005. The proceeds from these bond issues are held by PERS in side accounts specific to the Port, and are factors in the calculation of the Port's employer contribution rates and the Port's proportionate share of the collective Net Pension Liability (NPL) or Net Pension Asset (NPA). Of these bond issue amounts, $25,550,920 and $11,244,225 were applicable to the Airport, and were recorded on the Airport balance sheet as liabilities (due to Marine & Other). The Airport liability is reduced proportionately as the Marine & Other activity makes principal payments on the pension bonds. Principal payments on the pension bonds were made in the amounts of $5,605,000 and $4,925,000 in fiscal 2022 and 2021, respectively, of which $2,770,818 and $2,437,394 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 7.94 percent of annual covered payroll for general service members and 12.30 percent for police and fire members for fiscal 2022, and 5.58 percent of annual covered payroll for general service members and 10.21 percent for police and fire members for fiscal 2021. The Port also pays the required employee contributions of 6 percent of annual covered salary.

9. <u>Pension Plans and Deferred Compensation Plan</u>, continued:

The Port's fiscal 2022 and 2021 regular pension contributions recognized by PERS were $10,418,292 and $8,898,568. Actuarial determinations are not made solely as to Airport employees. PERS contributions of $5,231,003 and $4,583,426 were applicable to the Airport for fiscal years 2022 and 2021, respectively, based upon Port payroll expense.

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

The Port recognizes its proportion of the PERS NPL or NPA, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense. The TPL at June 30, 2022, was determined based on an actuarial valuation as of December 31, 2019, and rolled forward to the measurement date of June 30, 2021; the TPL at June 30, 2021, was determined based on an actuarial valuation as of December 31, 2018, and rolled forward to the measurement date of June 30, 2020. 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, 2022, the Port's proportionate share of the collective NPL of PERS is $62,620,834, or 0.52330205 percent of the total, and the Port recognized pension expense of $9,892,668 as its proportionate share of PERS pension expense. For the year ended June 30, 2021, the Port's proportionate share of the collective NPL of PERS is $117,823,511, or 0.53989432 percent of the total, and the Port recognized pension expense of $28,871,742 as its proportionate share of PERS pension expense. Actuarial determinations are not made solely as to Airport employees. For the year ended June 30, 2022, $45,444,353 of the NPL, and $4,877,224 of pension expense, was applicable to the Airport. For the year ended June 30, 2021, $72,981,508 of the NPL, and $14,519,557 of pension expense, was applicable to the Airport.

Actuarial assumptions used in the 2019 valuation rolled forward to the measurement date of June 30, 2021, were as follows:

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

Actuarial assumptions used in the 2018 valuation rolled forward to the measurement date of June 30, 2020, were as follows:

- Investment Rate of Return: 7.20 percent per annum
- Projected Salary Increases: 3.50 percent overall payroll growth
- Inflation Rate: 2.50 percent per annum

For the 2019 valuation rolled forward to the measurement date of June 30, 2021, and for the 2018 valuation rolled forward to the measurement date of June 30, 2020, mortality assumptions for healthy retirees and beneficiaries are based on Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Active members' mortality assumptions are based on Pub-2010 Employee, sex distinct, generational projection with Unisex Social Security Data Scale. Disabled retirees' mortality assumptions are based on Pub-2010 generational Disabled Retiree mortality tables with group-specified job category and setback adjustments.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

9. Pension Plans and Deferred Compensation Plan, continued:

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

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

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

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

The discount rate used to measure the TPL of PERS was 6.90 percent for the measurement date of June 30, 2021, and 7.20 percent for the measurement date of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, PERS' fiduciary net position was projected to be available to make all projected future benefit payments of current PERS members. Therefore, the long-term expected rate of return on PERS investments was applied to all periods of projected benefit payments to determine the TPL.

For fiscal 2022, the Port's $62,620,834 proportionate share of the NPL was calculated using the discount rate of 6.90 percent as of the measurement date of June 30, 2021. If a discount rate 1 percentage point lower (5.90 percent) were used in the calculation, it would result in an NPL for the Port of $122,972,339. If a discount rate 1 percentage point higher (7.90 percent) were used in the calculation, it would result in an NPL for the Port of $12,128,530. For fiscal 2021, the Port's $117,823,511 proportionate share of the NPL was calculated using the discount rate of 7.20 percent as of the measurement date of June 30, 2020. If a discount rate 1 percentage point lower (6.20 percent) were used in the calculation, it would result in an NPL for the Port of $174,958,182. If a discount rate 1 percentage point higher (8.20 percent) were used in the calculation, it would result in an NPL for the Port of $69,913,440.

To develop an analytical basis for the selection of the long-term expected rate of return assumption used in the calculation of the TPL at June 30, 2021 and 2020, the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors in 2021 and 2019, respectively. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

9. <u>Pension Plans and Deferred Compensation Plan</u>, continued:

Asset class	Target allocation	20-year annualized geometric mean
Global equity	30.62%	5.85%
Private equity	25.50%	7.71%
Core fixed income	23.75%	2.73%
Real estate	12.25%	5.66%
Master limited partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge fund of funds - multistrategy	1.25%	5.11%
Hedge fund equity - hedge	0.63%	5.31%
Hedge fund - macro	5.62%	5.06%
US Cash	-2.50% *	1.76%
Assumed inflation - mean	n/a	2.50%

* Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adapted at the OIC meeting on June 2, 2021.

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, 2021 and 2020, 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,	2021	2020	2021	2020
Differences between expected and actual experience	$ 3,918,474	$ 3,242,415		
Changes of assumptions	15,675,881	6,323,215	$ 164,803	$ 221,552
Net difference between projected and actual earnings on plan investments		13,854,514	46,357,719	
Differences between contributions and Port's proportionate share of system contributions	11,591,695	14,747,454	5,588,967	2,861,129
Total	$ 31,186,050	$ 38,167,598	$ 52,111,489	$ 3,082,681

Port employer contributions for PERS made after the measurement date are reported as deferred outflows on the balance sheet at June 30, 2022 and 2021 in the amount of $10,418,292 and $8,898,568, respectively; these contributions are recognized as a reduction in the Port's NPL in the ensuing year. $5,231,003 and $4,583,426 of the deferred outflows were applicable to the Airport at June 30, 2022 and 2021, respectively.

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

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources - Airport	Deferred Outflows/ (Inflows) of Resources - Marine & Other	Deferred Outflows/ (Inflows) of Resources - Total
2023	$ (1,349,414)	$ (1,445,339)	$ (2,794,753)
2024	(1,513,760)	(1,621,368)	(3,135,128)
2025	(2,291,946)	(2,454,872)	(4,746,818)
2026	(5,448,805)	(5,836,140)	(11,284,945)
2027	500,320	535,885	1,036,205
Total	$ (10,103,605)	$ (10,821,834)	$ (20,925,439)

9. Pension Plans and Deferred Compensation Plan, continued:

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 participating employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of an employee trust, held for the exclusive benefit of participants and their beneficiaries, and are not subject to the claims of the Port's general creditors. Employees in the Plan are able to direct their funds to any investment options available in the Plan, and the Port makes no contributions to, recognizes no expense and has no liability for, and has little administrative involvement with the Plan. The Port has concluded that the Plan does not meet the criteria to be reported as a fiduciary activity, and the Plan assets are not included in the Port's financial statements.

10. Postemployment Healthcare Benefits:

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

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 year is also considered to be a contribution from the Port.

At June 30, 2021, the following employees were covered by the benefits terms of the plan:

Inactive employees currently receiving benefit payments	44
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	708
	752

For the year ended June 30, 2022, the Port's total other postemployment benefit (OPEB) liability of $4,615,323 was determined based upon a July 1, 2021 actuarial valuation, measured as of June 30, 2022, with a reporting date of June 30, 2022; $2,407,377 of this OPEB liability was attributable to the Airport. The Port recognized OPEB benefit of $(7,196) in fiscal 2022, with $(21,125) of OPEB benefit applicable to the Airport. For the year ended June 30, 2021, the Port's total OPEB liability of $4,648,002 was determined based upon a July 1, 2021 actuarial valuation, measured as of June 30, 2021, with a reporting date of June 30, 2021; $2,463,153 of this OPEB liability was attributable to the Airport. The Port recognized OPEB expense of $194,905 in fiscal 2021, with $92,438 of OPEB expense applicable to the Airport.

The OPEB liability in the July 1, 2021 actuarial valuation measured as of June 30, 2022 and June 30, 2021 was determined using the following actuarial assumptions:

- A discount rate of 2.18 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2021
- A healthcare cost trend rate of 6.25 percent grading uniformly to 5.75 percent over 2 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 RP-2014 Mortality Table adjusted to 2006 with generational mortality improvement under Projection Scale MP-2020

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

Changes in the OPEB liability during fiscal 2022 are shown in the following table:

	Airport		Marine & Other		Total Port	
Balance at 6/30/2021	$	2,463,153	$	2,184,849	$	4,648,002
Service cost		114,283		83,470		197,753
Interest		51,361		47,106		98,467
Benefit payments		(221,420)		(107,479)		(328,899)
Net change		(55,776)		23,097		(32,679)
Balance at 6/30/2022	$	2,407,377	$	2,207,946	$	4,615,323

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		6.25% decreasing to 5.75% over 2 years, following the Getzen model thereafter		1% increase	
Total OPEB liability, 6/30/2022	$	4,088,152	$	4,615,323	$	5,236,054
Total OPEB liability, 6/30/2021	$	4,165,646	$	4,648,002	$	5,213,829

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 (1.18%)		Discount Rate (2.18%)		1% increase (3.18%)	
Total OPEB liability, 6/30/2022	$	5,046,064	$	4,615,323	$	4,221,533
Total OPEB liability, 6/30/2021	$	5,075,059	$	4,648,002	$	4,258,454

At June 30, 2022, there were deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources		Deferred inflows of resources	
Differences between expected and actual experience			$	1,792,770
Changes of assumptions	$	265,262		
Total	$	265,262	$	1,792,770

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	
2023	$	(186,770)	$	(116,646)	$	(303,416)
2024		(186,770)		(116,646)		(303,416)
2025		(186,770)		(116,645)		(303,415)
2026		(169,407)		(139,225)		(308,632)
2027		(169,403)		(139,226)		(308,629)
Total	$	(899,120)	$	(628,388)	$	(1,527,508)

11. Risk Management:

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

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

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

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

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

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
Beginning liability	$ 847,734	$ 733,083
Current year claims and changes in estimates	157,298	450,790
Claim payments	(342,546)	(336,139)
Ending liability	$ 662,486	$ 847,734

Approximately $428,858 and $533,950 of the liability was applicable to the Airport at June 30, 2022 and 2021, respectively.

12. Commitments and Contingencies:

At June 30, 2022, land acquisition and construction contract commitments aggregated approximately $319,300,000 for the Airport, $19,800,000 for Marine & Other, and $339,100,000 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 $1,900,000 for its estimated remaining share of the costs of these Portland Harbor investigative and remedial activities at June 30, 2022. 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

12. Commitments and Contingencies, continued:

activities on two of these sites. The Port has accrued approximately $24,000,000 and $2,000,000 in estimated costs for these cleanups at June 30, 2022. At another site, the Port has accrued approximately $29,500,000 in estimated remaining costs at June 30, 2022. 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.

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

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Environmental liabilities	$ 673,504	$ 148,799	$ (27,303)	$ 795,000
less: current portion	121,496		(136,496)	(15,000)
Long-term liability	$ 795,000	$ 148,799	$ (163,799)	$ 780,000
Marine & Other:				
Environmental liabilities	$ 70,946,083	$ 5,665,859	$ (10,840,915)	$ 65,771,027
less: current portion	(11,716,470)	(8,455,385)	9,138,079	(11,033,776)
Long-term liability	$ 59,229,613	$ (2,789,526)	$ (1,702,836)	$ 54,737,251

13. Tax Abatements:

The Port is subject to property tax abatements granted by counties within the Port District pursuant to State statute. Tax abatements granted within the Port District reduce the amount of property taxes collected under the Port's property tax levy in each county. Port property tax revenues were reduced by approximately $199,000 under agreements entered into by Multnomah County, $454,000 under agreements entered into by Clackamas County, and $1,043,000 under agreements entered into by Washington County.

14. Net Position Deficit and Budget Overexpenditures:

The Port has net position deficits of $156,405,439 and $123,845,561 in the Airport Revenue Fund and CFC Fund (funds within the Airport activity) as of June 30, 2022. These deficits exist because bond proceeds are recorded in or reimbursed to construction funds and related long-term debt is recorded in these funds.

In the General Fund, the Port overexpended two budget appropriation items. An overexpenditure of $2,584,382 in the Marine division resulted from higher labor costs associated with increased container volumes at Terminal 6, and an overexpenditure of $1,515,716 resulted from the revision of estimated environmental liabilities after the final budget appropriations were made for the fiscal year. The estimated environmental liability overexpenditure does not represent a cash overexpenditure. In the Airport PFC Fund, the Port overexpended one budget appropriation item by $292,047 as a result of issuance costs incurred when refinancing a debt obligation to obtain a more favorable interest rate; in the Airport PFC Bond Fund, the Port overexpended the long-term debt payments appropriation by $64,515,170, also as a result of refinancing a debt obligation to obtain a more favorable interest rate. Such expenditures of bond proceeds issued to refund previously issued bonds are allowed for under ORS 294.338(4)c.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2022	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ 4,648,002	$ 6,619,654	$ 6,477,793	$ 6,283,870	$ 6,318,267	$ 6,332,670
Service cost	197,753	310,168	295,398	281,331	146,462	139,488
Interest	98,467	188,153	179,675	186,044	190,716	191,760
Differences between expected and actual experience		(2,283,987)		(376,487)		
Changes of assumptions		123,566		413,000		
Benefit payments	(328,899)	(309,552)	(333,212)	(309,965)	(371,575)	(345,651)
Net change	(32,679)	(1,971,652)	141,861	193,923	(34,397)	(14,403)
Total OPEB liability - ending	$ 4,615,323	$ 4,648,002	$ 6,619,654	$ 6,477,793	$ 6,283,870	$ 6,318,267
Covered-employee payroll	$ 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	8.5%	8.5%	11.4%	11.2%	10.1%	10.1%

Notes to Schedule:

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

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (ASSET)

Measurement date as-of June 30,	**2021**	**2020**	**2019**	**2018**	**2017**
Port share of Net Pension Liability (Asset) - percentage	0.523302%	0.539894%	0.656754%	0.659650%	0.643710%
Port share of Net Pension Liability (Asset) - amount [A]	$ 62,620,834	$ 117,823,511	$ 113,602,700	$ 99,928,241	$ 86,772,304
Port covered-employee payroll [B]	$ 72,503,000	$ 76,097,000	$ 72,101,000	$ 71,239,000	$ 70,942,000
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	86.4%	154.8%	157.6%	140.3%	122.3%
PERS fiduciary net position as a percentage of TPL	87.6%	75.8%	80.2%	82.1%	83.1%

Measurement date as-of June 30,	**2016**	**2015**	**2014**	**2013**
Port share of Net Pension Liability (Asset) - percentage	0.687390%	0.627646%	0.636022%	0.636022%
Port share of Net Pension Liability (Asset) - amount [A]	$ 103,193,124	$ 36,036,033	$ (14,416,804)	$ 32,457,134
Port covered-employee payroll [B]	$ 66,585,000	$ 66,637,000	$ 61,267,000	$ 60,855,267
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	155.0%	54.1%	-23.5%	53.3%
PERS fiduciary net position as a percentage of TPL	80.5%	91.9%	103.6%	92.0%

THE PORT OF PORTLAND

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

Fiscal Year:	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016 [1]**	**2015**	**2014**	**2013**
Actuarially Determined Contribution	$ 10,418	$ 8,899	$ 10,871	$ 8,714	$ 8,143	$ 5,549	$ 5,549	$ 5,332	$ 4,831	$ 5,030
Contribution in relation to Actuarially Determined Contribution	$ 10,418	$ 8,899	$ 10,871	$ 8,714	$ 8,143	$ 5,549	$ 5,549	$ 5,332	$ 4,831	$ 5,030
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 73,197	$ 72,503	$ 76,097	$ 72,101	$ 71,239	$ 70,942	$ 66,585	$ 66,637	$ 61,267	$ 60,855
Contribution as a percentage of Covered Employee Payroll	14.2%	12.3%	14.3%	12.1%	11.4%	7.8%	8.3%	8.0%	7.9%	8.3%

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

SUPPLEMENTARY INFORMATION

(UNAUDITED)

The Port of Portland 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
PORTLAND INTERNATIONAL AIRPORT
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE CONTRIBUTIONS AND TRANSFERS
for the year ended June 30, 2022

	Budgetary Basis *		Excess
	Revenues	Expenditures	Revenues (Expenditures)
Port Funds:			
General Fund	$ 144,179,208	$ 153,155,683	$ (8,976,475)
Bond Construction Fund	17,399,395	14,823,094	2,576,301
Airport Revenue Fund	589,129,951	117,374,520	471,755,431
Airport Revenue Bond Fund	33,037,599	95,692,192	(62,654,593)
Airport Construction Fund	324,446,458	393,306,885	(68,860,427)
PFC Fund	26,745,413	342,047	26,403,366
PFC Bond Fund	62,894,612	79,160,383	(16,265,771)
CFC Fund	13,554,786	19,500	13,535,286
CFC Bond Fund	6,859	9,523,659	(9,516,800)
Totals - budgetary reporting basis	$ 1,211,394,281	$ 863,397,963	347,996,318
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			403,886,583
Internal costs on capital projects			20,348,978
Depreciation and amortization expense			(120,154,438)
Expenses that will be expended in future years			5,274,314
Contributions from governmental agencies			1,668,678
Bond sale proceeds			(674,979,207)
Bond and contract payable principal expenditures			135,441,105
Change in unearned revenues and certain noncurrent receivables			(31,489,667)
Difference between income and proceeds from sales of land			(2,255,838)
Noncash pension and OPEB expense			1,048,138
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,231,505)
Amortization of deferred lease inflows			5,063,666
Noncash derivative instrument interest			2,506,000
Other			359,681
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			$ 92,482,806

* 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, 2022

	Budgetary Basis *		Excess Revenues
	Revenues	Expenditures	(Expenditures)
Airport Funds:			
Airport Revenue Fund	$ 589,129,951	$ 117,374,520	$ 471,755,431
Airport Revenue Bond Fund	33,037,599	95,692,192	(62,654,593)
Airport Construction Fund	324,446,458	393,306,885	(68,860,427)
PFC Fund	26,745,413	342,047	26,403,366
PFC Bond Fund	62,894,612	79,160,383	(16,265,771)
CFC Fund	13,554,786	19,500	13,535,286
CFC Bond Fund	6,859	9,523,659	(9,516,800)
Totals - budgetary reporting basis	$ 1,049,815,678	$ 695,419,186	354,396,492
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			389,220,709
Internal costs on capital projects			4,713,208
Depreciation and amortization expense			(101,582,402)
Expenses that will be expended in future years			781,952
Bond sale proceeds			(674,979,207)
Bond principal expenditures			126,932,583
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,376,785)
Amortization of deferred lease inflows			1,795,755
Allocation of pension debt service			(4,375,128)
Change in unearned revenues and certain noncurrent receivables			(27,063,303)
Intra-Port services received, provided, and overhead			(27,136,499)
Intra-Port asset transfer			(2,236,599)
Noncash derivative instrument interest			2,506,000
Other			766,657
Income before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Position			$ 41,363,433

* 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, 2022

	Resources				Over
	Original	Transfers In (Out)	Revised	Actual	(Under) Budget
REVENUES:					
Operating revenues:					
Administration	$ 260,000		$ 260,000	$ 174,663	$ (85,337)
Marine	46,173,920	$ 13,000,000	59,173,920	66,581,032	7,407,112
Trade and Equitable Development	7,138,848	18,000,000	25,138,848	25,114,969	(23,879)
Navigation	22,848,694		22,848,694	19,335,059	(3,513,635)
General Aviation	3,624,504		3,624,504	3,998,634	374,130
	80,045,966	31,000,000	111,045,966	115,204,357	4,158,391
Fixed asset sales and other	23,000,000	5,000,000	28,000,000	31,847,838	3,847,838
Interest	1,682,974		1,682,974	(2,872,987)	(4,555,961)
Total revenues	104,728,940	36,000,000	140,728,940	144,179,208	3,450,268
TRANSFERS FROM OTHER FUNDS:					
Bond Construction Fund	3,692,237		3,692,237	3,249,315	(442,922)
Airport Construction Fund	12,204,529	2,500,000	14,704,529	12,386,453	(2,318,076)
Airport Revenue Fund	37,300,582		37,300,582	35,247,196	(2,053,386)
Total transfers	53,197,348	2,500,000	55,697,348	50,882,964	(4,814,384)
Total revenues and transfers	157,926,288	38,500,000	196,426,288	195,062,172	(1,364,116)
BEGINNING WORKING CAPITAL	206,643,289		206,643,289	220,922,334	14,279,045
Total resources	$ 364,569,577	$ 38,500,000	$ 403,069,577	$ 415,984,506	$ 12,914,929

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS), Continued
for the year ended June 30, 2022

	Appropriations				(Over)
		Transfers			Under
	Original	In (Out)	Revised	Actual	Budget
EXPENDITURES:					
Administration	$ 57,966,196	$ (3,300,000)	$ 54,666,196	$ 51,227,794	$ 3,438,402
Marine	42,202,998	12,000,000	54,202,998	56,787,380	(2,584,382)
Trade and Equitable Development	7,038,690	2,200,000	9,238,690	8,175,495	1,063,195
Navigation	14,412,239		14,412,239	13,273,551	1,138,688
General Aviation	2,752,954	300,000	3,052,954	2,968,740	84,214
Long-term debt payments	12,391,220		12,391,220	12,314,497	76,723
System development charges/other	2,885,000		2,885,000		2,885,000
Other environmental	5,292,510	1,600,000	6,892,510	8,408,226	(1,515,716)
Contingencies	191,426,564	25,700,000	217,126,564		217,126,564
Total expenditures	336,368,371	38,500,000	374,868,371	153,155,683	221,712,688
TRANSFERS TO OTHER FUNDS:					
Bond Construction Fund	27,794,984		27,794,984	5,000,000	22,794,984
Airport Revenue Fund	406,222		406,222	1,047,374	(641,152)
Total transfers	28,201,206		28,201,206	6,047,374	22,153,832
Total expenditures and transfers	$ 364,569,577	$ 38,500,000	$ 403,069,577	159,203,057	$ 243,866,520
ENDING WORKING CAPITAL				$ 256,781,449	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
BOND CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 53,463	$ (18,932)	$ (72,395)
Grants	10,673,231	3,093,523	(7,579,708)
	10,726,694	3,074,591	(7,652,103)
Tax and tax items:			
Current property tax levy - net	13,484,340	14,348,615	864,275
Interest on taxes	10,000	(23,811)	(33,811)
	13,494,340	14,324,804	830,464
Total revenues	24,221,034	17,399,395	(6,821,639)
TRANSFERS FROM OTHER FUNDS:			
General Fund	27,794,984	5,000,000	(22,794,984)
Airport Revenue Fund	2,048,187	3,779,742	1,731,555
Total transfers	29,843,171	8,779,742	(21,063,429)
BEGINNING WORKING CAPITAL	10,000,000	6,938,635	(3,061,365)
Total resources	$ 64,064,205	33,117,772	$ (30,946,433)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Capital outlay	$ 50,348,615	14,823,094	$ 35,525,521
Contingencies	10,000,000		10,000,000
Total expenditures	60,348,615	14,823,094	45,525,521
TRANSFERS TO OTHER FUNDS:			
General Fund	3,715,590	3,249,315	466,275
Airport Revenue Fund		3,522	(3,522)
Total transfers	3,715,590	3,252,837	462,753
Total expenditures and transfers	$ 64,064,205	18,075,931	$ 45,988,274
ENDING WORKING CAPITAL		$ 15,041,841	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Operating revenue - Portland International Airport	$ 271,845,355		$ 271,845,355	$ 284,393,426	$ 12,548,071
Interest and other	1,986,900		1,986,900	27,600,380	25,613,480
Bond issuance	195,000,000		195,000,000	252,018,227	57,018,227
Grants		$ 25,000,000	25,000,000	25,117,918	117,918
Total revenues	468,832,255	25,000,000	493,832,255	589,129,951	95,297,696
TRANSFERS FROM OTHER FUNDS:					
General Fund	406,222		406,222	1,047,374	641,152
Bond Construction Fund	23,352		23,352	3,522	(19,830)
Airport Construction Fund	296,241,785		296,241,785	5,800,936	(290,440,849)
Total transfers	296,671,359		296,671,359	6,851,832	(289,819,527)
Total revenues and transfers	765,503,614	25,000,000	790,503,614	595,981,783	(194,521,831)
BEGINNING WORKING CAPITAL	129,855,000		129,855,000	110,343,557	(19,511,443)
Total resources	$ 895,358,614	$ 25,000,000	$ 920,358,614	706,325,340	$ (214,033,274)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Operating expenditures	$ 118,603,135		$ 118,603,135	117,135,201	$ 1,467,934
Commercial paper debt service payments	291,000,000		291,000,000	104,064	290,895,936
Other	209,776		209,776	135,255	74,521
Contingencies	129,855,000	$ 25,000,000	154,855,000		154,855,000
Total expenditures	539,667,911	25,000,000	564,667,911	117,374,520	447,293,391
TRANSFERS TO OTHER FUNDS:					
General Fund	37,300,582		37,300,582	35,247,196	2,053,386
Bond Construction Fund	2,048,187		2,048,187	3,779,742	(1,731,555)
Airport Construction Fund	235,371,565		235,371,565	191,163,733	44,207,832
Airport Revenue Bond Fund	80,970,369		80,970,369	80,577,206	393,163
Total transfers	355,690,703		355,690,703	310,767,877	44,922,826
Total expenditures and transfers	$ 895,358,614	$ 25,000,000	$ 920,358,614	428,142,397	$ 492,216,217
ENDING WORKING CAPITAL				$ 278,182,943	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT REVENUE BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 46,243	$ 109,599	$ 63,356
Bond sale and other debt proceeds	37,000,000	32,928,000	(4,072,000)
Total revenues	37,046,243	33,037,599	(4,008,644)
TRANSFERS FROM OTHER FUNDS:			
Airport Revenue Fund	80,970,369	80,577,206	(393,163)
Airport Construction Fund	17,741,736	15,157,484	(2,584,252)
Total transfers	98,712,105	95,734,690	(2,977,415)
Total revenues and transfers	135,758,348	128,772,289	(6,986,059)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	63,710,550	63,247,326	(463,224)
Total resources	$ 199,468,898	192,019,615	$ (7,449,283)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 98,758,348	95,692,192	$ 3,066,156
Total expenditures	98,758,348	95,692,192	$ 3,066,156
UNAPPROPRIATED BALANCE	100,710,550		
	$ 199,468,898		
ENDING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE		$ 96,327,423	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Grants				$ 237,799	$ 237,799
Interest and other	$ 346,425		$ 346,425	(3,944,308)	(4,290,733)
Bond and Other Debt Proceeds	588,000,000		588,000,000	328,152,967	(259,847,033)
Total revenues	588,346,425		588,346,425	324,446,458	(263,899,967)
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	235,371,565		235,371,565	191,163,733	(44,207,832)
CFC Fund	17,600,000		17,600,000	18,070,858	470,858
Total transfers	252,971,565		252,971,565	209,234,591	(43,736,974)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	228,419,844		228,419,844	101,685,182	(126,734,662)
Total resources	$ 1,069,737,834		$ 1,069,737,834	635,366,231	$ (434,371,603)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Capital outlay	$ 429,872,620	$ 12,000,000	$ 441,872,620	391,951,523	$ 49,921,097
Bond issue costs/other	2,150,000		2,150,000	1,355,362	794,638
Contingencies	311,527,164	(14,500,000)	297,027,164		297,027,164
Total expenditures	743,549,784	(2,500,000)	741,049,784	393,306,885	347,742,899
TRANSFERS TO OTHER FUNDS:					
General Fund	12,204,529	2,500,000	14,704,529	12,386,453	2,318,076
Airport Revenue Fund	296,241,785		296,241,785	5,800,936	290,440,849
Airport Revenue Bond Fund	17,741,736		17,741,736	15,157,484	2,584,252
Total transfers	326,188,050	2,500,000	328,688,050	33,344,873	295,343,177
Total expenditures and transfers	$ 1,069,737,834	$	$ 1,069,737,834	426,651,758	$ 643,086,076
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION				$ 208,714,473	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 602,398	$ (1,154,702)	$ (1,757,100)
Bond sale and other debt proceeds		360,366	360,366
Passenger facility charges	24,338,160	27,539,749	3,201,589
Total revenues	24,940,558	26,745,413	1,804,855
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	74,974,483	82,292,649	7,318,166
Total resources	$ 99,915,041	109,038,062	$ 9,123,021

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Other	$ 50,000	342,047	$ (292,047)
Contingencies	85,249,910		85,249,910
Total expenditures	85,299,910	342,047	84,957,863
TRANSFERS TO OTHER FUNDS:			
PFC Bond Fund	14,615,131	14,087,397	527,734
Total transfers	14,615,131	14,087,397	527,734
Total expenditures and transfers	$ 99,915,041	14,429,444	$ 85,485,597
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 94,608,618	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Bond sale proceeds		$ 62,875,009	$ 62,875,009
Interest and other	$ 10,082	19,603	9,521
Total revenues	10,082	62,894,612	62,884,530
TRANSFERS FROM OTHER FUNDS:			
PFC Fund	14,615,131	14,087,397	(527,734)
BEGINNING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	14,625,602	14,302,801	(322,801)
Total resources	$ 29,250,815	91,284,810	$ 62,033,995

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 14,645,213	79,160,383	$ (64,515,170)
Total expenditures	14,645,213	79,160,383	$ (64,515,170)
UNAPPROPRIATED BALANCE	14,605,602		
	$ 29,250,815		
ENDING RESTRICTED ASSETS AVAILABLE FOR FUTURE DEBT SERVICE		$ 12,124,427	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 191,174	$ (457,062)	$ (648,236)
Customer facility charges	11,656,434	14,011,848	2,355,414
Total revenues	11,847,608	13,554,786	1,707,178
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	92,417,855	43,772,871	(48,644,984)
Total resources	104,265,463	57,327,657	$ (46,937,806)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Bank fees and other	$ 30,000	19,500	$ 10,500
Contingencies	77,118,286		77,118,286
Total expenditures	77,148,286	19,500	77,128,786
TRANSFERS TO OTHER FUNDS:			
Airport Construction Fund	17,600,000	18,070,858	(470,858)
CFC Bond Fund	9,517,177	9,522,860	(5,683)
Total transfers	27,117,177	27,593,718	(476,541)
UNAPPROPRIATED BALANCE			
Total expenditures and transfers	$ 104,265,463	27,613,218	$ 76,652,245
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 29,714,439	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2022

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 6,483	$ 6,859	$ 376
Total revenues	6,483	6,859	376
TRANSFERS FROM OTHER FUNDS:			
CFC Fund	9,517,177	9,522,860	5,683
Total transfers	9,517,177	9,522,860	5,683
Total revenues and transfers	9,523,660	9,529,719	6,059
BEGINNING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION	9,783,499	9,755,605	(27,894)
Total resources	$ 19,307,159	19,285,324	$ (21,835)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 9,523,660	9,523,659	$ 1
Total expenditures	9,523,660	9,523,659	$ 1
UNAPPROPRIATED BALANCE	9,783,499		
Total expenditures and transfers	$ 19,307,159		
ENDING RESTRICTED ASSETS AVAILABLE FOR APPROPRIATION		$ 9,761,665	

THE PORT OF PORTLAND
COMBINING BALANCE SHEET – ALL FUNDS
June 30, 2022

		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	$ 108,011,725	$ 107,973,485	$ 107,934,035	$ 39,450	$ 38,240	$ 38,240						
Equity in pooled investments	421,789,183	171,930,791	156,405,048	15,525,743	249,858,392	249,858,392						
Restricted cash and equity in pooled investments	114,247,519				114,247,519		$ 70,321,624	$ 26,907,479	$ 226,644	$ 10,364,942		$ 6,426,830
Receivables, net of allowance for doubtful accounts	54,090,363	28,301,396	27,001,122	1,300,274	25,788,967	25,788,967						
Lease receivable	39,461,020	10,320,258	10,320,258		29,140,762	29,140,762						
Prepaid insurance and other assets	7,481,833	2,576,402	2,373,061	203,341	4,905,431	4,905,431						
Total current assets	745,081,643	321,102,332	304,033,524	17,068,808	423,979,311	309,731,792	70,321,624	26,907,479	226,644	10,364,942		6,426,830
Noncurrent assets:												
Restricted assets:												
Cash and equity in pooled investments	478,941,734	9,986,308	9,986,308		468,955,426	23,344,680	96,327,423	207,111,335	92,134,314	12,124,427	$ 28,151,582	9,761,665
Receivables	5,282,402				5,282,402			1,245,241	2,474,304		1,562,857	
Contract retainage deposits	357,897				357,897			357,897				
Total restricted assets	484,582,033	9,986,308	9,986,308		474,595,725	23,344,680	96,327,423	208,714,473	94,608,618	12,124,427	29,714,439	9,761,665
Land held for sale	41,729,187	41,729,187	38,740,557	2,988,630								
Depreciable properties, net of accumulated depreciation and amortization	1,493,305,469	142,438,198	142,438,198		1,350,867,271	1,350,867,271						
Nondepreciable properties	1,203,692,526	132,495,429	81,162,080	51,333,349	1,071,197,097	68,042,167		1,003,154,930				
Lease receivable	424,931,774	195,377,541	195,377,541		229,554,233	229,554,233						
Due from other funds		21,985,841 *	21,985,841 *									
Unamortized bond issue costs and other noncurrent assets	6,570,807	6,317,427	6,317,427		253,380	214,070			39,310			
Total noncurrent assets	3,654,811,796	550,329,931	496,007,952	54,321,979	3,126,467,706	1,672,022,421	96,327,423	1,211,869,403	94,647,928	12,124,427	29,714,439	9,761,665
Deferred outflows of resources:												
Deferred charges on refunding bonds	12,503,375				12,503,375	10,050,401			2,452,974			
Deferred charges on pensions and OPEB	41,869,604	21,056,212	21,056,212		20,813,392	20,813,392						
Total deferred outflows of resources	54,372,979	21,056,212	21,056,212		33,316,767	30,863,793			2,452,974			
Total assets	$ 4,454,266,418	$ 892,488,475	$ 821,097,688	$ 71,390,787	$ 3,583,763,784	$ 2,012,618,006	$ 166,649,047	$ 1,238,776,882	$ 97,327,546	$ 22,489,369	$ 29,714,439	$ 16,188,495
LIABILITIES												
Current liabilities (payable from current assets):												
Current portion of long-term debt	$ 7,765,822	$ 7,765,822	$ 7,765,822									
Accounts payable, lease and other accrued liabilities	51,313,284	28,717,059	26,690,092	$ 2,026,967	$ 22,596,225	$ 22,596,225						
Accrued wages, vacation and sick leave pay	13,298,887	6,338,916	6,338,916		6,959,971	6,959,971						
Workers' compensation and other accrued liabilities	8,449,898	6,457,245	6,457,245		1,992,653	1,992,653						
Total current liabilities (payable from current assets)	80,827,891	49,279,042	47,252,075	2,026,967	31,548,849	31,548,849						
Restricted liabilities (payable from restricted assets):												
Current portion of long-term debt and other	50,025,825				50,025,825		$ 37,205,431		$ 225,394	$ 9,265,000		$ 3,330,000
Accrued interest payable	37,312,965				37,312,965		33,116,193			1,099,942		3,096,830
Accounts payable	26,172,440				26,172,440			$ 26,171,190	1,250			
Contract retainage payable	736,289				736,289			736,289				
Total restricted current liabilities (payable from restricted assets)	114,247,519				114,247,519		70,321,624	26,907,479	226,644	10,364,942		6,426,830
Total current liabilities	195,075,410	49,279,042	47,252,075	2,026,967	145,796,368	31,548,849	70,321,624	26,907,479	226,644	10,364,942		6,426,830
Noncurrent liabilities:												
Long-term environmental and other accruals	58,596,225	55,424,942	55,424,942		3,171,283	1,136,283	1,492,000		543,000			
Long-term debt	2,030,227,825	48,787,791	48,787,791		1,981,440,034	1,743,001,498			84,878,536		$ 153,560,000	
Unearned revenue and other	66,277,173	24,502,203	24,502,203		41,774,970	41,347,809	315,006		112,155			
Net pension and OPEB liability	67,236,155	19,384,425	19,384,425		47,851,730	47,851,730						
Due to other funds					21,985,841 *	21,985,841 *						
Total noncurrent liabilities	2,222,337,378	148,099,361	148,099,361		2,096,223,858	1,855,323,161	1,807,006		85,533,691		153,560,000	
Deferred inflows of resources:												
Deferred lease inflows	454,123,388	198,557,068	198,557,068		255,566,320	255,566,320						
Deferred pension inflows and other deferred inflows of resources	54,624,407	28,039,292	28,039,292		26,585,115	26,585,115						
Total deferred inflows of resources	508,747,795	226,596,360	226,596,360		282,151,435	282,151,435						
Total liabilities	2,926,160,583	423,974,763	421,947,796	2,026,967	2,524,171,661	2,169,023,445	72,128,630	26,907,479	85,760,335	10,364,942	153,560,000	6,426,830
NET POSITION												
Net investment in capital assets	802,104,554	305,188,556	250,866,577	54,321,979	496,915,998	(333,100,809)	(38,467,000)	1,117,568,059	(82,929,252)	(9,265,000)	(153,560,000)	(3,330,000)
Restricted for capital and debt service	397,237,154	9,986,308	9,986,308		387,250,846	1,270,091	132,987,417	94,301,344	94,496,463	21,389,427	29,714,439	13,091,665
Unrestricted	328,764,127	153,338,848	138,297,007	15,041,841	175,425,279	175,425,279						
Total net position	1,528,105,835	468,513,712	399,149,892	69,363,820	1,059,592,123	(156,405,439)	94,520,417	1,211,869,403	11,567,211	12,124,427	(123,845,561)	9,761,665
Total liabilities and net position	$ 4,454,266,418	$ 892,488,475	$ 821,097,688	$ 71,390,787	$ 3,583,763,784	$ 2,012,618,006	$ 166,649,047	$ 1,238,776,882	$ 97,327,546	$ 22,489,369	$ 29,714,439	$ 16,188,495

* Amount eliminated in the Combined All Funds column.

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF NET REVENUES
for the year ended June 30, 2022

Operating revenues:	
Airline revenues	$ 148,666,178
Concessions and other rentals	133,149,188
Other	28,026,520
	309,841,886
Interest income - revenue fund and revenue bond fund	(5,216,509)
	304,625,377
Costs of operation and maintenance, excluding depreciation:	
Salaries, wages and fringe benefits	56,595,632
Contract, professional and consulting services	37,626,667
Materials and supplies	4,934,193
Utilities	10,342,110
Equipment rents, repair and fuel	1,368,668
Insurance	3,732,395
Lease and rent	19,970
Travel and management expense	1,778,221
Allocation of general and administration expense of the Port of Portland	24,076,523
Other	2,699,897
	143,174,276
Net revenues, as defined by Section 2(r) of Ordinance No. 155 *	$ 161,451,101

* 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
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF COMPLIANCE WITH ORDINANCE NOS. 155 AND 323
DEBT SERVICE COVERAGE REQUIREMENTS
for the year ended June 30, 2022

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		$ 161,451,101
SLB debt service requirement:		
Interest and principal amount	$ 79,537,282	
	x 130%	
Total net revenues required		103,398,467
Excess of net revenues over 130% of SLB debt service requirement		$ 58,052,634

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		$ 58,052,634
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		$ 58,052,634

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		$ 58,052,634
Other amounts available to pay other swap obligations		
Total available to pay Other Obligations		58,052,634
Other swap obligations	$	
Junior lien obligations		
Total Other Obligations		
Excess amount over 130% of SLB debt service requirement, 100% of excess principal requirement, and Other Obligations		$ 58,052,634

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF REVENUE BOND
CONSTRUCTION ACCOUNT ACTIVITY
for the year ended June 30, 2022

	Bond Proceeds Portion	Capitalized Interest Portion
Construction account, June 30, 2021	$ 75,467,102	$ 15,973,048
Bond sale proceeds	200,285,698	49,171,428
Interest income	314,042	120,888
	276,066,842	65,265,364
Construction expenditures	210,957,905	
Issuance expenditures	420,983	
Transfers to revenue bond fund		15,540,189
Construction account, June 30, 2022	$ 64,687,954	$ 49,725,175

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

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
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, 2022

Net revenues, per accompanying schedule of net revenues	$ 161,451,101	
Less revenue bond fund interest income	1,382,401	
Applied to General Account, available to be applied to debt service of bonds	$ 162,833,502	(1)
Bond debt service requirement, per accompanying schedule of compliance with Ordinance Nos. 155 and 323	$ 79,537,282	(2)
Ratio (1)/(2)	2.05	
Required ratio	1.30	

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

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF PASSENGER FACILITY CHARGE ACTIVITY
for the year ended June 30, 2022

	First Lien Bond Account	First Lien Reserve Account	Capital Account
Balances at June 30, 2021	$ 102,092	$ 14,200,709	$ 82,292,649
PFC revenues:			
PFC bond account	14,087,397		
Capital account			13,452,352
Interest earnings		19,604	(1,259,631)
Transfer from reserve account to bond account	2,124,276	(2,124,276)	
PFC Bond 2022A Issuance Proceeds	62,875,009		
Bond payments to trustee	(79,160,383)		
Other, net			123,248
Balances at June 30, 2022	$ 28,391	$ 12,096,037	$ 94,608,618

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

THE PORT OF PORTLAND
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
for the year ended June 30, 2022

Fiscal Year	Property Taxes Receivable June 30, 2021	Current Levy as Extended by Assessors	Deduct Cash Collections	Deduct Discounts Allowed	Cancellations and Adjustments	Property Taxes Receivable June 30, 2022	Interest Collected
2021-22		$ 14,792,001	$ (14,168,135)	$ (294,013)	$ (140,716)	$ 189,137	$ 4,343
2020-21	$ 178,617		(100,116)		(9,181)	69,320	4,948
2019-20	71,954		(32,896)		(606)	38,452	4,165
2018-19	33,711		(20,371)		(15)	13,325	4,158
2017-18	13,621		(10,132)		547	4,036	2,522
2016-17 and prior	22,399		(3,979)		598	19,017	950
	$ 320,302	$ 14,792,001	$ (14,335,629)	$ (294,013)	$ (149,373)	$ 333,288	$ 21,086

Reconciliation to income from property taxes:

Current levy	$ 14,792,001
Deduct discounts allowed	(294,013)
Cancellations and adjustments	(149,373)
	$ 14,348,615

THE PORT OF PORTLAND

SCHEDULE OF BOND AND OTHER LONG-TERM DEBT PRINCIPAL TRANSACTIONS – BY SERIES

FOR THE YEAR ENDED JUNE 30, 2022

	Maturity Date	Outstanding at June 30, 2021	2021-2022 Transactions: Issued	2021-2022 Transactions: Matured	2021-2022 Transactions: Redeemed	Outstanding June 30, 2022: Total	Outstanding June 30, 2022: Due Within One Year
LIMITED TAX PENSION BONDS:							
Series 2002B, 6.60% to 6.85%	06/01/28	$ 39,565,000		$ 4,240,000	$ 4,240,000	$ 35,325,000	$ 4,840,000
Series 2005, 4.00% to 5.50%	06/01/28	11,765,000		1,365,000	1,365,000	10,400,000	1,510,000
Total Limited Tax Pension Bonds		51,330,000		5,605,000	5,605,000	45,725,000	6,350,000
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:							
Series 18A, 1.21% *	07/01/26	22,680,000		5,155,000	5,155,000	17,525,000	3,295,000
Series 18B, 1.06% *	07/01/26	22,685,000		5,155,000	5,155,000	17,530,000	3,295,000
Series 21C, 4.375% to 5.00%	07/01/23	17,395,000		5,560,000	5,560,000	11,835,000	5,785,000
Series 22, 4.00% to 5.00%	07/01/44	86,420,000		1,940,000	1,940,000	84,480,000	2,040,000
Series 23, 5.00%	07/01/38	99,780,000		3,545,000	3,545,000	96,235,000	3,720,000
Series 24A, 5.00%	07/01/47	21,965,000				21,965,000	
Series 24B, 5.00%	07/01/47	205,855,000		4,170,000	4,170,000	201,685,000	4,375,000
Series 25A, 5.00%	07/01/49	21,825,000				21,825,000	
Series 25B, 5.00%	07/01/49	185,900,000		560,000	560,000	185,340,000	2,325,000
Series 26A, 4.00% to 5.00%	07/01/40	12,265,000		605,000	605,000	11,660,000	630,000
Series 26B, 5.00%	07/01/40	14,460,000		25,000	25,000	14,435,000	25,000
Series 26C, 5.00%	07/01/28	46,000,000		5,560,000	5,560,000	40,440,000	5,835,000
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	22,925,000				22,925,000	5,650,000
Series 28, 4.00% to 5.00%	07/01/52		$ 527,005,000			527,005,000	
Total Portland Int'l Airport Revenue Bonds		1,069,690,000	527,005,000	32,275,000	32,275,000	1,564,420,000	36,975,000
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:							
Series 2011A, 2.50% to 5.50%	07/01/31	65,305,000		125,000	65,305,000		
Series 2012A, 1.908% *	07/01/24	38,080,000		8,805,000	8,805,000	29,275,000	9,265,000
Series 2022A, 5.00% *	07/01/31		51,620,000			51,620,000	
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds		103,385,000	51,620,000	8,930,000	74,110,000	80,895,000	9,265,000
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:							
Series 2019, 2.635% to 4.237%	07/01/49	160,130,000		3,240,000	3,240,000	156,890,000	3,330,000
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds		160,130,000		3,240,000	3,240,000	156,890,000	3,330,000
Total Port Bonds		$ 1,384,535,000	$ 578,625,000	$ 50,050,000	$ 115,230,000	$ 1,847,930,000	$ 55,920,000
CONTRACTS & LOANS PAYABLE:							
Oregon Department of Transportation, MMTF-0003, 0%	07/01/22	$ 742,700		$ 742,700	$ 742,700		
Oregon Business Development Dept., B08005, 5.00%	12/01/30	3,973,329		328,930	328,930	$ 3,644,399	$ 331,627
Oregon Business Development Dept., Strategic Reserve Fund, 0%	03/31/22	500,000		500,000	500,000		
Banc of America Leasing & Capital, LLC, 4.5%	06/01/28	8,220,789		1,036,575	1,036,575	7,184,214	1,084,195
Total Contracts & Loans Payable		$ 13,436,818		$ 2,608,205	$ 2,608,205	$ 10,828,613	$ 1,415,822
TOTAL PORT LONG-TERM DEBT		$ 1,397,971,818	$ 578,625,000	$ 52,658,205	$ 117,838,205	$ 1,858,758,613	$ 57,335,822

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

* Interest rate at June 30, 2022. 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, 2022

	Outstanding at June 30, 2021	2021 - 22 Transactions: Issued	2021 - 22 Transactions: Interest Matured and Paid	2021 - 22 Transactions: Interest Fluctuations and Redemptions	Outstanding at June 30, 2022	Maturing Within One Year
LIMITED TAX PENSION BONDS:						
Series 2002B, 6.60% to 6.85%	$ 11,239,081		$ 2,694,690		$ 8,544,391	$ 2,404,250
Series 2005, 4.00% to 5.50%	2,411,679		588,721		1,822,958	520,416
Total Limited Tax Pension Bonds	13,650,760		3,283,411		10,367,349	2,924,666
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:						
Series 18A, 1.21% *	60,624		37,686	$ (619,573)	642,511	212,053
Series 18B, 1.06% *	53,066		36,714	(546,720)	563,072	185,818
Series 21C, 4.375% to 5.00%	1,255,432		681,363		574,069	426,100
Series 22, 4.00% to 5.00%	61,725,750		4,272,500		57,453,250	4,173,000
Series 23, 5.00%	51,373,750		4,900,375		46,473,375	4,718,750
Series 24A, 5.00%	27,013,875		1,098,250		25,915,625	1,098,250
Series 24B, 5.00%	159,537,875		10,188,500		149,349,375	9,974,875
Series 25A, 5.00%	29,024,625		1,091,250		27,933,375	1,091,250
Series 25B, 5.00%	159,394,750		9,281,000		150,113,750	9,208,875
Series 26A, 4.00% to 5.00%	5,244,200		556,075		4,688,125	525,200
Series 26B, 5.00%	9,121,750		722,375		8,399,375	721,125
Series 26C, 5.00%	9,301,500		2,161,000		7,140,500	1,876,125
Series 27A, 4.00% to 5.00%	260,517,725		13,418,950		247,098,775	13,418,950
Series 27B, 0.80% to 1.30%	792,648		246,935		545,713	224,335
Series 28, 4.00% to 5.00%		$ 461,239,832			461,239,832	20,916,107
Total Portland Int'l Airport Revenue Bonds	774,417,570	461,239,832	48,692,973	(1,166,293)	1,188,130,722	68,770,813
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:						
Series 2011A, 2.50% to 5.50%	26,113,075		3,377,244	22,735,831		
Series 2012A, 1.908% *	632,220		227,942	(731,794)	1,136,072	558,544
Series 2022A, 5.00%		18,865,706			18,865,706	2,251,206
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds	26,745,295	18,865,706	3,605,186	22,004,037	20,001,778	2,809,750
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:						
Series 2019, 2.635% to 4.237%	112,898,857		6,237,578		106,661,279	6,147,556
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds	112,898,857		6,237,578		106,661,279	6,147,556
Total Port Bonds	$ 927,712,482	$ 480,105,538	$ 61,819,148	$ 20,837,744	$ 1,325,161,128	$ 80,652,785
CONTRACTS & LOANS PAYABLE:						
Oregon Business Development Dept., B08005, 5.00%	$ 1,125,896		$ 156,174		$ 969,722	$ 182,220
Banc of America Leasing & Capital, LLC, 4.5%	1,360,900		348,730		1,012,170	301,109
Total Contracts & Loans Payable	$ 2,486,796		$ 504,904		$ 1,981,892	$ 483,329
TOTAL PORT LONG-TERM DEBT	$ 930,199,278	$ 480,105,538	$ 62,324,052	$ 20,837,744	$ 1,327,143,020	$ 81,136,114

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.
* Interest rate at June 30, 2022. 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, 2022

		Date of Issue	Total Requirements	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42	2042-43 to 2046-47	2047-48 to 2051-52	2052-53 to 2056-57
LIMITED TAX PENSION BONDS:														
Series 2002B	-Principal	03/28/02	$ 35,325,000	$ 4,840,000	$ 5,495,000	$ 6,205,000	$ 6,965,000	$ 7,810,000	$ 4,010,000					
6.60% to 6.85%	-Interest		8,544,391	2,404,250	2,072,710	1,696,303	1,286,773	809,670	274,685					
Series 2005	-Principal	09/23/05	10,400,000	1,510,000	1,670,000	1,835,000	2,015,000	2,205,000	1,165,000					
5.004%	-Interest		1,822,958	520,416	444,856	361,289	269,465	168,635	58,297					
Total Limited Tax Pension Bonds	-Principal		$ 45,725,000	$ 6,350,000	$ 7,165,000	$ 8,040,000	$ 8,980,000	$ 10,015,000	$ 5,175,000					
Total Limited Tax Pension Bonds	-Interest		$ 10,367,349	$ 2,924,666	$ 2,517,566	$ 2,057,592	$ 1,556,238	$ 978,305	$ 332,982					
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:														
Series 18A	-Principal	06/11/08	$ 17,525,000	$ 3,295,000	$ 3,450,000	$ 3,605,000	$ 3,785,000	$ 3,390,000						
1.21%**	-Interest		642,511	212,053	172,183	130,438	86,818	41,019						
Series 18B	-Principal	06/11/08	17,530,000	3,295,000	3,450,000	3,610,000	3,780,000	3,395,000						
1.06%**	-Interest		563,072	185,818	150,891	114,321	76,055	35,987						
Series 21C	-Principal	08/10/11	11,835,000	5,785,000	6,050,000									
4.375% to 5.00%	-Interest		574,069	426,100	147,969									
Series 22	-Principal	09/25/14	84,480,000	2,040,000	2,140,000	2,250,000	2,360,000	2,480,000	$ 14,390,000	$ 18,345,000	$ 23,420,000	$ 17,055,000		
5.00%	-Interest		57,453,250	4,173,000	4,068,500	3,958,750	3,843,500	3,722,500	16,573,750	12,501,375	7,305,000	1,306,875		
Series 23	-Principal	03/31/15	96,235,000	3,720,000	3,910,000	4,110,000	4,310,000	4,525,000	26,265,000	26,145,000	23,250,000			
5.00%	-Interest		46,473,375	4,718,750	4,528,000	4,327,500	4,117,000	3,896,125	15,760,625	8,322,375	803,000			
Series 24A	-Principal	01/25/17	21,965,000									17,135,000	$ 4,830,000	
5.00%	-Interest		25,915,625	1,098,250	1,098,250	1,098,250	1,098,250	1,098,250	5,491,250	5,491,250	5,491,250	3,829,875	120,750	
Series 24B	-Principal	01/25/17	201,685,000	4,375,000	4,595,000	4,825,000	5,070,000	5,315,000	30,860,000	39,385,000	50,255,000	47,015,000	9,990,000	
5.00%	-Interest		149,349,375	9,974,875	9,750,625	9,515,125	9,267,750	9,008,125	40,669,000	31,929,625	20,778,125	8,206,375	249,750	
Series 25A	-Principal	04/24/19	21,825,000									8,095,000	13,730,000	
5.00%	-Interest		27,933,375	1,091,250	1,091,250	1,091,250	1,091,250	1,091,250	5,456,250	5,456,250	5,456,250	5,056,375	1,052,000	
Series 25B	-Principal	04/24/19	185,340,000	2,325,000	3,745,000	3,935,000	4,130,000	4,335,000	25,155,000	32,125,000	40,995,000	44,230,000	24,365,000	
5.00%	-Interest		150,113,750	9,208,875	9,057,125	8,865,125	8,663,500	8,451,875	38,696,125	31,569,375	22,471,875	11,262,750	1,867,125	
Series 26A	-Principal	04/24/20	11,660,000	630,000	670,000	695,000	735,000	770,000	2,970,000	2,650,000	2,540,000			
4.00% to 5.00%	-Interest		4,688,125	525,200	492,700	458,575	422,825	385,200	1,403,250	792,575	207,800			
Series 26B	-Principal	04/24/20	14,435,000	25,000	50,000	540,000	560,000	600,000	3,570,000	4,550,000	4,540,000			
5.00%	-Interest		8,399,375	721,125	719,250	704,500	677,000	648,000	2,736,000	1,725,000	468,500			
Series 26C	-Principal	04/24/20	40,440,000	5,835,000	6,140,000	6,435,000	4,610,000	4,840,000	12,580,000					
5.00%	-Interest		7,140,500	1,876,125	1,576,750	1,262,375	986,250	750,000	689,000					
Series 27A	-Principal	09/30/20	289,535,000					6,165,000	35,785,000	45,670,000	57,925,000	72,985,000	71,005,000	
4.00% to 5.00%	-Interest		247,098,775	13,418,950	13,418,950	13,418,950	13,418,950	13,264,825	61,255,375	51,120,250	38,675,175	23,201,825	5,905,525	
Series 27B	-Principal	09/30/20	22,925,000	5,650,000	5,695,000	5,755,000	5,825,000		-					
0.80% to 1.30%	-Interest		545,713	224,335	173,260	110,255	37,863		-					
Series 28	-Principal	02/17/22	527,005,000		590,000	8,970,000	9,420,000	9,890,000	57,390,000	73,095,000	89,895,000	110415000	135,985,000	$ 31,355,000
4.00% to 5.00%	-Interest		461,239,832	20,916,107	23,965,500	23,726,500	23,266,750	22,784,000	105,788,750	89,851,100	72,823,750	51,982,650.00	25,350,850	783,875
Total Portland Int'l Airport Revenue Bonds	-Principal		$1,564,420,000	$ 36,975,000	$ 40,485,000	$ 44,730,000	$ 44,585,000	$ 45,705,000	$ 208,965,000	$ 241,965,000	$ 292,820,000	$ 316,930,000	$ 259,905,000	$ 31,355,000
Total Portland Int'l Airport Revenue Bonds	-Interest		$1,188,130,722	$ 68,770,813	$ 70,411,203	$ 68,781,914	$ 67,053,761	$ 65,177,156	$ 294,519,375	$ 238,759,175	$ 174,480,725	$ 104,846,725	$ 34,546,000	$ 783,875
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:														
Series 2012A	-Principal	08/15/12	$ 29,275,000	$ 9,265,000	$ 9,750,000	$ 10,260,000								
1.908%**	-Interest		1,136,072	558,544	381,775	195,753								
Series 2022A	-Principal	11/10/11	51,620,000					$ 2,670,000	$ 48,950,000					
5.00%	-Interest		18,865,706	2,251,206	2,581,000	2,581,000	$ 2,581,000	2,514,250	6,357,250					
Total Portland Int'l Airport PFC Revenue Bonds	-Principal		$ 80,895,000	$ 9,265,000	$ 9,750,000	$ 10,260,000		$ 2,670,000	$ 48,950,000					
Total Portland Int'l Airport PFC Revenue Bonds	-Interest		$ 20,001,778	$ 2,809,750	$ 2,962,775	$ 2,776,753	$ 2,581,000	$ 2,514,250	$ 6,357,250					
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:														
Series 2019	-Principal	04/29/19	$ 156,890,000	$ 3,330,000	$ 3,420,000	$ 3,520,000	$ 3,625,000	$ 3,735,000	$ 20,655,000	$ 24,835,000	$ 30,275,000	$ 37,185,000	$ 26,310,000	
2.769% to 4.237%	-Interest		106,661,279	6,147,556	6,052,751	5,952,165	5,843,839	5,727,377	26,589,983	22,285,433	16,716,230	9,643,095	1,702,850	
Total Portland Int'l Airport CFC Revenue Bonds	-Principal		$ 156,890,000	$ 3,330,000	$ 3,420,000	$ 3,520,000	$ 3,625,000	$ 3,735,000	$ 20,655,000	$ 24,835,000	$ 30,275,000	$ 37,185,000	$ 26,310,000	
Total Portland Int'l Airport CFC Revenue Bonds	-Interest		$ 106,661,279	$ 6,147,556	$ 6,052,751	$ 5,952,165	$ 5,843,839	$ 5,727,377	$ 26,589,983	$ 22,285,433	$ 16,716,230	$ 9,643,095	$ 1,702,850	
Total Port Bonds	-Principal		$1,847,930,000	$ 55,920,000	$ 60,820,000	$ 66,550,000	$ 57,190,000	$ 62,125,000	$ 283,745,000	$ 266,800,000	$ 323,095,000	$ 354,115,000	$ 286,215,000	$ 31,355,000
Total Port Bonds	-Interest		$1,325,161,128	$ 80,652,785	$ 81,944,295	$ 79,568,424	$ 77,034,838	$ 74,397,088	$ 327,799,590	$ 261,044,608	$ 191,196,955	$ 114,489,820	$ 36,248,850	$ 783,875

THE PORT OF PORTLAND

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2022, Continued

		Date of Issue	Total Requirements	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42	2042-43 to 2046-47	2047-48 to 2051-52	2052-53 to 2056-57
CONTRACTS & LOANS PAYABLE:														
Oregon Business Development Dept. B08005	-Principal	08/31/10	$ 3,644,399	$ 331,627	$ 349,458	$ 362,431	$ 380,553	$ 403,830	$ 1,816,500					
5.00%	-Interest		969,722	182,220	165,639	148,166	130,044	111,017	232,636					
Banc of America Leasing & Capital, LLC	-Principal	06/06/13	7,184,214	1,084,195	1,134,003	1,186,099	1,240,588	1,297,580	1,241,749					
4.5%	-Interest		1,012,170	301,109	251,302	199,205	144,717	87,723	28,114					
Total Contracts & Loans Payable	-Principal		$ 10,828,613	$ 1,415,822	$ 1,483,461	$ 1,548,530	$ 1,621,141	$ 1,701,410	$ 3,058,249					
Total Contracts & Loans Payable	-Interest		$ 1,981,892	$ 483,329	$ 416,941	$ 347,371	$ 274,761	$ 198,740	$ 260,750					
TOTAL PORT LONG-TERM DEBT	-Principal		$1,858,758,613	$ 57,335,822	$ 62,303,461	$ 68,098,530	$ 58,811,141	$ 63,826,410	$ 286,803,249	$ 266,800,000	$ 323,095,000	$ 354,115,000	$ 286,215,000	$ 31,355,000
TOTAL PORT LONG-TERM DEBT	-Interest		$1,327,143,020	$ 81,136,114	$ 82,361,236	$ 79,915,795	$ 77,309,599	$ 74,595,828	$ 328,060,340	$ 261,044,608	$ 191,196,955	$ 114,489,820	$ 36,248,850	$ 783,875

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

** Interest rate at June 30, 2022. Rate is variable, depending on weekly resets.

		Date of Issue	Total Requirements	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28 to 2031-32	2032-33 to 2036-37	2037-38 to 2041-42	2042-43 to 2046-47	2047-48 to 2051-52	2052-53 to 2056-57
INDUSTRIAL DEVELOPMENT REVENUE BONDS:														
Horizon Air Project:	-Principal	08/07/97	$ 17,300,000					$ 17,300,000						
1997 Series, 0.79%*	-Interest		671,961	$ 136,670	$ 136,670	$ 136,670	$ 136,670	125,281						
TOTAL INDUSTRIAL REVENUE BONDS	-Principal		$ 17,300,000					$ 17,300,000						
TOTAL INDUSTRIAL REVENUE BONDS	-Interest		$ 671,961	$ 136,670	$ 136,670	$ 136,670	$ 136,670	$ 125,281						

* Interest rate at June 30, 2022. Rate is variable, depending on prime.

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

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Report of Independent Auditors Required by Oregon State Regulations

The Board of Commissioners
Port of Portland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Airport and Marine & Other Activities of the Port of Portland, which comprise the balance sheet as of June 30, 2022, 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 25, 2022.

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.

The results of our tests disclosed an instance of noncompliance that is required to be reported. The Port experienced two over-expenditures in one fund which are disclosed in the notes to the financial statements.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

Ashley Osten

Ashley Osten, Partner,
for Moss Adams LLP
Portland, Oregon
October 25, 2022