



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## Port of Woodland

For the period January 1, 2020 through December 31, 2020

*Published September 13, 2021*

Report No. 1029002



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

September 13, 2021

Board of Commissioners  
Port of Woodland  
Woodland, Washington

**Report on Financial Statements**

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

We are issuing this report in order to provide information on the Port's financial 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 Woodland January 1, 2020 through December 31, 2020**

Board of Commissioners  
Port of Woodland  
Woodland, 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 Woodland, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Port's financial statements, and have issued our report thereon dated September 7, 2021.

We issued an unmodified opinion on the fair presentation of the Port's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Port using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As discussed in Note 4 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Port is unknown.

## 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port'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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## 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 the Port's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

## 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.

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

September 7, 2021

# INDEPENDENT AUDITOR'S REPORT

## Report on the Financial Statements

### **Port of Woodland January 1, 2020 through December 31, 2020**

Board of Commissioners  
Port of Woodland  
Woodland, Washington

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Port of Woodland, for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Port's financial statements, as listed on page 10.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Port's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the Port of Woodland has prepared these financial statements to meet the financial reporting requirements of state law using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of the Port of Woodland, and its changes in cash and investments, for the year ended December 31, 2020, on the basis of accounting described in Note 1.

### **Basis for Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the Port used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Port of Woodland, as of December 31, 2020, or the changes in financial position or cash flows thereof for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

### **Matters of Emphasis**

As discussed in Note 4 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Port is unknown. Our opinion is not modified with respect to this matter.

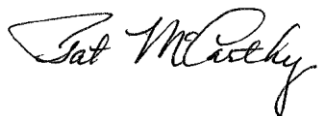
## Other Matters

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS manual. This schedule is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2021 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 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, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

September 7, 2021

## **FINANCIAL SECTION**

### **Port of Woodland January 1, 2020 through December 31, 2020**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2020  
Notes to Financial Statements – 2020

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2020

**Port of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2020**

**Beginning Cash and Investments**

308	Beginning Cash and Investments	2,100,644
388 / 588	Net Adjustments	-

**Revenues**

310	Taxes	419,234
320	Licenses and Permits	-
330	Intergovernmental Revenues	19,540
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	969,089
Total Revenues:		1,407,863

**Expenditures**

540	Transportation	749,986
Total Expenditures:		749,986
Excess (Deficiency) Revenues over Expenditures:		657,877

**Other Increases in Fund Resources**

391-393, 596	Debt Proceeds	7,240,000
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	1,474,676
Total Other Increases in Fund Resources:		8,714,676

**Other Decreases in Fund Resources**

594-595	Capital Expenditures	825,639
591-593, 599	Debt Service	4,224,356
585	Special or Extraordinary Items	31,357
581, 582, 589	Other Uses	91,196
Total Other Decreases in Fund Resources:		5,172,548

**Increase (Decrease) in Cash and Investments:** **4,200,005**

**Ending Cash and Investments**

50821	Nonspendable	-
50831	Restricted	89,446
50841	Committed	-
50851	Assigned	6,211,203
50891	Unassigned	-
<b>Total Ending Cash and Investments</b>		<b>6,300,649</b>

*The accompanying notes are an integral part of this statement.*

## **Note 1 – Summary of Significant Accounting Policies**

The Port of Woodland was incorporated on September 13, 1960 and operates under the laws of the state of Washington applicable to a Special Purpose Government. The Port of Woodland is a special purpose local government and provides economic development and job creation through ownership of industrial properties and facilities to the general public and is supported primarily through property tax receipts, user charges and industrial leases.

The Port of Woodland reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

### **A. Fund Accounting**

The accounts of the Port of Woodland are maintained on the basis of funds. For reporting purposes, the activities of all the Port of Woodland's funds are combined under General Operating Fund and Investments.

### **B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

### **C. Cash and Investments**

See Note 5, *Deposits and Investments*.

### **D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Capital assets and inventory are recorded as capital expenditures when purchased.

### **E. Compensated Absences**

Full-time employees can accumulate up to 20-days of vacation leave and is payable upon separation or retirement. There is no accrual limit to sick leave, but upon separation or retirement employees receive twenty-five percent payment for unused sick leave, up to a maximum of 120 days. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6, *Long-Term Debt*

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Port Commission. When expenditures that meet restrictions are incurred, the Port of Woodland intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of Note Reserve Fund - \$75,265.00; Retainage - \$14,180.74.

**Note 2 – Budget Compliance**

The Port of Woodland adopts an annual budget following budgetary guideline codes set by RCW 53.35. The Port of Woodland adopted budget for 2020 was \$9,825,916.00.

**Note 3 – Component Unit(s), Joint Ventures and Related Parties**

The Port of Woodland held an account at US Bank, Woodland Branch, in the name of *Industrial Development Corporation*. The account was closed by motion, then direction, on January 23, 2019 and the funds were deposited into the Port of Woodland (Creating Government) operations fund. The Industrial Development Corporation (IDC) did not have any activity in 2020.

**Note 4 – COVID-19 Pandemic**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The COVID-19 pandemic did not negatively impact the Port of Woodland. The Port of Woodland Commission implemented a tenant relief program, but did not have any tenants that requested to use the program. The Port of Woodland office did close its doors to the public, and implemented a program where employees could work from home. Maintenance was scaled back to emergency calls and minimum daily maintenance. The Port of Woodland Commission implemented a Zoom meeting policy to allow Commissioners and public to attend meetings via Zoom.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the Port of Woodland is unknown at this time.

## **Note 5 - Deposits and Investments**

Investments are reported at original cost. Deposits and Investments by type at December 31, 2020 are as follows:

Type of deposit or investment	Port of Woodland's own deposits and investments	Deposits and investments held by Port of Woodland As custodian for local governments, individuals or private organizations	Total
Cowlitz County Treasurer	6,300,649	0	6,300,649
TOTAL	6,300,649	0	6,300,649

It is the Port of Woodland's policy to invest all temporary cash surpluses. The interest on these investments is deposited as follows:

- LGIP - reinvested into balance on deposit
- TVI - reinvested into balance on deposit

The Port of Woodland is a voluntary participant in the Cowlitz County investment pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The Port of Woodland reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

### **Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Port of Woodland would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The Port of Woodland's deposits and investments are mostly covered by federal deposit insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the Port of Woodland or its agent in the government's name.

## **Note 6 – Long-Term Debt**

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Port of Woodland and summarizes the Port of Woodland's debt transactions for year ended December 31, 2020.

The debt service requirements for general obligation bonds and notes and revenue bonds and notes are as follows:

	Principal	Interest	Total
2021	1,973,540	159,568	2,133,108
2022	78,790	117,402	196,192
2023	84,127	116,682	200,809
2024	84,469	115,866	200,334
2025	89,813	114,921	204,734
2026-2030	422,770	555,870	978,639
2031-2035	720,000	502,275	1,222,275
2036-2040	825,000	402,825	1,227,825
2041-2045	950,000	275,700	1,225,700
2046-2050	1,110,000	115,430	1,225,430
TOTALS	6,338,509	2,476,538	8,815,047

### **Debt Refunding**

The Port of Woodland issued \$4,135,000 of general obligations refunding bonds to retire \$895,000 general obligation bond, to reduce interest, and \$3,105,000 short term general obligation notes.

## **Note 7 – OPEB Plans**

The Port of Woodland is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The Port of Woodland had two active plan members and zero retired plan members as of December 31, 2020. As of December 31, 2020, the Port of Woodland's total OPEB liability was \$96,519 as calculated using the alternative measurement method. The Port of Woodland contributed \$18,879 to the plan for the year ended December 31, 2020.

## **Note 8 - Pension Plans**

### **A. State Sponsored Pension Plans**

Substantially all Port of Woodland's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS 2 and/or PERS 3).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

As of June 30, 2020, the Port of Woodland proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$6,721.61	0.000927	\$32,728.11
PERS 2/3	\$11,184.29	0.001214	\$15,526.37

On November 19, 2019, the Port Commission voted to approve VEBA Resolution #478. Employees are offered VEBA option if they select not to participate in the Port insurance coverage.

## **Note 9 - Property Tax**

The Cowlitz County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by Port of Woodland. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Port of Woodland's regular levy for the year 2020 was \$0.2282471857 per \$1,000 on an assessed valuation of \$1,827,058,672 for a total regular levy of \$417,021.

## **Note 10 – Risk Management**

Port of Woodland is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2020, there are 547 Enduris members representing a broad array of special purpose districts throughout the state. Enduris provides property and liability coverage as well as risk management services and other related administrative services.

Members make an annual contribution to fund the Pool and share in the self-insured retention. The self-insured retention is:

- \$1,000,000 self-insured retention on liability loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.
- \$250,000 self-insured retention on property loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$249,000 on a property loss. For property losses related to boiler and machinery Enduris is responsible for the first \$4,000 of the claim.

Enduris acquires reinsurance from unrelated insurance companies on a "per occurrence" basis to cover all losses over the self-insured retentions as shown on the policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official's Liability. The Property coverage is written on an "all risk", blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, cyber and automobile physical damage to insured vehicles. Liability coverage limit is \$20 million per occurrence and property coverage limit is \$800 million per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Since Enduris is a cooperative program, there is joint liability among the participating members.

The contract requires members to remain in the Pool for a minimum of one year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool and are administered in house.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

Enduris did not have any claim settlements that exceeded the limits in the last 3 years.

## **Note 11 - Other Disclosures**

### **Extraordinary Events**

The Port of Woodland purchased a trailer in the amount of \$10,239.45 and a riding lawn mower in the amount of \$11,032.71, for the Port of Woodland maintenance department.

The Port of Woodland faced the removal of derelict vessels in 2020. The expenditure, in the amount of \$31,356.82, was not budgeted.

The Port of Woodland Commission voted on May 20, 2020, to move from the Port's self-insurance reimbursable unemployment compensation program, to filing quarterly tax payments to Washington State Employment Security Department.

The Port of Woodland purchased a property easement in 2020, in the amount of \$5,000.00.

On August 20, 2020, the Port Commission voted to approve moving sand sale revenue from capital to operations.

On November 19, 2019, the Port Commission voted to approve VEBA Resolution #478. Employees are offered VEBA option if they select not to participate in the Port insurance coverage. The Port of Woodland contributes to VEBA the employee portion. Commissioners are included in the VEBA program. Proof of insurance under another medical plan must be submitted.

In 2018, the Port of Woodland sent Superior Industrial Services to collection in the amount of \$20,123.25. In 2019, the Port of Woodland received back from collections the balance of \$20,123.25 in order to proceed with legal proceedings of this account. In 2019, the Port of Woodland received a payment of \$5,000.00. In 2020, Superior Industrial Services filed bankruptcy. The Port has directed legal to continue with legal proceedings.

### **Special Items**

The Port of Woodland sold one (1) property (capital asset) in 2020:

- Centennial Industrial Park – Lot 1  
On September 17, 2020, the Commission of the Port of Woodland voted to surplus the property by Resolution #494. Action was then made to close the sale of the property.

### Construction Commitments or Obligations

The Port of Woodland has active construction projects as of December 31, 2020. The projects include:

#### Howard Way Extension

- CERB Funding and Matching Funds
  - CERB Match \$745,000.00
  - CERB Loan \$628,250.00

#### Centennial Way and Rose Way

- CERB Funding and Matching Funds
  - CERB Match \$4,904,126.00
  - CERB Loan \$2,250,000.00
  - CERB Grant \$750,000.00

Note: Although the Port of Woodland worked on the above projects, CERB loan funding was not requested for reimbursement to the projects until 2021.

### Grants

In the past the Port of Woodland has received grant money from county, state and federal programs for industrial and recreational facilities. Grants are subject to audit by the grantors, and such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed or non-compliance of the terms of the grant.

Note: The Port of Woodland worked on the following partially grant funded project in 2020, but grant funds were not allocated to the project in 2020:

#### State:

- CERB \$750,000.00

### Self Insurance

The Port of Woodland maintains employee health insurance through Washington State Health Care Authority and therefore, under the ACA regulations, does have a requirement to report data about employees enrolled in a self-insured medical plan UMP (Uniform Medical Plan).

### Subsequent Events

No subsequent events.

**Port of Woodland  
Schedule of Liabilities  
For the Year Ended December 31, 2020**

<b>ID. No.</b>	<b>Description</b>	<b>Due Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
<b>General Obligation Debt/Liabilities</b>						
251.11	Building 6	4/30/2026	165,322	-	20,237	145,085
251.11	Lot 4 Project/CERB	7/31/2029	346,547	-	33,124	313,423
251.11	LTGO Bonds, 2016	12/1/2035	895,000	-	895,000	-
251.11	LTGO Notes, 2020	12/1/2021	-	3,105,000	3,105,000	-
251.11	LTGO Refunding Bonds, 2020	12/1/2050	-	4,135,000	-	4,135,000
<b>Total General Obligation Debt/Liabilities:</b>			<b>1,406,869</b>	<b>7,240,000</b>	<b>4,053,361</b>	<b>4,593,508</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
252.11	Port's Revenue Notes, 2019	6/1/2022	1,745,000	-	-	1,745,000
259.12	Compensated Absences		27,007	-	12,849	14,158
264.30	Pension Liability		46,502	1,752	-	48,254
264.40	OPEB Liability		16,975	79,544	-	96,519
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>1,835,484</b>	<b>81,296</b>	<b>12,849</b>	<b>1,903,931</b>
<b>Total Liabilities:</b>			<b>3,242,353</b>	<b>7,321,296</b>	<b>4,066,210</b>	<b>6,497,439</b>

## 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.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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