



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## Port of Vancouver

For the period January 1, 2025 through December 31, 2025

*Published April 16, 2026*

Report No. 1039459



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**Office of the Washington State Auditor  
Pat McCarthy**

April 16, 2026

Board of Commissioners  
Port of Vancouver  
Vancouver, Washington

**Report on Financial Statements**

Please find attached our report on the Port of Vancouver's financial statements.

We are issuing this report in order to provide information on the Port's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **Port of Vancouver January 1, 2025 through December 31, 2025**

Board of Commissioners  
Port of Vancouver  
Vancouver, Washington

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 Port of Vancouver, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated April 13, 2026.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Port'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port'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 Port'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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 Port's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



Pat McCarthy, State Auditor

Olympia, WA

April 13, 2026

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **Port of Vancouver January 1, 2025 through December 31, 2025**

Board of Commissioners  
Port of Vancouver  
Vancouver, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the accompanying financial statements of the Port of Vancouver, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Port of Vancouver, as of December 31, 2025, and the changes in financial position and cash flows thereof 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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's basic financial statements. The debt covenant information 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, 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026 on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an

opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

April 13, 2026

**Port of Vancouver  
January 1, 2025 through December 31, 2025**

**REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2025

**BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2025

Statement of Revenues, Expenses and Changes in Fund Net Position – 2025

Statement of Cash Flows – 2025

Notes to the Financial Statements – 2025

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of the Net Pension Liability – PERS 1 and PERS 2/3 –  
2025

Schedule of Employer Contributions – PERS 1 and PERS 2/3 – 2025

Schedule of Employer Contributions – Nongovernmental Plans – 2025

**SUPPLEMENTARY AND OTHER INFORMATION**

Debt Covenant Information – 2025

**PORT OF VANCOUVER**  
Management's Discussion and Analysis  
December 31, 2025

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### **Introduction**

As management of the Port of Vancouver (port), we offer readers of the port's financial statements this narrative overview and analysis of the financial activities of the port for the fiscal year ended December 31, 2025, with selected comparative information for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements which immediately follow this discussion.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the port's financial statements. The port's financial statements include three components: 1) the port's basic financial statements, 2) the notes to the financial statements, and 3) required supplementary information.

The notes provide additional information that is essential to a full understanding of the data provided in the port's financial statements. The notes to the financial statements can be found following the financial statements of this report.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position tells us whether the port's financial position has improved as a result of the year's activities. The Statement of Net Position provides information on all of the port's assets, liabilities and deferred inflows and outflows, with the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources being called net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the port is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Fund Net Position shows how the port's net position changed during the year. These changes are reported as the underlying event occurs regardless of the timing of related cash flows (Accrual Basis).

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The port uses only one fund, an enterprise fund, which is a type of proprietary fund. An enterprise fund reports business type activities.

### **Financial Analysis**

#### Condensed Financial Position Information

The *Statement of Net Position* reflects the port's financial position at year end. Financial position is represented by the difference between assets owned, deferred outflows, liabilities owed at a specific point in time, and deferred inflows. The difference between the two is reflected as net position. As previously noted, changes in net position over time can be an indicator of the port's financial position.

#### Financial Highlights

- Total assets and deferred outflows of the port exceeded liabilities and deferred inflows by \$353.108 million in 2025, reported as total net position. Total net position decreased by \$10.155 million as compared to the prior year.
- Total assets and deferred outflows of resources increased by \$21.916 million from 2024 primarily due to an increase in cash and cash equivalents of \$24.323 million and a decrease in other noncurrent assets of \$4.084 million.
- Total liability and deferred inflows of resources increased by \$32.071 million from 2024 primarily due to an increase in noncurrent liabilities of \$39.287 million and decrease in deferred inflows of resources related to leases of \$6.303 million.

- The Department of Retirement Systems' (DRS) 2025 Participating Employer Financial Information (PEFI) report showed that PERS Plan 2/3 is fully funded. The port's net pension asset is \$2.495 million at the end of 2025.

The following condensed financial information provides an overview of the port's financial position for the fiscal years ended December 31.

NET POSITION		
	2025	Restated*
		2024
<b>Assets:</b>		
Current and restricted assets	\$ 95,113,980	\$ 73,119,827
Capital assets, net	453,362,942	448,221,449
Net pension asset	2,494,711	2,227,330
Leases receivable - current	7,330,974	6,736,961
Leases receivable - non-current	231,910,860	233,827,864
Other noncurrent assets	31,706,440	35,790,393
<b>Total Assets</b>	<b>\$ 821,919,907</b>	<b>\$ 799,923,824</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding	835,580	1,122,065
Deferred outflows - Pensions	3,283,958	3,077,502
<b>Total Deferred Outflows of Resources</b>	<b>\$ 4,119,538</b>	<b>\$ 4,199,567</b>
<b>Liabilities:</b>		
Current liabilities	\$ 18,086,563	\$ 18,388,850
Other noncurrent liabilities	232,425,902	193,138,913
Leases payable - non-current	47,412	-
SBITAs - non-current	101,181	175,789
Net pension liabilities	599,649	938,952
<b>Total Liabilities</b>	<b>\$ 251,260,707</b>	<b>\$ 212,642,504</b>
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows - Pensions	684,863	900,334
Deferred Inflows - Refunding	86,039	114,718
Deferred Inflows - Leases	220,899,565	227,202,751
<b>Total Deferred Inflows of Resources</b>	<b>\$ 221,670,467</b>	<b>\$ 228,217,803</b>
<b>Net Position:</b>		
Net Invested in capital assets	\$ 295,379,539	\$ 305,129,553
Restricted	6,831,704	10,114,222
Unrestricted	50,897,029	48,019,308
<b>Total Net Position</b>	<b>\$ 353,108,272</b>	<b>\$ 363,263,083</b>

\*Beginning net position for 2025 was adjusted as prescribed by GASB No. 100, Accounting Changes and Error Corrections (see Note 20)

#### Summary of Operations and Changes in Net Position

The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents how the port's net position changed during the current and previous fiscal year as a result of operations. The port employs an accounting method that records revenue and expenses when they are incurred, regardless of when cash is exchanged. Thus, some revenues and expenses reported in this statement may affect future period cash flows (e.g., uncollected receivables).

During the preparation of the fiscal year 2025 financial statements, the Port identified and corrected errors related to capital asset revaluations and the termination dates of certain leases accounted for under GASB 87. These matters resulted in a restatement of beginning net position as of January 1, 2025.

In accordance with GASB Statement No. 100, the cumulative effect of these corrections has been reflected as an adjustment to beginning net position, and the related financial statement impacts are presented in Note 20 to the financial statements.

**Revenues:**

- Marine revenues were \$31.274 million, a decrease of \$5.98 million or 16.05 percent under 2024. The port experienced stable occupancy of its industrial leasehold facilities. Lease occupancy was 97 percent at year end. 2025 lease revenue was \$13.147 million, an increase of 6.36 percent over 2024.

**Expenses:**

- 2025 total operating expenses, before depreciation and amortization, decreased by \$2.805 million or 6.44 percent under 2024 operating expenses. This decrease in expense was primarily due to lower pension and direct labor costs driven by changes in the commodity mix. Operating loss, after depreciation, was \$370,125 at December 31, 2025, as compared to operating income, after depreciation of \$2.272 million at December 31, 2024. Depreciation expense increased 4.49 percent over the previous year.

**Non-Operating:**

- Total nonoperating expenses increased by \$14.653 million in 2025 compared to 2024. The increase was primarily driven by a \$21.485 million loss on disposal of assets associated with assets conveyed to a Port tenant under a long-term operating agreement, as well as a \$1.370 million increase in interest expense. These increases were partially offset by a \$9.479 million decrease in environmental remediation expenses compared to the prior year.

The table summarizes the operations for fiscal years ending December 31.

CHANGE IN NET POSITION		
		Restated*
	2025	2024
<b>REVENUES</b>		
Operating Revenues:		
Marine terminal operations	\$ 31,274,273	\$ 37,255,311
Property lease/rental operations	13,147,394	12,361,191
Facilities sales and service	4,271,322	3,736,146
Security sales and service	1,034,440	1,374,988
General and administrative	238,829	240,574
Nonoperating Revenues:		
Ad valorem tax revenues	13,769,843	13,377,090
TIF revenue	598,284	107,987
Interest income	3,820,931	3,596,924
Lease interest income	11,162,663	10,168,736
Federal and State Grants	873,399	2,395,969
Other nonoperating revenues	290,460	200,203
Total Revenues	\$ 80,481,838	\$ 84,815,119
<b>EXPENSES</b>		
Operating Expenses:		
Marine terminal operations	\$ 14,141,513	\$ 17,348,159
Facilities	10,481,914	10,668,168
Security	2,977,625	2,836,729
General and administrative	13,160,696	12,713,624
Depreciation & Amortization	9,423,128	9,017,824
Lease asset amortization	45,678	19,679
SBITAs asset amortization	105,829	91,579
Nonoperating Expenses:		
Interest expense	7,244,522	5,874,031
Lease interest expense	3,308	21
SBITAs interest expense	5,198	5,158
Gain / Loss on disposal of assets	21,409,533	(75,354)
Gain / Loss on lessor lease termination	1,229,069	29,664
Environmental remediation	10,304,415	19,782,957
Other nonoperating expenses	179,142	29,872
Total Expenses	\$ 90,711,570	\$ 78,342,111
Capital contribution	74,921	119,138
Change in net position	(10,154,812)	6,592,146
Total net position - beginning, as previously report	359,262,282	366,426,752
Error correction	4,000,801	(9,755,816)
Total net position - ending	\$ 353,108,271	\$ 363,263,082

\*Beginning net position for 2025 was adjusted as prescribed by GASB No. 100, Accounting Changes and Error Corrections (see Note 20)

## **Capital Asset and Debt Administration**

### Capital Assets

The port's investment in total capital assets as of December 31, 2025, totaled \$453.363 million (net of accumulated depreciation). The port's investment in capital assets includes land, buildings, improvements (other than buildings), machinery and equipment, construction in progress, and intangible assets. The total increase in the port's net investment in capital assets for the current year was \$9.750 million or 3.2 percent.

Additional information on the port's capital assets activity may be found in Note 4 in the notes to the financial statements.

### Long-term Debt

As of December 31, 2025, debt outstanding totaled \$201.770 million. Of this amount, \$100.782 million comprised of general obligation debt, \$25 million represented special revenue bonds secured by a letter of credit, \$75.044 million represented the 2016, 2017 and 2018 Series Revenue Bonds secured by a net revenue pledge and \$943 thousand in notes payables outstanding.

Additional information on the port's long-term debt can be found in Note 9 in the notes to the financial statements.

## **Economic Factors and 2026 Budget**

### Economic Factors

- The Port of Vancouver USA reported total operating revenue of \$49.966 million in 2025, driven by a range of activities across its maritime terminal operations and by leases within its industrial/commercial property.
- New tariff and trade policies, shifting trade alliances and other factors presented a challenging environment in 2025 for those engaged in international trade and maritime commerce. While these rapidly churning dynamics created some ebbs and flows in commodity volumes at the Port of Vancouver USA, the port's aggressive and ongoing diversification of business lines and cargo led to a steady financial year overall. Robust activity at industrial tenant businesses, long-term layberth contracting with federal agencies, project cargo opportunities and other commercial activity also contributed to that financial stability.
- Marine operations remained the largest source of revenue for the port in 2025. Overall commodity volumes were relatively flat compared to the prior year, totaling 7.449 million metric tons. Export volumes increased slightly – about half a percent – to 6.882 million metric tons, while imports decreased by 12 percent to 567,290 metric tons.
- Despite the dynamic trade landscape, a long-time port tenant focused on agricultural exports moved its largest ever volume of grain in 2025 due in large part to its pursuit of new export markets. In prior years, China has been a primary market for soybean exports; in 2025, retaliatory tariffs from that country led to a reduction in soybean exports through the port by 75 percent from the prior year. Meanwhile, corn exports increased by 70.8 percent over the prior year to 3.149 million metric tons. The activity from this tenant accounted for a majority of the 66,619 rail cars that moved through the port, and one-third of the 339 vessel calls that took place in 2025.
- Import volumes were mixed for other commodities and products as well. Steel import volumes declined in 2025, decreasing by 6.6 percent year-over-year. That drop continues a pattern of lower steel activity on the Columbia River system over the last several years. Yet aluminum import volumes increased at the port over the prior year, from 46,300 to 50,446 metric tons.
- The port hosted a groundbreaking ceremony in early 2025 to formally commence the construction of a new soda ash handling facility projected to begin operations in late 2026. The new soda ash venture led to a changing bulk commodity makeup at the port. Deconstruction activity made the existing mineral bulk facility unavailable, and copper concentrate and bentonite clay movement were halted midway

through 2025 which resulted in lower year-over-year volumes of those commodities. By the end of 2026, U.S.-sourced soda ash will move through the port, down the Columbia River and to markets around the globe at a rate of 3 million metric tons annually.

- A long-time business partner that imports automobiles through the port signed a formal agreement to remain through at least 2040. This business utilizes the port's marine and industrial capabilities, generating longshore hours in discharging the vehicles as well as hundreds of local jobs in its processing of them for transit and sale throughout North America. Not only does this partnership sustain local jobs, it serves as an anchor for long-term economic opportunities despite future uncertainty.
- In addition to its maritime operations, the port remained a thriving hub of industrial activity in 2025. Tenant businesses were engaged in a range of activities from food processing to high quality manufacturing. With its prime location and access to river, road and rail infrastructure, port occupancy was 97 percent in space available to tenant businesses. There were three port tenant lease extensions, two expansions and one new port tenant added during the year.
- The port's redevelopment of its six-block Terminal 1 birthplace in the downtown area of Vancouver made progress on multiple fronts in 2025. A global AI platform provider moved into its new headquarters in July. This business is the anchor tenant of a state-of-the-art mixed-use complex featuring a multi-tiered and landscaped public area, an art gallery, as well as spaces for retail and other commercial businesses.
- The port's project to build an over-the-water public market at Terminal 1 remained on schedule in 2025. Crews successfully completed shoreline stabilization work that allowed them to begin installing piles during the narrow in-water work window that will become the new dock that ultimately supports the market building.
- Efforts to efficiently steward resources and strengthen trust with its community also made progress in 2025. The port's Community Fund program distributed funds to four local organizations aligned with the port's mission that included a small business incubator, and multiple tourism-focused events that boosted the local economy. A port project to extend the bike/pedestrian path running in front of port properties commenced. Actions outlined in its Climate Action Plan have put the port ahead of schedule for meeting carbon reduction goals. The port also earned a strong AA- bond rating, demonstrating to the port district residents its sound financial management.

#### 2026 Budget

- The 2026 budget projects operating revenues of \$49.50 million, with 58 percent of projected 2026 operating revenue coming from marine, terminal and security and 42 percent from commercial, industrial property leases, rail, and facilities. The 2026 budget projects operating expenses of \$45.09 million, a 2.67 percent decrease over the estimated 2025 operating expense forecast. Despite rising salaries, lower pension and direct labor costs driven by changes in the commodity mix are expected to result in a net decrease.
- The 2026 capital budget will continue strong investments throughout port facilities, including continued waterfront projects, improvements to marine terminals, public recreation, and upgrades to IT and other vital infrastructure. Financing for the 2026 capital program will come from marine and industrial revenues, tax levy revenue, grants, and other contributions.

#### **Requests for Information**

This financial report is designed and intended to provide a general overview of the Port of Vancouver's financial position. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Port of Vancouver, Auditor, 3103 NW Lower River Road, Vancouver, WA 98660 or [www.portvanusa.com](http://www.portvanusa.com).

**PORT OF VANCOUVER USA**  
**STATEMENT OF NET POSITION**  
**As of December 31, 2025**

**ASSETS**

**Current assets**

Cash and cash equivalents (Note 1)	\$ 57,649,533
Restricted cash and cash equivalents (Note 1)	24,055,965
Total cash and investments	<u>81,705,498</u>

**Other current assets**

Accounts receivable - trade (net)	3,022,205
Lease receivable - current (Note 11)	7,330,974
Lease Interest receivable - current (Note 11)	6,517,354
Grants receivable	784,228
Taxes receivable	610,660
Other receivables	30,614
Inventory	880,309
Prepaid benefits	253,049
Prepaid expenses	381,963
Prepaid insurance	928,100
Total other current assets	<u>20,739,456</u>
Total current assets	<u>102,444,954</u>

**Non-current assets**

Capital assets not being depreciated (Note 4)	
Land and land rights	167,968,319
Construction in progress	61,383,556
Total capital assets not being depreciated	<u>229,351,875</u>

Capital assets being depreciated (Note 4)

Buildings and structures	114,575,904
Improvements	300,483,016
Machinery and equipment	32,155,840
Intangible (Note 4)	318,447
Total capital assets being depreciated	<u>447,533,207</u>
Less: accumulated depreciation	<u>(223,810,456)</u>
Total capital assets being depreciated (Net)	223,722,750

Right to use assets being amortized:

Equipment	137,033
Less: accumulated amortization	(45,678)
SBITAs	409,587
Less: accumulated amortization	(212,626)
Total right to use assets being amortized (Net)	<u>288,317</u>
Total net capital assets	<u>453,362,942</u>

**Other Noncurrent assets**

Lease receivable - noncurrent (Note 11)	231,910,860
Minimum lease payments-revenue bonds (Note 9)	25,000,000
Investment - noncurrent (Note 2)	6,414,339
Prepaid bond insurance	292,101
Net Pension Asset (Note 6)	<u>2,494,711</u>

Total Other Noncurrent Assets	266,112,011
<b>Total assets</b>	<b>\$ 821,919,907</b>

**Deferred outflows of resources**

Deferred charge on refunding (Note 9)	835,580
Deferred outflows - Pensions (Note 6)	3,283,958
<b>Total deferred outflows of resources</b>	<b>\$ 4,119,538</b>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 8,082,658
Payroll payable	883,701
Taxes payable	630,552
Retainage	61,174
Payable from restricted assets (customer deposits)	801,422
Current portion of lease liability (Note 12)	46,058
Current portion of lease interest payable (Note 12)	226
Current portion of SBITAs liability (Note 13)	74,608
Current portion of SBITAs interest payable (Note 13)	3,310
Current portion of compensated absence payable	1,017,153
Current portion of GO bonds (Note 10)	3,567,863
Current portion of revenue bonds (Note 10)	2,286,272
Bond interest payable	631,565
Total current liabilities	<u>18,086,563</u>

**Noncurrent liabilities**

Compensated absence payable - noncurrent	845,548
General obligation bonds - net (Note 9)	97,214,619
Revenue bond -net (Note 9)	72,757,991
Special revenue bond (Note 9)	25,000,000
Arbitrage rebate tax - noncurrent	136,041
Note payable - net (Note 9)	943,052
Environmental remediation (Note 15)	34,500,740
Unearned revenue	1,027,911
Total net pension liability (Note 6)	599,649
SBITAs liability - noncurrent (Note 13)	101,181
Lease liability - noncurrent (Note 12)	47,412
Total noncurrent liabilities	<u>233,174,144</u>
<b>TOTAL LIABILITIES</b>	<b><u>251,260,707</u></b>

**Deferred inflows of resources**

Total deferred inflows - Pension	\$ 684,863
Total deferred inflows - Refunding	86,039
Total deferred inflows - Leases (Note 11)	220,899,565
<b>Total deferred inflows of resources</b>	<b>\$ 221,670,467</b>

**NET POSITION**

Total net investment in capital assets	295,379,538
Restricted (Note 14)	6,831,704
Unrestricted	50,897,030
<b>TOTAL NET POSITION</b>	<b>\$ 353,108,272</b>

The notes to financial statements are an integral part of this statement

**PORT OF VANCOUVER USA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**For the Year Ended December 31, 2025**

**OPERATING REVENUES**

Marine terminal/operations	31,274,273
Property lease/rental operations	13,147,394
Facilities sales and service	4,271,322
Security sales and service	1,034,440
General and administrative	238,829
Total operating revenues	<u>49,966,258</u>

**OPERATING EXPENSES**

Marine terminal/operations	14,141,513
Facilities	10,481,914
Security	2,977,625
General and administrative	13,160,696
Total before depreciation	<u>40,761,748</u>
Depreciation & Amortization	9,574,635
Total operating expenses	<u>50,336,383</u>
Operating income(Loss)	\$ (370,125)

**NONOPERATING REVENUES (EXPENSES)**

Ad valorem tax revenues	13,769,843
TIF revenue	598,284
Interest income from investment	3,820,931
Interest income from lease activity	11,162,663
Federal and state grants	873,399
Other nonoperating revenues	290,460
Gain(Loss) on disposal of assets	(21,409,533)
Gain(Loss) on lessor lease termination	(1,229,069)
Columbia River Channel improvement expense	(97,978)
Environmental remediation	(10,206,437)
Interest expense	(7,253,028)
Other expense	(179,142)
Total Nonoperating revenues (expenses)	<u>(9,859,607)</u>
Income(Loss) before other revenues, expenses, gains, losses, and transfers	<u>(10,229,732)</u>
Capital contribution	74,921

Increase (decrease) in net position	(10,154,811)
Net position as of January 1 (As Previously Reported)	359,262,282
Error Correction - Leases	(26,385)
Error Correction - Capital Asset Revaluation	4,027,186
Net Position as of January 1 (As Restated)	363,263,083
<b>Net Position as of December 31</b>	<b><u><u>\$ 353,108,272</u></u></b>

The notes to financial statements are an integral part of this statement

**PORT OF VANCOUVER USA**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 46,842,571
Payments to suppliers	(24,987,830)
Payments to employees	(16,784,185)
Other receipts	367,779
Other payments	(240,382)
Net cash provided (used) by operating activities	<u>\$ 5,197,952</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Payments for environmental remediation	(1,004,214)
Net cash provided by noncapital financing activities	<u>(1,004,214)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from restricted property taxes	6,392,901
Proceeds from unrestricted property taxes	7,561,768
Proceeds from grants and contributions	588,152
Proceeds from bond administration	6,000
Proceeds from lease interest, net	10,034,458
Proceeds from note payable principal	9,265
Proceeds from bond principal	33,815,000
Proceeds from contributed capital	74,921
Payments for acquisition, construction and improvement of capital assets	(37,488,518)
Payments for bonds principal	(5,565,000)
Payments for bonds Interest	(5,211,318)
Payment for Interest on Leases and SBITAs	(8,507)
Net cash used for capital and related financing activities	<u>10,209,122</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash received (paid) from sales (purchases) of investment	6,033,028
Interest and dividends	3,887,439
Net cash provided by investing activities	<u>9,920,467</u>

Net increase (decrease) in cash and cash equivalents 24,323,327

Cash and cash equivalents at January 1	57,382,171
Cash and cash equivalents at December 31	<u>\$ 81,705,498</u>

Reconcile operating income to net cash provided by operating activities

Net operating income (loss) \$ (370,125)

Adjustments:

Depreciation	9,423,128
Lease Amortization	151,507

Change in assets and liabilities:

Accounts receivable decrease (increase)	2,107,604
Inventory decrease (increase)	22,751
Unearned revenues decrease (increase)	(226,142)
Other operating receivables decrease (increase)	1,344,404
Accounts payable increase (decrease)	(162,689)
Other payables increase (decrease)	8,392
Prepaid expenses increase (decrease)	56,634
Taxes payable increase (decrease)	(30,393)
Accrued liabilities increase (decrease)	(7,213,938)
Nonoperating revenues (expenses)	86,819

Total adjustments (4,006,558)

Net cash provided by operating activities \$ 5,197,952

The notes to financial statements are an integral part of this statement

**PORT OF VANCOUVER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2025

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Port of Vancouver (port) was incorporated in 1912 and operates under the laws of the state of Washington applicable to a public port district as a municipal corporation under the provisions of Chapter 53 of the Revised Code of Washington (RCW). The financial statements of the port have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments.

**A. Reporting Entity**

The port is located in Clark County, Washington, and comprises territory less than the entire county, which is divided into three port districts. The port is governed by a three-member Board of Commissioners (commission) elected by port voters. The commission possesses final decision-making authority and is held primarily accountable for decisions. The commission appoints management, which is responsible for the day-to-day operations of the port. Management is held accountable to the commission. The commission and appointed management possess the ability to significantly influence operations, including authority to review and approve budgets, sign contracts as the contracting authority, approve the hiring and retention of key managerial personnel, exercise control over facilities and properties, and determine the outcome or disposition of matters affecting the port's customers. The port is independent from Clark County, which levies and collects taxes on behalf of the district. The port is a primary government and does not have any component units.

The RCW authorizes the port to provide and charge rentals, tariffs and other fees for docks, wharves, and similar harbor facilities, including associated storage and traffic handling facilities for waterborne commerce. The port may also provide freight and passenger terminals and transfer and storage facilities for other modes of transportation, including air, rail, and motor vehicles. The port may acquire and improve land for sale or lease for industrial or commercial purposes and may create industrial development districts.

The powers of eminent domain and ad valorem taxation upon the real and personal property within the district are also within the scope of port districts.

**B. Basis of Accounting and Reporting**

The accounting records of the port are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The port uses the Budgeting, Accounting and Reporting System for GAAP Port Districts in the State of Washington.

Funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity, are included on their statements of net position (or balance sheets). Their reported fund position is segregated into net investment in capital assets, restricted and unrestricted components of net position. Operating statements present increases (revenues and gains) and decreases (expenses and losses) in net position. The port discloses changes in cash flows by a separate statement that presents their operating, noncapital financing, capital, and related financing and investing activities.

The port uses the full-accrual basis of accounting where revenues are recognized when earned, and expenses are recognized when incurred. Capital asset purchases are capitalized, and long-term liabilities are accounted for in the appropriate fund.

The port distinguishes between operating revenues and expenses from nonoperating ones. Operating revenues and expenses result from providing services and producing and delivering goods in connection with the port's principal ongoing operations. Terminal services and property rental revenues are charges for use of the port's facilities and are reported as operating revenue.

Operating expenses for the port include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Ad valorem tax levy revenues, interest income, grant reimbursements and other revenues generated from non-operating sources are classified as non-operating revenue.

C. Use of Estimates

The preparation of the port's financial statements in conformity with accounting principles generally accepted in the United States 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

It is the port's policy to invest all temporary cash surpluses. As of December 31, 2025, the treasurer was holding \$81,705,498 in short-term residual investments of surplus cash. The amount was classified on the statement of net position as cash and cash equivalents.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balance maintained in 2025 was approximately \$10,476,925.

For purposes of the statement of cash flows, the port considers short-term, highly liquid investments (including restricted assets) with maturity of three months or less from the purchase date to be cash equivalents.

2. Investments – See (Note 2, Deposits and Investments)

3. Receivables

Taxes receivables consist of property taxes and related interest and penalties (See Note 3). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Customer accounts receivable consists of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

Receivables have been recorded net of estimated uncollectible amounts. Because property taxes and special assessments are considered liens on property, no estimated uncollectible amounts are established. Estimated uncollectible amounts for trade receivables are \$130,078

Allowance for Uncollectible consists of the estimated amounts of customer accounts, notes and contracts that may never be collected.

Note Receivables consist of short and long-term customer trade obligations related to lease payments and right-of-way acquisitions.

4. Amounts Due to and from Other Governments

These accounts include amounts due to or from other governments for grants, entitlements and temporary loans, taxes and charges for services.

5. Inventories

Reported inventory is rail material purchased for the general rail system maintenance and environmental mitigation bank credits. Rail material inventory is valued at cost and will be used for rail system maintenance and phased rail construction based on engineering design and part specification over the next several years. Environmental mitigation bank credits will be used in future land developments.

The port maintains a small inventory of office supplies and maintenance parts. Parts and supplies are expensed as purchased and no inventory of these items is maintained.

6. Restricted Assets and Liabilities

These accounts contain resources for construction, debt service, unspent bond proceeds and in accordance with certain agreements or policies. The current portion of related liabilities is shown as *Payables from Current Restricted Assets*. The restricted assets are composed of the following:

Customer Deposits	\$ 801,422
Repair & Replacement Fund	1,680,728
Flexible Spending Account (FSA)	15,946
Unspent Bond Proceeds	21,557,870
	<u>\$ 24,055,965</u>

Only customer deposits are shown with a related liability. See (Note 14 – Restricted Component of Net Position)

7. Compensated Absences (See Note 21)

As of January 1, 2018, employers in Washington must provide nearly all their employees with paid sick leave. Under the law, employees must accrue paid sick leave at a minimum rate of one hour for every 40 hours worked. This includes part-time and seasonal workers. Paid sick leave must be paid to employees at their normal hourly compensation. Employees are entitled to use accrued paid sick leave beginning on the 90th calendar day after the start of their employment. Unused paid sick leave of 40 hours or less must be carried over to the following year. Employers are allowed to provide employees with more generous carry-over and accrual policies.

As of January 1, 2008, the port implemented a paid time off (PTO) policy for eligible administrative and union employees. The PTO policy takes the place of accounting for sick, and vacation leave separately. PTO is accrued monthly based on years of service. PTO can be accrued to a maximum of 600 hours. Employees will receive remuneration upon resignation, separation or retirement for all PTO hours accumulated at their current rate of pay.

8. Unearned Revenues

This account includes amounts recognized as receivables (assets) but not revenues because the revenue recognition criteria have not been met.

9. Deferred Compensation Plans

The port offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all port employees, permits them to defer a portion of their salary until future years. The plan is fully funded and held in an outside trust.

The port has established a plan for non-represented employees in accordance with Internal Revenue Code Section 401(a). The port contributes to each eligible employee's 401(a) account based on tenure. A minimum contribution of \$500 up to a maximum of \$1,100 will be made annually. In addition, the port matches employees' 457 plan deferrals dollar for dollar to a fixed maximum of \$2,200 based on length of service.

A 401(a) Supplemental Employer Contribution Savings Plan is provided to key employees. The Board of Commissioners has discretionary authority to make determinations as to eligibility and benefits under the plan. The participants' accrued benefits shall be fully vested providing they remain in continuous service for the term of the agreement or until they leave under a qualifying event. If participants terminate under a non-qualifying event, they forfeit all accrued benefits.

10. Capital Assets (See Note 4)

11. Long-term Debt (See Note 9)

12. Deferred Inflows and Outflows of Resources

The port reports deferred inflows and outflows of resources. Deferred inflows of resources are acquisition of net assets by the port that are applicable to a future reporting period. Deferred outflows of resources are consumption of net assets by the port that are applicable to a future reporting period. The port classified deferred charges on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price amortized over the shorter of the life of the refunded or refunding debt as deferred inflows and outflows of resources.

13. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the port includes the net pension asset and the related deferred outflows and deferred inflows.

14. Leases – Port as Lessor (See Note 11)

In June 2017, GASB issued Statement No. 87 *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirement of this statement is effective for reporting periods beginning after December 15, 2021, as postponed by Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance.

The port is a lessor for non-cancellable leases. Leases are contracts that convey control of a right to use the port's land, buildings, or portions of buildings over a period that exceeds one year. For leases with a maximum possible term of 12 months or less at commencement, revenue is recognized based on the provisions of the lease contract. For all other leases, the port recognizes a lease receivable and a deferred inflow of resources when the lease commences.

At the commencement of a lease, the port initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis method.

Key estimates and judgements related to leases include how the port determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

When the interest rate is not implicit within the lease, the port uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The port concluded that the most appropriate interest rate benchmark is the port's cost of capital, plus 200 basis points or 2%. The port issues bonds infrequently and therefore individual Port bond issuances are subject to fluctuations in the market. To eliminate the fluctuations, we plan to use an industry interest rate benchmark to establish a stable cost of capital for GASB No. 87.

We received the historical rate information from KeyBank Capital Markets our Bond Underwriter who subscribe to TM3, a Thomson Reuters municipal market website that maintains municipal market data. The port has identified specific periods for time for determining a market appropriate discount rate for the specific duration of the lease based on the following schedule:

Years	AA GO MMD Rate	+200 Basis Points	Rate
1-5 (5-year rate)	0.34	200	2.34
6-10 (10-year rate)	0.85	200	2.85
11+ (30-year rate)	1.57	200	3.57

Source: Thomson Reuters Municipal Market - AA GO MMD@ January 4, 2021

The port used the 5-year rate of 0.34% plus 200 basis point or 2.34% for the adoption of GASB No. 87 and throughout 2021 for leases with remaining duration (inclusive of applicable extension options) of 1-5 years, used the 10-year rate of 0.85% plus 200 basis point or 2.85% for the adoption of GASB No. 87 and throughout 2021 for leases with remaining duration (inclusive of applicable extension options) of 6-10 years, and used the 30-year rate of 1.57% plus 200 basis point or 3.57% for the adoption of GASB No. 87 and throughout 2021 for leases with remaining duration (inclusive of applicable extension options) of 11 years or greater.

The port monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

15. Leases – Port as Lessee (See Note 12)

The port is a lessee for non-cancellable leases. The port recognizes a lease liability and an intangible right-to-use lease asset when the lease commences.

At the commencement of a lease, the port initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis over its useful life.

Key estimates and judgements related to leases include how the port determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The port uses the interest rate charged by the lessor as the discount rate. If the implicit interest rate is not readily determinable, the port's estimated incremental borrowing rate is used. Determining the incremental borrowing rate entails estimating the interest rate the lease that would be charged for borrowing the lease payment amounts during the lease term. Consistent with the port's methodology for determining implicit interest the port receives historical rate information from KeyBank Capital Markets, our Bond Underwriter who subscribes to TM3, a

Thomson Reuters municipal market website that maintains municipal market data. The port does not apply any additional interest above this rate as this is consistent with the ports true interest cost.

If the lease term includes non-cancelable periods of the lease, payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the port is reasonably certain to exercise.

The port does not have minimal lease capitalization threshold. The port monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

16. Subscription - Based IT Agreements (See Note 13)

In March 2020, the GASB issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs). The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for SBITAs by governments. The requirement of this statement is effective for reporting periods beginning after June 15, 2022. The port implemented GASB No. 96 on January 1, 2023.

The port uses the interest rate charged by the SBITA vendor as the discount rate. Consistent with the port's methodology for determining implicit interest the port receives historical rate information from KeyBank Capital Markets, our Bond Underwriter who subscribes to TM3, a Thomson Reuters municipal market website that maintains municipal market data. The port does not apply any additional interest above this rate as this is consistent with the ports true interest cost.

If the lease term includes non-cancellable periods of the SBITAs, payments included in the measurement of the SBITAs liability are composed of fixed payments and purchase option price that the port is reasonably certain to exercise.

The port does not have minimal SBITAs capitalization threshold. The port monitors changes in circumstances that would require a remeasurement of its agreement and will remeasure the SBITAs asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITAs liability.

## **NOTE 2 - DEPOSITS AND INVESTMENTS**

### **Treasury Function**

The port commission adopted Resolution 06-03 appointing its own port treasurer. The treasurer is responsible for the management and investment decisions of the port's deposits and investment accounts. The port commission adopted an investment policy pursuant to its Resolution 7-2025, that directs the port to invest funds in a manner which provide maximum security with the highest investment return while meeting the daily cash flow demands of the port and conforming to all state and local statutes governing the investment of public funds. The port's investment policy sets forth three criteria to determine what investments are appropriate. The three criteria, in order of importance are: safety of principal, liquidity of the investment, and overall return on investment. The port's investment policy establishes guidelines on types of investments, the maximum holding of any one type of investment, diversification of investments and maximum maturity of its investments both on an individual security type basis and for the entire investment portfolio.

#### **A. Deposits**

The carrying amount of the port's deposits \$4,175,056 and the bank balances were \$4,856,838.

The port does not have a deposit policy for custodial credit risk.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the port would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The port's deposits are deposited in qualified depositories as required by state statute. The port's deposits are mostly covered by federal depository insurance coverage (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The port has not experienced any losses in its deposit accounts.

**B. Investments**

Investments are stated at fair value, based on quoted market prices in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in the fair value of investment is recognized as an increase or decrease to the investment assets and investment income.

Interest income on investments is recognized in non-operating revenue as earned. Changes in fair value of investments are recognized on the Statements of Revenues, Expenses, and Changes in Net Position.

State of Washington under Chapter 39.59 RCW limits the investment of public funds by local governments to the following authorized instruments: (i) bonds of the State or any local government in the State, (ii) general obligation bonds of any other state or local government thereof which have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency, (iii) registered warrants of a local government in the same county as the local government making the investment, (iv) obligations of the U.S. government, its agencies and wholly owned corporations, or obligations issued or guaranteed by supranational institutions, provided, that at the time of investment, the United States government must be the largest shareholder of such institution, (v) obligations of the Federal Home Loan Bank, Fannie Mae and other government-sponsored enterprises whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system, (vi) bankers' acceptances purchased in the secondary market, (vii) commercial paper purchased in the secondary market, subject to State Investment Board policies, and (viii) corporate notes purchased in the secondary market, subject to State Investment Board policies.

Risks

Investments are subject to the following risks:

Interest Rate Risk – Interest rate risk is the risk the port may face should interest rate variances affect the fair value of investments. Through the port's investment policy, the port manages its exposure to fair market value losses arising from increasing interest rates by laddering its investments by maturity, establishing maturity limits for individual investments and maturity limits for its investment portfolio as a whole. In addition to the extent possible, the port attempts to match its investments with anticipated cash flow requirements.

The following provides the method the port uses to identify and manage interest rate risk. The table below identifies the type of investments, concentration of investments in any one issuer, and maturities of the port investment portfolio:

As of December 31, 2025	Investment Maturities (in Years)				
	Fair Value (or Amortized Costs)	Less than 1	1 to 3	3 to 5	More than 5
Investment Type					
US Agency: Federal Farm Credit Bank	\$ 1,497,935	\$ -	\$ -	\$ 1,497,935	\$ -
US Agency: Federal Home Loan Bank	4,916,404	-	1,002,450	3,913,954	-
State LGIP: WA State LGIP	77,530,442	77,530,442	-	-	-
<b>Total Investments</b>	<b>\$ 83,944,781</b>	<b>\$ 77,530,442</b>	<b>\$ 1,002,450</b>	<b>\$ 5,411,889</b>	<b>\$ -</b>

**Credit Risk** – Credit risk is the risk that an issuer of an investment or other counterparty to an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Through the port’s investment policy, the port manages credit risk by limiting the types of investments the port invests in and for state and local investments the minimum acceptable credit rating. The Washington State Local Investment Pool is an unrated 2a-7 like pool, as defined by the Government Accounting Standards Board. State statute and the port’s investment policy establish the type of investment and the credit quality rating the port can invest in.

The table below identifies credit quality ratings for the port’s investment portfolio:

As of December 31, 2025	S&P/Moody’s/Finch Equivalent Credit Rating				
	Fair Value (or Amortized Costs)	AA+/Aa1/AA+	A/A2/A	BBB/Baa2/BBB and below	Unrated
US Agency: Federal Farm Credit Bank	\$ 1,497,935	\$ 1,497,935	\$ -	\$ -	\$ -
US Agency: Federal Home Loan Bank	4,916,404	4,916,404	-	-	-
State LGIP: WA State Local Government Investment Pool	77,530,442	-	-	-	77,530,442
<b>Total Investments</b>	<b>\$ 83,944,781</b>	<b>\$ 6,414,339</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,530,442</b>

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of the failure of a counterparty to an investment transaction the port will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. To minimize this risk, the port’s investment policy requires that all security transactions, except the Washington State Local Government Investment Pool are settled “delivery versus payment” basis. This means that payment is made simultaneously with the receipt of the security. These securities are delivered to the port’s custodial safekeeping bank, Key Bank. With the exception of the Washington State Local Government Investment Pool, the port’s investments are registered or held by Port of Vancouver or its agent in the Port of Vancouver’s name by the custodial safekeeping bank.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributable to the magnitude of an investment of a single issuer. The port’s investment policy establishes limits on the portfolios maximum holding by type of security and per issue.

**Investments in Local Government Invest Pool (LGIP)**

The port is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with RCW [43.250](#). Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

**Investments Measured at Fair Value**

The port measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3: Unobservable inputs for an asset or liability.

The table below identifies the port’s investments measured at fair value and amortized cost:

As of December 31, 2025	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
US Agency: Federal Farm Credit Bank	\$ 1,497,935	\$ -	\$ 1,497,935	\$ -
US Agency: Federal Home Loan Bank	4,916,404	-	4,916,404	-
<b>Total Investments by Fair Value Level</b>	<b>\$ 6,414,339</b>	<b>\$ -</b>	<b>\$ 6,414,339</b>	<b>\$ -</b>
<b>Investments Measured at Amortized Costs</b>				
State LGIP: WA State Local Government Investment Pool	\$ 77,530,442			
<b>Total Investments at Amortized Costs</b>	<b>\$ 77,530,442</b>			
<b>Total Investments</b>	<b>\$ 83,944,781</b>			

**C. Summary of Deposit and Investment Balances**

The table below reconciles the port's deposits and investment balances:

As of December 31, 2025	Total
Deposits with Private Financial Institution	\$ 4,175,056
Deposits with WA State Local Government Investment Pool (LGIP)	77,530,442
Non-Pooled Investments	6,414,339
<b>Total Deposits and Investments</b>	<b>\$ 88,119,837</b>
<b>Deposits</b>	
Current: Cash and Cash Equivalents	\$ 57,649,533
Current: Restricted Cash and Cash Equivalents	24,055,965
<b>Total Deposits</b>	<b>\$ 81,705,498</b>
<b>Investments</b>	
Current: Short-term Investments	\$ -
Noncurrent: Long-term Investments	6,414,339
<b>Total Investments</b>	<b>\$ 6,414,339</b>
<b>Total Deposits and Investments</b>	<b>\$ 88,119,837</b>

**NOTE 3 – PROPERTY TAXES**

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

<b>Property Tax Calendar</b>	
January 1	Tax is levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's lev at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle, and delinquent taxes are evaluated annually.

The port may levy up to \$0.45 per \$1,000 of assessed valuation for general governmental services. The Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The port may also levy taxes at a lower rate.

The port's regular levy for 2025 was \$0.11592 per \$1,000 on an assessed valuation of \$65,092,718,004 net of assessed valuation of property located in the port's Tax Increment Area, for a total regular levy of \$7,545,630. The port also levied an additional \$0.09543 per \$1,000 on an assessed value of \$65,151,278,504 for the repayment of general obligation bonds for a total additional levy of \$6,217,323. For 2025, the port collected 98.80% of ad valorem taxes levied. In addition, the port levied \$0.11592 per \$1,000 on an assessed valuation of \$58,560,500 within the Tax Increment Area, generating \$6,788 for the Tax Increment Fund.

**NOTE 4 - CAPITAL ASSETS**

Major expenses (defined by the port as those in excess of \$5,000) for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. All capital assets are valued at historical cost (or estimated historical cost, where historical cost is not known/or estimated market value for donated assets).

The port has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the port has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable account.

Interest on funds used during construction, less interest earned on related interest-bearing investments if the asset is financed with the proceeds from externally restricted tax-exempt proceeds, is capitalized as part of the cost of the asset. This process is intended to remove the cost of financing construction activity from the comparative statements of revenues, expenses, and changes in net position, and to treat such cost in the same manner as construction labor and material costs. The port had no capitalized interest in 2025.

Depreciation expense is charged to operations to allocate the cost of capital assets over their estimated useful lives, using the straight-line method. Buildings and improvements are assigned lives of 5 to 50 years; equipment 3 to 10 years; and furniture and fixtures 3 to 5 years.

In accordance with accepted accounting principles for regulated businesses, the port has a deferred intangible asset of \$210,857 as of December 31, 2025. The initial cost of \$29,818 in 2004; \$20,427 in 2015; \$172,848 in 2019, and \$95,355 in 2023 related to easements of three disposal sites for the

Columbia River Channel Improvement Project. The costs are amortized on the straight-line method over 20 years.

Capital assets activity for the year ended December 31, 2025, was as follows:

	Beginning Balance 01/01/2025	Increases	Decreases	Ending Balance 12/31/2025
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 157,839,361	\$ 10,128,958.32	\$ -	\$ 167,968,319
Construction in progress	47,681,702	31,982,882	18,281,028	61,383,556
<b>Total Capital Assets, not being depreciated</b>	<b>205,521,063</b>	<b>42,111,840</b>	<b>18,281,028</b>	<b>229,351,875</b>
<i>Capital assets, being depreciated:</i>				
Buildings	131,315,171	7,810,057	24,549,324	114,575,904
Improvements other than buildings	309,696,295	2,164,788	11,378,068	300,483,016
Machinery and equipment	30,935,728	2,238,217	1,018,104	32,155,840
Intangible	318,447	-	-	318,447
<b>Total Capital Assets being depreciated</b>	<b>472,265,641</b>	<b>12,213,062</b>	<b>36,945,496</b>	<b>447,533,207</b>
<i>Less accumulated depreciation for:</i>				
Buildings	45,339,288	4,469,104	7,012,765	42,795,627
Improvements other than buildings	163,752,596	9,797,145	11,264,373	162,285,368
Machinery and equipment	20,677,455	2,889,069	4,944,652	18,621,872
Intangible	91,966	15,623	-	107,589
<b>Total Accumulated Depreciation</b>	<b>229,861,305</b>	<b>17,170,941</b>	<b>23,221,790</b>	<b>223,810,456</b>
<b>Total Net Capital Assets, being depreciated</b>	<b>242,404,335</b>	<b>(4,957,879)</b>	<b>13,723,706</b>	<b>223,722,750</b>
<i>Right to Use Assets, being amortized</i>				
Equipment	-	137,033	-	137,033
SBITAs	461,676	6,741	58,830	409,587
<b>Total Right to Use Assets, being amortized</b>	<b>461,676</b>	<b>143,774</b>	<b>58,830</b>	<b>546,620</b>
<i>Less Accumulated Amortization for:</i>				
Equipment	-	45,678	-	45,678
SBITAs	165,626	105,829	58,830	212,626
<b>Total Accumulated Amortization</b>	<b>165,626</b>	<b>151,507</b>	<b>58,830</b>	<b>258,304</b>
<b>Total Net Right to Use Assets</b>	<b>296,050</b>	<b>(7,733)</b>	<b>-</b>	<b>288,317</b>
<b>Total Capital Assets, Net</b>	<b>\$ 448,221,449</b>	<b>\$ 37,146,228</b>	<b>\$ 32,004,734</b>	<b>\$ 453,362,942</b>

**NOTE 5 - Construction and Other Significant Commitments**

The port has active construction projects as of December 31, 2025. At year-end the port's commitments with contractors are as follows:

Project	Contract Amount	Spent to Date	Remaining Commitment
Terminal 1 Dock Replacement	\$ 31,573,471	\$ 14,731,704	\$ 16,841,767
Berth 13/14 Improvements	1,722,107	1,598,710	123,397
Berth 5 Capital Maintenance	1,994,957	396,969	1,597,988
North Admin Building Renovations	1,268,184	1,238,247	29,938
Terminal 2 Bulk Handling Facility Trucking	702,411	161,920	540,490
Renaissance Trail Segements	4,943,132	686,306	4,256,826
Berth 7 Capital Maintenance	4,108,428	3,445,018	663,410
	<b>\$ 46,312,690</b>	<b>\$ 22,258,874</b>	<b>\$ 24,053,816</b>

Projects above are funded by cash generated from operating activities, the issuance of debt instruments and the port's tax levy.

**NOTE 6 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2025:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (599,649)
Pension assets	2,494,711
Deferred outflows of resources	3,283,958
Deferred inflows of resources	(684,863)
Pension expense/expenditures	(227,002)

**State Sponsored Pension Plans**

Substantially all port’s full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees’ Retirement System (PERS)**

PERS members include elected officials, state employees, employees of local governments, and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least 5 years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member’s AFC times the member’s years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a

COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

**PERS Contributions**

The PERS Plan 1 member contribution rate is established by State statute at 6%. The PERS 1 employer and PERS 2/3 employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and subject to change by the legislature. For part of the year, the **PERS Plan 2/3** employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plans defined benefit required contribution rates (expressed as a percentage of covered payroll) for the fiscal year were as follows:

Employer Contribution Rates				
Time Frame	Contribution Rates	PERS 1 UAAL	Admin Fee	Total Employer
January - June	6.36%	2.55%	0.20%	9.11%
July - December	5.38%	0.00%	0.20%	5.58%

Plan	Employee Contribution Rate
PERS 1	6.00%
PERS 2	6.36% January - June and 5.38% July - December
PERS 3	Varies: 5%-15%

The port actual PERS plan contributions were \$141,633 to PERS Plan 1 and \$659,979 to PERS Plan 2/3 for the year ended December 31, 2025.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries’ Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each

system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match administrations.

### Long-Term Expected Rate of Return

OSA selected a 7.0% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.1%
Tangible Assets	8%	4.5%
Real Estate	18%	4.8%
Global Equity	30%	5.6%
Private Equity	25%	8.6%
Total	100%	

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% was used to determine the total liability.

### Sensitivity of Net Pension Liability/(Asset)

The table below presents the port's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the port's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1	\$ 1,011,849	\$ 599,649	\$ 238,140
PERS 2/3	4,048,302	(2,494,711)	(7,868,350)

### Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The port's proportionate share of the net pension liabilities and asset as follows:

	Liability (or Asset)
PERS 1	\$ 599,649
PERS2/3	2,494,711

At June 30, the port's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/24	Proportionate Share 6/30/25	Change in Proportion
PERS 1	0.0528%	0.0509%	-0.0019%
PERS 2/3	0.0676%	0.0654%	-0.0022%

### Pension Expense

For the year ended December 31, 2025, the port recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (95,225)
PERS 2/3	(131,776)

### Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(41,224)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
<b>TOTAL</b>	-	\$ (41,224)

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,823,984	\$ -
Net difference between projected and actual investment earnings on pension plan investments	-	(561,790)
Changes of assumptions	964,112	(68,889)
Changes in proportion and differences between contributions and proportionate share of contributions	189,132	(12,961)
Contributions subsequent to the measurement date	306,731	-
<b>TOTAL</b>	\$ 3,283,959	\$ (643,640)

Deferred outflows of resources related to pensions resulting from the port's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended 12/31</b>	<b>PERS 1</b>
2026	\$ 39,336
2027	(28,656)
2028	(29,758)
2029	(22,146)
2030	-
Thereafter	-
Total	\$ (41,224)

<b>Year Ended 12/31</b>	<b>PERS 2/3</b>
2026	\$ 905,538
2027	379,487
2028	370,640
2029	162,788
2030	344,645
Thereafter	170,491
Total	\$ 2,333,589

**NOTE 7 - PENSION PLANS - NONGOVERNMENTAL PLANS (PENSIONS PROVIDED THROUGH CERTAIN MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLANS)**

Some port employees may be provided with pensions through a cost-sharing, multiple-employer defined benefit pension plan that, (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions to both employees of state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The port has six union sponsored pension plans meeting these criteria. As of December 31, 2025, the nongovernmental plans are composed of the following:

Name of Pension Plan	Entity	Cost-Sharing	Financial Report	Benefit Type	# of Covered Employees	Benefit Terms	Contribution Requirements	Balance of Payables *	Expiration Date
47P	Oregon-Washington Carpenters-Employers Trust	Yes	Yes	Pension	4 Carpenters	Collective-bargaining agreement	6.70 multiple by hours worked	\$ 3,045.15	5/31/2026
Dist 9 ER	Electrical Trust Funds	Yes	No	Pension	2 Electricians	Collective-bargaining agreement	5.64, 5.37 multiple by hours worked	\$ 1,718.64	12/31/2025
Edison Pension	Electrical Trust Funds	Yes	Yes	Pension	2 Electricians	Collective-bargaining agreement	11.40, 11.15 multiple by hours worked	\$ 3,541.60	12/31/2025
NEBF	Electrical Trust Funds	Yes	Yes	Pension	2 Electricians	Collective-bargaining agreement	.03 multiple by earnings	\$ 669.18	12/31/2025
Pension	NW Laborers-Employers Trust Fund	Yes	Yes	Pension	10 NW Laborers	Collective-bargaining agreement	6.05 multiple by hours worked	\$ 5,435.93	5/31/2026
Pension	AGC-IUOE Local 701 Trust Funds	Yes	Yes	Pension	6 Operating Engineers	Collective-bargaining agreement	6.40 multiple by hours worked	\$ 5,766.40	12/31/2025
Local 290 Pension	UA Local Union 290 Plumbing and Pipefitting Industry	Yes	Yes	Pension	2 Plumbers	Collective-bargaining agreement	16.85 multiple by hours worked	\$ 5,012.88	3/31/2026
National Pension	UA Local Union 290 Plumbing and Pipefitting Industry	Yes	Yes	Pension	2 Plumbers	Collective-bargaining agreement	1.61 multiple by hours worked	\$ 478.98	3/31/2026
NASI Pension Fund	National Automatic Sprinkler Industry	Yes	No	Pension	2 Sprinkler Fitters	Collective-bargaining agreement	7.40 multiply by hours worked	\$ 2,738.00	12/31/2025
Sprinkler Industry Supplemental Pension	National Automatic Sprinkler Industry	Yes	No	Pension	2 Sprinkler Fitters	Collective-bargaining agreement	7.23 multiply by hours worked	\$ 2,675.10	3/31/2026

\* The amounts were earned by 12/31/2025, and payables are due in January 2026. Required contributions to the pension plans are related to past services performed per union contracts.

**NOTE 8 – RISK MANAGEMENT**

The port is exposed to various risks of loss related to torts; damage to, theft of and destruction of assets or cargo; natural disasters; and employee injuries. To limit exposure, the port purchases property, liability, and related insurance coverage annually through a commercial insurance broker which provides coverage against most normal hazards. In comparison to prior years, there were no significant changes in the type and coverage of insurance policies purchased by the port in 2025. Settlement claims have not exceeded commercial insurance coverage in any of the past three years.

The port participates in the State of Washington Labor and Industries workman’s compensation program. However, management has elected to become self-insured through the Washington State Employment Security Department on a reimbursement basis. Unemployment claims are processed by the Washington State Employment Security Department. No reserve for self-insurance has been established as potential liability is not considered to be material to the financial statements.

**NOTE 9 – LONG-TERM DEBT**

**A. Long-Term Debt**

The port issues general obligation and revenue bonds to finance the purchase, and construction of capital assets. Bonded indebtedness has also been entered into in 2019 and 2020 to advance refund several general obligation bonds. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. The revenue bonds are being repaid by net revenues of the port. The Port of Vancouver is also liable for notes that were entered into for the construction of rail infrastructure right-away acquisition, legal settlement, and channel deepening. These notes are considered obligations of the general government and are being repaid with general governmental revenue sources.

Unamortized debt issue costs are recorded as deferred charges and bonds are displayed net of premium, discount, or deferred amount on refunding. Annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs, discounts, and deferred amounts on refunding. The port is also liable for a right-of-way settlement agreement for the West Vancouver Freight Access Project.

The port has pledged future net revenues, as defined by bond documents, to repay \$89,345,000 in revenue bonds issued in 2016, 2017, and 2018. Proceeds from the bonds provided financing for specific capital projects as outlined in the bond documents. The bonds are payable solely from net revenues and are payable through 2048. The revenue bonds contain coverage requirements related to maintaining adequate net revenues to support debt service. Annual principal and interest payments on the bonds are expected to require less than 27 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$74,555,000. Principal and interest paid for the current year, and total net revenues were \$5,306,030 and \$19,941,729 respectively.

On May 13, 2025, the port Commission of the Port of Vancouver approved Resolution No. 3-2025, authorizing the issuance and sale of \$33,815,000 of limited tax general obligation bonds in two series for the purpose of financing the constructing, improving, and equipping port facilities and property and related demolition: providing for the annual levy of taxes to pay the principal of and interest on the bonds. The bonds are payable through 2055.

**B. General Obligation Bonds**

General Obligation bonds currently outstanding are as follows:

Obligation	Original Issue	Interest Rate	Maturity	Balance 12/31/25
2019	5,625,000	2.49%	2028	930,000
2020	18,665,000	0.615-1.720%	2028	9,440,000
2022 Series A	16,365,000	5.00%	2042	16,365,000
2022 Series B	9,995,000	4.125-4.375%	2047	9,995,000
2024 Series A	15,745,000	4.90-5.50%	2054	15,745,000
2024 Series B	11,070,000	5.00%	2048	11,070,000
2025 Series A	4,425,000	5.125%	2055	4,425,000
2025 Series B	29,390,000	5.00-5.25%	2048	29,390,000
Total GO Bonds before current portion				97,360,000
Current portion				3,405,000
Discount				(243,227)
Premium				3,665,710
Total long-term GO bonds, net				\$ 97,377,482

The annual debt service requirements to maturity for general obligation bonds are as follows:

<b>Year Ending December 31, 2025</b>	<b>Principal</b>	<b>Interest</b>
2026	3,110,000	4,515,289
2027	3,140,000	4,477,347
2028	3,190,000	4,431,189
2029	2,385,000	4,376,321
2030	2,500,000	4,257,366
2031-2035	14,540,000	19,277,556
2036-2040	18,590,000	15,228,276
2041-2045	23,720,000	10,086,194
2046-2050	17,920,000	4,086,419
2051-2055	7,335,000	1,094,214
<b>Total</b>	<b>\$ 96,430,000</b>	<b>\$ 71,830,171</b>

The annual debt service requirements to maturity for debt from direct borrowings and direct placement are as follows:

<b>Year Ending December 31, 2025</b>	<b>Principal</b>	<b>Interest</b>
2026	295,000	23,157
2027	315,000	15,812
2028	320,000	7,968
<b>Total</b>	<b>\$ 930,000</b>	<b>\$ 46,937</b>

C. Revenue Bonds

Revenue Bonds currently outstanding are as follows:

<b>Obligation</b>	<b>Original Issue</b>	<b>Interest Rate</b>	<b>Maturity</b>	<b>Balance 12/31/2025</b>
2016 Revenue Bonds	40,000,000	1.325%-4.010%	2046	32,275,000
2017 Revenue Bonds	30,000,000	2.001%-4.693%	2047	25,400,000
2018A Revenue Bonds	14,885,000	2.850% - 4.250%	2044	12,420,000
2018B Revenue Bonds	4,460,000	5.000%	2048	4,460,000
Total Revenue Bonds before current portion				\$ 74,555,000
Current portion				2,265,000
Premium				489,263
Total long-term Revenue Bonds, net				<b>\$ 72,779,263</b>

The annual debt service requirements to maturity for revenue bonds are as follows:

<b>Year Ending December 31, 2025</b>	<b>Principal</b>	<b>Interest</b>
2026	2,265,000	3,040,330
2027	2,330,000	2,970,276
2028	2,410,000	2,895,300
2029	2,490,000	2,813,373
2030	2,570,000	2,725,825
2031-2035	14,420,000	12,089,273
2036-2040	17,590,000	8,911,506
2041-2045	21,615,000	4,898,563
2046-2048	8,865,000	657,178
<b>Total</b>	<b>\$ 74,555,000</b>	<b>\$ 41,001,624</b>

D. Special Revenue Bonds

Port Resolution 9-2009 provided for the issuance of refunding revenue bonds of the port in the principal amount of \$25,000,000. A lease agreement provides for unconditional payment of rent equal to the debt service of the special revenue bonds. The bonds are not general obligations of the port, are payable solely from the pledged revenues of the lease and do not constitute a lien on the unpledged revenues of the port. The special revenue bonds are supported by direct payment of irrevocable bank letters of credit.

The outstanding special revenue bonds are adjustable tender bonds subject to purchase on demand of the holder at a price equal to the principal plus accrued interest under certain notification requirements. Interest rates on these bonds are adjustable.

The special revenue bonds currently outstanding are as follows:

Obligation	Original Issue	Interest Rate	Maturity	Balance 12/31/2025
Series 2009	\$ 25,000,000	Adjustable	2029	\$ 25,000,000

E. Line of Credit

In 2013, the port issued a request for proposals to retain a financial institution to serve as the port's Credit Facility Provider. Key Bank was chosen as the most qualified financial institution to serve as the sole Holder and a Credit Facility Agreement was developed. The Credit Facility Agreement was subsequently modified four different times to either change definitions, provide for a method to extend the maturity date, reduce the applicable rate and unused commitment fee and other changes, and address the process and procedures related to the anticipated termination of LIBOR as pricing index for computing interest.

In 2023, the port entered into a replacement revolving line of credit with Key Bank "Series 2023 Taxable Revenue Bonds" with a principal amount not to exceed \$35,000,000. The revenue bond restricts a portion of the port's net operating revenue to secure a \$35,000,000 Line of Credit. In 2025, the Credit Facility Agreement was again extended.

The Line of Credit bears an interest rate equal to the sum of the Term SOFR for a period of 30 days for that SOFR Interest Calculation Period applicable for said advances plus 115 basis points (1.15%). The Term SOFR Rate for a period of 30 days on December 31, 2025, was 3.79%. The port has agreed to pay the Series 2023 Credit Facility Provider an unused commitment fee in the amount of 25 basis points per annum (0.25%).

The port uses this Line of Credit as complementary financing to operating cash flows. This agreement matures on September 25, 2028. The maturity date can be extended annually by one year at the request of the port and the sole consent of Key Bank. Currently there is no outstanding balance on the Line of Credit.

F. Notes Payable

The Washington and Oregon ports entered the "Intergovernmental Agreement Among Lower Columbia River Ports for Columbia River Channel Deepening and Maintenance" with the U.S. Army Corps of Engineers for the Channel Improvement Project on June 21, 2004. The Project Cooperation Agreement identifies disposal, mitigation and restoration sites needed for the Channel Improvement Project. The State of Washington appropriated \$27.7 million for the Washington sponsor's share of project costs. The Oregon-Washington Ports Agreement allocates costs of the Channel Improvement Project. All costs incurred, with the exception for port-owned beneficial use sites, will be shared 50/50 between the states. The Washington ports share of the costs is shared equally between the three Washington ports. At the completion of the Columbia River Channel Improvement Project a final accounting of the project will occur to ensure that the non-federal sponsors have equally contributed to the project, met their obligations to U.S. Army Corps of

Engineers, and equalization will occur between the States of Washington and Oregon. Having reached substantial completion, the port has accrued cost of \$943,052 and will start amortization on the straight-line method over 30 years when the U.S. Army Corps of Engineers has completed the project. See (Note 17, Columbia River Channel Improvement Project)

**NOTE 10 - CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/2025	Additions	Reductions	Ending Balance 12/31/2025	Due within One Year
G.O. Bonds	\$ 65,685,000	\$ 33,815,000	\$ 3,070,000	96,430,000	\$ 3,110,000
G.O. Bond Direct Borrowing & Direct Replacement	1,225,000		295,000	930,000	295,000
Discounts/premiums	1,775,075	1,864,427	217,020	3,422,482	162,863
Special Revenue Bond	25,000,000	-	-	25,000,000	-
Revenue Bond	76,755,000	-	2,200,000	74,555,000	2,265,000
Discounts/premiums	510,535	-	21,272	489,263	21,272
<b>Total Bonds Payable</b>	<b>170,950,611</b>	<b>35,679,427</b>	<b>5,803,292</b>	<b>200,826,745</b>	<b>5,854,136</b>
Notes Payable	933,787	9,265	-	943,052	-
Leased Asset Payable	-	93,470	-	93,470	46,058
SBITAs Payable	259,791	4,679	88,681	175,789	74,608
Environmental Remediation	25,168,998	9,331,742	-	34,500,740	-
Arbitrage Rebate Tax Payable	129,137	6,904	-	136,041	-
Compensated Absences	1,753,278	1,321,782	1,212,359	1,862,701	1,017,153
Pension Obligations	938,952	-	339,303	599,649	-
<b>Total long-term liabilities</b>	<b>\$ 200,134,554</b>	<b>\$ 46,447,269</b>	<b>\$ 7,443,635</b>	<b>\$ 239,138,187</b>	<b>\$ 6,991,955</b>

**NOTE 11 – LEASES (Port as Lessor)**

At December 31, 2025, the port operates a total of 55 leases, comprising 50 industrial leases, 4 commercial ground leases at the Waterfront Terminal 1 locations, and 1 long-term safe lay berthing lease. These leases provide for the use of land, building and improvements under long-term agreements at market rates. Initial lease terms range from 1 to 50 years, with certain agreements including extension options that may extend the term up to 80 years. Many leases include provisions for annual rent changes based on the consumer price index (CPI). Lease payments that are fixed or fixed in substance are included in the measurement of lease receivable. In addition, certain properties are leased on a month-to-month or holdover basis, these agreements are considered short-term leases and are therefore exempt from the recognition requirements of GASB Statement No. 87.

As of December 31, 2025, the port participated as a lessor in the following lease agreement:

	Lease Type	Number of Leases	Remaining Extensions	Expiration Date with Extension Terms	Rent Increases	Interest Rate	Monthly Rent Dec. 2025
Industrial	Building/Land	2	Two 5-year	10/31/2038	Annual CPI increase 2-6%	6.88%	\$4,776.78 - \$21,543.66
	Building	1	Three 5-year	10/31/2042	Annual CPI increase	3.57%	\$ 56,556
	Building	1	None	10/31/2027	No annual increase	8.25%	\$ 3,200
	Land/Ground	1	Three 5-year	10/31/2042	No annual increase	6.33%	\$ 1,500
	Building/Land	3	None	3/31/2030	Annual CPI increase 2-6%	2.85%	\$891.00 - \$24,480.00
	Building	1	Four 7-year	11/30/2061	Annual CPI increase 2-6%	3.57%	\$ 14,645
	Building	1	Two 5-year	3/31/2036	Annual CPI increase 2-6%	3.57%	\$ 11,087
	Building	1	Two 2-year	7/31/2030	Annual CPI increase 2-6%	2.85%	\$ 20,050
	Building/Land	5	None	6/30/2028	Annual CPI increase 2-6%	2.85%	\$276.05 - \$29,046.87
	Land	1	Two 5-year	2/28/2038	Annual CPI increase	3.57%	\$ 12,209
	Building	1	Two 5-year	12/31/2039	Annual increase 15K	3.57%	\$ 47,348
	Land	1	Two 10-year	2/28/2049	Annual CPI increase 2-6%	3.57%	\$ 54,071
	Land	1	Two 5-year	8/31/2040	Annual CPI increase 2-6%	3.57%	\$ 57,604
	Building	4	Three 5-year	12/31/2043	Annual CPI increase up to 5%	3.57%	\$3,164.42 - \$64,075.48
	Land	1	One 10-year	10/31/2036	Annual CPI increase	3.57%	\$ 25,682
	Land	1	None	7/31/2030	Annual CPI increase up to 4%	3.57%	\$ 28,560
	Land	1	Two 5-year	12/31/2034	Annual CPI increase up to 4%	3.57%	\$ 7,238
	Building/Land	2	Four 10-year	12/31/2090	Annual CPI increase 2-6%	3.57%	\$4,958.59 - \$16,666.67
	Building	2	Two 5-year	1/31/2043	Annual CPI increase 2-6%	5.57%	\$8,168.93 - \$21,854.40
	Building	1	One 5-year	9/30/2030	Annual CPI increase	2.85%	\$ 48,377
	Building	1	Two 10-year	9/30/2057	Annual CPI increase 2.5%	3.57%	\$ 70,462
	Building	1	None	6/30/2033	No annual increase	4.25%	\$ 8,228
	Land	1	One 10-year	2/29/2040	Annual CPI increase 2-6%	3.57%	\$ 11,367
	Building	1	One 3-year	7/31/2028	Annual CPI increase 2-6%	4.41%	\$ 20,498
	Building	1	None	6/30/2032	Annual CPI increase 2-6%	3.11%	\$ 4,437
	Building	1	None	6/30/2032	Annual CPI increase 2-6%	3.57%	\$ 24,688
	Building	1	Two 5-year	5/13/2029	Annual CPI increase 2-6%	2.34%	\$ 11,010
	Building	2	Two 5-year	6/30/2039	Annual CPI increase 2-6%	3.57%	\$2,058.79 - \$33,903.04
	Building	1	None	12/31/2029	Annual CPI increase 2-6%	2.85%	\$ 25,200
	Building	1	Two 5-year	10/21/2039	Annual CPI increase 2-6%	3.57%	\$ 5,519
	Building	1	One 3-year	9/9/2030	Annual CPI increase 2-6%	3.12%	\$ 81,561
	Building	1	Two 1-year	11/10/2027	Annual CPI increase 2-6%	5.17%	\$ 21,440
Land	1	Two 10-year	5/31/2073	Annual CPI increase 2-6%	5.87%	\$ 117,579	
Building	1	Two 5-year	1/31/2041	Annual increase 3.5%	5.61%	\$ 73,359	
Building	1	Two 5-year	5/31/2049	Annual CPI increase 2-6%	6.14%	\$ 32,743	
Building	1	Three 5-year	10/31/2042	Annual increase 3.5%	5.77%	\$ 27,370	
Building	1	One - 40-year	7/31/2076	Fair Market increase	5.98%	\$ 76,059	
Commercial	Land	1	Two 15-year	11/30/2098	Fixed and Variable increases over the duration of the lease	3.57%	variable
	Land	1	Two 15-year	7/31/2101	Annual CPI increase after year 10, 2-4%	3.64%	\$ 23,665
	Land	2	Two 15-year	4/30/2102	Annual CPI increase after year 10, 2.5-4.5%	4.87%	\$5,258.75 - \$5,588.50
Terminal	Layberth	1	One 9-year	11/30/2033	Fixed rate increases over the duration of the lease	4.68%	\$ 63,023

Variable payments include annual Consumer Price Index (CPI) adjustments, tenant improvement payments and a percentage of gross sales on an operation rent lease agreement.

As of December 31, 2025, inflows of resources from lease activities were as follows:

Lease Revenue from Lease Receivable	\$	12,099,615
Interest Revenue		11,162,663
Variable Payments		756,605
<b>Total</b>	<b>\$</b>	<b>24,018,884</b>

As of December 31, 2025, minimum future lease receivable principal and interest payments on non-cancelable operating terms remaining are as follows:

Year Ended December 31	Principal	Interest	Total
2026	\$ 7,330,974	\$ 9,139,924	\$ 16,470,898
2027	7,964,056	9,044,580	17,008,636
2028	8,096,854	9,040,196	17,137,050
2029	8,261,340	9,052,376	17,313,716
2030	7,646,470	8,788,355	16,434,825
2031-2035	33,630,860	40,509,017	74,139,877
2036-2040	35,961,055	34,184,090	70,145,145
2041-2045	17,219,167	29,915,082	47,134,249
2046-2050	10,701,782	29,311,412	40,013,194
2051-2055	9,202,295	29,859,426	39,061,721
2056-2060	8,699,832	28,068,876	36,768,708
2061-2065	10,085,110	25,288,644	35,373,754
2066-2070	14,898,538	23,506,684	38,405,222
2071-2075	12,220,913	20,368,290	32,589,203
2076-2080	2,482,797	19,836,992	22,319,789
2081-2085	2,742,134	21,540,017	24,282,151
2086-2090	4,684,829	22,381,602	27,066,431
2091-2095	9,862,188	15,796,284	25,658,472
2096-2100	22,213,418	6,444,558	28,657,976
2101-2105	5,337,222	158,938	5,496,160
<b>Total</b>	<b>\$ 239,241,834</b>	<b>\$ 392,235,344</b>	<b>\$ 631,477,178</b>

**NOTE 12 – LEASES (Port as Lessee)**

As of December 31, 2025, the port has one lease in which it is acting as lessee. In January 2025, the Port entered into a noncancelable lease agreement for portable restroom and handwashing station rentals with annual fixed payments of \$48,160. The initial lease term is one year, with two optional one-year renewal periods, which, if exercised, would extend the lease through December 2027. This lease provides for the rental of portable restrooms and handwashing stations for use throughout the port's properties. In addition to fixed payments, the agreement requires variable payments based on actual usage of supplies and related services. These variable payments are not included in the measurement of the lease liability and are recognized as expense in the period incurred.

Leased asset activities for the year end December 31, 2025, were as follows:

	Beginning Balance 1/1/2025	Increases	Decreases	Ending Balance 12/31/2025
Leased equipment	\$ -	\$ 137,033	\$ -	\$ 137,033
Accumulated amortization	-	-	45,678	(45,678)
Net, Leased assets	\$ -	\$ 137,033	\$ (45,678)	\$ 91,356

As of December 31, 2025, outflows of resources from lease activities were as follows:

Principal payments in 2025	\$ 43,563
Interest expense on leased assets	3,308
Variable payments	(1,381)
Total	\$ 45,490

As of December 31, 2025, the principal and interest requirements to maturity are as follows:

Year Ended December 31	Principal	Interest	Total
2026	\$ 46,058	\$ 2,102	\$ 48,160
2027	47,412	748	48,160
Total	\$ 93,470	\$ 2,850	\$ 96,320

**NOTE 13 – SUBSCRIPTION BASED IT AGREEMENTS**

The port is committed under various subscription-based IT arrangements (SBITAs). At December 31, 2025, the port has 9 qualifying SBITAs under GASB 96 in which it is the subscription user. These arrangements are primarily prepaid for the full subscription term and do not generally include significant variable payment components. Any usage-based or activity-based charges are expensed as incurred and are not included in the measurement of the subscription liability.

Count	Description	Expiration Date with Extension Terms	Terms	Annual Increase	Interest Rate	Rent Frequency
1	Maintenance Management	02/06/2028	5-year	6.50%	2.41%	Annually
2	Wi-Fi Access Points #1	12/14/2026	3-year	None	0.00%	Prepaid in full
3	Wi-Fi Access Points #2	02/11/2027	3-Year	None	0.00%	Prepaid in full
4	Cloud Management	05/15/2027	3-Year	None	0.00%	Prepaid in full
5	Human Resources Management	09/23/2027	3-Year	None	0.00%	Prepaid in full
6	VPN Security	11/30/2027	3-Year	None	0.00%	Prepaid in full
7	Virtualization & Cloud Computing	11/30/2027	3-Year	None	2.62%	Annually
8	Network security	11/30/2027	3-Year	None	0.00%	Prepaid in full
9	Virtualization & Cloud Computing (DR)	11/30/2027	28 month	None	0.00%	Prepaid in full

SBITAs asset activities for the year end December 31, 2025, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Subscription assets	\$ 461,676	\$ 6,741	\$ 58,830	\$ 409,587
Accumulated Amortization	165,626	105,829	58,830	212,626
Net subscription asset	\$ 296,050	\$ (99,088)	\$ -	\$ 196,961

As of December 31, 2025, outflows of resources from SBITAs activities were as follows:

Principal payments in 2025	\$ 84,001
Interest expense on SBITAs assets	5,198
Variable payments	-
Total	\$ 89,199

As of December 31, 2025, the principal and interest requirements to maturity are as follows:

Year Ended December 31	Principal	Interest	Total
2026	\$ 74,608	\$ 4,349	\$ 78,958
2027	48,350	2,466	50,815
2028	52,831	1,287	54,118
Total	\$ 175,789	\$ 8,102	\$ 183,891

**NOTE 14 – RESTRICTED COMPONENT OF NET POSITION**

The port's statement of net position reports \$6,831,704 of restricted component of net position as follows:

Repair & Replacement Fund - CIP Reserve	\$ 116,485
Repair & Replacement Fund - Customer Reserve	1,564,243
Net Pension Asset	5,135,030
Flexible Spending Account (FSA)	15,946
<b>Total Restricted Net Position</b>	<b>\$ 6,831,704</b>

Repair & Replacement Fund – CIP Reserve:

The Covenants, Conditions, and Restrictions for Centennial Industrial Park require all property owners/tenants located within the boundaries of the Centennial Industrial Park to pay the port a storm water impact fee. The storm water impact fee will equal the City of Vancouver's storm water impact fee. 70% of the fee collected is retained by the port in a separate account to be used for annual operations, maintenance, repairs, and capital improvements of the Centennial Industrial Park enhanced storm water treatment system. Any amount remaining at the end of any given year will be transferred into a reserve account. The reserve will be used to fund capital improvements and major maintenance or repair of the Enhanced Stormwater Treatment System.

Repair & Replacement Fund – Customer Reserve:

In April 2023, the port entered a lease agreement with a mineral Bulk Terminal Facility Operator. The port contributes \$5,500,000 towards structural improvements, alterations, or repairs of the port assets within the Bulk Terminal Facility. As 12/31/2025 the balance is \$1,564,243.

Net Pension Asset:

The pension asset amount refers to the net asset for the PERS Plan 2/3 retirement program. (See Note 6 – Pension Plans)

Flexible Spending Account (FSA):

The port provides Flexible Spending Accounts (FSAs) as a key benefit, allowing employees to allocate pre-tax dollars for eligible health and dependent care expenses. As of December 31, 2025, the port has a balance of \$15,946 in health FSA funds, which employees can utilize through March 31, 2026.

**NOTE 15 - POLLUTION REMEDIATION OBLIGATION**TCE

Soil and shallow ground water samples taken in 1997 during the Mill Plain extension project showed concentrations of trichloroethylene (TCE) which exceeded Department of Ecology's (Ecology) ground water and industrial soil cleanup levels. Chlorinated solvent-related contamination was subsequently discovered at the Cadet Manufacturing facility located north of the former Swan site. Both Cadet and Swan formerly used chlorinated solvents, primarily trichloroethylene (TCE), to degrease metal parts which leached into the ground.

Ecology named the port as a potentially responsible party (PRP) under the Model Toxics Control Act (MTCA). In 1998 and 2001 the port entered agreed orders with Ecology. Under the agreed orders, the port must investigate and remediate TCE, and other chlorinated solvent contamination associated with the former Swan site.

In 1999, Cadet was named as a PRP and subsequently entered an agreed order with Ecology under the MTCA. At the same time, the port filed a contribution claim against Cadet, the corporate successor to Swan, for all costs expended by the port for the Swan cleanup. In February 2006, the port reached an agreement with Cadet to settle the lawsuit. Under this agreement, the port purchased the Cadet site and assumed full responsibility for the remedial activities contained in the agreed order between Cadet and Ecology. Effective May 1, 2008, the port and Ecology negotiated a combined agreed order (07-TC-S-

DE5189) for both the Swan and Cadet sites. No significant changes to Ecology's requirement were made with this revision.

Currently, the TCE cleanup is in the final measurement benchmark established by GASB 49: "Remediation design and implementation, through and including operation and maintenance, and post remediation monitoring." At this stage, the port is required to continue to refine its estimate of its liability as additional information becomes available.

In June 2009, the port completed construction of its new Groundwater Cleanup Facility to expedite the completion of the remediation of TCE and other solvents in the groundwater. Using a process known as "air stripping," the facility pumps contaminated water from the aquifer, and filters it through various tanks before the air stripping removes contaminants from the water and discharging the clean water.

The Yakama Nation is a tribal government with a role in the investigation and cleanup of environmental contamination under both federal law (CERCLA) and state law (MTCA). Following the publication of the remedial investigation reports and feasibility study for public notice and comment, the Yakama Nation expressed its interest in resources impacted by the site, and its desire to participate in the development of the proposed remedial action for the site. In February 2015, the tribe requested that the port enter into a funding and participation agreement (FPA) that would enable the Yakama Nation to be involved in the development and implementation of remedial actions. The Yakama Nation informed the port that if the port declined to enter into an FPA, the tribe would participate in the development and implementation of remedial actions at the site anyway, and seek recovery of its costs through appropriate means, including but not limited to litigation. The port and the Yakama Nation negotiated a reasonable and appropriate FPA.

A budget for remediation costs has been prepared by the port's environmental engineer. This budget is the basis for estimates for the year ending December 31, 2025. There are no other responsible parties and no estimated recoveries reducing this liability as of December 31, 2025.

This estimated liability for TCE was prepared using the expected cash flow technique, which measures the liability as the sum of probability weighted amounts in a range of possible estimated amounts. This is an estimate only and potential for change exists resulting from price increases or reductions, technology or changes in applicable laws or regulations. Time assumptions for TCE tasks varying between 5 and 30 years have been assigned estimated values and probability weighted to arrive at expected costs. The estimates and assumptions will be reevaluated as material events occur. The total expected cost for TCE tasks as of December 31, 2025, is \$3,613,000.

#### Terminal 5 Sediment Clean-up

In 2009, the Port of Vancouver USA purchased the former Alcoa property to support industrial use and economic development. This property, now known as Terminal 5 and including Berth 17, is part of a designated cleanup site overseen by the Washington State Department of Ecology.

Prior industrial activities at the site resulted in contamination of upland areas and sediments in the Columbia River. Initial sediment cleanup actions were completed by the previous owner, Alcoa, in 2009. Subsequent environmental sampling by the port and Alcoa between 2018 and 2022 identified remaining contamination in the sediment, including polychlorinated biphenyls (PCBs) and polycyclic aromatic hydrocarbons (PAHs). This contamination has limited the port's ability to conduct maintenance dredging and has impacted operations and development at Terminal 5.

In 2020, the Department of Ecology identified the port as a potentially liable party for addressing the remaining contamination. Due to significant delays in the Ecology process with Alcoa (the primary PLP), the port decided to lead the design and implementation of the necessary cleanup action, consistent with the State cleanup regulations. The Port entered into an Agreed Order with Ecology on September 2, 2025 to conduct a phased sediment Interim Action in 2027 and 2028.

Leading this regulatory and cleanup process has resulted in an increase in expected costs for design and remedial construction for several years from 2024 through approximately 2028. The port maintains that Alcoa is financially responsible for this work but has determined it is preferable to proceed with the Interim Action to more quickly achieve cleanup goals with environmental protection, as well as an unencumbered facility.

As of December 31, 2025, the port has estimated its liability for sediment remediation at Terminal 5 to be \$28,950,600. The estimate was developed using the expected cash flow technique, which considers the current understanding of site conditions, anticipated remediation methods, and associated costs. The estimate reflects assumptions, based on current data, information, and Ecology coordination, regarding project scope, timing, construction methods, and other factors that may affect the final cost of remediation. Further data collection is planned for early 2026 to refine remedial extents. Remedial design will then proceed during 2026 based on these additional data. This estimate is subject to change as additional site data are collected, the design is finalized, and competitive bids are received. However, the overall cost is expected to remain at the order of magnitude indicated in the 2025 filing.

The port is actively pursuing opportunities to recover costs from other potentially liable parties and has entered into an agreement with the Yakama Nation to support collaborative efforts on the cleanup. At this time, the estimated liability does not include any offsets for cost recovery, insurance proceeds or grant monies, as these amounts are uncertain and not yet realized. The port will update the liability as new information becomes available and as cost recovery efforts progress.

#### Other Sites

This estimated environmental remediation obligation also includes long-term monitoring costs at additional sites: Fort Vancouver Plywood, Brazier, ASI and Terminal 5 (formerly the Alcoa/Evergreen sites). These sites have been in a monitoring status for many years as required by the Department of Ecology. There are no indications of additional future regulatory requirements, no other responsible parties, or potential cost recoveries. Groundwater monitoring costs have very little variability, and costs are projected for the next 15 years. Total expected costs for these sites are \$1,937,140. In May 2016, the port performed subsurface investigations at the terminal one. The result indicated some localized areas of shallow soil contamination (1-8 feet below ground surface) that exceed the state cleanup levels for petroleum hydrocarbons and some heavy metals. The investigations also indicate localized areas of groundwater contamination that exceed state cleanup levels for petroleum hydrocarbons, naphthalene and some heavy metals. Estimated costs for cleanup can be determined once future development impacts to the site are determined.

The total environmental remediation obligation for all sites is disclosed on the Statement of Net Position at \$34,500,740. Adjustment shown on the statement of Revenues, Expenses and Changes in Fund Net Position represents the modification to the expected cash flow estimate for changes in the remediation obligation. This is a result of annually refining the estimate of the port's remediation obligation liability as additional information becomes available. Remediation expenses, as incurred, flow through the statement of net position as a reduction of the environmental remediation obligation.

#### **NOTE 16 – CONTINGENCIES AND LITIGATION**

The port has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the port will have to make payment. In the opinion of management, the port (insurance policies and/or self-insurance reserves) are adequate to pay all known or pending claims.

The port participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. Port management believes that such disallowances, if any, will be immaterial.

**NOTE 17 – COLUMBIA RIVER CHANNEL IMPROVEMENT PROJECT**

The Columbia River Channel Improvement Project is a bi-state project supported by port sponsors from the States of Oregon and Washington. Over the past decade, The Washington Ports of Kalama, Longview, and Vancouver, have cooperated with the U.S. Army Corps of Engineers (Corps) and the ports of Portland and St. Helens, regarding improvements to the Columbia River Federal Navigation Channel. This has included, among other activities, a reconnaissance study, a feasibility study under the auspices of the Columbia River Improvement Project, the Dredged Material Management Plan (DMMP) and associated environmental impact statements for both the maintenance of the existing channel and the plans to increase the channel depth from 40 to 43 feet.

The ports entered into the Washington Ports Agreement in 1999 for the purpose of participating as non-federal sponsors for the Channel Improvement Project. The ports expanded the agreement by amendments on October 17, 2001, on February 19, 2002, on March 15, 2002, and January 30, 2004.

The Washington and Oregon ports entered into the “Intergovernmental Agreement Among Lower Columbia River Ports for Columbia River Channel Deepening and Maintenance” with the U.S. Army Corps of Engineers for the Channel Improvement Project on June 21, 2004. The Project Cooperation Agreement identifies disposal, mitigation and restoration sites needed for the Channel Improvement Project.

The State of Washington appropriated \$27.7 million for the Washington sponsor’s share of project costs. The Oregon-Washington Ports Agreement allocates costs of the Channel Improvement Project. All costs incurred, with the exception for port-owned beneficial use sites, will be shared 50/50 between the states. The Washington ports share of the costs is shared equally between the three Washington ports. At the completion of the Columbia River Channel Improvement Project a final accounting of the project will occur to ensure that the non-federal sponsors have equally contributed to the project, met their obligations to U.S. Army Corps of Engineers, and equalization will occur between the States of Washington and Oregon.

The deepening portion of the 103-mile navigation channel was completed in November 2010. There are three remaining disposal sites to be acquired. Disposal sites are reported as capital contributions for financial statement purposes and are carried at one-third of half the value by the ports of Kalama, Longview and Vancouver. The Port of Portland maintains the other half of the value from the jointly owned sites.

The Corps is currently in the process of developing its DMMP for maintenance of the Columbia River Channel for the next 30 years at its current 43-foot depth.

**NOTE 18 – TAX ABATEMENT**

While the port has the capability to provide tax abatements in conjunction with the City of Vancouver and Clark County, it has no outstanding tax abatement agreements or abatements that are entered into by other governments that reduce tax revenues.

**NOTE 19 - UNIQUE AND UNUSUAL TRANSACTIONS**Major Customer

The port had two major customers in 2025, which represented individually more than 8% percent of total operating revenues. These customers’ commodities are derived from the agriculture and automotive industries.

**NOTE 20 – ACCOUNTING CHANGES AND ERROR CORRECTIONS**Error Correction – Capital Asset Revaluation

During fiscal year 2025, the Port completed a comprehensive review of the estimated useful lives of capital assets to ensure depreciation periods appropriately reflect asset condition, operational use, maintenance practices, and remaining service potential.

As a result of this review, the Port identified errors related to accumulated depreciation and the estimated useful lives of certain fully depreciated assets that remain in service. Based on updated information, the estimated useful lives of certain assets were revised, and accumulated depreciation was corrected accordingly. In accordance with GASB Statement No. 100, these corrections resulted in an adjustment to and restatement of beginning net position as of January 1, 2025.

**Error Correction – Lease Termination Dates (GASB 87)**

During fiscal year 2025, the Port identified and corrected an error in the previously reported termination dates for two leases accounted for under GASB Statement No. 87. The incorrect termination dates resulted in misstated lease receivables and deferred inflows of resources in prior periods. In accordance with GASB Statement No. 100, this matter is reported as an error correction and resulted in a restatement of beginning net position as of January 1, 2025.

12/31/2024 Net Position as previously reported	Error correction	12/31/2024 Net position as restated
\$ 359,262,282	\$ 4,000,801	\$ 363,263,083

The cumulative effect of the above error corrections on the financial statements is summarized as follows:

- Statement of Net Position:
  - Decrease in other current assets by \$270,297, impacting lessor related balances,
  - Increase in capital asset (net) by \$4.027 million, impacting accumulated depreciation balances,
  - Decrease in other non-current assets by \$212,718, impacting lessor related balances,
  - Decrease in deferred inflows of resources by \$456,631, impacting lessor related balances,
  - Increase in net investment in capital assets by \$4,027 million, impacting accumulated depreciation balances, and
  - Decrease in unrestricted net position by \$26,385, impacting lessor related balances.
- Statement of Revenues, Expenses, and Changes in Net Position:
  - Increase in operating revenues of \$1,134,
  - Decrease in operating expense of \$4,027 million,
  - Increase in nonoperating revenues of \$1,336,
  - Increase in lease-related loss of \$28,855,
  - Decrease in nonoperating expenses or \$27,519, and
  - Increase in beginning net position of \$4.001 million.

**NOTE 21 – COMPENSATED ABSENCES**

A liability for compensated absences is recognized if the leave is attributable to past services, accumulates, and is more likely than not to be used or settled.

The liabilities for compensated absences as of December 31, 2025, were as follows:

Type of Leave	Amount Accrued	Expected to be Paid ST	Expected to be Paid LT	Liability Recognized
Paid Time Off (PTO)	\$ 1,819,304	\$ 993,128	\$ 826,175	\$ 1,819,304
Sick Leave	28,794	9,421	19,373	28,794
WA Sick Leave	14,604	14,604	-	14,604
Total	\$ 1,862,701	\$ 1,017,153	\$ 845,548	\$ 1,862,701

The total liability recognized for compensated absences is \$1,862,701. The calculation includes an estimate of the current pay rates and an additional amount for employer-paid benefits associated with these amounts.

The port has reviewed historical data to determine the likelihood of the usage of compensated absences. Based on this analysis, it has been determined that the accumulated PTO and sick leave are more likely than not to be used or paid, thus a liability has been recognized for the full amounts. However, WA since sick leave is not paid out upon separation and is unlikely to be used entirely, no liability has been recognized for it.

**PORT OF VANCOUVER**  
**Required Supplementary Information**  
**December 31, 2025**

**Introduction**

The Port of Vancouver is presenting Required Supplementary Information (RSI) to meet the minimum financial reporting requirements and is an integral part of the accompanying financial statements. RSI generally includes schedules, statistical data, and other information.

**REQUIRED SUPPLEMENTARY INFORMATION – STATE SPONSORED PLANS**

Port of Vancouver USA										
Schedule of Proportionate Share of the Net Pension Liability										
PERS 1										
As of June 30 2025										
Last 10 Fiscal Years*										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset) PERS 1	%									
Employer's proportion of the net pension liability (asset) PERS 1 UAAL	%	0.050861%	0.052844%	0.053060%	0.054118%	0.054580%	0.052306%	0.054185%	0.057317%	0.059491%
Employer's proportionate share of the net pension liability	\$	599,649	938,952	1,211,218	1,506,844	666,550	1,846,684	2,083,606	2,559,797	2,822,894
Employer's covered employee payroll	\$	10,957,857	10,514,040	8,829,422	8,779,165	8,418,246	7,946,605	7,638,445	7,646,506	7,439,677
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	%	5.47%	8.93%	13.72%	17.16%	7.92%	23.24%	27.28%	33.48%	37.94%
Plan fiduciary net position as a percentage of the total pension liability	%	89.07	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%
<b>Notes to Schedule:</b>										
* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)										

Port of Vancouver USA										
Schedule of Proportionate Share of the Net Pension Liability										
PERS 2/3										
As of June 30 2025										
Last 10 Fiscal Years*										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the net pension liability (asset)	%	0.065372%	0.067565%	0.068532%	0.070403%	0.070181%	0.067762%	0.070035%	0.073243%	0.076538%
Employer's proportionate share of the net pension liability (Asset)	\$	(2,494,711)	(2,227,330)	(2,808,909)	(2,611,093)	(6,991,157)	866,637	680,278	1,250,559	2,659,330
Employer's covered employee payroll	\$	10,957,857	10,514,040	8,829,422	8,779,164	8,418,246	7,946,605	7,638,445	7,646,506	7,439,677
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	%	-22.77%	-21.18%	-31.81%	-29.74%	-83.05%	10.91%	8.91%	16.35%	35.75%
Plan fiduciary net position as a percentage of the total pension liability	%	105.53%	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%
<b>Notes to Schedule:</b>										
* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)										

Port of Vancouver USA										
Schedule of Employer Contributions										
PERS 1										
For the year ended December 31, 2025										
Last 10 Fiscal Years*										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 141,633	295,444	343,657	343,536	366,285	388,310	385,831	384,172	372,274	353,389
Contributions in relation to the statutorily or contractually required contributions	\$ (141,633)	(295,444)	(343,657)	(343,536)	(366,285)	(388,310)	(385,831)	(384,172)	(372,274)	(353,389)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered employer payroll	\$ 11,255,562	10,760,185	10,143,589	9,144,912	8,520,381	8,089,508	7,805,925	7,603,378	7,595,932	7,408,568
Contributions as a percentage of covered employee payroll	% 1.26%	2.75%	3.39%	3.76%	4.30%	4.80%	4.94%	5.05%	4.90%	4.77%

**Notes to Schedule:**  
\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)  
\* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL.  
Contributions do not include employer-paid member contributions (GASB 82, Par. 8)

Port of Vancouver USA										
Schedule of Employer Contributions										
PERS 2/3										
For the year ended December 31, 2025										
Last 10 Fiscal Years*										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 659,979	684,349	645,133	581,617	609,379	641,029	602,803	569,342	521,536	461,653
Contributions in relation to the statutorily or contractually required contributions	\$ (659,979)	(684,349)	(645,133)	(581,617)	(609,379)	(641,029)	(602,803)	(59,342)	(521,536)	(461,653)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered employer payroll	\$ 11,255,562	10,760,185	10,143,589	9,144,912	8,520,381	8,089,508	7,805,925	7,603,378	7,595,932	7,408,568
Contributions as a percentage of covered employee payroll	% 5.86%	6.36%	6.36%	6.36%	7.15%	7.92%	7.72%	7.49%	6.87%	6.23%

**Notes to Schedule:**  
\* Covered payroll is the payroll on which contributions to a pension plan are based (GASB 82, par. 5)  
\* Contributions are actual employer contributions to the plan. For PERS 1 this includes the portion of PERS 2/3 and PSERS 2 contributions that fund the PERS 1 UAAL.  
Contributions do not include employer-paid member contributions (GASB 82, Par. 8)

**REQUIRED SUPPLEMENTARY INFORMATION – NONGOVERNMENTAL PLANS**

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through Oregon-Washington Carpenters - Employers Trust Fund) 47P As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 35,094	37,394 *	33,841	32,954	32,274	35,323	32,048	32,199	34,355	36,806
<b>Notes to Schedule:</b> * In 2024, Union started combining pension plans 47AP, 47PNA & 47PNAO all to 47P										

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds) NEBF Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 8,373	7,550	7,035	7,810	8,573	8,914	8,282	7,469	5,476	6,254

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds) Dist 9 ER As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 20,336	20,578	19,699	22,502	23,526	23,021	22,693	20,127	13,940	15,159

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through Electrical Trust Funds) Edison Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 42,237	39,693	35,074	40,352	45,793	47,545	44,048	38,963	28,335	30,634

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through NW Laborers-Employers Trust Fund) NW Laborers Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 110,340	118,754	95,980	97,059	94,763	98,575	89,195	86,006	79,483	76,224

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through AGC-IUOE Local 701 Trust funds) AGC-IUOE Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 67,734	76,195	67,442	69,254	60,997	65,729	58,361	50,842	48,028	53,238

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through UA Local Union 290 Plumbing and Pipefitting Industry) Local 290 Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 53,928	51,805	44,918	26,364	23,841	24,585	23,196	21,022	21,999	21,056

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through UA Local Union 290 Plumbing and Pipefitting Industry) National Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 5,195	5,281	4,917	2,642	2,841	3,147	3,134	2,978	3,063	3,085

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through National Automatic Sprinkler Industry) NASI Pension As of December 31 2025 Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 28,801	28,047	27,760	26,156	26,240	26,989	25,529	25,059	25,008	23,322

Port of Vancouver USA Schedule of Employer Contributions Nongovernmental Plans (Pensions Provided Through National Automatic Sprinkler Industry) As of December 31 2025 Sprinkler Industry Supplemental Pension Last 10 Fiscal Years										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily or contractually required contributions	\$ 28,140	27,778	27,876	26,636	27,102	28,696	26,661	22,780	22,549	21,150

**PORT OF VANCOUVER, WASHINGTON**  
Additional Operating and Financial Information  
For the period ending December 31, 2025

**Introduction**

The Port of Vancouver, Washington (the "Port") is including additional operating and financial information for its fiscal year 2025 as provided in the Port's continuing disclosure undertakings pursuant to Rule 15c2-12 (the "Undertaking"), entered in connection with the following:

- Limited Tax General Obligation Refunding Bonds, 2020 (Taxable) issued October 30, 2020
- Limited Tax General Obligation Bonds, 2022A (AMT) issued September 27, 2022
- Limited Tax General Obligation Bonds, 2022B (Non-AMT) issued September 27, 2022
- Limited Tax General Obligation Bonds, 2024A (Taxable) issued June 4, 2024
- Limited Tax General Obligation Bonds, 2024B (Non-AMT) issued June 4, 2024
- Limited Tax General Obligation Bonds, 2025A (AMT) issued June 26, 2025
- Limited Tax General Obligation Bonds, 2025B (Non-AMT) issued June 26, 2025

The information below includes certain required information of the type provided in Tables 3, 4, 5, 15 and 16 of the Official Statement for the 2020 Bonds and Tables 2, 3, 4, 14, and 15 of the Official Statement for the 2022A and 2022B Bonds, Tables 2, 3, 4, 14, and 15 of the Official Statement for the 2024A and 2024B Bonds and , Tables 2, 3, 4, 14, and 15 of the Official Statement for the 2025A and 2025B Bonds.

<b>Outstanding General Obligation Debt</b>				
<b>For the Year-ended December 31, 2025</b>				
<b>Issue<sup>(1)</sup></b>	<b>Date of Issue</b>	<b>Date of Maturity</b>	<b>Amount Issued</b>	<b>Amount Outstanding</b>
LTGO Refunding Bonds, 2019	6/5/2019	12/1/2028	\$5,625,000	\$930,000
LTGO Refunding Bonds, 2020	10/30/2020	12/1/2028	18,665,000	9,440,000
LTGO Bonds, 2022A	9/27/2022	12/1/2042	16,365,000	16,365,000
LTGO Bonds, 2022B	9/27/2022	12/1/2047	9,995,000	9,995,000
LTGO Bonds, 2024A	6/4/2024	12/1/2054	15,745,000	15,745,000
LTGO Bonds, 2024B	6/4/2024	12/1/2048	11,070,000	11,070,000
LTGO Bonds, 2025A	6/26/2025	12/1/2055	4,425,000	4,425,000
LTGO Bonds, 2025B	6/26/2025	12/1/2048	29,390,000	29,390,000
<b>General Obligation Bond Total</b>			<b>\$111,280,000</b>	<b>\$97,360,000</b>

<sup>(1)</sup> Excludes the Districts obligations of approximately \$943 thousand under the Oregon-Washington Ports Agreement

<sup>(1)</sup> See Note 9 "Long-Term Debt", Note 10 "Changes in Long-term Liabilities" and Note 17 "Columbia River Channel Improvement Project" of the "Notes to the Financial Statements" of the Port's 2025 Audited Financial Statements

## General Obligation Debt Capacity

<b>2026 Collection Year Assessed Value</b>	<b>\$70,601,734,081</b>
<b>Nonvoted General Obligation Debt</b>	
Capacity: 0.25% of Assessed Value	\$176,504,335
Less: Outstanding Nonvoted General Obligation Debt <sup>(1)</sup>	<u>(\$97,360,000)</u>
Remaining Nonvoted General Obligation Debt Capacity	<u>\$79,144,335</u>
Percentage of Nonvoted General Obligation Debt Capacity Used	55.2%
<b>Total (Voted and Nonvoted) General Obligation Debt</b>	
Capacity: 0.75% of Assessed Value	\$529,513,006
Less: Outstanding Voted General Obligation Debt	-
Less: Outstanding Nonvoted General Obligation Debt <sup>(1)</sup>	<u>(\$97,360,000)</u>
Remaining Total General Obligation Debt Capacity	<u>\$432,153,006</u>
Percentage of Total General Obligation Debt Capacity Used	18.4%

<sup>(1)</sup> Excludes the Districts obligations of approximately \$943 thousand under the Oregon-Washington Ports Agreement.

<sup>(1)</sup> See Note 9 "Long-Term Debt", Note 10 "Changes in Long-term Liabilities" and Note 17 "Columbia River Channel Improvement Project" of the "Notes to the Financial Statements" of the Port's 2025 Audited Financial Statements

## General Obligation Debt Service Schedule

Year ending December 31	Outstanding General Obligation Bonds <sup>(1)</sup>		
	Principal	Interest	Total
2026	3,405,000	4,538,446	7,943,446
2027	3,455,000	4,493,159	7,948,159
2028	3,510,000	4,439,157	7,949,157
2029	2,385,000	4,376,321	6,761,321
2030	2,500,000	4,257,366	6,757,366
2031-2035	14,540,000	19,277,556	33,817,556
2036-2040	18,590,000	15,228,276	33,818,276
2041-2045	23,720,000	10,086,194	33,806,194
2046-2050	17,920,000	4,086,419	22,006,419
2051-2055	7,335,000	1,094,214	8,429,214
Total	97,360,000	71,877,108	169,237,108

<sup>(1)</sup> Excludes the Districts obligations of approximately \$943 thousand under the Oregon-Washington Ports Agreement.

<sup>(1)</sup> See Note 9 "Long-Term Debt", Note 10 "Changes in Long-term Liabilities" and Note 17 "Columbia River Channel Improvement Project" of the "Notes to the Financial Statements" of the Port's 2025 Audited Financial Statements

### Statement of Revenues, Expenses, and Changes in Net Fund Position

See the "Statement of Revenues, Expenses, and Changes in Net Fund Position" and associated "Notes to the Financial Statements" located in the Port's 2025 Audited Financial Statements.

### Statement of Net Position

See the "Statement of Net Position" and associated "Notes to the Financial Statements" located in the Port's 2025 Audited Financial Statements.

**PORT OF VANCOUVER, WASHINGTON**  
Additional Operating and Financial Information  
For the period ending December 31, 2025

**Introduction**

The Port of Vancouver, Washington (the "Port") is including additional operating and financial information for its fiscal year 2025 as provided in the Port's continuing disclosure undertakings pursuant to Rule 15c2-12 (the "Undertaking"), entered in connection with the following:

Revenue and Refunding Bonds, Series 2016 (Taxable) issued June 22, 2016  
Revenue Bonds, Series 2017 (Taxable) issued May 25, 2017  
Revenue Bonds, Series 2018A (Taxable) issued June 20, 2018  
Revenue Bonds, Series 2018B (Non-AMT) issued June 20, 2018

The information below includes certain required information of the type provided in Tables 2, 4, 6, 7, 10, 12, B-2, B-3, and B-4 of the Official Statements for the Series 2016, 2017, 2018A, 2018B Bonds.

**Outstanding Port Obligations**  
(For the Year-ended December 31, 2025)

<u>Revenue Bonds<sup>(1)</sup></u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Series 2016 Bonds	6/22/2016	12/1/2046	\$40,000,000	\$32,275,000
Series 2017 Bonds	5/25/2017	12/1/2047	30,000,000	25,400,000
Series 2018A Bonds	6/20/2018	12/1/2044	14,885,000	12,420,000
Series 2018B Bonds	6/20/2018	12/1/2048	4,460,000	4,460,000
Bond Total			<u>\$89,345,000</u>	<u>\$74,555,000</u>
<u>Subordinate Lien Obligations<sup>(1)</sup></u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Taxable Revenue Bonds, Series 2023 (Subordinate) - LOC	8/19/2025	9/25/2028	\$35,000,000	\$0
Subordinate Lien Obligation Total			<u>\$35,000,000</u>	<u>\$0</u>
<u>Special Revenue Bonds<sup>(1)</sup></u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Refunding Revenue Bonds (United Grain Corporation of Oregon Project) Series 2009	10/21/2009	10/1/2029	\$25,000,000	\$25,000,000
Special Revenue Bond Total			<u>\$25,000,000</u>	<u>\$25,000,000</u>
<u>General Obligation Bonds and Notes<sup>(1)</sup></u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
LTGO Refunding Bonds, 2019	6/5/2019	12/1/2028	\$5,625,000	\$930,000
LTGO Refunding Bonds, 2020	10/30/2020	12/1/2028	18,665,000	9,440,000
LTGO Bonds, 2022A	9/27/2022	12/1/2042	16,365,000	16,365,000
LTGO Bonds, 2022B	9/27/2022	12/1/2047	9,995,000	9,995,000
LTGO Bonds, 2024A	6/4/2024	12/1/2054	15,745,000	15,745,000
LTGO Bonds, 2024B	6/4/2024	12/1/2048	11,070,000	11,070,000
LTGO Bonds, 2025A	6/26/2025	12/1/2055	4,425,000	4,425,000
LTGO Bonds, 2025B	6/26/2025	12/1/2048	29,390,000	29,390,000
Oregon-Washington Ports Agreement-Channel Deepening			-	943,052
General Obligation Bond/Note Total			<u>\$111,280,000</u>	<u>\$98,303,052</u>

<sup>(1)</sup> See Note 9 "Long-Term Debt" and Note 17 "Columbia River Channel Improvement Project" of the "Notes to the Financial Statements" of the Port's 2025 Audited Financial Statements

**Calculation of Net Revenue Available for Debt Service as Defined in the Bond Resolution****(For the Year-ended December 31, 2025)**

<b>Gross Revenue as defined in the Resolution</b>	
Operating Revenue	\$49,966,258
Plus: Investment Income	3,820,931
Plus: Other Revenues	323,637
Plus: Gain on sale of Disposal of Assets	46,363
<b>Gross Revenue</b>	<u>\$54,157,189</u>
<b>Operating Expenses as defined in the Resolution</b>	
Operating Expenses Before Depreciation	\$40,761,748
Less: Ad Valorem Tax Revenues not used for debt service on limited tax general obligation bonds	(7,574,902)
Less: Non-cash Pension Expense	1,028,613
<b>Operating Expenses</b>	<u>\$34,215,460</u>
<b>Net Revenues Available for Debt Service</b>	<u>\$19,941,729</u>
<b>Maximum Annual Debt Service on Outstanding Senior Lien Bonds</b>	\$5,306,030
<b>Coverage Ratio on Outstanding Senior Lien Bonds</b>	3.76 X

**Marine Terminal Revenues****(For the Year-ended December 31, 2025)**

<b>Marine Terminal Revenues</b>	
Dockage	\$17,368,694
Wharfage	3,845,020
Service & Facilities	2,471,023
Marine Facilities	1,708,586
Equipment Rentals	456,441
Loading /Unloading Operations	4,491,857
Other Sales & Services	932,652
Rail Transportation	0
<b>Total Marine Terminal Revenue</b>	<u>\$31,274,273</u>

## Historical Cargo Volumes (Tonnage) and Vessel Calls

(For the Year-ended December 31, 2025)

**Vessel Calls:** 339

### Outbound/Exports: M/T

Dry Bulk	6,432,529
Liquid Bulk	143,562
General – Breakbulk	306,032

### Inbound/Imports: MT

Dry Bulk	0
Liquid Bulk	261,249
General Breakbulk	306,041

## Statement of Revenues, Expenses, and Changes in Net Fund Position

See the “Statement of Revenues, Expenses, and Changes in Net Fund Position” and associated “Notes to the Financial Statements” located in the Port’s 2025 Audited Financial Statements.

## Statement of Assets, Liabilities and Net Position

See the “Statement of Net Position” and associated “Notes to the Financial Statements” located in the Port’s 2025 Audited Financial Statements.

## Port Investments


(For the Year-ended December 31, 2025)

### Investments

US Agency: Federal Farm Credit Bank	\$ 1,497,935
US Agency: Federal Home Loan Bank	4,916,404
State LGIP: WA State Local Government Investment Pool	<u>77,530,442</u>
Totals	\$ 83,944,781

For further detail on the Port’s investment portfolio, see “Note 1 D-1 & D-2”, and “Note 2” located in the “Notes to the Financial Statement” of the Port’s 2025 Audited Financial Statements

### Trends in Assessed Values

Tax Collection Year	Regular Assessed Valuation	Percent Change
2026	\$70,601,734,081	8.4%  <sup>(1)</sup>

<sup>(1)</sup> Based on a 2025 regular assessed valuation of \$65,151,278,504

### Ad Valorem Tax Levies

(dollars per \$1,000 of Assessed Valuation)

Collection Year	Levy Rates				Levy Amounts			
	Regular	LTIF <sup>(1)</sup>	Bond <sup>(2)</sup>	Total <sup>(3)</sup>	Regular	LTIF <sup>(1)</sup>	Bond <sup>(2)</sup>	Total <sup>(3)</sup>
2026	\$0.087721	\$0.087721	\$0.112511	\$0.200231	\$6,175,339	\$17,883	\$7,943,447	\$14,136,669

<sup>(1)</sup> See "Management's Discussion and Analysis" in the Port's 2025 Audited Financial Statements


<sup>(2)</sup> Totals may not foot due to rounding.

Source: Clark County Assessor's Office.

<sup>(3)</sup> Totals may not foot due to rounding.

Source: Clark County Assessor's Office.

### Regular Levy Tax Collection Record

Collection Year	Regular Assessed Valuation <sup>(1)(2)</sup>	Ad Valorem Levy Rate	Ad Valorem Tax Levy	Tax Collection in Year of Levy <sup>(3)</sup>
2026	\$ 70,397,873,681	\$ 0.087721	\$ 6,175,339	 <sup>(4)</sup>
2025	\$ 65,092,718,004	\$ 0.115921	\$ 7,545,630	98.80%

<sup>(1)</sup> Assessed valuation is based upon 100% of estimated actual valuation

<sup>(2)</sup> Excludes Assessed Valuation of property located in the Port's Tax Increment Area

<sup>(3)</sup> Excludes Ad Valorem Tax Levy of property located in the Port's Tax Increment Area

<sup>(4)</sup> In process of collection

Source: Clark County Assessor's Office.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

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