THE PORT OF PORTLAND

(A Municipal Corporation)

REPORT ON AUDITED FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

(Containing Audit Comments and Disclosures Required by State Regulations)

FOR THE YEAR ENDED JUNE 30, 2021

with comparative totals for the year ended June 30, 2020

THE PORT OF PORTLAND

(a municipal corporation)

THE PORT OF PORTLAND

COMMISSIONERS AS OF JUNE 30, 2021

Name	Term Expires
Alice Cuprill-Comas, President 3181 SW Sam Jackson Park Road Portland, Oregon 97239	September 30, 2023
Michael C. Alexander, Vice President 7200 NE Airport Way Portland, Oregon 97218	May 31, 2024
Robert L. Levy, Secretary 1000 Hwy 395 South, No. 423 Hermiston, Oregon 97838	April 30, 2021*
Sean O'Hollaren, Treasurer 7200 NE Airport Way Portland, Oregon 97218	May 22, 2022
Katherine Lam 5921 NE 80th Avenue Portland, Oregon 97218	November 24, 2023
Meg Niemi 3536 SE 26th Avenue Portland, Oregon 97202	November 24, 2023
Pat McDonald 3100 NE Shute Road Hillsboro, Oregon 97229	February 16, 2024
Ketan Sampat 525 3rd Street, Suite 200 Lake Oswego, OR 97034	March 14, 2025
Stuart Strader 2435 NW Front Ave Portland, OR 97209	March 14, 2025

Curtis Robinhold, Executive Director

REGISTERED AGENT AND OFFICE
Daniel Blaufus
7200 NE Airport Way
Portland, Oregon 97218

Telephone: 503-415-6000

* Serves until reappointed or a successor is appointed and confirmed.

THE PORT OF PORTLAND
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REPORT OF INDEPENDENT AUDITORS

Report of Independent Auditors

The Board of Commissioners
Port of Portland

Report on the Financial Statements

We have audited the accompanying balance sheets and the related statements of revenues, expenses, and changes in net position and cash flows of the Airport and Marine & Other activities of the Port of Portland as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Port of Portland's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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. 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 entity'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 entity'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport and Marine & Other activities of the Port of Portland as of June 30, 2021, and the respective 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Port of Portland's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of PERS net pension liability (asset), and schedule of contributions to PERS, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port of Portland's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated October 21, 2021, on our consideration of the Port's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Ashley Osten

Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 21, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

(UNAUDITED)

The Port of Portland
Management's Discussion and Analysis

This discussion and analysis of the Port of Portland's (Port) financial performance provides an overview of the Port's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Port's financial statements, which follow this section.

Overview of the Financial Statements:
These financial statements consist of four parts – management's discussion and analysis (this section), the basic financial statements (including notes), required supplementary information, and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board (GASB), and also by the Oregon Secretary of State (OSS). The basic financial statements are prepared on the accrual basis, similar to a private business, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of a balance sheet, which includes the Port's assets, including deferred outflows, liabilities, including deferred inflows, and net position at year end; statement of revenues, expenses, and changes in net position, which includes all revenues, expenses, and grants expended for construction for the year; and statement of cash flows, which presents the sources and uses of cash for the year. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, nearly all of which is required by the GASB, the OSS, or bond ordinances. The Port's two activities are Airport (Portland International Airport) and Marine & Other (marine terminals, trade and equitable development, environmental, navigation, general aviation, engineering, and administration). These activities are described in Notes 1 and 2 to the financial statements. Of special significance to readers of the financial statements is that, with certain limited exceptions, Airport monies are restricted by bond ordinances and Federal Aviation Administration regulations for use at the Airport only. Airport net revenues (essentially operating revenues less operating expenses other than depreciation) are largely determined by bond ordinances and contracts with airlines, as more fully explained in Note 6 to the financial statements.

The outbreak of COVID-19 (COVID), a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020 (the COVID pandemic), which resulted in a national and global focus on containing the disease by restricting non-essential travel and limiting person-to-person contact. Across the country, states and local governments issued "stay at home" or "shelter in place" orders designed to restrict movement and limit businesses and activities to essential functions, which substantially reduced activities that normally engaged or facilitated air travel. Various state and local governments and agencies also imposed restrictions on travel, including state-level restrictions such as requiring travelers to self-isolate for up to 14 days upon arrival. Additionally, many countries effectively closed their borders by restricting entry and exit to only essential travel during the initial period of the COVID pandemic and while these restrictions have gradually been lifted, many countries around the world have restricted entry to United States citizens, including the European Union. The rollout of vaccinations around the world has been hindered by supply issues, reluctance of individuals to receive the vaccine, and new variants of the virus. While the pandemic has had impacts across the Port's activities, the Airport, along with all other airports in the United States and abroad, was acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID, including reductions in flights and declines in passenger volumes. The COVID pandemic adversely affected domestic and international travel and travel-related industries. Airlines have experienced unprecedented downturns in passenger volumes which, in turn, have prompted them to significantly reduce and, in many cases, eliminate, scheduled services.

In response to the COVID pandemic, the Port implemented a number of measures to mitigate financial and operational impacts, including unpaid employee furloughs, eliminating the annual merit compensation increase for administrative employees in fiscal year 2021, elimination of positions in fiscal 2021, a partial hiring freeze, elimination of non-critical travel, limiting overtime, and deferral of non-essential projects. Additionally, actions were taken at the Airport during calendar 2020 to reduce other operational and maintenance spending, close certain facilities and eliminate related bussing operations, and adjust customer and facility services to reflect lower passenger counts. As passenger travel has recovered, these operational and service reductions have been curtailed. The federal government took legislative action to establish relief measures to curb the effect of the COVID pandemic. The Coronavirus Aid, Relief, and Economic

Security Act (CARES Act), was approved by the United States Congress and signed by the President on March 27, 2020. The CARES Act, in part, provided aid in the form of grants for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The Federal Aviation Administration (FAA) awarded $72.5 million of grant assistance under the CARES Act to the Port, of which approximately $72.3 million was allocated to the Airport and approximately $187,000 to the Port's two general aviation airports. The Port drew $27.7 million of these funds in fiscal 2020 and the balance in fiscal 2021 to help mitigate the negative financial impacts of the COVID pandemic on the Airport. In fiscal 2021, the Port was also awarded $18.9 million in assistance under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act), with $2.1 million designated to support airport concessionaires. Additionally, in fiscal 2021, the Port received notice that it was allocated approximately $72.0 million under the American Rescue Plan Act (ARPA); the Port intends to draw and utilize this funding in fiscal years 2022 and 2023 to further mitigate negative impacts of the COVID pandemic. The duration of the COVID pandemic, timing of economic recovery, availability of future federal aid, or future financial impacts cannot be reliably forecast at this time.

Financial Results:

The Port's total net position increased $9.9 million from the 2020 amount, or 0.7 percent. Unrestricted net position – the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants or legal requirements – increased by $38.1 million, or 22.3 percent during that same time. In comparison, last year total net position increased by $39.1 million, or 2.8 percent. The analysis in Table 1 (below) focuses on the net position of the Airport and of the Port's Marine & Other activities separately.

Table 1
Net Position
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Current and other assets	$ 719.9	$ 738.7	$ 346.2	$ 335.4	$ 1,041.3 *	$ 1,046.9 *	(0.5)%
Capital assets	2,117.6	1,753.5	274.1	269.7	2,391.7	2,023.2	18.2%
Deferred outflows	42.8	39.8	23.5	52.6	66.3	92.4	(28.2)%
Total assets	2,880.3	2,532.0	643.8	657.7	3,499.3 *	3,162.5 *	10.7%
Long-term debt outstanding	1,557.5	1,250.3	64.8	72.9	1,622.3	1,323.2	22.6%
Other liabilities	295.7	255.3	169.9	183.2	440.8 *	411.3 *	7.2%
Deferred inflows	2.8	3.9	3.4	4.0	6.2	7.9	(21.5)%
Total liabilities	1,856.0	1,509.5	238.1	260.1	2,069.3 *	1,742.4 *	18.8%
Net position:							
Net investment in capital assets	660.0	654.2	302.1	295.4	962.1	949.6	1.3%
Restricted	254.0	294.2	5.3	5.8	259.3	300.0	(13.6)%
Unrestricted	110.3	74.1	98.3	96.4	208.6	170.5	22.3%
Total net position	$ 1,024.3	$ 1,022.5	$ 405.7	$ 397.6	$ 1,430.0	$ 1,420.1	0.7%

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

Total net position of the Airport increased by $1.8 million, or 0.2 percent, as a result of capital grants, partially offset by a net loss in fiscal 2021. Net investment in capital assets increased $5.8 million, or 0.9 percent, as a result of increases in capital additions and construction spending, partially offset by normal capital asset depreciation. Restricted net position decreased by $40.2 million, or 13.7 percent, primarily due to construction spending. Unrestricted net position increased by $36.2 million, or 48.9 percent, primarily as a result of federal stimulus funding drawn for fiscal 2021.

Total net position of Marine & Other increased from the 2020 balance by $8.1 million, or 2.0 percent, primarily the result of net income and transfers from the Airport (primarily to fund construction at general aviation airports included in Marine & Other). Net investment in capital assets increased $6.7 million, or 2.3 percent, primarily as a result of capital additions and construction spending, offset by normal capital asset depreciation. Unrestricted net position increased by $1.9 million or 2.0 percent, primarily due to a modest net income for the year.

Several factors caused changes in net position (Table 2, below) to decrease $29.2 million from 2020.

Airport changes in net position decreased $30.6 million when compared to the prior year due mainly to decreased net income in 2021. Marine & Other changes in net position increased $1.4 million primarily due to increased net income, partially offset by decreased capital grants versus the prior year.

Table 2
Changes in Net Position
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Revenues:							
Operating revenues							
Charges for services	$ 202.5	$ 221.5	$ 75.5	$ 63.7	$ 278.0	$ 285.2	(2.5)%
Other	0.5	0.3	0.1	0.1	0.6	0.4	50.0%
Nonoperating revenues							
Property tax revenue			13.7	13.1	13.7	13.1	4.6%
Interest revenue	1.6	20.9	1.5	6.2	3.1	27.1	(88.6)%
PFC revenue	16.6	26.8			16.6	26.8	(38.1)%
CFC revenue	6.6	11.9			6.6	11.9	(44.5)%
Other nonoperating revenue	63.7	27.7	6.6	9.8	70.3	37.5	87.5%
Total revenues	291.5	309.1	97.4	92.9	388.9	402.0	(3.3)%
Expenses:							
Operating expenses	235.5	229.4	89.7	97.6	325.2	327.0	(0.6)%
Nonoperating expenses	60.8	52.1	4.1	4.5	64.9	56.6	14.7%
Total expenses	296.3	281.5	93.8	102.1	390.1	383.6	1.7%
Income (loss) before contributions and transfers	(4.8)	27.6	3.6	(9.2)	(1.2)	18.4	(106.5)%
Capital contributions and reversions	9.4	10.8	1.7	9.9	11.1	20.7	(46.4)%
Transfers (out) in	(2.8)	(6.0)	2.8	6.0			
Increase (decrease) in net position	$ 1.8	$ 32.4	$ 8.1	$ 6.7	$ 9.9	$ 39.1	(74.7)%

Total revenues for the Port decreased by approximately $13.1 million from the prior year. Total expenses increased approximately $6.5 million during the same timeframe.

At the Airport, charges for services operating revenues decreased by $19.0 million, or 8.6 percent, when compared to the prior year; this was primarily due to COVID-related decreases in parking, terminal concessions, and transportation network company revenues, offset partially by higher airline revenues. Nonoperating interest revenue decreased $19.3 million, or 92.3 percent, as a result of lower cash balances earning interest during the year, combined with lower interest rates and a fiscal 2021 year-end investment mark-to-market adjustment that reduced interest income. PFC revenues decreased $10.2 million, or 38.1 percent as a result of significant decreases in enplanements resulting from the COVID pandemic. CFC revenues decreased by $5.3 million, or 44.5 percent, also as a result of fewer passengers at the Airport during the COVID pandemic. Other nonoperating revenue increased by $36.0 million due to federal pandemic relief funding received by the Airport under the CARES and CRRSA Acts. The increase of $6.1 million in operating expenses was up 2.7 percent as compared to the prior year and was attributable to higher depreciation expense and materials and supplies costs, partially offset by lower outside service and utility expenses. Nonoperating expenses increased $8.7 million, or 16.7 percent, mainly as a result of revenue bond interest expense from a new construction bond issue during 2021.

For Marine & Other, charges for services operating revenue increased $11.8 million, or 18.5 percent, from the prior year as a result of higher throughput at the Terminal 6 container operation and higher dockage revenues. Nonoperating interest revenue decreased $4.7 million versus prior year, primarily the result of year-end investment mark-to-market adjustment that reduced interest income. During 2021, operating expenses decreased $7.9 million due to lower environmental accrual expenses partially offset by higher longshore labor expense. Capital contributions decreased $8.2 million in 2021 as a result of incurring fewer grant-eligible costs than in 2020.

Budgetary Highlights:
The Port's budget for fiscal 2021 was adopted by the Port Commission and certified by the Multnomah County Tax Supervising and Conservation Commission (TSCC) in June 2020. During fiscal 2021, two supplemental budgets were approved by the Port Commission to establish appropriations to provide for an earlier issuance and potentially higher issue amount for Airport revenue bonds as well as associated issuance and debt service reserve costs, to allow for increased Airport Customer Facility Charge bond surveillance fees, and in Marine & Other to provide for the settlement of Portland Harbor superfund insurance cost recovery claims. Also during the year, Airport budget appropriations were adjusted for transfers to Marine & Other for increased staff support of Airport capital projects, transfers from Marine & Other for Airport support of a COVID vaccine site operation and to general aviation capital projects. The Airport capital outlay appropriation was increased for Marine & Other staff support and accelerated timing of capital expenditures. Additionally, Airport appropriations were adjusted for the transfer of bond proceeds to fund a capital project from the Airport customer facility charge fund. For Marine & Other, appropriations in the budget were adjusted to reflect higher service reimbursement resources for increased engineering support to Airport capital projects. Marine & Other appropriations for expenditures were also increased to provide for Airport support of a COVID vaccine site operation, increased Airport support for general aviation capital projects, and to provide for non-cash budgetary impacts of accounting accruals for environmental liabilities. While legally a local government subject to governmental budgeting requirements, the Port operates much like a business, with expenditure levels driven by business needs, and utilizes the accrual basis of accounting. Revisions to reflect expenditure patterns are, therefore, common for an entity like the Port. As explained in Note 1 to the financial statements, Oregon budget laws differ, in certain situations, from accounting principles generally accepted in the United States of America.

On a budgetary basis, Airport expenditures for the largest capital program ever at the Airport were $28.1 million, or 6.8 percent, over the $415.1 million budget due to fiscal year-end accruals of construction costs into fiscal 2021. Construction fund interest income was $2.7 million below the $2.9 million budget as a result of a year end mark-to-market adjustments required by accounting standards; the impacts of these adjustments can be seen across other funds as well. Both revenues and operating expenditures varied significantly from the budget due to COVID pandemic impacts and a slower than budgeted enplanement recovery. Airport operating revenues of $201.7 million were 10.0 percent below the $224.1 million budget. Operating expenditures of $102.5 million were 6.3 percent below the $109.4 million budgeted amount due largely to cost cutting measures and lower than budgeted activity during the COVID pandemic. Passenger Facility Charges and Customer Facility Charges were 16.5 percent and 20.9 percent, respectively, below the fiscal 2021 budget as the result of significantly fewer passengers flying during to the COVID pandemic. CARES and CRRSA Act funding bolstered interest and other revenues at the Airport by $19.1 million more than the $42.0 million budget for fiscal 2021 to help mitigate some of the negative financial impacts of COVID. Other significant budgetary variances included bond proceeds and commercial paper issuance and redemptions as a result of funding strategy and issue sizing.

Fiscal 2021 budgetary capital expenditures for Marine & Other were $22.5 million, or 51.9 percent, below the budget of $43.4 million, largely due to timing delays and project deferrals. Capital grants for the year were $1.7 million, 52.6 percent less than the budget of $3.7 million due to incurring fewer grant eligible costs. Budgetary operating revenues were $4.5 million over the $44.0 million budget for marine due primarily to higher than planned container activity at Terminal 6. Budgetary operating revenues for navigation of $16.1 million were $4.9 million under the budget due to less river dredging during the year than originally anticipated. Budgetary operating expenditures were $5.4 million below budget for administration, primarily due to lower than anticipated salary and fringe expenses as the result of the impacts of a hiring freeze and employee furloughs implemented in response to COVID. Budgetary operating expenditures for Marine were also below budget by approximately $3.6 million primarily due to delays in the timing of costs associated with environmental liabilities at marine terminals in the Portland Harbor superfund site. Navigation budgetary operating expenditures were $2.8 million under budget, primarily as a result of performing less dredging than originally anticipated during the year.

Capital Assets:
At the end of fiscal 2021, the Port had nearly $2.4 billion invested in a broad range of capital assets. This amount represents an increase (essentially additions offset by depreciation expense) of $368.5 million versus last year, as outlined in Table 3 (below).

Table 3
Capital Assets
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Land	$ 68.0	$ 68.0	$ 83.4	$ 83.4	$ 151.4	$ 151.4	
Construction in progress	835.7	634.9	41.0	27.5	876.7	662.4	
Total capital assets not being depreciated	903.7	702.9	124.4	110.9	1,028.1	813.8	26.3%
Land improvements	942.1	910.5	307.8	304.0	1,249.9	1,214.5	
Buildings and equipment	1,742.8	1,525.9	256.1	262.3	1,998.9	1,788.2	
Total capital assets being depreciated	2,684.9	2,436.4	563.9	566.3	3,248.8	3,002.7	8.2%
Less: accumulated depreciation	(1,471.0)	(1,385.8)	(414.2)	(407.5)	(1,885.2)	(1,793.3)	5.1%
Total capital assets being depreciated, net	1,213.9	1,050.6	149.7	158.8	1,363.6	1,209.4	12.8%
Total capital assets, net	$ 2,117.6	$ 1,753.5	$ 274.1	$ 269.7	$ 2,391.7	$ 2,023.2	18.2%

This year's major capital asset spending included:

Airport:
- Terminal improvements - $259.0 million
- Public parking and consolidated rental car facility - $132.2 million
- Taxiway, apron and ramp rehabilitation and improvements - $52.8 million
- Terminal fire system replacement - $2.0 million

Marine & Other:
- Terminal 6 stormwater improvements - $4.8 million
- Drydocking and rehabilitation of the dredge Oregon - $4.8 million
- Marine terminal lighting replacement - $2.6 million
- Hillsboro airport taxiway rehabilitation - $2.0 million
- Marine terminal roof rehabilitation - $1.2 million

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

The Port's 2022 capital budget estimates spending approximately $481.4 million on capital projects at the Airport and $54.1 million in Marine & Other. Spending at the Airport is primarily slated for terminal improvements, the expansion of Concourse B, and reconstruction of an aircraft parking area. These projects are budgeted to be funded by Airport operating revenues, debt proceeds, and PFC revenues. Capital spending for Marine & Other is budgeted principally for demolition of a grain elevator at marine Terminal 4, taxiway improvements at the Hillsboro airport, marine terminal electrical and lighting upgrades and replacements, barge replacements to support the dredging operation, and stormwater improvements at marine Terminals 4 and 6. Funding for these projects is budgeted from operating revenues, property taxes, and federal, state, and other grants.

Debt Administration:
At the end of 2021, the Port had nearly $1.5 billion in bonds, commercial paper, contracts and loans payable outstanding. This is an increase from the prior year, as seen in Table 4 (below).

Table 4
Outstanding Long-Term Debt
($ millions)

	Airport		Marine & Other		Total Port		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Pension bonds			$ 51.3	$ 56.3	$ 51.3	$ 56.3	(8.9)%
Revenue bonds	$ 1,069.7	$ 788.4			1,069.7	788.4	35.7%
PFC revenue bonds	103.4	111.9			103.4	111.9	(7.6)%
CFC revenue bonds	160.1	163.3			160.1	163.3	(2.0)%
Contracts and loans payable			13.4	16.7	13.4	16.7	(19.8)%
Commercial Paper	80.6	90.1			80.6	90.1	(10.5)%
	$ 1,413.8	$ 1,153.7	$ 64.7	$ 73.0	$ 1,478.5	$ 1,226.7	20.5%

The outstanding amount of Airport long-term debt increased due to issuance of the Series Twenty-Seven airport revenue construction bonds, offset partially by scheduled bond payments. During fiscal 2021, Standard & Poor's lowered its ratings of many U.S. airports because of the material negative impact of the pandemic on traffic levels, expected financial performance metrics, and overall credit quality; the Airport revenue bonds were downgraded to an A+ rating by Standard & Poor's. The balance of PFC and CFC revenue bonds decreased as a result of regularly scheduled bond payments. Commercial paper outstanding decreased due to payment of outstanding balances with Series Twenty-Seven airport revenue bond proceeds, offset in part by new issuances to fund additional construction at the Airport.

In Marine & Other, the amount of outstanding long-term debt decreased as a result of scheduled payments made on pension bonds, contracts and loans payable, as well as a decrease in the principal balance of a loan payable as the result of the State refunding the underlying debt at a lower rate.

Please see Note 6 to the financial statements for more detailed information of long-term debt activity.

Economic Factors and Next Year's Budgets and Rates:
As part of the Port's strategic planning and business planning process, regional, national, and global economic trends and forecasts are reviewed and assumptions regarding passenger, cargo, and population growth are coupled with these trends and forecasts to produce the annual budget. There is still significant uncertainty around the continuing economic implications of the COVID pandemic and what a recovery looks like. The impact on the airline industry has been dramatic. The forecast for fiscal 2022 airline passenger volumes is 12.6 million, which is still roughly 35 percent below pre-COVID passenger levels. At the Port's Marine & Other facilities, operations continue to do well in spite of pandemic challenges, and modest growth is forecast across nearly all marine business lines in fiscal 2022. Port facilities have a diverse mix of marine tenants and business lines, with many fixed land leases which provide a measure of protection during challenging times.

In the Port's 2022 adopted budget, total Port operating revenue is budgeted to increase about 26.2 percent over 2021 results to approximately $351.8 million largely as a result of increased airline, parking, concessions and rental car revenues at the Airport, as well as higher dredging revenues in Marine & Other. Total operating expenses (excluding depreciation and GASB 68 non-cash pension expense) are budgeted to increase by 23.7 percent to approximately $228.8 million, reflecting increased costs as we move away from pandemic cost containment towards recovery across our business lines.

Operating revenues for the Airport are budgeted to increase 33.9 percent to $271.8 million in the fiscal 2022 budget due primarily to increased airline revenues as a result of the signatory airlines' contractual obligation to cover airport costs, as well as higher parking, concessions, and rental car revenues as passenger traffic increases. Airport operating expenses (excluding depreciation and GASB 68 non-cash pension expense) are budgeted to increase about 19.4 percent to $144.7 million as a result of increased outside service, salary, travel and management, internal central services costs.

In Marine & Other, operating revenues are budgeted to increase by 5.7 percent to $80.0 million, primarily due to increased Navigation division dredging revenue anticipated in fiscal 2022, offset in part by lower rent revenues. Operating expenses (excluding depreciation and GASB 68 non-cash pension expense) are budgeted to increase by 32.0 percent to $84.1 million due to higher salary, outside service, and environmental costs in the fiscal 2022 budget. Property taxes are budgeted to comprise less than 1.0 percent of Port resources on a legal budget basis.

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

BASIC FINANCIAL STATEMENTS

THE PORT OF PORTLAND
BALANCE SHEET
as of June 30, 2021
with comparative totals as of June 30, 2020

	2021 Airport	2021 Marine & Other	2021 Total	2020 Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 38,240	$ 152,073,177	$ 152,111,417	$ 78,934,479
Equity in pooled investments	200,937,942	104,510,247	305,448,189	301,377,814
Restricted cash and equity in pooled investments	165,174,855		165,174,855	135,135,902
Receivables, net of allowance for doubtful accounts of $568,000 in 2021 and $1,491,000 in 2020 for Airport and $180,000 in 2021 and $192,000 in 2020 for Marine & Other	11,068,014	14,344,266	25,412,280	43,335,781
Prepaid insurance and other assets	4,599,562	2,565,354	7,164,916	7,094,679
Total current assets	381,818,613	273,493,044	655,311,657	565,878,655
Noncurrent assets:				
Restricted assets:				
Cash and equity in pooled investments	329,027,344	5,254,937	334,282,281	431,475,815
Receivables	8,110,392		8,110,392	5,013,473
Contract retainage deposits	564,214		564,214	34,936
Total restricted assets	337,701,950	5,254,937	342,956,887	436,524,224
Land held for sale		41,724,689	41,724,689	41,719,657
Depreciable properties, net of accumulated depreciation	1,213,857,036	149,685,232	1,363,542,268	1,209,411,961
Nondepreciable properties	903,726,938	124,406,402	1,028,133,340	813,847,915
Unamortized bond issue costs	345,140	86,917	432,057	536,235
Due from Airport		24,756,659	*	
Other noncurrent assets		892,555	892,555	2,077,801
Total noncurrent assets	2,455,631,064	346,807,391	2,777,681,796	2,504,117,793
Deferred outflows of resources:				
Deferred charges on refunding bonds	14,940,161		14,940,161	17,418,509
Deferred charges on pensions and OPEB	23,891,773	23,516,307	47,408,080	68,832,201
Cumulative decrease in fair value of hedging derivative	3,998,000		3,998,000	6,124,000
Total deferred outflows of resources	42,829,934	23,516,307	66,346,241	92,374,710
Total assets	$ 2,880,279,611	$ 643,816,742	$ 3,499,339,694	$ 3,162,371,158
LIABILITIES				
Current liabilities (payable from current assets):				
Current portion of long-term debt	$ 80,600,000	$ 7,470,505	$ 88,070,505	$ 96,614,297
Accounts payable and other accrued liabilities	17,256,868	25,847,934	43,104,802	37,445,349
Accrued wages, vacation and sick leave pay	6,859,270	6,275,410	13,134,680	12,912,067
Workers' compensation and other accrued liabilities	1,584,063	6,038,226	7,622,289	5,823,275
Total current liabilities (payable from current assets)	106,300,201	45,632,075	151,932,276	152,794,988
Restricted liabilities (payable from restricted assets)				
Current portion of long-term debt and other	45,056,034		45,056,034	43,649,430
Accrued interest payable	29,770,725		29,770,725	22,474,653
Accounts payable	88,794,511		88,794,511	59,841,343
Contract retainage payable	1,553,585		1,553,585	9,170,476
Total restricted current liabilities (payable from restricted assets)	165,174,855		165,174,855	135,135,902
Total current liabilities	271,475,056	45,632,075	317,107,131	287,930,890
Noncurrent liabilities:				
Long-term environmental and other accruals	7,749,952	59,766,242	67,516,194	74,358,342
Long-term debt	1,431,875,262	57,296,313	1,489,171,575	1,182,917,365
Unearned revenue and other	41,891,853	25,045,724	66,937,577	69,048,260
Net pension and OPEB liability	75,444,661	47,026,850	122,471,511	120,197,512
Due to Marine & Other	24,756,659		*	
Total noncurrent liabilities	1,581,718,387	189,135,129	1,746,096,857	1,446,521,479
Deferred inflows of resources:				
Deferred pension inflows	2,762,909	2,492,611	5,255,520	7,890,753
Other deferred inflows of resources		877,843	877,843	
Total deferred inflows of resources	2,762,909	3,370,454	6,133,363	7,890,753
Total liabilities	1,855,956,352	238,137,658	2,069,337,351	1,742,343,122
NET POSITION				
Net investment in capital assets	659,994,977	302,088,579	962,083,556	949,533,423
Restricted for capital and debt service	254,019,133	5,254,937	259,274,070	300,052,697
Unrestricted	110,309,149	98,335,568	208,644,717	170,441,916
Total net position	1,024,323,259	405,679,084	1,430,002,343	1,420,028,036
Total liabilities and net position	$ 2,880,279,611	$ 643,816,742	$ 3,499,339,694	$ 3,162,371,158

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

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

THE PORT OF PORTLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
for the year ended June 30, 2021
with comparative totals for the year ended June 30, 2020

	2021			2020
	Airport	Marine & Other	Total	Total
Operating revenues:				
Charges for services	$ 202,465,599	$ 75,520,258	$ 277,985,857	$ 285,284,989
Other	520,757	197,346	718,103	415,301
Total operating revenues	202,986,356	75,717,604	278,703,960	285,700,290
Operating expenses:				
Salaries, wages and fringe benefits	64,903,841	44,457,196	109,361,037	109,533,910
Longshore labor and fringe benefits		18,218,054	18,218,054	12,036,214
Contract, professional and consulting services	26,728,515	13,294,353	40,022,868	59,480,552
Materials and supplies	6,932,803	3,751,212	10,684,015	7,624,969
Utilities	9,685,122	3,682,523	13,367,645	14,189,367
Equipment rents, repair and fuel	1,044,198	2,062,727	3,106,925	3,443,368
Insurance	3,505,248	1,857,623	5,362,871	4,551,616
Rent		2,067,894	2,067,894	2,568,878
Travel and management expense	1,173,497	294,594	1,468,091	2,626,912
Intra-Port charges and expense allocations	23,331,857		23,331,857	21,472,453
Other	2,512,858	171,638	2,684,496	3,464,383
Less expenses for capital projects	(4,475,475)	(19,199,029)	(23,674,504)	(23,350,515)
Total operating expenses, excluding depreciation	135,342,464	70,658,785	206,001,249	217,642,107
Operating income before depreciation	67,643,892	5,058,819	72,702,711	68,058,183
Depreciation expense	100,160,625	19,091,125	119,251,750	109,311,980
Total operating expenses, including depreciation	235,503,089	89,749,910	325,252,999	326,954,087
Operating loss	(32,516,733)	(14,032,306)	(46,549,039)	(41,253,797)
Nonoperating revenues (expenses):				
Property tax revenue		13,730,375	13,730,375	13,125,017
Passenger facility charge revenue	16,627,484		16,627,484	26,780,083
Customer facility charge revenue	6,562,452		6,562,452	11,915,832
Interest expense	(53,747,859)	(4,113,131)	(57,860,990)	(52,208,126)
Interest revenue	1,708,113	1,464,034	3,172,147	27,002,915
Other income, including loss on disposal of properties	56,618,112	6,559,344	63,177,456	33,080,722
Nonoperating revenues	27,768,302	17,640,622	45,408,924	59,696,443
(Loss) income before contributions and transfers	(4,748,431)	3,608,316	(1,140,115)	18,442,646
Capital contributions and reversions	9,381,361	1,733,061	11,114,422	20,661,867
Transfers (out) in	(2,786,617)	2,786,617		
Change in net position	1,846,313	8,127,994	9,974,307	39,104,513
Total net position - beginning of year	1,022,476,946	397,551,090	1,420,028,036	1,380,923,523
Total net position - end of year	$ 1,024,323,259	$ 405,679,084	$ 1,430,002,343	$ 1,420,028,036

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

THE PORT OF PORTLAND
STATEMENT OF CASH FLOWS
for the year ended June 30, 2021
with comparative totals for the year ended June 30, 2020

	2021			2020
	Airport	Marine & Other	Total	Total
Cash flows from operating activities:				
Cash received from customers	$ 219,328,004	$ 71,753,368	$ 291,081,372	$ 275,927,446
Cash payments to employees	(56,196,064)	(33,831,972)	(90,028,036)	(97,253,917)
Cash payments to suppliers and vendors	(49,802,681)	(43,649,389)	(93,452,070)	(125,364,909)
Cash payments (to) from other funds	(22,653,647)	22,653,647		
Net cash provided by operating activities	90,675,612	16,925,654	107,601,266	53,308,620
Cash flows from noncapital financing activities:				
Property taxes		13,736,889	13,736,889	13,114,875
Grant proceeds not specifically restricted for capital	61,606,081		61,606,081	23,480,434
Net cash provided by noncapital financing activities	61,606,081	13,736,889	75,342,970	36,595,309
Cash flows from capital and related financing activities:				
Capital expenditures	(440,318,851)	(22,291,221)	(462,610,072)	(373,359,414)
Sale of properties	74,329	96,382	170,711	268,140
Net proceeds from issuance of debt	358,273,940		358,273,940	172,116,425
Interest paid	(52,566,291)	(4,100,714)	(56,667,005)	(53,695,048)
Proceeds from passenger facility charges	12,396,393		12,396,393	32,294,766
Proceeds from customer facility charges	5,596,860		5,596,860	13,658,322
Principal payments and redemptions on debt	(42,865,000)	(7,256,997)	(50,121,997)	(123,805,481)
Contributions from governmental agencies	10,216,668	5,058,885	15,275,553	22,773,042
Cash transfers (to) from other Port divisions, net	(2,786,617)	2,786,617		
Other, primarily nonoperating (expense) income	(5,163,465)	7,250,399	2,086,934	918,206
Net cash used in capital and related financing activities	(157,142,034)	(18,456,649)	(175,598,683)	(308,831,042)
Cash flows from investing activities:				
Interest received	208,113	2,539,066	2,747,179	27,282,697
Investment activity:				
Purchases	(692,473,155)	(139,254,777)	(831,727,932)	(812,052,420)
Proceeds from sales or maturities	697,125,383	197,686,755	894,812,138	1,031,622,887
Net cash provided by investing activities	4,860,341	60,971,044	65,831,385	246,853,164
Net increase in cash and cash equivalents		73,176,938	73,176,938	27,926,051
Cash and cash equivalents - beginning of year	38,240	78,896,239	78,934,479	51,008,428
Cash and cash equivalents - end of year	$ 38,240	$ 152,073,177	$ 152,111,417	$ 78,934,479
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	$ (32,516,733)	$ (14,032,306)	$ (46,549,039)	$ (41,253,797)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation expense	100,160,625	19,091,125	119,251,750	109,311,980
Non cash pension and OPEB expense	8,701,926	10,408,462	19,110,388	15,499,217
Amortization of unearned revenue	(965,086)	(1,594,089)	(2,559,175)	(2,711,263)
Change in assets and liabilities:				
Receivables and other current assets	17,568,708	(3,699,630)	13,869,078	(9,540,803)
Accounts payable and accruals	73,129	6,624,012	6,697,141	(3,192,558)
Deferred pension outflows				(30,000,000)
Long-term environmental and other accruals	(2,346,957)	(869,192)	(3,216,149)	12,871,506
Additions to unearned revenue		997,272	997,272	2,324,338
Net cash provided by operating activities	$ 90,675,612	$ 16,925,654	$ 107,601,266	$ 53,308,620

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

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

The Port

The Port of Portland (the Port) is a special municipal district created by the Oregon State Legislature. It is governed by a nine-member Board of Commissioners who are appointed by the Governor of the State; Commissioners serve four year terms without compensation. The Port facilitates aviation and marine trade within the Port District (Multnomah, Clackamas, and Washington Counties), and its influence spreads over a multi-state region. The Port owns and operates Portland International Airport (the Airport), which provides the metropolitan area with commercial airline passenger service, air cargo services, and general aviation service. The Port also owns two general aviation airports, four marine terminals, a dredge, six industrial and business parks, and develops land principally to support, enhance, and expand its core transportation operations. Principal funding sources are charges to users, revenue bonds, grants, interest earnings, passenger facility charges, customer facility charges, and, to a lesser extent, property tax levies. Its activities are carried out by a staff of approximately 755 full-time equivalent persons.

Basis of Accounting

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

Intra-Port Charges and Expense Allocations

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

Use of Estimates

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

Operating Revenues and Expenses

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

Restricted Assets and Related Liabilities

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

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

Land Held for Sale

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

Properties and Depreciation

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

Amortization of Bond Issue Costs

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

Accrued Vacation and Sick Leave Pay

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

Unearned Revenue

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

Accounting for Contributions from Federal Government and Other

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

Property Taxes

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

Cash and Cash Equivalents

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

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

Environmental Remediation Liabilities

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

Passenger Facility Charges

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

Customer Facility Charges

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

Cash and Investments

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

Budgets

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

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

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

and one budget adjustment for the year ended June 30, 2021 and one supplemental budget and one budget adjustment for the year ended June 30, 2020.

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

Transfers Between Activities

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

Internal Receivables and Payables

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

Prior Year Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a complete presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Port's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

New Accounting Pronouncements

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

In June 2017, the GASB issued Statement No. 87, "Leases," effective for the Port's fiscal year beginning July 1, 2021. The statement establishes standards of accounting and financial reporting for leases by lessees and lessors, and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Port is currently evaluating the effects this statement will have on its financial statements.

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

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

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

In January 2020, the GASB issued Statement No. 92, "Omnibus 2020," effective for the Port's fiscal year beginning July 1, 2021. The statement addresses a variety of topics including the effective date of new lease guidance in interim financial reports, reporting intra-entity transfers for defined benefit pension plans or other postemployment benefit plans, reporting assets accumulated for postemployment benefits, certain requirements for postemployment benefit arrangements, measurement of assets and liabilities associated with asset retirement obligations, public entity risk pool reporting, nonrecurring fair value measurements, and terminology used to refer to derivative instruments. The Port is currently evaluating the effects this statement will have on its financial statements.

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

In March 2020, the GASB issued Statement No. 93, "Replacement of Interbank Offered Rates," effective for the Port's fiscal year beginning July 1, 2021. The statement removes the London interbank offered rate (LIBOR) as an appropriate benchmark interest rate in hedging derivative instruments and leases and addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate. The Port is currently evaluating the effects this statement will have on its financial statements.

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

In May 2020, the GASB issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which postponed the effective dates of certain provisions in statements and implementation guides that first became effective or were scheduled to become effective for periods beginning after June 15, 2018. The objective of the statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The Port has delayed implementation dates as allowed by Statement No. 95 for all guidance not already implemented prior to the release of the Statement.

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

In June 2020, the GASB issued Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," effective for the Port's fiscal year beginning July 1, 2021. The statement amends the criteria for reporting governmental fiduciary component units to improve consistency and comparability in reporting on fiduciary component units and IRS Section 457 plans. The Port is currently evaluating the effects this statement will have on its financial statements.

2. Identifiable Activity Information:

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

Balance sheet information for Marine & Other is not available at the identifiable activity level. Identifiable activity information available for Marine & Other for the year ended June 30, 2021 was as follows (in thousands):

2. Identifiable Activity Information, continued:

	Marine Terminals	Trade & Equitable Development	Environmental	Navigation	General Aviation	Engineering & Admin	Total
Operating revenues	$ 48,503	$ 7,251		$ 16,176	$ 3,558	$ 230	$ 75,718
Operating expenses	42,778	5,723	$ 6,159	13,868	3,670	(1,539)	70,659
Depreciation expense	7,893	1,599		3,277	4,553	1,769	19,091
Operating loss	$ (2,168)	$ (71)	$ (6,159)	$ (969)	$ (4,665)	$	$ (14,032)
Capital contributions	$ 572	$ 49			$ 1,112		$ 1,733
Properties activity:							
Additions	$ 11,946	$ 4		$ 7,179	$ 3,124	$ 1,307	$ 23,560
Deletions	$ (689)	(176)		$ (71)		$ (11,563)	$ (12,499)

3. Cash and Investments:

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

Balance sheet classification:	2021			2020
	Airport	Marine & Other	Total	Total
Unrestricted cash and cash equivalents	$ 38,240	$ 152,073,177	$ 152,111,417	$ 78,934,479
Unrestricted equity in pooled investments	200,937,942	104,510,247	305,448,189	301,377,814
Restricted cash and equity in pooled investments	494,202,199	5,254,937	499,457,136	566,611,717
	$ 695,178,381	$ 261,838,361	$ 957,016,742	$ 946,924,010

At June 30, 2021, the Port had the following cash and investments and maturities for the Airport:

	Investment Maturities (in years)				
	Less than 1	1 - 2	2 - 3	3 - 5	Value
U.S. Treasuries	$ 159,838,482	$ 34,439,943	$ 19,842,035		$ 214,120,460
U.S. Agencies	84,015,065	8,587,689	37,009,384	$ 94,644,816	224,256,954
Municipal debt	8,534,711	1,542,294	3,088,077	10,417,709	23,582,791
Corporate indebtedness	41,626,027	9,471,088	7,959,891	10,714,096	69,771,102
Certificates of deposit	399,256				399,256
	$ 294,413,541	$ 54,041,014	$ 67,899,387	$ 115,776,621	532,130,563
Cash and cash equivalents					38,240
Restricted deposits held in trust accounts					163,009,578
					$ 695,178,381

3. <u>Cash and Investments</u>, continued**:**

Following are the cash and investments and maturities for Marine & Other at June 30, 2021:

	Investment Maturities (in years)				
	Less than 1	1 - 2	2 - 3	3 - 5	Value
U.S. Treasuries	$ 15,617,759	$ 11,189,009	$ 5,006,715		$ 31,813,483
U.S. Agencies	16,153,093	2,166,921	9,338,531	$ 23,881,606	51,540,151
Municipal debt	2,153,553	389,165	779,211	2,628,687	5,950,616
Corporate indebtedness	10,503,442	2,389,827	2,008,509	2,703,474	17,605,252
Certificates of deposit	100,744				100,744
	$ 44,528,591	$ 16,134,922	$ 17,132,966	$ 29,213,767	107,010,246
State of Oregon local government investment pool					51,115,152
Cash and deposits with financial institutions					103,712,963
					$ 261,838,361

Deposits with financial institutions include bank demand deposits. The total bank balance as shown on the bank statements was $102,017,880. Of these deposits, $250,000 was covered by federal depository insurance and $101,767,880 was covered by collateral pledged by the Port's qualified depositories. In accordance with ORS 295, the collateral pledged is held by the agent of the qualified depositories; is designated as subject to the Pledge Agreement between the agent, the qualified depositories, and the Oregon Office of the State Treasurer (OST); and is held for the benefit of the OST on behalf of the Port.

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

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

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

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

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

The Port's investments are valued using evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. All of the Port's investments at June 30, 2021 are considered level 2.

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

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

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

Oregon Revised Statutes (ORS) limit investments in corporate indebtedness to those rated P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard and Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in corporate indebtedness made during fiscal 2021 met or exceeded these ratings requirements.

Oregon Revised Statutes (ORS) limit investments in municipal debt to those lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. In addition, lawfully issued debt obligations of the agencies and instrumentalities of the States of California, Idaho and Washington and political subdivisions of those states are authorized if the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. Port investment policy on credit risk follows ORS requirements. All investments in municipal debt made during fiscal 2021 met or exceeded these ratings requirements.

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

As required by federal law, the Port held investments (classified as restricted assets) with a par value of $2,500,000 and $2,550,000 at June 30, 2021 and 2020, as collateral for certain accrued liabilities for workers' compensation (Note 10). Federal law requires these investments to be in only certain prescribed negotiable securities.

Certain investment earnings are paid to the Airport from the Port General Fund pooled investments when earned. At June 30, 2021 and 2020, approximately $414,190,00 and $381,335,000, respectively, of the Airport's investments represent an allocated share of the Port's total investments.

4. Receivables:

Port operations are concentrated within the aviation industry for the Airport and the industrial property market and marine shipping industry for Marine & Other. Principal customers in these industries are national airlines, tenants of large Port industrial properties, and international steamship lines/agents. Each of these principal customers is affected by changes in industry market and other economic conditions. The Port evaluates the financial capacity of prospective and current customers to determine their ability to pay amounts due on a timely basis. Various forms of collateral, including irrevocable standby letters of credit and pledges from other related industry customers under a joint agreement, are obtained from certain customers, mainly for the Airport, where these pledges encompass substantially all trade receivables. Accounts receivable are monitored on an ongoing basis, and allowances for doubtful accounts are established and maintained. Total trade receivables for the aviation industry were approximately $14,900,000 at June 30, 2021 and $24,500,000 at June 30, 2020. Total trade receivables for the marine shipping industry were approximately $5,000,000 at June 30, 2021 and $4,600,000 at June 30, 2020. Total grants receivable for the Airport were approximately $4,300,000 at June 30, 2021 and $8,600,000 at June 30, 2020. Total grant receivables for Marine and Other were approximately $1,200,000 at June 30, 2021 and $2,200,000 at June 30, 2020. Other significant receivables include interest on investments and a dredging contract.

5. Properties:

Properties activity for the year ended June 30, 2021 was as follows:

Airport:	Beginning Balances	Additions	Disposals & Transfers	Completed Projects	Ending Balances
Capital Assets being depreciated:					
Land improvements	$ 910,507,772		$ (8,043,943)	$ 39,655,465	$ 942,119,294
Buildings and equipment	1,525,940,424		(5,493,216)	222,303,348	1,742,750,556
Total capital assets being depreciated	2,436,448,196		(13,537,159)	261,958,813	2,684,869,850
Less accumulated depreciation:					
Land improvements	517,767,226	$ 30,104,218	(2,787,926)		545,083,518
Buildings & equipment	868,074,582	70,056,407	(12,201,693)		925,929,296
Total accumulated depreciation	1,385,841,808	100,160,625	(14,989,619)		1,471,012,814
Total capital assets being depreciated, net	1,050,606,388	(100,160,625)	1,452,460	261,958,813	1,213,857,036
Capital assets not being depreciated:					
Land	68,042,167				68,042,167
Construction in progress	634,882,718	462,760,866		(261,958,813)	835,684,771
Total capital assets not being depreciated	702,924,885	462,760,866		(261,958,813)	903,726,938
Airport capital assets,net	$ 1,753,531,273	$ 362,600,241	$ 1,452,460	$	$ 2,117,583,974
Marine & Other:					
Capital Assets being depreciated:					
Land improvements	$ 303,973,237		$ (117,121)	$ 3,967,348	$ 307,823,464
Buildings and equipment	262,343,037		(12,379,870)	6,103,811	256,066,978
Total capital assets being depreciated	566,316,274		(12,496,991)	10,071,159	563,890,442
Less accumulated depreciation:					
Land improvements	207,571,342	$ 9,829,970	(42,121)		217,359,191
Buildings & equipment	199,939,359	9,261,155	(12,354,495)		196,846,019
Total accumulated depreciation	407,510,701	19,091,125	(12,396,616)		414,205,210
Total capital assets being depreciated, net	158,805,573	(19,091,125)	(100,375)	10,071,159	149,685,232
Capital assets not being depreciated:					
Land	83,417,483				83,417,483
Construction in progress	27,505,547	23,559,563	(5,032)	(10,071,159)	40,988,919
Total capital assets not being depreciated	110,923,030	23,559,563	(5,032)	(10,071,159)	124,406,402
Marine & Other capital assets,net	$ 269,728,603	$ 4,468,438	$ (105,407)	$	$ 274,091,634

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

The Port leases to others certain land, buildings, and equipment at various locations for terms ranging from 2 to 92 years. All leases are accounted for as operating leases. Costs of properties leased at June 30, 2021 included above are:

	Airport	Marine & Other	Total Port
Land and improvements	$ 7,823,512	$ 31,420,645	$ 39,244,157
Buildings and equipment	745,966,070	43,184,182	789,150,252
	753,789,582	74,604,827	828,394,409
Accumulated depreciation	(511,911,686)	(36,052,501)	(547,964,187)
	$ 241,877,896	$ 38,552,326	$ 280,430,222

5. Properties, continued:

Minimum future rentals receivable on noncancelable operating leases for the five succeeding fiscal years and thereafter are:

	Airport	Marine & Other	Total Port
2022	$ 43,183,000	$ 14,851,000	$ 58,034,000
2023	38,567,000	14,218,000	52,785,000
2024	25,275,000	13,378,000	38,653,000
2025	12,853,000	10,048,000	22,901,000
2026	8,763,000	9,772,000	18,535,000
Thereafter	55,738,000	116,037,000	171,775,000
Total	$ 184,379,000	$ 178,304,000	$ 362,683,000

Contingent rental revenues are included in operating revenues, primarily for Airport terminal area space, and were as follows in 2021 and 2020:

	Airport	Marine & Other	Total Port
2021	$ 95,400,000	$ 4,300,000	$ 99,700,000
2020	$ 78,000,000	$ 3,500,000	$ 81,500,000

6. Long-Term Debt:

At June 30, 2021, long-term debt consisted of the following:

Limited Tax Pension bonds:	Pension	Airport Revenue	Passenger Facility Charge Revenue	Customer Facility Charge Revenue	Commercial Paper
2002 Series (issued in fiscal 2002, original issue $54,952,959):					
6.85%, due serially from fiscal 2021 through fiscal 2028	$ 33,360,000				
6.6%, due fiscal 2025	6,205,000				
2005 Series (issued in fiscal 2006, original issue $20,230,000):					
5.004%, due fiscal 2028	11,765,000				
Portland International Airport revenue bonds:					
Series Eighteen (issued in fiscal 2008, original issue $138,890,000 variable interest rate):					
currently 0.08%, due fiscal 2027		$ 22,680,000			
currently 0.07%, due fiscal 2027		22,685,000			
Series Twenty-One C (issued in fiscal 2012, original issue $27,685,000):					
4.375% to 5.0%, due serially through fiscal 2024		17,395,000			
Series Twenty-Two (issued in fiscal 2015, original issue $90,050,000):					
5.0%, due serially through fiscal 2035		38,065,000			
5.0%, due fiscal 2040		21,245,000			
5.0%, due fiscal 2045		27,110,000			
Series Twenty-Three (issued in fiscal 2015, original issue $109,440,000):					
5.0%, due serially through fiscal 2036		76,530,000			
5.0%, due fiscal 2039		23,250,000			
Series Twenty-Four (issued in fiscal 2017, original issue $233,240,000):					
5.0%, due serially through fiscal 2038		107,690,000			
5.0%, due fiscal 2043		52,770,000			
5.0%, due fiscal 2048		67,360,000			
Series Twenty-Five (issued in fiscal 2019, original issue $208,255,000):					
5.0%, due serially through fiscal 2040		99,705,000			
5.0%, due fiscal 2045		47,455,000			
5.0%, due fiscal 2050		60,565,000			
Series Twenty-Six (issued in fiscal 2020, original issue $72,725,000):					
5.0%, due fiscal 2027		3,900,000			
5.0%, due serially through fiscal 2029		48,005,000			
5.0%, due fiscal 2030		4,110,000			
5.0%, due fiscal 2034		5,110,000			
4.0% to 5.0%, due fiscal 2038		6,170,000			
4.0% to 5.0%, due fiscal 2041		5,430,000			
Series Twenty-Seven (issued in fiscal 2021, original issue $312,460,000):					
0.8% to 5.0%, due serially through fiscal 2041		155,890,000			
5.0%, due fiscal 2046		69,510,000			
4.0% to 5.0%, due fiscal 2051		87,060,000			
Passenger Facility Charge revenue bonds:					
Series 2011A (issued in fiscal 2012, original issue $75,670,000):					
3.25% to 5.5%, due serially through fiscal 2032			$ 65,305,000		
Series 2012A (issued and privately placed in fiscal 2013, original issue $57,725,000):					
variable interest rate, currently 0.6476%, due fiscal 2025			38,080,000		
Customer Facility Charge revenue bonds:					
Series 2019 (issued in fiscal 2019, original issue $163,290,000):					
2.711% to 3.865%, due serially through fiscal 2033				$ 46,120,000	
3.915%, due serially through fiscal 2035				9,730,000	
4.067%, due serially through fiscal 2040				27,940,000	
4.237%, due serially through fiscal 2050				76,340,000	
Portland International Airport commercial paper:					
Series B (issued in fiscal 2021)					$ 80,600,000
0.09%, due fiscal 2022					
Totals, including $5,605,000, $32,275,000, $8,930,000, $3,240,000, and $80,600,000 respectively, due within one year	$ 51,330,000	$ 1,069,690,000	$ 103,385,000	$ 160,130,000	$ 80,600,000

6. Long-Term Debt, continued:

		Direct Borrowings - Contracts and Loans Payable at June 30, 2021
State of Oregon Department of Transportation, Multimodal Transportation Funds loan (issued in fiscal 2011, original amount available $7,427,000), 0.0%, payable in annual installments of $742,700 due July 1, 2022	$	742,700
State of Oregon Business Development Department Special Public Works Fund loan (issued in fiscal 2009, original amount available $8,700,000), 5.00% in annual installments ranging from $328,930 due December 1, 2021 to $488,664 due December 1, 2030, including $328,930 due within one year		3,973,329
Banc of America Leasing & Capital, LLC, (issued in fiscal 2013, original amount $15,100,000, secured by a lien on the financed asset), 4.5%, payable in monthly installments ranging from $84,614 due August 1, 2021 to $115,011 due June 1, 2028, including $1,036,575 due within one year		8,220,789
State of Oregon Business Development Department Strategic Reserve Fund loan (issued in fiscal 2020, original amount available $500,000), 0.0%, outstanding principal due on March 31, 2022, if not sooner paid or forgiven by the State		500,000
Total, including $1,865,505 due within one year	$	13,436,818

Future debt service requirements on bonds, contracts and loans payable at June 30, 2021 are as follows:

	Airport									
	Revenue Bonds		PFC Revenue Bonds		Directly Placed 2012A PFC Revenue Bonds		CFC Revenue Bonds		Commercial Paper	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 32,275,000	$ 48,652,597	$ 125,000	$ 3,377,244	$ 8,805,000	$ 246,606	$ 3,240,000	$ 6,237,578	$ 80,600,000	$ 8,615
2023	36,975,000	47,483,126	105,000	3,373,506	9,265,000	189,585	3,330,000	6,147,556		
2024	39,895,000	46,143,978	80,000	3,370,400	9,750,000	129,585	3,420,000	6,052,751		
2025	35,760,000	44,826,829	60,000	3,367,950	10,260,000	66,444	3,520,000	5,952,165		
2026	35,165,000	43,634,901	7,955,000	3,168,025			3,625,000	5,843,839		
2027-2031	157,000,000	196,280,464	46,245,000	9,164,487			19,965,000	27,304,688		
2032-2036	167,880,000	157,497,550	10,735,000	291,463			23,900,000	23,245,705		
2037-2041	196,510,000	111,192,875					29,080,000	17,939,479		
2042-2046	202,635,000	63,017,125					35,675,000	11,186,634		
2047-2051	165,595,000	15,688,125					34,375,000	2,988,462		
	$ 1,069,690,000	$ 774,417,570	$ 65,305,000	$ 26,113,075	$ 38,080,000	$ 632,220	$ 160,130,000	$ 112,898,857	$ 80,600,000	$ 8,615

	Marine & Other			
	Pension Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	$ 5,605,000	$ 3,283,411	$ 1,865,505	$ 504,904
2023	6,350,000	2,924,666	2,158,522	483,329
2024	7,165,000	2,517,566	1,483,461	416,941
2025	8,040,000	2,057,592	1,548,530	347,371
2026	8,980,000	1,556,238	1,621,141	274,761
2027-2031	15,190,000	1,311,287	4,759,659	459,490
	$ 51,330,000	$ 13,650,760	$ 13,436,818	$ 2,486,796

6. Long-Term Debt, continued:

Changes in long-term debt on the balance sheet for the year ended June 30, 2021 were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Long-term privately placed bonds outstanding	$ 46,450,000		$ (8,370,000)	$ 38,080,000
less: current portion	(8,370,000)	$ (8,805,000)	8,370,000	(8,805,000)
Long-term bonds outstanding	1,017,160,000	312,460,000	(34,495,000)	1,295,125,000
less: current portion	(34,495,000)	(35,640,000)	34,495,000	(35,640,000)
Unamortized bond issue premium	95,763,757	55,313,940	(7,962,435)	143,115,262
Long-term debt	$ 1,116,508,757	$ 323,328,940	$ (7,962,435)	$ 1,431,875,262
Marine & Other:				
Long-term direct borrowings outstanding	$ 16,667,905		$ (3,231,087)	$ 13,436,818
less: current portion	(1,589,297)	$ (1,865,505)	1,589,297	(1,865,505)
Long-term bond debt outstanding	56,255,000		(4,925,000)	51,330,000
less: current portion	(4,925,000)	(5,605,000)	4,925,000	(5,605,000)
Long-term portion outstanding	$ 66,408,608	$ (7,470,505)	$ (1,641,790)	$ 57,296,313

In addition, at June 30, 2021 and 2020, the Port has recorded $14,940,161 and $17,418,509 respectively, within the Airport activity, for the difference between the reacquisition price and the net carrying amount of refunded bonds, which is recorded as a deferred outflow of resources on the balance sheet.

CONTRACTS, LOANS AND PENSION BONDS

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

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

Limited Tax Pension Bonds were issued to fund the Port's estimated unfunded actuarial accrued liability as of April 1, 2002 (Note 8). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. Bonds maturing on June 1, 2025 are redeemable at the option of the Port on or after June 1, 2007 at par, in whole or in part, by lot, on any date up to June 1, 2025. Bonds maturing on June 1, 2028 are subject to mandatory redemption, at par, prior to maturity, in part, by lot, beginning June 1, 2020, and on each June 1 thereafter.

Limited Tax Pension Bonds were also issued to fund the Port's estimated unfunded actuarial accrued liability as of October 1, 2005 (Note 8). These bonds are backed by a pledge of the full faith and credit of the Port's Marine & Other activity, and debt service is payable from Marine & Other revenues, including existing property tax levies. Additional property taxes may not be levied for debt service on these bonds. These bonds are subject to optional redemption by the Port, in whole or in part, on any date, at a price equal to the greater of par or a discounted value, as defined. Bonds maturing on June 1, 2028 are subject to like mandatory redemption, beginning June 1, 2021, and on each June 1 thereafter.

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

PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS

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

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

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

- General account for all other permitted uses.

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

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

Section 16(ii) of Ordinance No. 155 and Section 5f of Ordinance No. 323 further stipulate that defined net revenues in each fiscal year must equal at least 130 percent of defined debt service requirements. The Airport has complied with this provision of the Ordinances for the years ended June 30, 2021 and 2020.

On July 1, 2015, ten year contracts with major airline customers became effective in which the airlines have provided financial guarantees sufficient to meet the net revenues requirement for airline supported activities, primarily airfield and terminal operations. Net revenues of other activities, primarily parking, air cargo, and a portion of rental car operations are neither guaranteed nor limited to specified levels by these contracts. The contracts also contain an annual revenue sharing provision through June 30, 2025 in which fees to signatory airlines are discounted $6,000,000 annually. The annual discount is subject to certain 1) reductions, contingent on the Port managing operating expenses to a defined target level and 2) increases, contingent on Airport coverage ratio thresholds. The discount amount was increased by $5,959,197 for fiscal 2021 and by $4,998,937 for fiscal 2020.

In fiscal 2021, the Port issued Series Twenty-Seven bonds to pay, or to reimburse the Port for the payment of, costs of the design, construction, renovation, acquisition, equipping and installation of capital improvements at the Portland International Airport; repay certain Commercial Paper Notes issued to finance a portion of the Series Twenty-Seven Projects and pay a portion of interest on the Port's previously issued Series Twenty-Five Airport Revenue Bonds, prior to completion of a project financed by such Series Twenty-Five Bonds; pay a portion of the interest to accrue on the Series Twenty-Seven Bonds during construction of the Series Twenty-Seven Projects; to pay a portion of the interest on the Series Twenty-Five Bonds; to cash fund a debt service reserve; and pay certain costs of issuing the Series Twenty-Seven Bonds. The bonds have coupon rates ranging from 0.8 percent to 5 percent, with maturities ranging from 2022 to 2050. Series Twenty-Seven A bonds maturing on or before July 1, 2030, are not subject to optional redemption prior to their stated maturity. Series Twenty-Seven A Bonds maturing on or after July 1, 2031 are redeemable at the option of the Port

6. Long-Term Debt, continued:

on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Seven B Bonds are subject to redemption at the option of the Port, in whole or in part, on any date, at a redemption price equal to the greater of 100% of the principal amount of the redeemed bonds plus accrued interest; or the sum of the present values of the remaining scheduled payments of principal and interest to the maturity date of the redeemed bonds, discounted to the date of redemption on a semi-annual basis, at a rate for a US Treasury security with a maturity comparable to the average remaining life of the bonds being redeemed plus 10 basis points in maturity 2022, plus 15 basis points in maturities 2023-2024, and plus 20 basis points in maturity 2025, plus, accrued interest.

Series Twenty-Six bonds, the proceeds of which were deposited in an irrevocable trust with an escrow agent to advance refund $82,055,000 of Series Twenty bonds and used to pay costs of issuing the Series Twenty-Six bonds. The $82,055,000 of Series Twenty bonds were redeemed by the escrow agent on July 1, 2020. Series Twenty-Six bonds maturing on or before July 1, 2029 are not subject to optional redemption prior to maturity. Series Twenty-Six A and B bonds maturing on or after July 1, 2033 are redeemable at the option of the Port on or after July 1, 2030 at 100 percent of the principal amount plus accrued interest. Series Twenty-Six C bonds are not subject to optional redemption prior to their stated maturity.

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

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

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

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

Series Twenty-One C bonds maturing on or before July 1, 2021 are not subject to optional redemption prior to maturity. Series Twenty-One C bonds maturing on or after July 1, 2022 are redeemable at the option of the Port on or after July 1, 2021 at 100 percent of the principal amount plus accrued interest.

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

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

6. Long Term Debt, continued:

PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS

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

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

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

The Series 2012A variable rate bonds were issued in the form of index bonds bearing an interest rate that is generally reset weekly based on an applicable spread of 55 basis points plus 80 percent of 1 month LIBOR, and cannot exceed 12.0 percent. The Series 2012A bonds have a maturity date of July 1, 2024 and are subject to mandatory sinking account payments prior to maturity. The Series 2012A bonds were directly purchased by a single buyer for an initial purchase period ending June 1, 2024. Series 2012A bonds are redeemable at the option of the Port, at par, prior to maturity, in whole or in part. In the event of default, outstanding amounts become immediately due and payable.

Series 2011A bonds maturing on or before July 1, 2021 are not subject to optional redemption prior to maturity. Series 2011A bonds maturing on or after July 1, 2022 are redeemable at the option of the Port on or after July 1, 2021 at 100 percent of the principal amount plus accrued interest.

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

PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS

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

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

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

PORTLAND INTERNATIONAL AIRPORT COMMERCIAL PAPER

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

In fiscal 2018, the Port first issued Series B and Series C commercial paper to fund the costs of constructing improvements at the Airport and to pay interest on maturing commercial paper. Commercial paper outstanding totaled $80,600,000 and $90,100,000 at June 30, 2021 and 2020, respectively. Commercial paper is included in current portion of long-term debt on the balance sheet. In the event of default, outstanding amounts become immediately due and payable.

DERIVATIVE INSTRUMENTS

At June 30, 2021, the Airport had the following hedging derivative instruments outstanding:

Item	Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value
A	Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series 18 bonds	$ 2,517,500	7/1/2005	7/1/2025	Pay 5.1292%, receive 68% 1 month LIBOR	$ (196,000)
B	Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series 18 bonds	$ 2,517,500	7/1/2005	7/1/2025	Pay 5.1339%, receive 68% 1 month LIBOR	$ (196,000)
C	Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series 18 bonds	$19,985,000	7/1/2006	7/1/2026	Pay 4.9356%, receive 68% 1 month LIBOR	$ (1,803,000)
D	Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2008 Series 18 bonds	$19,985,000	7/1/2006	7/1/2026	Pay 4.9403%, receive 68% 1 month LIBOR	$ (1,803,000)

At the inception of each interest rate swap agreement, the fixed rate on each of the swaps was off-market such that the Airport received an up-front payment; for derivative instruments A, B, C, and D, collectively, the Airport received three equal up-front payments totaling $9,293,538. As such, each swap is comprised of a derivative instrument, an at-market swap, and a companion borrowing instrument represented by the upfront payment. The fair value of the derivatives was negative $3,998,000 at June 30, 2021 and is recorded on the Airport's balance sheet as a noncurrent liability; the unamortized balance of the borrowing is recorded on the Airport's balance sheet as a restricted current liability of $280,710 and a noncurrent liability of $519,853 at June 30, 2021. Hedge accounting is applied to the derivatives, and accordingly, the cumulative change in fair value of the derivatives (at-market interest rate swaps) were recorded as deferred outflows of $3,998,000, which is a decrease of $2,126,000 from the June 30, 2020 amount.

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

Credit risk. The Airport has two separate counterparties for these interest rate swaps. To minimize its exposure to loss related to credit risk, it is the Port's policy to enter into interest rate swaps with counterparties which have demonstrated experience in these types of financial instruments and either 1) rated in one of the top three rating categories by at least two nationally recognized rating agencies, or 2) will collateralize in accordance with all statutory requirements. The June 30, 2021 credit rating for each of the counterparties is as follows:

6. Long-Term Debt, continued:

Derivative Instrument	Counterparty Credit Rating
Derivative A and C	A+ / Aa2
Derivative B and D	AA- / Aa2

Interest rate swaps with positive fair values are exposed to credit risk; interest rate swaps with negative fair values are not exposed to credit risk. At June 30, 2021, none of the Airport's interest rate swaps were exposed to credit risk.

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

Basis risk. The variable rate debt hedged by the Airport's interest rate swaps A, B, C, and D are variable rate demand obligation (VRDO) bonds that are remarketed weekly. The Airport is exposed to basis risk on its pay-fixed interest rate swap derivative instruments that are hedging the VRDO bonds, because the variable rate payments received by the Airport on these derivative instruments are based on a rate or index other than the interest rates the Airport pays on the VRDO bonds. At June 30, the weighted-average interest rate on the Airport's VRDO bonds is 0.07 percent, while 68 percent of 1 month LIBOR is approximately 0.058 percent.

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

Derivative instruments A, B, C and D require the Airport to post collateral in the event that its Standard & Poors credit rating drops below A-. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the negative fair value of the interest rate swap. The Airport's credit rating is A+ at June 30, 2021; therefore, no collateral has been posted for these derivative instruments.

At June 30, 2021, the Airport had the following investment derivative instruments outstanding:

Item	Type	Notional Amount	Effective Date	Maturity Date	Terms	Fair Value
E	Pay-fixed interest rate swap	$ 22,848,000	7/1/2009	7/1/2024	Pay 4.975%, receive 68% 1 month LIBOR	$ (1,320,000)
F	Pay-fixed interest rate swap	$ 15,232,000	7/1/2009	7/1/2024	Pay 4.955%, receive 68% 1 month LIBOR	$ (870,000)

At the inception of each interest rate swap agreement, the fixed rate on each of the swaps was off-market such that the Airport received an up-front payment; for derivative instruments E and F, the Airport received an up-front payment totaling $5,453,000. As such, each swap is comprised of a derivative instrument, an at-market swap, and a companion borrowing instrument represented by the upfront payment. The fair value of the derivatives was negative $2,190,000 at June 30, 2021 and is recorded on the Airport's balance sheet as a noncurrent liability; the unamortized balance of the borrowing is recorded on the Airport's balance sheet as a restricted current liability of $330,324 and a noncurrent liability of $321,774 at June 30, 2021. In fiscal 2013, the 2009A PFC variable rate bonds hedged by derivative instruments E and F were refunded; therefore, for accounting and financial reporting purposes, these derivatives are considered investment derivative instruments. Accordingly, the decrease in fair value of the swaps of $1,500,000 during fiscal 2021 was recorded in interest revenue on the statement of revenues, expenses, and changes in net position.

The fair values of the at-market interest rate swaps are estimated using the zero-coupon method. The method calculated the future net settlement payments required by the swaps, assuming that the current forward rates implied by the yield

6. Long-Term Debt, continued:

curves correctly anticipate future spot interest rates. These payments are discounted using the spot rates implied by the current yield curves for the hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk. The Airport has two separate counterparties for these interest rate swaps. To minimize its exposure to loss related to credit risk, it is the Port's policy to enter into interest rate swaps with counterparties which have demonstrated experience in these types of financial instruments and either 1) rated in one of the top three rating categories by at least two nationally recognized rating agencies, or 2) will collateralize in accordance with all statutory requirements. The June 30, 2021 credit rating for each of the counterparties is as follows:

Derivative Instrument	Counterparty Credit Rating
Derivative E	A+ / Aa2
Derivative F	A- / A2

Interest rate swaps with positive fair values are exposed to credit risk; interest rate swaps with negative fair values are not exposed to credit risk. At June 30, 2021, none of the Airport’s interest rate swaps were exposed to credit risk.

Basis risk. The variable rate debt hedged by the Airport’s interest rate swaps E and F are index rate bonds with rates that are reset weekly. The Airport is exposed to basis risk on its pay-fixed interest rate swap derivative instruments that are hedged to the index rate bonds, because the variable rate payments received by the Airport on these derivative instruments are based on a rate other than the interest rate the Airport pays on the index rate bonds. At June 30, the weighted–average interest rate on the Airport’s index rate bonds is approximately 0.648 percent, while 68 percent of 1 month LIBOR is approximately 0.057 percent.

Derivative instrument E requires the Airport to post collateral in the event that its Standard & Poors credit rating drops below A- or if the negative fair value of that derivative instrument exceeds $15 million. The Airport's credit rating is A+ at June 30, 2021, and the negative fair value of derivative instrument E does not exceed $15 million; therefore, no collateral has been posted for this derivative instrument. Derivative instrument F requires the Airport to post collateral in the event that its Standard & Poors credit rating drops below BBB- or if there is a negative fair value of that derivative instrument. Derivative instrument F has a negative fair value at June 30, 2021; therefore, the Airport has posted $1,200,000 in collateral with the counterparty (included in restricted cash and equity in pooled investments on the Airport’s balance sheet).

As rates vary, variable rate bond interest payments and net swap payments will vary. Although not a prediction by the Port of future interest cost of the variable rate bonds or of the impact of interest rate swaps, following are debt service requirements of the Airport's hedged variable rate debt and related net swap payments, using rates as of June 30, 2021:

	Variable Rate Airport Revenue Bonds			
	Principal	Interest	Interest Rate Swaps, net	Total
2022	$ 10,310,000	$ 26,291	$ 1,471,298	$ 11,807,589
2023	6,590,000	21,349	1,163,986	7,775,335
2024	6,900,000	16,174	840,681	7,756,855
2025	7,215,000	10,762	519,933	7,745,695
2026	7,565,000	5,088	326,138	7,896,226
2027	6,785,000			6,785,000
	$ 45,365,000	$ 79,664	$ 4,322,036	$ 49,766,700

6. Long-Term Debt, continued:

	Variable Rate Passenger Facility Charge Bonds			
	Principal	Interest	Interest Rate Swaps, net	Total
2022	$ 8,805,000	$ 189,585	$ 1,209,895	$ 10,204,480
2023	9,265,000	129,585	743,097	10,137,682
2024	9,750,000	66,444	503,744	10,320,188
2025	10,260,000			10,260,000
	$ 38,080,000	$ 385,614	$ 2,456,736	$ 40,922,350

7. Industrial Revenue Bonds:

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

Industrial revenue bonds for Airport industrial facilities were outstanding in the amount of $17,300,000 at both June 30, 2021 and 2020.

8. Pension Plans and Deferred Compensation Plan:

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

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of PERS, and additions to/deductions from PERS' fiduciary net position, have been determined on the same basis as they are reported by PERS. PERS uses accrual basis accounting for all funds, recognizing revenues when earned, contributions when due, benefits in the month they are earned, and withdrawals in the month they are due and payable. PERS issues a publicly available financial report, which may be obtained at www.oregon.gov/pers or by writing to PERS, PO Box 23700, Tigard, Oregon 97281. The rate of employee contributions (6 percent of annual covered salary) is established by state statute, and the rate of employer contributions to PERS is set periodically by PERS based on actuarial valuations. The Port's contribution rates were 12.81 percent and 15.63 percent of annual covered payroll for fiscal years 2021 and 2020, respectively. Beginning January 1, 2020, the Port's fiscal 2020 contribution rate was reduced to 12.81 percent due to the creation of a new Port side-specific account. The Port also pays the required employee contribution. The Port, by electing to join the State and Local Government Rate Pool, effective January 1, 2002, is part of the cost-sharing multiple-employer segment of the pension plan. Limited tax pension bonds were issued to fund the Port's estimated unfunded actuarial accrued liability (UAL) of $54,068,039 as of April 1, 2002, and $20,012,029 as of October 1, 2005. The proceeds from these bond issues are held by PERS in side accounts specific to the Port, and are factors in the calculation of the Port's employer contribution rates and the Port's proportionate share of the collective Net Pension Liability (NPL) or Net Pension Asset (NPA). Of these bond issue amounts, $25,550,920 and

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

$11,244,225 were applicable to the Airport, and were recorded on the Airport balance sheet as liabilities (due to Marine & Other). The Airport liability is reduced proportionately as the Marine & Other activity makes principal payments on the pension bonds. Principal payments on the pension bonds were made in the amounts of $4,925,000 and $2,197,780 in fiscal 2021 and 2020, respectively, of which $2,437,394 and $1,136,901 were applicable to the Airport.

In December 2019, the Port contributed $30 million to PERS in order to create two new Port-specific side accounts to provide future pension contribution rate relief for the Port. Both new accounts were funded by the Marine & Other activity. One side account in the amount of $20 million qualified for nearly $5 million in matching funds from the Oregon State Employer Incentive Fund; this account is being amortized to provide pension rate relief over 16 years beginning January 1, 2020. Effective January 1, 2020, PERS reduced the Port's contribution rates for PERS and OPSRP by 2.82 percent. The second side account was established in the amount of $10 million and is being amortized to provide pension rate relief over 10 years, with rate relief deferred to commence on July 1, 2029. The intent of creating these side accounts was to effectively offset a portion of the Port's proportionate share of the collective NPL attributable to the Marine & Other activity and reduce future Port pension contributions for the Marine & Other activity over a total of 20 years. The matching funds were reported in other nonoperating income on the statement of revenues, expenses, and changes in net position. PERS does not recognize the Airport as a separate activity of the Port, so internal accounting adjustments are necessary for rate relief from the new side accounts to be credited only to the Marine & Other activity.

The 2003 Oregon legislature adopted a number of amendments to the benefit structure of PERS, later modified by the Oregon Supreme Court. In addition to adopting amendments to the benefit structure of PERS, the 2003 legislature passed HB 2020, which established a successor pension plan to PERS, the Oregon Public Service Retirement Plan (OPSRP). All public employees hired on or after August 29, 2003, unless membership was previously established in PERS, become participants in OPSRP, generally after six months of employment. OPSRP is a hybrid pension plan with two components, the Pension Program (a defined benefit program) and the Individual Account Program (IAP) (a defined contribution program), and is administered by PERS, the agency. The Pension Program is funded by employer contributions. For general service members, normal retirement age is 65 or age 58 with 30 years of service, and for police and fire members, normal retirement age is 60 or age 53 with 25 years of service. Retirement benefits under the Pension Program are calculated using a formula based on final average salary, as defined, and years of service. The IAP is funded by a 6 percent employee contribution (which may be paid by the employer for the employee). The Port pays the employee contribution. Employee contributions are placed in an employee account, accounts are adjusted for earnings or losses, and are paid at retirement, either as a lump sum or in installments. Effective January 1, 2004, required 6 percent employee contributions for PERS members were paid to the member's IAP account rather than the member's PERS account, as required by the 2003 legislation. In 2019, Oregon Legislature enacted Senate Bill 1049, which made a number of amendments to PERS, including redirecting 2.5 percent for PERS members and 0.75 percent for OPSRP members of the required employee 6 percent contributions from a member's IAP account to the member's employee pension stability account, effective July 1, 2020. The Port's employer contribution rate to OPSRP, set periodically by PERS based on actuarial valuations, was 5.58 percent of annual covered payroll for general service members and 10.21 percent for police and fire members for fiscal 2021, and 8.40 percent of annual covered payroll for general service members and 13.03 percent for police and fire members for fiscal 2020. Beginning January 1, 2020, the Port's fiscal 2020 contribution rate was reduced to 5.58 percent of annual covered payroll for general service members and 10.21 percent for police and fire members due to the creation of a new Port side-specific account. The Port also pays the required employee contributions of 6 percent of annual covered salary.

The Port's fiscal 2021 and 2020 regular pension contributions recognized by PERS were $8,898,568 and $10,870,643. Actuarial determinations are not made solely as to Airport employees. PERS contributions of $4,583,426 and $5,448,156 were applicable to the Airport for fiscal years 2021 and 2020, respectively, based upon Port payroll expense.

GASB Statement No. 68 (GASB 68) establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 requires the liability of employers to employees for defined benefit plans (NPL or NPA) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (Total Pension Liability (TPL) or Total Pension Asset (TPA)), less the amount of the

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

pension plan's fiduciary net position. Employers participating in cost-sharing plans recognize their proportionate share of the collective pension amounts for all benefits provided through the plan based on an allocation methodology.

The Port recognizes its proportion of the PERS NPL or NPA, Deferred Outflows of Resources, Deferred Inflows of Resources, and pension expense. The TPL at June 30, 2021 was determined based on an actuarial valuation as of December 31, 2018 and rolled forward to the measurement date of June 30, 2020; the TPL at June 30, 2020 was determined based on an actuarial valuation as of December 31, 2017 and rolled forward to the measurement date of June 30, 2019. The basis for the Port's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers.

For the year ended June 30, 2021, the Port's proportionate share of the collective NPL of PERS is $117,823,511, or 0.53989432 percent of the total, and the Port recognized pension expense of $28,871,742 as its proportionate share of PERS pension expense. For the year ended June 30, 2020, the Port's proportionate share of the collective NPL of PERS is $113,602,700, or 0.65675392 percent of the total, and the Port recognized pension expense of $27,851,263 as its proportionate share of PERS pension expense. Actuarial determinations are not made solely as to Airport employees. For the year ended June 30, 2021, $72,981,508 of the NPL, and $14,519,557 of pension expense, was applicable to the Airport. For the year ended June 30, 2020, $52,736,594 of the NPL, and $13,730,246 of pension expense, was applicable to the Airport.

Actuarial assumptions used in the 2018 valuation rolled forward to the measurement date of June 30, 2020, and in the 2017 valuation rolled forward to the measurement date of June 30, 2019, were as follows:

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

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

For the 2017 valuation rolled forward to the measurement date of June 30, 2019, mortality assumptions for healthy retirees and beneficiaries are based on RP-2014 Healthy annuitant, sex-distinct, generational with Unisex Social Security Data Scale, with collar adjustments and set-backs. Active members' mortality assumptions are based on RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks. Disabled retirees' mortality assumptions are based on RP-2014 Disabled retirees, sex distinct, generational with Unisex Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above for the 2018 valuation rolled forward to the measurement date of June 30, 2020 are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018. The methods and assumptions shown above for the 2017 valuation rolled forward to a measurement date of June 30, 2019 are based on the 2016 Experience Study, which reviewed experience for the four-year period ended on December 31, 2016.

GASB 68 generally requires that a blended discount rate be used to measure the TPL (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments

8. Pension Plans and Deferred Compensation Plan, continued:

and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

The discount rate used to measure the TPL of PERS was 7.20 percent for the measurement dates of June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, PERS' fiduciary net position was projected to be available to make all projected future benefit payments of current PERS members. Therefore, the long-term expected rate of return on PERS investments was applied to all periods of projected benefit payments to determine the TPL.

For fiscal 2021, the Port's $117,823,511 proportionate share of the NPL was calculated using the discount rate of 7.20 percent as of the measurement date of June 30, 2020. If a discount rate 1 percentage point lower (6.20 percent) were used in the calculation, it would result in an NPL for the Port of $174,958,182. If a discount rate 1 percentage point higher (8.20 percent) were used in the calculation, it would result in an NPL for the Port of $69,913,440. For fiscal 2020, the Port's $113,602,700 proportionate share of the NPL was calculated using the discount rate of 7.20 percent as of the measurement date of June 30, 2019. If a discount rate 1 percentage point lower (6.20 percent) were used in the calculation, it would result in an NPL for the Port of $181,924,644. If a discount rate 1 percentage point higher (8.20 percent) were used in the calculation, it would result in an NPL for the Port of $56,426,645.

To develop an analytical basis for the selection of the long-term expected rate of return assumption used in the calculation of the TPL at June 30, 2020 and 2019, the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors in 2019 and 2017, respectively. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

8. Pension Plans and Deferred Compensation Plan, continued:

Asset class	Target allocation*	20-year annualized geometric mean
Core fixed income	9.60%	4.07%
Short-term bonds	9.60%	3.68%
Bank/leveraged loans	3.60%	5.19%
High yield bonds	1.20%	5.74%
Large/mid cap U.S. equities	16.17%	6.30%
Small cap U.S. equities	1.35%	6.68%
Micro cap U.S. equities	1.35%	6.79%
Developed foreign equities	13.48%	6.91%
Emerging market equities	4.24%	7.69%
Non-U.S. small cap equities	1.93%	7.25%
Private equity	17.50%	8.33%
Real estate (property)	10.00%	5.55%
Real estate (REITs)	2.50%	6.69%
Hedge fund of funds - diversified	1.50%	4.06%
Hedge fund - event driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
Assumed inflation - mean	n/a	2.50%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of April 24, 2019.

Deferred items are calculated at the PERS level and allocated to the Port based upon its proportionate share. For the measurement dates of June 30, 2020 and 2019, there were deferred outflows and inflows of resources related to the following sources:

	Deferred outflows of resources		Deferred inflows of resources	
Measurement date of June 30,	2020	2019	2020	2019
Differences between expected and actual experience	$ 3,242,415	$ 4,321,609		
Changes of assumptions	6,323,215	15,411,502	$ 221,552	
Net difference between projected and actual earnings on plan investments	13,854,514			$ 3,220,521
Differences between contributions and Port's proportionate share of system contributions	14,747,454	2,996,819	2,861,129	4,401,312
Total	$ 38,167,598	$ 22,729,930	$ 3,082,681	$ 7,621,833

Port employer contributions for PERS made after the measurement date are reported as deferred outflows on the balance sheet at June 30, 2021 and 2020 in the amount of $8,898,568 and $10,870,643, respectively; these contributions are recognized as a reduction in the Port's NPL in the ensuing year. $4,583,426 and $5,448,156 of the deferred outflows were applicable to the Airport at June 30, 2021 and 2020, respectively. Additionally, $34,961,469 in contributions and

8. Pension Plans and Deferred Compensation Plan, continued:

matching funds for new side accounts were made after the measurement date and reported as deferred outflows on the balance sheet for Marine & Other at June 30, 2020.

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

Fiscal Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources - Airport		Deferred Outflows/ (Inflows) of Resources - Marine & Other		Deferred Outflows/ (Inflows) of Resources - Total	
2022	$	4,080,633	$	3,345,170	$	7,425,803
2023		5,325,622		4,365,771		9,691,393
2024		5,129,657		4,205,126		9,334,783
2025		4,208,725		3,450,176		7,658,901
2026		535,254		438,783		974,037
Total	$	19,279,891	$	15,805,026	$	35,084,917

In 2019, Oregon Legislature enacted Senate Bill 1049, which made a number of amendments to PERS, including extending the UAL actuarial amortization period, capping certain member salaries for benefit calculations, redirecting a portion of the required employee contributions from the defined contribution IAP to the defined benefit Plan, and changing rules around Plan members working after retirement. These changes have the effect of reducing employer rates prospectively. Certain provisions of Senate Bill 1049 were challenged with the Oregon Supreme Court. In August 2020, the Oregon Supreme Court rejected the challenge to Senate Bill 1049 and upheld the amendments enacted by the Oregon Legislature.

The Port offers all its employees a deferred compensation plan created in accordance with IRC Section 457. The plan permits eligible employees to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of an employee trust, held for the exclusive benefit of participants and their beneficiaries, and are not subject to the claims of the Port's general creditors. Employees in the plan are able to direct their funds to any investment options available in the plan, and the Port has little administrative involvement with the plan. The Port has concluded that the plan does not meet the criteria to be reported as a fiduciary activity, and the plan assets are not included in the Port's financial statements.

9. Postemployment Healthcare Benefits:

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

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

9. Postemployment Healthcare Benefits, continued:

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

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

For the year ended June 30, 2021, the Port's total other postemployment benefit (OPEB) liability of $4,648,002 was determined based upon a July 1, 2021 actuarial valuation, measured as of June 30, 2021, with a reporting date of June 30, 2021; $2,463,153 of this OPEB liability was attributable to the Airport. The Port recognized OPEB expense of $194,905 in fiscal 2021, with $92,438 of OPEB expense applicable to the Airport. For the year ended June 30, 2020, the Port's total other postemployment benefit (OPEB) liability of $6,619,654 was determined based upon a July 1, 2019 actuarial valuation, measured as of June 30, 2020, with a reporting date of June 30, 2020; $3,578,186 of this OPEB liability was attributable to the Airport. The Port recognized OPEB expense of $480,289 in fiscal 2020, with $249,470 of OPEB expense applicable to the Airport.

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

- A discount rate of 2.18 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2021
- A healthcare cost trend rate of 6.25 percent grading uniformly to 5.75 percent over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04 percent in the year 2075
- Mortality rates were based on the RP-2014 Mortality Table adjusted to 2006 with generational mortality improvement under Projection Scale MP-2020

The OPEB liability in the July 1, 2019 actuarial valuation measured as of June 30, 2020 was determined using the following actuarial assumptions:

- A discount rate of 2.79 percent based on the S&P Municipal Bond 20-Year High Grade Index as of June 30, 2019
- A healthcare cost trend rate of 7.5 percent graded uniformly to 6.75 percent over 3 years and following the Getzen model thereafter to an ultimate rate of 3.94 percent in the year 2075
- Mortality rates were based on the RP-2014 Mortality Table adjusted to 2006 with generational mortality improvement under Projection Scale MP-2018

Changes in the OPEB liability during fiscal 2021 are shown in the following table:

	Airport	Marine & Other	Total Port
Balance at 6/30/2020	$ 3,578,186	$ 3,041,468	$ 6,619,654
Service cost	178,198	131,970	310,168
Interest	101,009	87,144	188,153
Differences between expected and actual experience	(1,258,239)	(1,025,748)	(2,283,987)
Changes of assumptions	72,394	51,172	123,566
Benefit payments	(208,395)	(101,157)	(309,552)
Net change	(1,115,033)	(856,619)	(1,971,652)
Balance at 6/30/2021	$ 2,463,153	$ 2,184,849	$ 4,648,002

The most significant difference between expected and actual experience in the table above is that due to a repeal of the law an excise tax is no longer included in the plan liability. Changes of assumptions in the table reflect a change in the discount rate from 2.79 percent in the 2019 valuation to 2.18 percent in the 2021 valuation, changes in the retirement and termination assumptions to be consistent with PERS actuarial valuation assumptions based on their most recent valuation report, update of the mortality improvement to projection scale MP-2020, and a change in the assumed trend rate for medical claims from 7.5 percent graded uniformly to 6.75 percent over 3 years and following the Getzen model thereafter to an ultimate rate of 3.94 percent in the year 2075 to 6.25 percent grading uniformly to 5.75 percent over 2 years and following the Getzen model thereafter to an ultimate rate of 4.04 percent in the year 2075.

9. Postemployment Healthcare Benefits, continued:

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a health care trend rate assumption that is 1-percentage-point lower or 1-percentage-point higher than the health care trend rate assumption in the July 1, 2021 actuarial valuation, measured as of June 30, 2021:

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

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a health care trend rate assumption that is 1-percentage-point lower or 1-percentage-point higher than the health care trend rate assumption in the July 1, 2019 actuarial valuation, measured as of June 30, 2020:

	1% Decrease	7.5% decreasing to 6.75% over 3 years, following the Getzen model thereafter	1% increase
Total OPEB liability, 6/30/2020	$ 5,888,500	$ 6,619,654	$ 7,482,248

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the discount rate in the July 1, 2021 actuarial valuation, measured as of June 30, 2021:

	1% Decrease (1.18%)	Discount Rate (2.18%)	1% increase (3.18%)
Total OPEB liability, 6/30/2021	$ 5,075,059	$ 4,648,002	$ 4,258,454

The following table presents the total OPEB liability of the Port, as well as what the Port's total OPEB liability would have been if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the discount rate in the July 1, 2019 actuarial valuation, measured as of June 30, 2020:

	1% Decrease (1.79%)	Discount Rate (2.79%)	1% increase (3.79%)
Total OPEB liability, 6/30/2020	$ 7,232,494	$ 6,619,654	$ 6,064,643

At June 30, 2021, there were deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		$ 2,172,838
Changes of assumptions	$ 341,914	
Total	$ 341,914	$ 2,172,838

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

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

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources - Airport	Deferred Outflows/(Inflows) of Resources - Marine & Other	Deferred Outflows/(Inflows) of Resources - Total
2022	$ (186,770)	$ (116,646)	$ (303,416)
2023	(186,770)	(116,646)	(303,416)
2024	(186,770)	(116,646)	(303,416)
2025	(186,770)	(116,645)	(303,415)
2026	(169,407)	(139,225)	(308,632)
Thereafter	(169,403)	(139,226)	(308,629)
Total	$ (1,085,890)	$ (745,034)	$ (1,830,924)

10. <u>Risk Management</u>:

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

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

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

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

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

	Fiscal Year Ended June 30, 2021	Fiscal Year Ended June 30, 2020
Beginning liability	$ 733,083	$ 908,218
Current year claims and changes in estimates	450,790	396,712
Claim payments	(336,139)	(571,847)
Ending liability	$ 847,734	$ 733,083

Approximately $533,950 and $420,575 of the liability was applicable to the Airport at June 30, 2021 and 2020, respectively.

11. Commitments and Contingencies:

At June 30, 2021, land acquisition and construction contract commitments aggregated approximately $395,900,000 for the Airport, $24,600,000 for Marine & Other, and $420,500,000 in total.

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

In December 2000, the Environmental Protection Agency (EPA) listed the Portland Harbor, including uplands portions, on the National Priorities List of Superfund sites pursuant to the Comprehensive Environmental Response Compensation and Liability Act. The EPA and the Oregon Department of Environmental Quality (DEQ) have identified the Port and other PRPs as potentially liable for cleanup of the site. The Port and other PRPs have signed an Administrative Settlement Agreement and Order on Consent (ASAOC) to perform remedial investigation and action activities for the site. Uplands activities are being conducted under the supervision of the DEQ. The Port has accrued approximately $2,200,000 for its estimated remaining share of the costs of these Portland Harbor investigative and remedial activities at June 30, 2021. In January 2017, the EPA released a Record of Decision (ROD) for the Portland Harbor. Cleanup costs for the Portland Harbor remain uncertain under the ROD and are not yet estimable and the Port's ultimate share of cleanup costs is not known. Within the Portland Harbor, there are certain Port-owned, or formerly owned facilities that require remedial investigation and/or cleanup. The Port has entered into separate ASAOCs with the EPA governing early action cleanup activities on two of these sites. The Port has accrued approximately $26,000,000 and $1,600,000 in estimated costs for these cleanups at June 30, 2021. At another site, the Port has accrued approximately $32,100,000 in estimated remaining costs at June 30, 2021. These sites are accounted for within the Marine & Other activity.

Operating expense and the corresponding liability measured at current value using the expected cash flow method have been recognized for certain pollution remediation obligations that may not have been previously required to be recognized. Certain other environmental contingencies may have limited measurable transactions and events at initial recognition, but estimates will increase over time as more components become reasonably estimable. Liabilities will also be remeasured when new information indicates increases or decreases in estimated outlays.

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

	Beginning Balances	Increases	Decreases	Ending Balances
Airport:				
Environmental liabilities	$ 1,866,885	$ 595,000	$ (1,788,381)	$ 673,504
less: current portion	(1,666,885)		1,788,381	121,496
Long-term liability	$ 200,000	$ 595,000	$	$ 795,000
Marine & Other:				
Environmental liabilities	$ 71,420,176	$ 6,540,977	$ (7,015,070)	$ 70,946,083
less: current portion	(8,583,977)	(9,821,390)	6,688,897	(11,716,470)
Long-term liability	$ 62,836,199	$ (3,280,413)	$ (326,173)	$ 59,229,613

The Port leases from others, under operating leases, warehouse and office space, office equipment, and submerged lands. These leases expire at varying times through fiscal 2026. Total rental expense (all minimum rentals) for operating leases approximated $390,000 and $310,000 for Marine & Other in 2021 and 2020, respectively, and $11,000 and $206,000 for the Airport in 2021 and 2020, respectively. Future minimum rental payments on noncancelable operating leases for the five succeeding fiscal years and five year increments thereafter are:

11. <u>Commitments and Contingencies,</u> continued**:**

Fiscal Year Ending June 30,	Airport	Marine & Other	Total Port
2022	$ 7,934	$ 389,512	$ 397,446
2023		382,320	382,320
2024		177,550	177,550
2025		97,089	97,089
2026		14,312	14,312
Total	$ 7,934	$ 1,060,783	$ 1,068,717

In early 2020, an outbreak of the novel strain of coronavirus (COVID-19) emerged globally, and the global pandemic continues as of the end of fiscal 2021. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity. The ultimate impact of COVID-19 on the operational and financial performance of the Port is not reasonably estimable at this time.

12. <u>Tax Abatements</u>:

The Port is subject to property tax abatements granted by counties within the Port District pursuant to State statute. Tax abatements granted within the Port District reduce the amount of property taxes collected under the Port's property tax levy in each county. Port property tax revenues were reduced by approximately $211,000 under agreements entered into by Multnomah County, $412,000 under agreements entered into by Clackamas County, and $915,000 under agreements entered into by Washington County.

13. <u>Net Position Deficit and Budget Overexpenditures</u>:

The Port has net position deficits of $13,509,565 and $113,117,129 in the Airport PFC Fund and CFC Fund (funds within the Airport activity) as of June 30, 2021. The deficits exist because bond proceeds are recorded in or reimbursed to construction funds and related long-term debt is recorded in these funds.

In the General Fund, the Port overexpended two budget appropriation items. An overexpenditure of $371,241 resulted from the noncash, budgetary impact of an unbudgeted forgivable loan from the State which will be due in fiscal 2022 if it is not forgiven, and an overexpenditure of $171,043 resulted from the revision of estimated accrued environmental liabilities after final budget appropriations were made for the fiscal year. Neither of these represent a cash overexpenditure. In the Airport Construction Fund, the Port overexpended a budget appropriation for capital outlay by $28,120,053, resulting from the non-cash budgetary impact of accounting expense accruals that took place after final appropriations were made for the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2021	2020	2019	2018	2017
Total OPEB liability - beginning	$ 6,619,654	$ 6,477,793	$ 6,283,870	$ 6,318,267	$ 6,332,670
Service cost	310,168	295,398	281,331	146,462	139,488
Interest	188,153	179,675	186,044	190,716	191,760
Differences between expected and actual experience	(2,283,987)		(376,487)		
Changes of assumptions	123,566		413,000		
Benefit payments	(309,552)	(333,212)	(309,965)	(371,575)	(345,651)
Net change	(1,971,652)	141,861	193,923	(34,397)	(14,403)
Total OPEB liability - ending	$ 4,648,002	$ 6,619,654	$ 6,477,793	$ 6,283,870	$ 6,318,267
Covered-employee payroll	$ 54,531,536	$ 57,832,773	$ 57,832,773	$ 62,444,085	$ 62,444,085
Total OPEB liability as a percentage of covered-employee payroll	8.5%	11.4%	11.2%	10.1%	10.1%

Notes to Schedule:

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

THE PORT OF PORTLAND

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement date as-of June 30,	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Port share of Net Pension Liability (Asset) - percentage	0.539894%	0.656754%	0.659650%	0.643710%	0.687390%	0.627646%	0.636022%	0.636022%
Port share of Net Pension Liability (Asset) - amount [A]	$ 117,823,511	$ 113,602,700	$ 99,928,241	$ 86,772,304	$ 103,193,124	$ 36,036,033	$ (14,416,804)	$ 32,457,134
Port covered-employee payroll [B]	$ 76,097,000	$ 72,101,000	$ 71,239,000	$ 70,942,000	$ 66,585,000	$ 66,637,000	$ 61,267,000	$ 60,855,267
Port share of Net Pension Liability (Asset) as a percentage of Port covered-employee payroll [A/B]	154.8%	157.6%	140.3%	122.3%	155.0%	54.1%	-23.5%	53.3%
PERS fiduciary net position as a percentage of TPL	75.8%	80.2%	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

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

Fiscal Year:	2021	2020	2019	2018	2017	2016 [1]	2015	2014	2013	2012
Actuarially Determined Contribution	$ 8,899	$ 10,871	$ 8,714	$ 8,143	$ 5,549	$ 5,549	$ 5,332	$ 4,831	$ 5,030	$ 4,966
Contribution in relation to Actuarially Determined Contribution	$ 8,899	$ 10,871	$ 8,714	$ 8,143	$ 5,549	$ 5,549	$ 5,332	$ 4,831	$ 5,030	$ 4,966
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Employee Payroll	$ 72,503	$ 76,097	$ 72,101	$ 71,239	$ 70,942	$ 66,585	$ 66,637	$ 61,267	$ 60,855	$ 60,447
Contribution as a percentage of Covered Employee Payroll	12.3%	14.3%	12.1%	11.4%	7.8%	8.3%	8.0%	7.9%	8.3%	8.2%

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

SUPPLEMENTARY INFORMATION

(UNAUDITED)

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

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

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

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

General Fund

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

Bond Construction Fund

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

Airport Revenue Fund

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

Airport Revenue Bond Fund

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

Airport Construction Fund

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

PFC Fund

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

PFC Bond Fund

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

CFC Fund

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

CFC Bond Fund

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

THE PORT OF PORTLAND

RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE CONTRIBUTIONS AND TRANSFERS

for the year ended June 30, 2021

	Budgetary Basis *		Excess Revenues
	Revenues	Expenditures	(Expenditures)
Port Funds:			
General Fund	$ 81,462,002	$ 120,944,346	$ (39,482,344)
Bond Construction Fund	15,650,038	20,862,604	(5,212,566)
Airport Revenue Fund	501,054,932	221,369,742	279,685,190
Airport Revenue Bond Fund	19,637,784	80,222,590	(60,584,806)
Airport Construction Fund	235,628,887	444,104,141	(208,475,254)
PFC Fund	16,628,255	6,588	16,621,667
PFC Bond Fund	7,187	14,426,344	(14,419,157)
CFC Fund	8,851,205	19,500	8,831,705
CFC Bond Fund	4,448	9,521,496	(9,517,048)
Totals - budgetary reporting basis	$ 878,924,738	$ 911,477,351	(32,552,613)
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			462,244,628
Internal costs on capital projects			23,184,438
Depreciation and amortization expense			(119,251,750)
Expenses that will be expended in future years			3,516,149
Contributions from governmental agencies			(7,737,476)
Bond sale proceeds			(366,882,579)
Bond and contract payable principal expenditures			60,551,272
Change in unearned revenues and certain noncurrent receivables			1,395,751
Noncash pension and OPEB expense			(21,062,887)
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,451,940)
Other			(2,093,108)
Loss before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Assets			$ (1,140,115)

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

THE PORT OF PORTLAND

RECONCILIATION OF AIRPORT BUDGETARY REVENUES AND EXPENDITURES TO INCOME BEFORE CONTRIBUTIONS AND TRANSFERS

for the year ended June 30, 2021

	Budgetary Basis *		Excess Revenues
	Revenues	Expenditures	(Expenditures)
Airport Funds:			
Airport Revenue Fund	$ 501,054,932	$ 221,369,742	$ 279,685,190
Airport Revenue Bond Fund	19,637,784	80,222,590	(60,584,806)
Airport Construction Fund	235,628,887	444,104,141	(208,475,254)
PFC Fund	16,628,255	6,588	16,621,667
PFC Bond Fund	7,187	14,426,344	(14,419,157)
CFC Fund	8,851,205	19,500	8,831,705
CFC Bond Fund	4,448	9,521,496	(9,517,048)
Totals - budgetary reporting basis	$ 781,812,698	$ 769,670,401	12,142,297
Add (deduct) adjustments to budgetary reporting basis which are necessary to reflect results of operations on financial reporting basis in accordance with generally accepted accounting principles:			
Capital outlay expenditures			442,270,991
Internal costs on capital projects			4,474,208
Depreciation and amortization expense			(100,160,625)
Contributions from governmental agencies			(6,004,415)
Bond sale proceeds			(366,882,579)
Bond principal expenditures			52,338,067
Amortization of bond issuance costs and deferred charges on refunding bonds			(2,500,740)
Allocation of pension debt service			(4,195,908)
Change in unearned revenues and certain noncurrent receivables			1,669,596
Noncash pension and OPEB expense			(10,423,775)
Intra-Port services received, provided, and overhead			(26,285,248)
Other			(1,190,300)
Loss before contributions and transfers per Statement of Revenues, Expenses, and Changes in Net Assets			$ (4,748,431)

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

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Resources				Over
	Original	Transfers In (Out)	Revised	Actual	(Under) Budget
REVENUES:					
Operating revenues:					
Administration	$ 193,000		$ 193,000	$ 230,038	$ 37,038
Marine	44,036,009		44,036,009	48,508,929	4,472,920
Industrial Development	7,131,938		7,131,938	6,810,138	(321,800)
Navigation	21,038,232		21,038,232	16,134,161	(4,904,071)
General Aviation	3,631,055		3,631,055	3,424,963	(206,092)
	76,030,234		76,030,234	75,108,229	(922,005)
Grants				108,599	108,599
Interest	1,689,725		1,689,725	1,418,068	(271,657)
Fixed asset sales and other		$ 3,000,000	3,000,000	4,827,106	1,827,106
Total revenues	77,719,959	3,000,000	80,719,959	81,462,002	742,043
TRANSFERS FROM OTHER FUNDS:					
Bond Construction Fund	4,070,000		4,070,000	3,522,689	(547,311)
Airport Construction Fund	10,983,623	3,000,000	13,983,623	15,187,543	1,203,920
Airport Revenue Fund	32,234,635		32,234,635	33,620,198	1,385,563
Total transfers	47,288,258	3,000,000	50,288,258	52,330,430	2,042,172
Total revenues and transfers	125,008,217	6,000,000	131,008,217	133,792,432	2,784,215
BEGINNING WORKING CAPITAL	189,845,344		189,845,344	208,664,341	18,818,997
Total resources	$ 314,853,561	$ 6,000,000	$ 320,853,561	$ 342,456,773	$ 21,603,212

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
GENERAL FUND
(BUDGETARY BASIS), Continued
for the year ended June 30, 2021

	Appropriations				(Over)
	Original	Transfers In (Out)	Revised	Actual	Under Budget
EXPENDITURES:					
Administration	$ 51,857,583		$ 51,857,583	$ 46,434,604	$ 5,422,979
Marine	42,567,249		42,567,249	38,944,656	3,622,593
Trade and Equitable Development	4,552,832		4,552,832	3,806,032	746,800
Navigation	13,542,920		13,542,920	10,730,370	2,812,550
General Aviation	2,803,961		2,803,961	2,485,737	318,224
Long-term debt payments	11,963,926		11,963,926	12,335,167	(371,241)
System development charges/other	10,000	$ 375,000	385,000		385,000
Other environmental	3,536,737	2,500,000	6,036,737	6,207,780	(171,043)
Contingencies	162,053,015	2,625,000	164,678,015		164,678,015
Total expenditures	292,888,223	5,500,000	298,388,223	120,944,346	177,443,877
TRANSFERS TO OTHER FUNDS:					
Bond Construction Fund	21,451,821		21,451,821		21,451,821
Airport Revenue Fund	513,517	500,000	1,013,517	590,093	423,424
Total transfers	21,965,338	500,000	22,465,338	590,093	21,875,245
Total expenditures and transfers	$ 314,853,561	$ 6,000,000	$ 320,853,561	121,534,439	$ 199,319,122
ENDING WORKING CAPITAL				$ 220,922,334	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
BOND CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Resources: Original	Resources: Transfers In (Out)	Resources: Revised	Actual	Over (Under) Budget
REVENUES:					
Interest and other	$ 201,549		$ 201,549	$ 212,193	$ 10,644
Grants	3,656,528		3,656,528	1,733,061	(1,923,467)
	3,858,077		3,858,077	1,945,254	(1,912,823)
Tax and tax items:					
Current property tax levy - net	13,593,228		13,593,228	13,730,375	137,147
Interest on taxes				(25,591)	(25,591)
	13,593,228		13,593,228	13,704,784	111,556
Total revenues	17,451,305		17,451,305	15,650,038	(1,801,267)
TRANSFERS FROM OTHER FUNDS:					
General Fund	21,451,821		21,451,821		(21,451,821)
Airport Revenue Fund	8,618,557		8,618,557	2,675,061	(5,943,496)
Total transfers	30,070,378		30,070,378	2,675,061	(27,395,317)
BEGINNING WORKING CAPITAL	10,000,000		10,000,000	13,062,066	3,062,066
Total resources	$ 57,521,683		$ 57,521,683	31,387,165	$ (26,134,518)

	Revised		Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Capital outlay	$ 43,386,419	$ (15,000)	$ 43,371,419	20,862,604	$ 22,508,815
Contingencies	10,000,000		10,000,000		10,000,000
Total expenditures	53,386,419	(15,000)	53,371,419	20,862,604	32,508,815
TRANSFERS TO OTHER FUNDS:					
General Fund	4,070,000		4,070,000	3,522,689	547,311
Airport Revenue Fund	65,264	15,000	80,264	63,237	17,027
Total transfers	4,135,264	15,000	4,150,264	3,585,926	564,338
Total expenditures and transfers	$ 57,521,683		$ 57,521,683	24,448,530	$ 33,073,153
ENDING WORKING CAPITAL				$ 6,938,635	

THE PORT OF PORTLAND

SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS

AIRPORT REVENUE FUND

(BUDGETARY BASIS)

for the year ended June 30, 2021

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Operating revenue - Portland International Airport	$ 224,108,581		$ 224,108,581	$ 201,734,039	$ (22,374,542)
Interest and other	1,661,103		1,661,103	813,418	(847,685)
Commercial paper issuance	225,000,000		225,000,000	237,407,715	12,407,715
Grants	42,000,000		42,000,000	61,099,760	19,099,760
Total revenues	492,769,684		492,769,684	501,054,932	8,285,248
TRANSFERS FROM OTHER FUNDS:					
General Fund	513,517	$ 515,000	1,028,517	590,093	(438,424)
Bond Construction Fund	65,264		65,264	63,237	(2,027)
Airport Construction Fund	304,641,500		304,641,500	4,452,976	(300,188,524)
Total transfers	305,220,281	515,000	305,735,281	5,106,306	(300,628,975)
Total revenues and transfers	797,989,965	515,000	798,504,965	506,161,238	(292,343,727)
BEGINNING WORKING CAPITAL	119,533,000		119,533,000	56,221,358	(63,311,642)
Total resources	$ 917,522,965	$ 515,000	$ 918,037,965	562,382,596	$ (355,655,369)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Operating expenditures	$ 109,436,595		$ 109,436,595	102,518,972	$ 6,917,623
Commercial paper debt service payments	301,000,000		301,000,000	118,764,258	182,235,742
Other	783,150		783,150	86,512	696,638
Contingencies	129,855,000		129,855,000		129,855,000
Total expenditures	541,074,745		541,074,745	221,369,742	319,705,003
TRANSFERS TO OTHER FUNDS:					
General Fund	32,234,635		32,234,635	33,620,198	(1,385,563)
Bond Construction Fund	8,618,557		8,618,557	2,675,061	5,943,496
Airport Construction Fund	265,196,469	$ 515,000	265,711,469	124,349,015	141,362,454
Airport Revenue Bond Fund	70,398,559		70,398,559	70,025,023	373,536
Total transfers	376,448,220	515,000	376,963,220	230,669,297	146,293,923
Total expenditures and transfers	$ 917,522,965	$ 515,000	$ 918,037,965	452,039,039	$ 465,998,926
ENDING WORKING CAPITAL				$ 110,343,557	

THE PORT OF PORTLAND

SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS

AIRPORT REVENUE BOND FUND

(BUDGETARY BASIS)

for the year ended June 30, 2021

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Interest and other	$ 253,784		$ 253,784	$ 42,334	$ (211,450)
Bond sale and other debt proceeds	27,000,000	$ 19,000,000	46,000,000	19,595,450	(26,404,550)
Total revenues	27,253,784	19,000,000	46,253,784	19,637,784	(26,616,000)
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	70,398,559		70,398,559	70,025,023	(373,536)
Airport Construction Fund	1,110,570	24,520,000	25,630,570	10,096,559	(15,534,011)
Total transfers	71,509,129	24,520,000	96,029,129	80,121,582	(15,907,547)
Total revenues and transfers	98,762,913	43,520,000	142,282,913	99,759,366	(42,523,547)
BEGINNING RESTRICTED NET ASSETS AVAILABLE FOR FUTURE DEBT SERVICE	44,392,347		44,392,347	43,710,550	(681,797)
Total resources	$ 143,155,260	$ 43,520,000	$ 186,675,260	143,469,916	$ (43,205,344)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Long-term debt payments	$ 71,762,913	$ 24,520,000	$ 96,282,913	80,222,590	$ 16,060,323
Total expenditures	71,762,913	24,520,000	96,282,913	80,222,590	$ 16,060,323
UNAPPROPRIATED BALANCE	71,392,347	19,000,000	90,392,347		
	$ 143,155,260	$ 43,520,000	$ 186,675,260		
ENDING RESTRICTED NET ASSETS AVAILABLE FOR FUTURE DEBT SERVICE				$ 63,247,326	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
AIRPORT CONSTRUCTION FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Grants	$ 6,488,257		$ 6,488,257	$ 6,004,415	$ (483,842)
Interest and other	2,884,459		2,884,459	149,842	(2,734,617)
Bond and Other Debt Proceeds	460,000,000	$ 285,000,000	745,000,000	229,474,630	(515,525,370)
Total revenues	469,372,716	285,000,000	754,372,716	235,628,887	(518,743,829)
TRANSFERS FROM OTHER FUNDS:					
Airport Revenue Fund	265,196,470	515,000	265,711,470	124,349,015	(141,362,455)
CFC Fund	1,600,000	21,810,600	23,410,600	44,808,816	21,398,216
PFC Fund	12,500,000		12,500,000	4,127,937	(8,372,063)
Total transfers	279,296,470	22,325,600	301,622,070	173,285,768	(128,336,302)
BEGINNING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION	176,537,547		176,537,547	166,611,746	(9,925,801)
Total resources	$ 925,206,733	$ 307,325,600	$ 1,232,532,333	575,526,401	$ (657,005,932)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Capital outlay	$ 408,092,728	$ 7,000,000	$ 415,092,728	443,212,781	$ (28,120,053)
Bond issue costs/other	1,750,000		1,750,000	891,360	858,640
Contingencies	198,628,312	272,805,600	471,433,912		471,433,912
Total expenditures	608,471,040	279,805,600	888,276,640	444,104,141	444,172,499
TRANSFERS TO OTHER FUNDS:					
General Fund	10,983,623	3,000,000	13,983,623	15,187,543	(1,203,920)
Airport Revenue Fund	304,641,500		304,641,500	4,452,976	300,188,524
Airport Revenue Bond Fund	1,110,570	24,520,000	25,630,570	10,096,559	15,534,011
Total transfers	316,735,693	27,520,000	344,255,693	29,737,078	314,518,615
Total expenditures and transfers	$ 925,206,733	$ 307,325,600	$ 1,232,532,333	473,841,219	$ 758,691,114
ENDING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION				$ 101,685,182	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 836,984	$ 771	$ (836,213)
Passenger facility charges	19,904,713	16,627,484	(3,277,229)
Total revenues	20,741,697	16,628,255	(4,113,442)
BEGINNING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION	103,347,457	83,895,275	(19,452,182)
Total resources	$ 124,089,154	100,523,530	$ (23,565,624)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Other	$ 526,250	6,588	$ 519,662
Contingencies	96,359,404		96,359,404
Total expenditures	96,885,654	6,588	96,879,066
TRANSFERS TO OTHER FUNDS:			
PFC Bond Fund	14,703,500	14,096,356	607,144
Airport Construction Fund	12,500,000	4,127,937	8,372,063
Total transfers	27,203,500	18,224,293	8,979,207
Total expenditures and transfers	$ 124,089,154	18,230,881	$ 105,858,273
ENDING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION		$ 82,292,649	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
PFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 305,775	$ 7,187	$ (298,588)
Total revenues	305,775	7,187	(298,588)
TRANSFERS FROM OTHER FUNDS:			
PFC Fund	14,703,500	14,096,356	(607,144)
BEGINNING RESTRICTED NET ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE	14,200,709	14,625,602	424,893
Total resources	$ 29,209,984	28,729,145	$ (480,839)

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 15,009,275	14,426,344	$ 582,931
Total expenditures	15,009,275	14,426,344	$ 582,931
UNAPPROPRIATED BALANCE	14,200,709		
	$ 29,209,984		
ENDING RESTRICTED NET ASSETS			
AVAILABLE FOR FUTURE DEBT SERVICE		$ 14,302,801	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Resources Original	Resources Transfers In (Out)	Resources Revised	Actual	Over (Under) Budget
REVENUES:					
Interest and other	$ 4,082,180		$ 4,082,180	$ 2,288,753	$ (1,793,427)
Customer facility charges	8,294,106		8,294,106	6,562,452	(1,731,654)
Total revenues	12,376,286		12,376,286	8,851,205	(3,525,081)
BEGINNING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION	133,028,078		133,028,078	89,239,136	(43,788,942)
Total resources	$ 145,404,364		145,404,364	98,090,341	$ (47,314,023)

	Appropriations Original	Appropriations Transfers In (Out)	Appropriations Revised	Actual	(Over) Under Budget
EXPENDITURES:					
Bank fees and other	$ 17,500	$ 5,000	22,500	19,500	$ 3,000
Contingencies	134,297,162	(21,815,600)	112,481,562		112,481,562
Total expenditures	134,314,662	(21,810,600)	112,504,062	19,500	112,484,562
TRANSFERS TO OTHER FUNDS:					
Airport Construction Fund	1,600,000	21,810,600	23,410,600	44,808,816	(21,398,216)
CFC Bond Fund	9,489,702		9,489,702	9,489,154	548
Total transfers	11,089,702	21,810,600	32,900,302	54,297,970	(21,397,668)
UNAPPROPRIATED BALANCE					
Total expenditures and transfers	$ 145,404,364		145,404,364	54,317,470	$ 91,086,894
ENDING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION				$ 43,772,871	

THE PORT OF PORTLAND
SCHEDULE OF RESOURCES, EXPENDITURES AND TRANSFERS
CFC BOND FUND
(BUDGETARY BASIS)
for the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
REVENUES:			
Interest and other	$ 31,794	$ 4,448	$ (27,346)
Total revenues	31,794	4,448	(27,346)
TRANSFERS FROM OTHER FUNDS:			
CFC Fund	9,489,702	9,489,154	(548)
Total transfers	9,489,702	9,489,154	(548)
Total revenues and transfers	9,521,496	9,493,602	(27,894)
BEGINNING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION	9,565,736	9,783,499	217,763
Total resources	$ 19,087,232	19,277,101	$ 189,869

	Budget	Actual	(Over) Under Budget
EXPENDITURES:			
Long-term debt payments	$ 9,521,496	9,521,496	$
Total expenditures	9,521,496	9,521,496	
UNAPPROPRIATED BALANCE	9,565,736		
Total expenditures and transfers	$ 19,087,232		
ENDING RESTRICTED NET ASSETS AVAILABLE FOR APPROPRIATION		$ 9,755,605	

THE PORT OF PORTLAND
COMBINING BALANCE SHEET – ALL FUNDS
June 30, 2021

		Marine & Other			Airport							
ASSETS	Combined All Funds	Total Marine & Other	General Fund	Bond Construction Fund	Total Airport	Revenue Fund	Revenue Bond Fund	Construction Fund	PFC Fund	PFC Bond Fund	CFC Fund	CFC Bond Fund
Current assets:												
Cash and cash equivalents	$ 152,111,417	$ 152,073,177	$ 152,028,580	$ 44,597	$ 38,240	$ 38,240						
Equity in pooled investments	305,448,189	104,510,247	97,142,860	7,367,387	200,937,942	200,937,942						
Restricted cash and equity in pooled investments	165,174,855				165,174,855		$ 57,319,843	$ 90,346,510	$ 331,910	$ 10,795,844		$ 6,380,748
Receivables, net of allowance for doubtful accounts	25,412,280	14,344,266	12,852,735	1,491,531	11,068,014	11,068,014						
Prepaid insurance and other assets	7,164,916	2,565,354	2,400,835	164,519	4,599,562	4,599,562						
Total current assets	655,311,657	273,493,044	264,425,010	9,068,034	381,818,613	216,643,758	57,319,843	90,346,510	331,910	10,795,844		6,380,748
Noncurrent assets:												
Restricted assets:												
Cash and equity in pooled investments	334,282,281	5,254,937	5,254,937		329,027,344	22,645,516	63,247,326	99,107,134	77,605,984	14,302,801	$ 42,362,978	9,755,605
Receivables	8,110,392				8,110,392			2,013,834	4,686,665		1,409,893	
Contract retainage deposits	564,214				564,214			564,214				
Total restricted assets	342,956,887	5,254,937	5,254,937		337,701,950	22,645,516	63,247,326	101,685,182	82,292,649	14,302,801	43,772,871	9,755,605
Land held for sale	41,724,689	41,724,689	38,740,991	2,983,698								
Depreciable properties, net of accumulated depreciatic	1,363,542,268	149,685,232	149,685,232		1,213,857,036	1,213,857,036						
Nondepreciable properties	1,028,133,340	124,406,402	83,417,483	40,988,919	903,726,938	68,042,167		835,684,771				
Unamortized bond issue costs	432,057	86,917	86,917		345,140	287,081			58,059			
Due from other funds		24,756,659 *	24,756,659 *									
Other noncurrent assets	892,555	892,555	892,555									
Total noncurrent assets	2,777,681,796	346,807,391	302,834,774	43,972,617	2,455,631,064	1,304,831,800	63,247,326	937,369,953	82,350,708	14,302,801	43,772,871	9,755,605
Deferred outflows of resources:												
Deferred charges on refunding bonds	14,940,161				14,940,161	11,292,490			3,647,671			
Deferred charges on pensions and OPEB	47,408,080	23,516,307	23,516,307		23,891,773	23,891,773						
Cumulative decrease in fair value of hedging derivativ	3,998,000				3,998,000		3,998,000					
Total deferred outflows of resources	66,346,241	23,516,307	23,516,307		42,829,934	35,184,263	3,998,000		3,647,671			
Total assets	$ 3,499,339,694	$ 643,816,742	$ 590,776,091	$ 53,040,651	$ 2,880,279,611	$ 1,556,659,821	$ 124,565,169	$ 1,027,716,463	$ 86,330,289	$ 25,098,645	$ 43,772,871	$ 16,136,353
LIABILITIES												
Current liabilities (payable from current assets):												
Current portion of long-term debt	$ 88,070,505	$ 7,470,505	$ 7,470,505		$ 80,600,000	$ 80,600,000						
Accounts payable	43,104,802	25,847,934	23,718,535	$ 2,129,399	17,256,868	17,256,868						
Accrued wages, vacation and sick leave pay	13,134,680	6,275,410	6,275,410		6,859,270	6,859,270						
Workers' compensation and other accrued liabilities	7,622,289	6,038,226	6,038,226		1,584,063	1,584,063						
Total current liabilities (payable from current assets)	151,932,276	45,632,075	43,502,676	2,129,399	106,300,201	106,300,201						
Restricted liabilities (payable from restricted assets):												
Current portion of long-term debt and other	45,056,034				45,056,034		$ 32,555,710		$ 330,324	$ 8,930,000		$ 3,240,000
Accrued interest payable	29,770,725				29,770,725		24,764,133			1,865,844		3,140,748
Accounts payable	88,794,511				88,794,511			$ 88,792,925	1,586			
Contract retainage payable	1,553,585				1,553,585			1,553,585				
Total restricted current liabilities (payable from res	165,174,855				165,174,855		57,319,843	90,346,510	331,910	10,795,844		6,380,748
Total current liabilities	317,107,131	45,632,075	43,502,676	2,129,399	271,475,056	106,300,201	57,319,843	90,346,510	331,910	10,795,844		6,380,748
Noncurrent liabilities:												
Long-term environmental and other accruals	67,516,194	59,766,242	59,766,242		7,749,952	1,561,952	3,998,000		2,190,000			
Long-term debt	1,489,171,575	57,296,313	57,296,313		1,431,875,262	1,177,989,092			96,996,170		$ 156,890,000	
Unearned revenue and other	66,937,577	25,045,724	25,045,724		41,891,853	41,050,226	519,853		321,774			
Net pension and OPEB liability	122,471,511	47,026,850	47,026,850		75,444,661	75,444,661						
Due to other funds					24,756,659 *	24,756,659 *						
Total noncurrent liabilities	1,746,096,857	189,135,129	189,135,129		1,581,718,387	1,320,802,590	4,517,853		99,507,944		156,890,000	
Deferred inflows of resources:												
Deferred pension inflows	5,255,520	2,492,611	2,492,611		2,762,909	2,762,909						
Other deferred inflows	877,843	877,843	877,843									
Total deferred inflows of resources	6,133,363	3,370,454	3,370,454		2,762,909	2,762,909						
Total liabilities	2,069,337,351	238,137,658	236,008,259	2,129,399	1,855,956,352	1,429,865,700	61,837,696	90,346,510	99,839,854	10,795,844	156,890,000	6,380,748
NET POSITION												
Net investment in capital assets	962,083,556	302,088,579	258,115,962	43,972,617	659,994,977	15,285,920	(32,275,000)	927,124,921	(95,480,440)	(8,930,000)	(142,490,424)	(3,240,000)
Restricted for capital and debt service	259,274,070	5,254,937	5,254,937		254,019,133	1,199,052	95,002,473	10,245,032	81,970,875	23,232,801	29,373,295	12,995,605
Unrestricted	208,644,717	98,335,568	91,396,933	6,938,635	110,309,149	110,309,149						
Total net position	1,430,002,343	405,679,084	354,767,832	50,911,252	1,024,323,259	126,794,121	62,727,473	937,369,953	(13,509,565)	14,302,801	(113,117,129)	9,755,605
Total liabilities and net position	$ 3,499,339,694	$ 643,816,742	$ 590,776,091	$ 53,040,651	$ 2,880,279,611	$ 1,556,659,821	$ 124,565,169	$ 1,027,716,463	$ 86,330,289	$ 25,098,645	$ 43,772,871	$ 16,136,353

* Amount eliminated in the Combined All Funds column.

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF NET REVENUES
for the year ended June 30, 2021

Operating revenues:	
Airline revenues	$ 124,208,573
Concessions and other rentals	75,238,359
Other	63,717,408
	263,164,340
Interest income - revenue fund and revenue bond fund	472,784
	263,637,124
Costs of operation and maintenance, excluding depreciation:	
Salaries, wages and fringe benefits	54,480,066
Contract, professional and consulting services	26,728,515
Materials and supplies	6,932,803
Utilities	9,685,122
Equipment rents, repair and fuel	1,044,198
Insurance	3,505,248
Travel and management expense	1,173,497
Allocation of general and administration expense of the Port of Portland	19,626,188
Other	1,311,517
	124,487,154
Net revenues, as defined by Section 2(r) of Ordinance No. 155 *	$ 139,149,970

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

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF COMPLIANCE WITH ORDINANCE NOS. 155 AND 323
DEBT SERVICE COVERAGE REQUIREMENTS
for the year ended June 30, 2021

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

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

Net revenues, per accompanying schedule of net revenues		$ 139,149,970
SLB debt service requirement:		
Interest and principal amount	$ 66,213,306	
	x 130%	
Total net revenues required		86,077,298
Excess of net revenues over 130% of SLB debt service requirement		$ 53,072,672

Section 5f of Ordinance No. 323 also requires that in a fiscal year when there is excess principal due, as defined in Section 5f of Ordinance No. 323, the net revenues in excess of 130% of the SLB debt service requirement equal 100% of such excess principal amount.

Excess of net revenues over 130% of SLB debt service requirement		$ 53,072,672
Excess principal amount	$	
	x 100%	
Total additional net revenues required		
Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement		$ 53,072,672

In addition, Section 5f of Ordinance No. 323 requires that the net nevenues, together with other amounts that are available to pay other swap obligations, as defined in Ordinance No. 323, are sufficient to pay all other swap obligations and junior lien obligations (Other Obligations) when due.

Excess of net revenues over 130% of SLB debt service requirement and 100% of excess principal requirement		$ 53,072,672
Other amounts available to pay other swap obligations		
Total available to pay Other Obligations		53,072,672
Other swap obligations	$	
Junior lien obligations		
Total Other Obligations		
Excess amount over 130% of SLB debt service requirement, 100% of excess principal requirement, and Other Obligations		$ 53,072,672

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF REVENUE BOND
CONSTRUCTION ACCOUNT ACTIVITY
for the year ended June 30, 2021

	Bond Proceeds Portion	Capitalized Interest Portion
Construction account, June 30, 2020	$ 93,673,017	$ 123,852
Bond sale proceeds	203,233,319	25,944,083
Excess earnings on capitalized interest funds	13,750	(13,750)
Interest income	665,118	14,680
	297,585,204	26,068,865
Construction expenditures	221,503,078	
Issuance expenditures	615,024	
Transfers to revenue bond fund		10,095,817
Construction account, June 30, 2021	$ 75,467,102	$ 15,973,048

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

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF GENERAL ACCOUNT AMOUNT AVAILABLE FOR
PAYMENT TO AIRPORT REVENUE BOND FUND AND RATIO TO
REVENUE BOND DEBT SERVICE REQUIREMENT
for the year ended June 30, 2021

Net revenues, per accompanying schedule of net revenues	$	139,186,945	
Less revenue bond fund interest income		(42,334)	
Applied to General Account, available to be applied to debt service of bonds	$	139,144,611	(1)
Bond debt service requirement, per accompanying schedule of compliance with Ordinance Nos. 155 and 323	$	66,213,306	(2)
Ratio (1)/(2)		2.10	
Required ratio		1.30	

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

THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT
SCHEDULE OF PASSENGER FACILITY CHARGE ACTIVITY
for the year ended June 30, 2021

	First Lien Bond Account	First Lien Reserve Account	Capital Account
Balances at June 30, 2020	$ 314,901	$ 14,310,701	$ 83,895,275
PFC revenues:			
PFC bond account	14,096,356		
Capital account			2,531,128
Interest earnings		7,187	(96,093)
Transfer from reserve account to bond account	117,179	(117,179)	
Bond payments to trustee	(14,426,344)		
Costs of approved PFC projects			(4,127,938)
Other, net			90,277
Balances at June 30, 2021	$ 102,092	$ 14,200,709	$ 82,292,649

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

THE PORT OF PORTLAND

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

for the year ended June 30, 2021

Fiscal Year	Property Taxes Receivable June 30, 2020	Current Levy as Extended by Assessors	Deduct Cash Collections	Deduct Discounts Allowed	Cancellations and Adjustments	Property Taxes Receivable June 30, 2021	Interest Collected
2020-21		$ 14,157,180	$ (13,565,214)	$ (277,039)	$ (136,310)	$ 178,617	$ (9,844)
2019-20	$ 186,201		(104,918)		(9,329)	71,954	4,880
2018-19	69,315		(33,605)		(1,999)	33,711	4,166
2017-18	35,764		(20,923)		(1,220)	13,621	4,211
2016-17	13,844		(9,823)		(307)	3,714	2,458
2015-16 and prior	21,692		(2,406)		(601)	18,685	527
	$ 326,816	$ 14,157,180	$ (13,736,889)	$ (277,039)	$ (149,766)	$ 320,302	$ 6,398

Reconciliation to income from property taxes:

Current levy	$ 14,157,180
Deduct discounts allowed	(277,039)
Cancellations and adjustments	(149,766)
	$ 13,730,375

THE PORT OF PORTLAND

SCHEDULE OF BOND AND OTHER LONG-TERM DEBT PRINCIPAL TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2021

			2020-2021 Transactions			Outstanding June 30, 2021	
	Maturity Date	Outstanding at June 30, 2020	Issued	Matured	Redeemed	Total	Due Within One Year
LIMITED TAX PENSION BONDS:							
Series 2002B, 6.60% to 6.85%	06/01/28	$ 43,260,000		$ 3,695,000	$ 3,695,000	$ 39,565,000	$ 4,240,000
Series 2005, 4.00% to 5.50%	06/01/28	12,995,000		1,230,000	1,230,000	11,765,000	1,365,000
Total Limited Tax Pension Bonds		56,255,000		4,925,000	4,925,000	51,330,000	5,605,000
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:							
Series 18A, 0.08% *	07/01/26	27,615,000		4,935,000	4,935,000	22,680,000	5,155,000
Series 18B, 0.07% *	07/01/26	27,615,000		4,930,000	4,930,000	22,685,000	5,155,000
Series 20A, 3.00% to 5.00%	07/01/40	705,000		705,000	705,000		
Series 20B, 2.00% to 4.50%	07/01/40	570,000		570,000	570,000		
Series 20C, 4.00% to 5.00%	07/01/28	5,085,000		5,085,000	5,085,000		
Series 21C, 4.375% to 5.00%	07/01/23	22,645,000		5,250,000	5,250,000	17,395,000	5,560,000
Series 22, 4.00% to 5.00%	07/01/44	88,270,000		1,850,000	1,850,000	86,420,000	1,940,000
Series 23, 5.00%	07/01/38	103,160,000		3,380,000	3,380,000	99,780,000	3,545,000
Series 24A, 5.00%	07/01/47	21,965,000				21,965,000	
Series 24B, 5.00%	07/01/47	209,820,000		3,965,000	3,965,000	205,855,000	4,170,000
Series 25A, 5.00%	07/01/49	21,825,000				21,825,000	
Series 25B, 5.00%	07/01/49	186,430,000		530,000	530,000	185,900,000	560,000
Series 26A, 4.00% to 5.00%	07/01/40	12,265,000				12,265,000	605,000
Series 26B, 5.00%	07/01/40	14,460,000				14,460,000	25,000
Series 26C, 5.00%	07/01/28	46,000,000				46,000,000	5,560,000
Series 27A, 4.00% to 5.00%	07/01/50		$ 289,535,000			289,535,000	
Series 27B, 0.80% to 1.30%	07/01/25		22,925,000			22,925,000	
Total Portland Int'l Airport Revenue Bonds		788,430,000	312,460,000	31,200,000	31,200,000	1,069,690,000	32,275,000
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:							
Series 2011A, 2.50% to 5.50%	07/01/31	65,440,000		135,000	135,000	65,305,000	125,000
Series 2012A, 0.6476% *	07/01/24	46,450,000		8,370,000	8,370,000	38,080,000	8,805,000
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds		111,890,000		8,505,000	8,505,000	103,385,000	8,930,000
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:							
Series 2019, 2.635% to 4.237%	07/01/49	163,290,000		3,160,000	3,160,000	160,130,000	3,240,000
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds		163,290,000		3,160,000	3,160,000	160,130,000	3,240,000
Total Port Bonds		$ 1,119,865,000	$ 312,460,000	$ 47,790,000	$ 47,790,000	$ 1,384,535,000	$ 50,050,000
CONTRACTS & LOANS PAYABLE:							
Oregon Department of Transportation, MMTF-0001, 0%	03/31/21	$ 200,000		$ 200,000	$ 200,000		
Oregon Department of Transportation, MMTF-0003, 0%	07/01/22	1,485,400		742,700	742,700	$ 742,700	
Oregon Business Development Dept., B08005, 5.00%	12/01/30	5,270,669		398,250	1,297,340	3,973,329	$ 328,930
Oregon Business Development Dept., Strategic Reserve Fund, 0%	03/31/22	500,000				500,000	500,000
Banc of America Leasing & Capital, LLC, 4.5%	06/01/28	9,211,836		991,047	991,047	8,220,789	1,036,575
Total Contracts & Loans Payable		$ 16,667,905		$ 2,331,997	$ 3,231,087	$ 13,436,818	$ 1,865,505
TOTAL PORT LONG-TERM DEBT		$ 1,136,532,905	$ 312,460,000	$ 50,121,997	$ 51,021,087	$ 1,397,971,818	$ 51,915,505

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.
* Interest rate at June 30, 2021. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND
SCHEDULE OF BOND AND OTHER LONG-TERM DEBT INTEREST TRANSACTIONS – BY SERIES
FOR THE YEAR ENDED JUNE 30, 2021

	Outstanding at June 30, 2020	2020 - 21 Transactions: Issued	2020 - 21 Transactions: Interest Matured and Paid	2020 - 21 Transactions: Interest Fluctuations and Redemptions	Outstanding at June 30, 2021	Maturing Within One Year
LIMITED TAX PENSION BONDS:						
Series 2002B, 6.60% to 6.85%	$ 14,186,878		$ 2,947,797		$ 11,239,081	$ 2,694,690
Series 2005, 4.00% to 5.50%	3,061,949		650,270		2,411,679	588,721
Total Limited Tax Pension Bonds	17,248,827		3,598,067		13,650,760	3,283,411
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:						
Series 18A, 0.08% *	330,864		38,159	$ 232,081	60,624	18,144
Series 18B, 0.07% *	330,944		38,170	239,708	53,066	15,880
Series 20A, 3.00% to 5.00%	10,575		10,575			
Series 20B, 2.00% to 4.50%	12,825		12,825			
Series 20C, 4.00% to 5.00%	127,125		127,125			
Series 21C, 4.375% to 5.00%	2,193,144		937,712		1,255,432	681,363
Series 22, 4.00% to 5.00%	66,093,000		4,367,250		61,725,750	4,272,500
Series 23, 5.00%	56,447,250		5,073,500		51,373,750	4,900,375
Series 24A, 5.00%	28,112,125		1,098,250		27,013,875	1,098,250
Series 24B, 5.00%	169,929,750		10,391,875		159,537,875	10,188,500
Series 25A, 5.00%	30,115,875		1,091,250		29,024,625	1,091,250
Series 25B, 5.00%	168,703,000		9,308,250		159,394,750	9,281,000
Series 26A, 4.00% to 5.00%	5,636,107		391,907		5,244,200	556,075
Series 26B, 5.00%	9,617,808		496,058		9,121,750	722,375
Series 26C, 5.00%	10,879,556		1,578,056		9,301,500	2,161,000
Series 27A, 4.00% to 5.00%		$ 263,909,737	3,392,012		260,517,725	13,418,950
Series 27B, 0.80% to 1.30%		855,067	62,419		792,648	246,935
Total Portland Int'l Airport Revenue Bonds	548,539,948	264,764,804	38,415,393	471,789	774,417,570	48,652,597
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:						
Series 2011A, 2.50% to 5.50%	29,494,375		3,381,300		26,113,075	3,377,244
Series 2012A, 0.6476% *	1,005,067		266,856	105,991	632,220	246,606
Total Portland Int'l Airport Passenger Facility Charge Revenue Bonds	30,499,442		3,648,156	105,991	26,745,295	3,623,850
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:						
Series 2019, 2.635% to 4.237%	119,221,986		6,323,129		112,898,857	6,237,578
Total Portland Int'l Airport Customer Facility Charge Revenue Bonds	119,221,986		6,323,129		112,898,857	6,237,578
Total Port Bonds	$ 715,510,203	$ 264,764,804	$ 51,984,745	$ 577,780	$ 927,712,482	$ 61,797,436
CONTRACTS & LOANS PAYABLE:						
Oregon Business Development Dept., B08005, 5.00%	$ 1,299,639		$ 197,907	$ (24,164)	$ 1,125,896	$ 156,174
Banc of America Leasing & Capital, LLC, 4.5%	1,755,158		394,258		1,360,900	348,730
Total Contracts & Loans Payable	$ 3,054,797		$ 592,165	$ (24,164)	$ 2,486,796	$ 504,904
TOTAL PORT LONG-TERM DEBT	$ 718,565,000	$ 264,764,804	$ 52,576,910	$ 553,616	$ 930,199,278	$ 62,302,340

Note: Interest rates relate to original issue. Certain coupons are no longer outstanding.
* Interest rate at June 30, 2021. Rate is variable, depending on weekly resets.

THE PORT OF PORTLAND

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2021

		Date of Issue	Total Requirements	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 to 2030-31	2031-32 to 2035-36	2036-37 to 2040-41	2041-42 to 2045-46	2046-47 to 2050-51
LIMITED TAX PENSION BONDS:													
Series 2002B	-Principal	03/28/02	$ 39,565,000	$ 4,240,000	$ 4,840,000	$ 5,495,000	$ 6,205,000	$ 6,965,000	$ 11,820,000				
6.60% to 6.85%	-Interest		11,239,081	2,694,690	2,404,250	2,072,710	1,696,303	1,286,773	1,084,355				
Series 2005	-Principal	09/23/05	11,765,000	1,365,000	1,510,000	1,670,000	1,835,000	2,015,000	3,370,000				
5.004%	-Interest		2,411,679	588,721	520,416	444,856	361,289	269,465	226,932				
Total Limited Tax Pension Bonds	-Principal		$ 51,330,000	$ 5,605,000	$ 6,350,000	$ 7,165,000	$ 8,040,000	$ 8,980,000	$ 15,190,000				
Total Limited Tax Pension Bonds	-Interest		$ 13,650,760	$ 3,283,411	$ 2,924,666	$ 2,517,566	$ 2,057,592	$ 1,556,238	$ 1,311,287				
PORTLAND INTERNATIONAL AIRPORT REVENUE BONDS:													
Series 18A	-Principal	06/11/08	$ 22,680,000	$ 5,155,000	$ 3,295,000	$ 3,450,000	$ 3,605,000	$ 3,785,000	$ 3,390,000				
0.08%**	-Interest		60,624	18,144	14,020	11,384	8,624	5,740	2,712				
Series 18B	-Principal	06/11/08	22,685,000	5,155,000	3,295,000	3,450,000	3,610,000	3,780,000	3,395,000				
0.07%**	-Interest		53,066	15,880	12,271	9,965	7,550	5,023	2,377				
Series 21C	-Principal	08/10/11	17,395,000	5,560,000	5,785,000	6,050,000							
4.375% to 5.00%	-Interest		1,255,432	681,363	426,100	147,969							
Series 22	-Principal	09/25/14	86,420,000	1,940,000	2,040,000	2,140,000	2,250,000	2,360,000	13,705,000	$ 17,475,000	$ 22,305,000	$ 22,205,000	
5.00%	-Interest		61,725,750	4,272,500	4,173,000	4,068,500	3,958,750	3,843,500	17,276,125	13,396,875	8,448,125	2,288,375	
Series 23	-Principal	03/31/15	99,780,000	3,545,000	3,720,000	3,910,000	4,110,000	4,310,000	25,010,000	31,925,000	23,250,000		
5.00%	-Interest		51,373,750	4,900,375	4,718,750	4,528,000	4,327,500	4,117,000	17,042,500	9,958,625	1,781,000		
Series 24A	-Principal	01/25/17	21,965,000									12,535,000	$ 9,430,000
5.00%	-Interest		27,013,875	1,098,250	1,098,250	1,098,250	1,098,250	1,098,250	5,491,250	5,491,250	5,491,250	4,571,625	477,250
Series 24B	-Principal	01/25/17	205,855,000	4,170,000	4,375,000	4,595,000	4,825,000	5,070,000	29,390,000	37,510,000	47,860,000	48,560,000	19,500,000
5.00%	-Interest		159,537,875	10,188,500	9,974,875	9,750,625	9,515,125	9,267,750	42,175,250	33,852,000	23,231,000	10,595,750	987,000
Series 25A	-Principal	04/24/19	21,825,000									3,950,000	17,875,000
5.00%	-Interest		29,024,625	1,091,250	1,091,250	1,091,250	1,091,250	1,091,250	5,456,250	5,456,250	5,456,250	5,357,500	1,842,125
Series 25B	-Principal	04/24/19	185,900,000	560,000	2,325,000	3,745,000	3,935,000	4,130,000	23,955,000	30,595,000	39,050,000	45,875,000	31,730,000
5.00%	-Interest		159,394,750	9,281,000	9,208,875	9,057,125	8,865,125	8,663,500	39,923,875	33,137,375	24,473,000	13,515,375	3,269,500
Series 26A	-Principal	04/24/20	12,265,000	605,000	630,000	670,000	695,000	735,000	3,280,000	2,535,000	3,115,000		
4.00% to 5.00%	-Interest		5,244,200	556,075	525,200	492,700	458,575	422,825	1,559,500	908,425	320,900		
Series 26B	-Principal	04/24/20	14,460,000	25,000	25,000	50,000	540,000	560,000	3,385,000	4,335,000	5,540,000		
5.00%	-Interest		9,121,750	722,375	721,125	719,250	704,500	677,000	2,909,875	1,947,125	720,500		
Series 26C	-Principal	04/24/20	46,000,000	5,560,000	5,835,000	6,140,000	6,435,000	4,610,000	17,420,000				
5.00%	-Interest		9,301,500	2,161,000	1,876,125	1,576,750	1,262,375	986,250	1,439,000				
Series 27A	-Principal	09/30/20	289,535,000						34,070,000	43,505,000	55,390,000	69,510,000	87,060,000
4.00% to 5.00%	-Interest		260,517,725	13,418,950	13,418,950	13,418,950	13,418,950	13,418,950	63,001,750	53,349,625	41,270,850	26,688,500	9,112,250
Series 27B	-Principal	09/30/20	22,925,000		5,650,000	5,695,000	5,755,000	5,825,000					
0.80% to 1.30%	-Interest		792,648	246,935	224,335	173,260	110,255	37,863					
Total Portland Int'l Airport Revenue Bonds	-Principal		$1,069,690,000	$ 32,275,000	$ 36,975,000	$ 39,895,000	$ 35,760,000	$ 35,165,000	$ 157,000,000	$ 167,880,000	$ 196,510,000	$ 202,635,000	$ 165,595,000
Total Portland Int'l Airport Revenue Bonds	-Interest		$ 774,417,570	$ 48,652,597	$ 47,483,126	$ 46,143,978	$ 44,826,829	$ 43,634,901	$ 196,280,464	$ 157,497,550	$ 111,192,875	$ 63,017,125	$ 15,688,125
PORTLAND INTERNATIONAL AIRPORT PASSENGER FACILITY CHARGE REVENUE BONDS:													
Series 2011A	-Principal	11/10/11	$ 65,305,000	$ 125,000	$ 105,000	$ 80,000	$ 60,000	$ 7,955,000	$ 46,245,000	$ 10,735,000			
3.25% to 5.50%	-Interest		26,113,075	3,377,244	3,373,506	3,370,400	3,367,950	3,168,025	9,164,487	291,463			
Series 2012A	-Principal	08/15/12	38,080,000	8,805,000	9,265,000	9,750,000	10,260,000						
0.6476%**	-Interest		632,220	246,606	189,585	129,585	66,444						
Total Portland Int'l Airport PFC Revenue Bonds	-Principal		$ 103,385,000	$ 8,930,000	$ 9,370,000	$ 9,830,000	$ 10,320,000	$ 7,955,000	$ 46,245,000	$ 10,735,000			
Total Portland Int'l Airport PFC Revenue Bonds	-Interest		$ 26,745,295	$ 3,623,850	$ 3,563,091	$ 3,499,985	$ 3,434,394	$ 3,168,025	$ 9,164,487	$ 291,463			
PORTLAND INTERNATIONAL AIRPORT CUSTOMER FACILITY CHARGE REVENUE BONDS:													
Series 2019	-Principal	04/29/19	$ 160,130,000	$ 3,240,000	$ 3,330,000	$ 3,420,000	$ 3,520,000	$ 3,625,000	$ 19,965,000	$ 23,900,000	$ 29,080,000	$ 35,675,000	$ 34,375,000
2.711% to 4.237%	-Interest		112,898,857	$ 6,237,578	6,147,556	6,052,751	5,952,165	5,843,839	27,304,688	23,245,705	17,939,479	11,186,634	2,988,462
Total Portland Int'l Airport CFC Revenue Bonds	-Principal		$ 160,130,000	$ 3,240,000	$ 3,330,000	$ 3,420,000	$ 3,520,000	$ 3,625,000	$ 19,965,000	$ 23,900,000	$ 29,080,000	$ 35,675,000	$ 34,375,000
Total Portland Int'l Airport CFC Revenue Bonds	-Interest		$ 112,898,857	$ 6,237,578	$ 6,147,556	$ 6,052,751	$ 5,952,165	$ 5,843,839	$ 27,304,688	$ 23,245,705	$ 17,939,479	$ 11,186,634	$ 2,988,462
Total Port Bonds	-Principal		$1,384,535,000	$ 50,050,000	$ 56,025,000	$ 60,310,000	$ 57,640,000	$ 55,725,000	$ 238,400,000	$ 202,515,000	$ 225,590,000	$ 238,310,000	$ 199,970,000
Total Port Bonds	-Interest		$ 927,712,482	$ 61,797,436	$ 60,118,439	$ 58,214,280	$ 56,270,980	$ 54,203,003	$ 234,060,926	$ 181,034,718	$ 129,132,354	$ 74,203,759	$ 18,676,587

THE PORT OF PORTLAND

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF BONDED AND OTHER LONG-TERM DEBT – BY SERIES
AS OF JUNE 30, 2021, Continued

		Date of Issue	Total Requirements	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 to 2030-31	2031-32 to 2035-36	2036-37 to 2040-41	2041-42 to 2045-46	2046-47 to 2050-51
CONTRACTS & LOANS PAYABLE:													
Oregon Department of Transportation MMTF-0003	-Principal	07/06/10	$ 742,700		$ 742,700								
Oregon Business Development Dept. B08005	-Principal	08/31/10	3,973,329	$ 328,930	331,627	$ 349,458	$ 362,431	$ 380,553	$ 2,220,330				
5.00%	-Interest		1,125,896	156,174	182,220	165,639	148,166	130,044	343,653				
Banc of America Leasing & Capital, LLC	-Principal	06/06/13	8,220,789	1,036,575	1,084,195	1,134,003	1,186,099	1,240,588	2,539,329				
4.5%	-Interest		1,360,900	348,730	301,109	251,302	199,205	144,717	115,837				
Oregon Business Development Dept. Strategic Resv Fund, 0%	-Principal	01/22/20	500,000	500,000									
Total Contracts & Loans Payable	-Principal		$ 13,436,818	$ 1,865,505	$ 2,158,522	$ 1,483,461	$ 1,548,530	$ 1,621,141	$ 4,759,659				
Total Contracts & Loans Payable	-Interest		$ 2,486,796	$ 504,904	$ 483,329	$ 416,941	$ 347,371	$ 274,761	$ 459,490				
TOTAL PORT LONG-TERM DEBT	-Principal		$1,397,971,818	$ 51,915,505	$ 58,183,522	$ 61,793,461	$ 59,188,530	$ 57,346,141	$ 243,159,659	$ 202,515,000	$ 225,590,000	$ 238,310,000	$ 199,970,000
TOTAL PORT LONG-TERM DEBT	-Interest		$ 930,199,278	$ 62,302,340	$ 60,601,768	$ 58,631,221	$ 56,618,351	$ 54,477,764	$ 234,520,416	$ 181,034,718	$ 129,132,354	$ 74,203,759	$ 18,676,587

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

** Interest rate at June 30, 2021. Rate is variable, depending on weekly resets.

		Date of Issue	Total Requirements	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 to 2030-31
INDUSTRIAL DEVELOPMENT REVENUE BONDS:									
Horizon Air Project:	-Principal	08/07/97	$ 17,300,000						$ 17,300,000
1997 Series, 0.06%*	-Interest		61,415	$ 10,380	$ 10,380	$ 10,380	$ 10,380	$ 10,380	9,515
TOTAL INDUSTRIAL REVENUE BONDS	-Principal		$ 17,300,000						$ 17,300,000
TOTAL INDUSTRIAL REVENUE BONDS	-Interest		$ 61,415	$ 10,380	$ 10,380	$ 10,380	$ 10,380	$ 10,380	$ 9,515

* Interest rate at June 30, 2021. Rate is variable, depending on prime.

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

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

MOSSADAMS

Report of Independent Auditors on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Municipal Auditing Standards*

The Board of Commissioners
Port of Portland

We have audited the basic financial statements of the Port of Portland (the Port), as of and for the year ended June 30, 2021, and have issued our report thereon dated October 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the Port's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	Introduction	None Noted
162-010-0030	General Requirements	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Position, Budget and Actual (Each Fund)	None Noted
162-010-0140	Schedule of Accountability for Independently Elected Officials	Not applicable
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	Yes
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	Not applicable
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not applicable
162-010-0316	Public Charter Schools	Not applicable
162-010-0320	Other Comments and Disclosures	None Noted
162-010-0330	Extensions of Time to Deliver Audit Reports	Not applicable

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 an instance of noncompliance that is required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State. The Port experienced budgetary over-expenditures in two funds which are disclosed in the notes to the financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Port'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information of the Board of Commissioners, management, and the State of Oregon, and is not intended to be and should not be used by anyone other than those specified parties.

Ashley Osten

Ashley Osten, Partner
for Moss Adams LLP
Portland, Oregon
October 21, 2021