Port of Centralia

Financial Report
December 31, 2024

Port

of

Centralia

Financial

Report

December 31

2024

Contents

Financial Statements

Required Supplementary Information and Supplementary Schedules

Port of Centralia

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED December 31, 2024 and 2023

INTRODUCTION

The following is the Port of Centralia's (the Port) Management's Discussion and Analysis (MD&A) of financial activities and performance for the calendar years ended December 31, 2024 and December 31, 2023. It provides an introduction to the Port's 2024 and 2023 financial statements. Information contained in this MD&A has been prepared by Port management and should be considered in conjunction with the financial statements and the notes. Please read it in conjunction with the Port's financial statements, which follow this section.

The notes are essential to a full understanding of the data contained in the financial statements. This report also presents certain required supplementary information regarding pension information and supplementary schedules.

The financial information included in the MD&A is unaudited for financial statement review but audited by the State Auditor's Office.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of six parts: MD&A, the basic financial statements, notes to the financial statements, required supplementary information, supplemental schedules, and the annual report to the State Auditor's Office. The basic financial statements include the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows.

The statement of net position and the statement of revenues, expenses and changes in net position tell us if the Port as a whole is better or worse off as a result of the year's activities. The statement of net position present information on all of the Port's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the Port is improving or deteriorating. The statement of revenues, expenses and changes in net position show how the Port's net position changed during the most recent year. These changes are reported as the underlying event occurs regardless of the timing of related cash flows.

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

Financial Report

Financial Highlights

- In 2024, the assets and deferred outflows of resources of the Port exceeded its liabilities and deferred inflows of resources at close of calendar year 2024. The net position of the Port totaled $40,938,726 in 2024. Additionally, $41,518,803 of the Port's total 2024 net position consists of net investment in capital assets. In 2023, the assets and deferred outflows of resources of the Port exceeded its liabilities and deferred inflows of resources at close of calendar year 2023. The net position of the Port totaled $41,446,770 in 2023. Additionally, $43,563,641 of the Port's total 2023 net position consists of net investment in capital assets.

- The Port's 2024 net position decreased by $508,044 compared to the 2023 increase in net position of $8,797,031 due to the sale of property, paying down the line of credit, and increase in deferred inflows from leases. The Port's 2023 net position increased by $8,797,031 compared to the 2022 increase in net position of $3,324,012 because of increased capital assets in 2023 due to the Port's Centralia Station project.

- The Port's 2024 total long-term debt, including current portion, decreased by approximately $182,372. The Port's 2023 total long-term debt, including current portion, decreased by approximately $247,484. The Port did not issue any bonds in 2024 or 2023 and had $374,911 and $1,793,566 outstanding on its line of credit at December 31, 2024 and 2023, respectively.

Financial Position Summary

The statement of net position present the financial position of the Port at the close of calendar year 2024. The statements include all of the Port's assets and liabilities. Net position serves as an indicator of the Port's financial position. A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and net position at December 31, 2024, 2023, and 2022 follows:

PORT OF CENTRALIA'S Statement of Net Position

	2024	2023	2022
Current assets	$ 940,750	$ 743,426	$ 1,668,837
Net capital assets	42,276,238	44,503,448	35,780,812
Other long-term assets	2,091,032	1,554,416	2,186,765
Total assets	**$45,308,020**	**$ 46,801,290**	**$ 39,636,414**
Deferred outflows of resources	**$ 177,526**	**$ 131,194**	**$ 137,884**
Current liabilities	$ 1,013,889	$ 2,536,526	$ 3,122,412
Long-term liabilities	976,916	1,165,639	1,409,243
Total liabilities	**$ 1,990,805**	**$ 3,702,165**	**$ 4,531,655**
Deferred inflows of resources	**$ 2,556,015**	**$ 1,783,550**	**$ 2,592,904**
Net position:			
Net investment in capital assets	$41,518,803	$ 43,563,641	$ 34,593,521
Restricted for net pension asset	216,491	170,861	113,048
Unrestricted net deficit	(796,568)	(2,287,732)	(2,056,830)
Total net position	**$40,938,726**	**$ 41,446,770**	**$ 32,649,739**

Financial Operation Highlights

As noted earlier, the Port uses only one fund, an enterprise fund, to comply with Washington State-mandated reporting requirements. The following summary compares the 2024 and 2023 operating results to budget and prior years.

Revenues: The 2024 operating revenue of $1,009,528 is $114,832, or 12.83 percent, more than the 2024 original budget due new lease agreements. The 2023 operating revenue of $881,307 is $14,003 or 1.6%, less than the 2023 original budget primarily due construction delays on tenant-lease facility.

Expenses: The 2024 operating expenses, excluding depreciation and non-cash adjustments for pension and OPEB expense, totaled $1,416,925 and was less than the 2024 original budget by $28,160, or 2%. The 2023 operating expenses, excluding depreciation and non-cash adjustments for pension and OPEB expense, totaled $1,352,568 and was less than the 2023 original budget by $8,992, or 0.6%.

Non-Operating: The 2024 non-operating revenue, excluding non-cash adjustment for rental interest income, is $1,080,126, which is a decrease from the 2024 original plan by $101,029 or 8.5%, due to property tax refunds. Non-operating revenue for 2023 was $2,314,235 (excluding non-cash adjustments for rental interest income), which was a decrease from the 2023 original plan by $9,142,901 or 80%, due to delayed property sales. Non-operating expenses is $912,773, which is an increase from the 2024 original plan by $672,616 or 380% percent, due to a loss in the sale of fixed assets. Non-operating expenses for 2023 were $190,332, which was an increase from the 2023 original plan by $117,470 or 261%, due to unbudgeted election expense and line of credit interest expense.

Change in Net Position: As a result of all of the above, the decrease in net position before capital contribution for 2024 was ($539,581), compared to a $1,366,219 increase in 2023 in net position.

A summarized comparison of the Port's statements of revenues, expenses and changes in net position for the years ended December 31, 2024, 2023, and 2022 follows:

PORT OF CENTRALIA'S Statement of Revenues, Expenses and Changes in Net Position

	2024	2023	2022
Operating revenues	$ 1,009,528	$ 881,307	$ 839,484
Non-operating revenues	1,237,739	2,415,850	3,280,097
Other revenues	151	36	159
Total revenues	**$ 2,247,418**	**$ 3,297,193**	**$ 4,119,740**
Operating expenses	$ 1,874,226	$ 1,740,642	$ 1,571,106
Interest and bond issue cost	84,965	183,775	126,239
Non-operating expenses	827,808	6,557	300
Total expenses	**$ 2,786,999**	**$ 1,930,974**	**$ 1,697,645**
Increase in net position, before capital contribution	(539,581)	1,366,219	2,422,095
Capital contributions	31,537	7,430,812	901,917
Increase in net position	**(508,044)**	**8,797,031**	**3,324,012**
Net position at beginning of year, restated	41,446,770	32,649,739	29,325,727
	-	-	-
Net position at end of year	**$40,938,726**	**$ 41,446,770**	**$ 32,649,739**

Capital Assets: The Port's investment in capital assets as of December 31, 2024, amounts to approximately $42,276,238 million (net of accumulated depreciation), a decrease over 2023 due to the sale of fixed assets. The Port's investment in capital assets as of December 31, 2023, amounts to approximately $44,503,448 million (net of accumulated depreciation), an increase from 2022. This investment in capital assets includes land, buildings, improvements, machinery and equipment, and construction in progress.

Major capital assets events currently budgeted for 2024 include road, building, and land maintenance projects and the addition of equipment.

Additional information on the Port's capital assets activity may be found in Note 4 of this report.

Debt Administration

Debt: At December 31, 2024, the Port has a line of credit of $1.8 million, of which there was an outstanding balance of $374,911. An additional line of credit was issued in 2023 for $1 million, of which there was an outstanding balance of $0 at December 31, 2024. At December 31, 2024, the Port's total debt outstanding, excluding the line of credit and including current maturities, was $757,435. Of this amount, $494,384 comprises debt backed by the full faith and credit of the Port. The remainder of the Port's debt represents contracts secured solely by revenue sources.

At December 31, 2023, the Port had a line of credit of $1.8 million, of which there was an outstanding balance of $1,793,566. An additional line of credit was issued in 2023 for $1 million, of which there was an outstanding balance of $0. At December 31, 2023, the Port's total debt outstanding, excluding the line of credit and including current maturities, was $939,807. Of this amount, $1,972,109 comprises debt backed by the full faith and credit of the Port. The remainder of the Port's debt represents contracts secured solely by revenue sources.

The Port's total long-term debt, excluding the line of credit and including current maturities, decreased by $182,372 or 19.4%, during 2024. Additional information on the Port's long-term debt activity may be found in Note 7 of this report.

The Port's total long-term debt, excluding the line of credit and including current maturities, decreased by $247,484 or 21 percent, during 2023. Additional information on the Port's long-term debt activity may be found in Note 7 of this report.

Economic Factors and 2025 Budget

Economic Factors

The Port continues to work with several businesses looking to locate along the I-5 corridor between Seattle, Washington, and Portland, Oregon. With the emergence of the new development Centralia Station and the expansion of Industrial Park I and Industrial Park II, the Port maintains its position as the leading economic and industrial development agency in Lewis County.

The Port owns a short line railroad with several spurs that service property throughout Industrial Park I. Rail-served property has become a rarity, which gives the Port the opportunity to recruit more businesses to its industrial parks.

2025 Budget: The Port's 2025 budget outlines what will be pursued in the next year to achieve line of business strategies, thus accomplishing Port-wide goals while striving towards the Port's mission.

2025 Operating Budget: The Port developed an overall operating expense budget of $1,484,629, which is $67,704 over the 2024 actual operating expenses due to increase in salaries, legal expenses, and inflation. This budget produces net income of $537,046.

Tax Levy: The Port placed the 2025 general levy rate at $0.295, an increase to the 2024 levy, which will provide the Port with $1,243,487 in needed revenue. As in the past, the levy will be used for general obligation bond debt service and capital spending. The difference between this year's levy and the legal limit is $0.155.

Requests for Information

The Port designed this financial report to provide our citizens, customers, investors, and creditors with an overview of the Port's finances. If you have questions or need additional information, please visit our website at www.portofcentralia.com or contact: Amy Graber, Director of Finance & Administration at (360) 736-3527 or email agraber@portofcentralia.com.

Financial

Statements

Statement of Net Position

Port of Centralia
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 138,442	$ 135,579
Property taxes receivable	35,130	64,300
Accounts receivable	14,251	127,193
Leases receivable – current	719,991	389,001
Prepaid expenses	32,936	27,353
Total current assets	**940,750**	**743,426**
Capital Assets		
Land	19,929,750	21,849,079
Land improvements	22,461,610	7,012,363
Building and improvements	10,870,917	10,683,808
Autos, equipment, office	420,222	403,856
Construction in progress	397,582	15,904,063
Total cost	**54,080,081**	**55,853,169**
Less accumulated depreciation - buildings	6,581,834	6,284,936
Less accumulated depreciation – equipment	378,699	370,705
Less accumulated depreciation – other improvements	4,843,310	4,694,080
Total Accumulated Depreciation	**11,803,843**	**11,349,721**
Net capital assets (net)	**42,276,238**	**44,503,448**
Oher Long-Term Assets		
Leases receivable, net of current portion	1,983,564	1,404,773
Pension asset	107,468	149,643
Total other long-term assets	**2,091,032**	**1,554,416**
Total assets	**$45,308,020**	**$46,801,290**
Deferred Outflows of Resources		
OPEB related amounts	$6,188	$4,123
Pension related amounts	$171,338	$127,071
Total deferred outflows of resources	**$177,526**	**$131,194**

See notes to financial statements.

	2024	2023
Liabilities and Net Position		
Current Liabilities		
Accounts and warrants payable	$ 383,149	$ 530,485
Accrued interest payable	4,402	5,298
Customer prepayments	54,059	18,037
Line of Credit	374,911	1,793,566
Other current liabilities	4,318	6,768
Current portion of long-term liabilities	193,050	182,372
Total current liabilities	**1,013,889**	**2,536,526**
Long-Term Liabilities		
Notes payable	564,386	757,435
Net pension liability	44,154	64,715
OPEB liability	276,541	269,091
Compensated absences	91,835	74,398
Total long-term liabilities	**976,916**	**1,165,639**
Total liabilities	**1,990,805**	**3,702,165**
Deferred inflows of resources		
Pension related amounts	62,315	105,853
Leases	2,493,700	1,677,697
Total liabilities and deferred inflow	**4,546,820**	**5,485,715**
Commitments and Contingencies	**-**	**-**
Net Position		
Net investment in capital assets	41,518,803	43,563,641
Restricted for net pension asset	216,491	170,861
Unrestricted deficit	(796,568)	(2,287,732)
Total net position	**$40,938,726**	**$41,446,770**

See notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Position

Port of Centralia
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Property rental operations	**$1,009,528**	**$ 881,307**
Operating Expenses		
General and administrative	1,024,694	1,004,180
General operations	167,044	50,515
Maintenance	228,366	262,644
Depreciation	454,122	423,303
Total operating expenses	**1,874,226**	**1,740,642**
Loss from operations	**(864,698)**	**(859,335)**
Non-Operating Revenues (Expenses)		
Gain (Loss) on sale of capital assets	(827,808)	(3,760)
Taxes levied for Port operations, net	1,088,649	1,111,027
Taxes levied for IDD, net	(30,777)	1,110,194
Interest income	151	36
Rental interest income	157,764	101,651
Other taxes	22,103	96,738
Interest expense	(84,965)	(183,775)
Other expenses	- -	(6,557)
Total non-operating revenues (expenses)	**$325,117**	**2,225,554**
Increase in net position before capital contributions	**(539,581)**	**1,366,219**
Capital Contribution	**31,537**	**7,430,812**
Increase in net position	**(508,044)**	**8,797,031**
Net Position		
Beginning of year	41,446,770	32,649,739
End of year	**$40,938,726**	**$41,446,770**

See notes to financial statements.

Statement of Cash Flows

Port of Centralia
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers	$1,187,662	$ 1,657,012
Cash paid to suppliers	(621,065)	(1,340,054)
Cash paid to employees	(931,342)	(876,015)
Net cash provided by operating activities	**(364,745)**	**(559,057)**
Cash Flows from Non-Capital Financing Activities		
Property tax levy receipts not restricted for capital purposes	1,057,872	2,221,221
Other non-operating revenues, net	18,758	89,808
Net cash provided by non-capital financing activities	**1,076,630**	**2,311,029**
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	1,773,089	(9,148,710)
Proceeds from sale of capital assets	(827,808)	(3,760)
Advances on line of credit, net	(1,418,655)	376,593
Principal payments on notes payable	(182,372)	(247,484)
Interest paid	(84,965)	(183,775)
Capital contributions	31,537	7,430,812
Net cash used in capital and related financing activities	**(709,174)**	**(1,776,324)**
Cash Flow from Investing Activities		
Interest income	151	36
Net cash provided by investing activities	**151**	**36**
Net increase (decrease) in cash and cash equivalents	**2,862**	**(24,316)**
Cash and Cash Equivalents		
Beginning of year	135,580	159,896
End of year	**$ 138,442**	**$ 135,580**

(continued)

See notes to financial statements.

Statement of Cash Flows

(concluded)

Port of Centralia
Years Ended December 31, 2024 and 2023

	2024	2023
Reconciliation of Loss from Operations to Net Cash Provided by Operating Activities:		
Loss from operations	**($864,698)**	**($859,335)**
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation and amortization	454,122	423,303
Pension & OPEB (GASB 68 & 75)	3,179	(35,229)
Changes in assets and liabilities:		
Accounts and property taxes receivable	142,112	789,711
Prepaid expenses	(5,583)	6,360
Accounts payable	(147,336)	(882,988)
Customer prepayments	36,022	(14,006)
Accrued vacation payable	17,437	13,127
Total adjustments	**499,953**	**300,278**
Net cash provided by operating activities	**(364,745)**	**($559,057)**

See notes to financial statements.

Port of Centralia
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Port of Centralia (the Port) is a municipal corporation created in 1986 through enabling legislation of the State of Washington by consent of the voters within the Port District, which is considered the Centralia School District boundaries. The Port has no stockholders or equity holders but is for the benefit of its constituency. All revenues or other receipts must be disbursed in accordance with the provisions of various statutes. The accounting and reporting policies of the Port conform to generally accepted accounting principles for local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following summary of the significant accounting policies is presented to assist the reader in interpreting the financial statements.

The Port is a special purpose government, authorized by Washington law to acquire and improve lands for industrial or commercial purposes within the Centralia Port District. The Port's operations are supported primarily through industrial property leases and the tax levy.

The Port is governed by an elected three-member board of commissioners. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. These financial statements represent the Port and its component unit. The component unit discussed below is included in the Port's reporting entity because of the significance of its operational and financial relationship with the Port.

Component Unit

In conformity with generally accepted accounting principles, the financial statements of the Industrial Development Corporation (IDC) of the Port have been included in the financial reporting entity as a blended component unit. The IDC, an entity legally separate from the Port, is governed by a three-member board. The members of the Port commission serve ex officio as members of the IDC board of directors. For financial reporting purposes, the IDC is reported as if it were part of the Port's operations because its purpose is aligned with that of the Port. The ending balance of the IDC bank account was $30 at December 31, 2024 and 2023.

Basis of Accounting and Reporting

The financial statements of the Port have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental accounting and financial reporting principles. The Port is accounted for as a proprietary fund on a flow of economic resources measurement focus and full-accrual basis of accounting.

(continued)

Note 1 - Summary of Significant Accounting Policies *(continued)*

Basis of Accounting and Reporting *(concluded)*

The accounting records of the Port are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09, Revised Code of Washington (RCW). The Port also follows the Uniform System of Accounts for Port Districts in the state of Washington.

The Port uses the full-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Significant Risks and Uncertainties

The Port is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include economic conditions, federal, state, and local government regulations, and changes in law.

Operating and Non-Operating Revenues and Expenses

Property rents are charges for use of the Port's facilities, land, and buildings and are classified as operating revenues. Funds from tax levies, other miscellaneous taxes and gain on sale of assets are reported as non-operating revenues. General obligation bond principal and interest are paid from ad valorem taxes levied upon real property within the Port District.

Operating expenses are costs primarily related to the property rental operations of the Port. Interest expense and other expenses not directly related to property rental operations are classified as non-operating expenses.

Cash and Cash Equivalents

It is the Port's policy to invest all temporary cash surpluses. For the purposes of the statement of cash flows, the Port considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables

Property tax receivables consist of property taxes (see Note 3). Accounts receivable consist of amounts due from tenants for balances deemed to be fully collectible, outstanding grant reimbursement requests, and December property tax collections. Management has determined that no allowance for bad debt is necessary at December 31, 2024 and 2023.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies *(continued)*

Leases (Port as Lessor)

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

At lease commencement, the lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as lease revenue using the interest rate method over the lease term.

Key estimates and judgments include how the Port determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

1. The discount rate for leases is based on the rate of interest the lessee would be charged to borrow an amount equal to the lease payments, respectively, under similar terms at the commencement or remeasurement date. The Port has determined a discount rate based on prime rate at initial date or modification.

2. The lease term includes the noncancellable period of the lease plus any additional periods covered by a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Period in which both the lessee and the lessor have a unilateral option to terminate (or if both parties agree to extend) are excluded from the lease term.

3. Port procedure is to negotiate all leases at fair market value, considering market conditions, economic factors, property condition, and location, as well as other factors that my impact negotiating lease prices.

The Port monitors changes in circumstances that may require remeasurement of a lease receivable. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured and a corresponding adjustment is made to the deferred inflows of resources.

Net Position

Net position consists of net investment in capital assets and unrestricted net position (deficit). Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisitions, construction, or improvement of those assets.

Risk Management

The Port maintains liability and standard insurance coverage for personal property, automobile, public officials, bonds, and equipment (see Note 9).

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 1 - Summary of Significant Accounting Policies *(continued)*

Capital Assets and Depreciation

Capital assets are stated at cost. Donated capital assets are recorded at acquisition value at the date of donation. The Port's policy is to capitalize all assets equal to or greater than $1,000 and with an estimated life greater than one year. Depreciation expense is charged to operations to allocate the cost of capital assets over their estimated useful life using the straight-line method, based on estimated useful lives as follows:

Buildings and improvements	15-40 years
Land improvements	5-40 years
Autos	5-7 years
Equipment and office	3-10 years

The Port has acquired certain capital assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets; however, the Port has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable account. In addition, the Port leases certain real property to tenants.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation including any payroll tax expense. The Port records unpaid leave for compensated balances as an expense and long-term liability when incurred. Vacation pay may be accumulated unlimited and is payable upon separation, retirement, or as a cash withdrawal. Sick leave may accumulate with no limit. Upon separation or retirement, employees do not receive payment for unused sick leave. The amount of accrued vacation totaled $84,168 and $74,398 at December 31, 2024 and 2023, respectively.

Deferred Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources which represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and pension contributions from the Port after the measurement date but before the end of the Port's reporting period.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources which represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include pension related inflows, which are the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the Port's contributions and proportionate share of contributions all related to the net pension liability.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for additional information.

Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates of the Port include the depreciable life of capital assets. Accordingly, actual results could differ from those estimates.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents, including liquid investments, at December 31 consist of the following:

	2024 Rate	Amount	2022 Rate	Amount
Unrestricted				
Umpqua Bank, General Fund	0.01%	$138,387	0.03%	$135,524
Umpqua Bank, IDC	-	30	-	30
Umpqua Bank, Money Market Account	-	25	-	25
Total		**$138,442**		**$135,579**

As required by state law, all deposits and investments of the Port's funds are deposits with Washington State banks and savings and loan institutions. Restricted funds are not available until after debt is paid in full. The Port's deposits and money market accounts are entirely covered by the Federal Depository Insurance Commission (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

Port of Centralia
December 31, 2024 and 2023

Note 3 - Property Taxes

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed within two weeks of the prior month to the Port by the county treasurer. A revaluation of all property is completed annually. Property tax calendar:

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

No allowance for uncollectible taxes is established, because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principle and delinquent taxes are evaluated annually. State law allows for the sale of property for failure to pay taxes.

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

The Port's regular levy for 2024 and 2023 was $0.27 and $0.28 per $1,000, respectively. This levy was calculated on an assessed valuation for 2024 and 2023 of $4,278,171,833 and $4,043,900,072, respectively, for a regular levy of approximately $1,149,541 and $1,124,056, respectively.

The Port began a six-year IDD levy in 2018 which ended in 2023. The Port's IDD levy for 2023 was $0.28 per $1,000. This levy was calculated on an assessed valuation for 2023 of $4,043,900,072, for an IDD levy of approximately $1,122,973.

Port of Centralia
December 31, 2024 and 2023

Note 4 - Capital Assets

Major expenditures for capital assets, including major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. All capital assets are valued at historical cost. Capital assets activity for the years ended December 31, 2024 and 2023, is as follows:

December 31, 2024	**Beginning Balance**	**Additions**	**Deletions/ Transfers**	**Ending Balance**
Capital assets, not depreciated:				
Land	$21,849,079	$3,741,117	$ 5,660,446	$19,929,750
Construction in progress	15,904,063	3,765,614	19,272,095	397,582
Total capital assets, not depreciated	**37,753,142**	**7,506,731**	**24,932,541**	**20,327,332**
Capital assets, depreciated:				
Land improvements	7,012,363	15,449,247	- -	22,461,610
Buildings and improvements	10,683,808	187,109	- -	10,870,917
Autos, equipment and office	403,856	16,366	- -	420,222
Total capital assets, depreciated	**18,100,027**	**15,652,722**	**- -**	**33,752,749**
Total accumulated depreciation	11,349,721	454,122		11,803,843
Total capital assets, depreciated, net	**6,750,306**	**15,198,600**		**21,948,906**
Total capital assets, net	**$44,503,448**	**$22,705,331**	**($24,932,541)**	**$42,276,238**

December 31, 2023	**Beginning Balance**	**Additions**	**Deletions/ Transfers**	**Ending Balance**
Capital assets, not depreciated:				
Land	$21,770,472	$619,407	$540,800	$21,849,079
Construction in progress	6,885,572	9,044,183	25,692	15,904,063
Total capital assets, not depreciated	**28,656,044**	**9,663,590**	**566,492**	**37,753,142**
Capital assets, depreciated:				
Land improvements	6,977,056	35,307	- -	7,012,363
Buildings and improvements	10,668,281	15,527	- -	10,683,808
Autos, equipment and office	425,438	- -	21,582	403,856
Total capital assets, depreciated	**18,070,775**	**50,834**	**21,582**	**18,100,027**
Total accumulated depreciation	10,946,007	425,296	(21,582)	11,349,721
Total capital assets, depreciated, net	**7,124,768**	**(374,462)**		**6,750,306**
Total capital assets, net	**$35,780,812**	**$9,289,128**	**($566,492)**	**44,503,448**

Port of Centralia
December 31, 2024 and 2023

Note 5 - Construction in Progress

The Port has active construction projects as of December 31, 2024. The projects include:

Project	Construction in Progress	Remaining Commitment
Mahoney Project	$ 37,256	$ 75,000
Moe/Dahl Project	26,850	50,000
East Side Parcel Grading	243,016	150,000
Centralia Station Sign	5,244	200,000
Gallagher Road Improvements	8,855	5,000,000
IDD Property Development	76,360	50,000
Total construction in progress	**$ 397,581**	**$ 5,525,000**

The amounts listed under remaining commitment include expenditures that will be covered by a variety of methods, including grants, financing, and Port funds.

Certain ongoing projects have been delayed due to lack of current funding required to complete them. Management is continuing to evaluate their options and believes these projects are not impaired at December 31, 2024.

Note 6 - Line of Credit

The Port has available a line of credit with Umpqua Bank in which it may borrow up to $1,800,000. The balance outstanding totaled $374,911 and $1,793,566 at December 31, 2024 and 2023, respectively. The line bears interest on the amounts so drawn fully floating at Umpqua Bank's Prime Rate plus 0% and matures August 31, 2025. The line of credit agreement contains various restrictive covenants including one relating to debt service.

The Port issued a new line of credit with Umpqua Bank in 2022 during construction of its Centralia Station project in which it may borrow up to $1,000,000. The balance outstanding totaled $0 and $0 at December 31, 2024 and 2023, respectively The line bears interest on the amounts so drawn fully floating at Umpqua Bank's Prime Rate plus 0% and matures August 31, 2025.

Line of credit activity during 2024 and 2023 was as follows:

Balance, January 1, 2023	**$ 1,416,973**
Advances	7,166,035
Repayments	6,789,442
Balance, January 1, 2024	**$ 1,793,566**
Advances	1,250,000
Repayments	2,668,655
Balance, December 31, 2024	**$ 374,911**

Port of Centralia
December 31, 2024 and 2022

Note 7 - Long-Term Debt

Long-term debt activity during 2024 and 2023 consists of the following:

Description and Date of Issue	Original Interest Rate	Earliest Year of Call	Last Year of Maturity	December 31, 2023	Advances	Repay-ments	December 31, 2024
Notes Payable							
CERB notes	.75%	N/A	2026	$ 178,543	$ - -	$ 59,070	$ 119,473
Other various	3.50-8.00	N/A	2018-2036	761,264	- -	123,302	637,962
				$ 939,807	**$ - -**	**$ 182,372**	**$ 757,435**
Less current portion				182,372			193,049
Total notes payable, net of current portion				**$757,435**			**$564,386**

Long-term debt activity during 2023 and 2022 consists of the following:

Description and Date of Issue	Original Interest Rate	Earliest Year of Call	Last Year of Maturity	December 31, 2022	Advances	Repay-ments	December 31, 2023
General Obligation Bonds							
2004 Series Hb	2.20-6.25	N/A	2023	75,000	- -	75,000	- -
				75,000	**$ - -**	**75,000**	**- -**
Less current portion				75,000			- -
Total long-term general obligation bonds, net of current portion				**$ - -**			**$ --**
Notes Payable							
CERB notes	.75%	N/A	2026	$ 237,173	$ - -	$ 58,630	$ 178,543
Other various	3.50-8.00	N/A	2018-2036	875,116	- -	113,852	761,264
				$1,112,289	**$- -**	**$172,482**	**$939,807**
Less current portion				172,483			182,372
Total notes payable, net of current portion				**$939,806**			**$757,435**

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 7 - Long-Term Debt *(concluded)*

Annual Debt Amortization

The annual principal and interest requirements for all debt outstanding as of December 31, 2024, are as follows:

	Principal	Interest	Total
2025	193,049	47,107	240,156
2026	204,579	35,577	240,156
2027	66,694	25,200	91,894
2028	25,438	22,530	47,968
2029	27,550	20,418	47,968
2030-2034	176,087	63,753	239,840
2035-2037	64,038	3,916	67,954
Total	**$757,435**	**$218,501**	**$975,936**

General Obligation Bonds

RCW Chapter 53.36 provides that new issues of non-voted general obligation bond debt cannot be incurred in excess of 0.25 percent of the assessed value of the taxable property in the Port District; however, the related RCW allows for the acquisition or construction of a facility without a vote, with a maximum limit of 0.375 percent, which was $16,043,145 at December 31, 2024. The Port is in compliance with this limitation.

RCW Chapter 53.36 also provides that additional general obligation bond debt can be incurred upon approval by the voters of the Port District.

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans

The following table represents the aggregate pension plan amounts for all plans for the year 2024:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ (44,154)
Pension assets	$ 107,468
Deferred outflows of resources	$ 171,338
Deferred inflows of resources	$ (62,315)
Pension expense/expenditures	$ (15,051)

State Sponsored Pension Plans

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

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

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

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

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

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

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(continued)*

Public Employees' Retirement System (PERS) *(continued)*

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

PERS Contributions

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

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

The PERS Plans defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2024 were as follows:

Timeframe	Contribution Rate	PERS 1 UAAL	Admin Fee	Total Employer
January – June	**6.36%**	**2.97%**	**0.20%**	**9.53%**
July – August	**6.36%**	**2.47%**	**0.20%**	**9.03%**
September – December	**6.36%**	**2.55%**	**0.20%**	**9.11%**

Plan	Employee Contribution Rate
PERS 1	**6.00%**
PERS 2	**6.36%**
PERS 3	**Varies: 5% - 15%**

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(continued)*

Public Employees' Retirement System (PERS) *(continued)*

The Port's actual PERS plan contributions were $15,420 to PERS Plan 1 and $35,723 to PERS 2/3 for the year ended December 31, 2024.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with the valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2023 Actuarial Valuation Report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

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

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans expect PERS 1.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%.

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

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(continued)*

Public Employees' Retirement System (PERS) *(continued)*

Long-Term Expected Rate of Return

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

Estimated Rates if Return by Asset Class

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

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

Sensitivity of the Net Pension Liability (Asset)

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
PERS 1	$ 64,950	$ 44,154	$ 25,916
PERS 2/3	$193,732	$(107,468)	$(354,838)

Pension Plan Fiduciary Net Position

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

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(continued)*

Public Employees' Retirement System (PERS) *(continued)*

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

At June 30, 2024, the Port reported its proportionate share of the net pension liabilities and assets as follows:

	Liability (or Asset)
PERS 1	$ 44,154
PERS 2/3	$ (107,468)

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

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.002835%	0.002845%	0.000350%
PERS 2/3	0.003651%	0.003260%	0.000391%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2024 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans except LEOFF 1.

Pension Expense

For the year ended December 31, 2024, the Port recognized pension expense as follows:

	Pension Expense
PERS 1	$ (9,451)
PERS 2/3	$ (5,600)
TOTAL	$(15,051)

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(continued)*

Public Employees' Retirement System (PERS) *(continued)*

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (3,533)
Changes of assumptions	$ -	$ -
Changes in proportion and differences between contributions and proportionate share of contributions	$ -	$ -
Contributions subsequent to the measurement date	$ 8,494	$ -
TOTAL	$ 8,494	$ (3,533)

PERS 2 & 3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,066	$ (249)
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (30,797)
Changes of assumptions	$ 59,344	$ (6,809)
Changes in proportion and differences between contributions and proportionate share of contributions	$ 21,539	$ (20,927)
Contributions subsequent to the measurement date	$ 20,894	$ -
TOTAL	$ 162,844	$ (58,782)

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 8 - Pension Plans *(concluded)*

Public Employees' Retirement System (PERS) *(concluded)*

TOTAL	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 61,066	$ (249)
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (34,330)
Changes of assumptions	$ 59,344	$ (6,809)
Changes in proportion and differences between contributions and proportionate share of contributions	$ 21,539	$ (20,927)
Contributions subsequent to the measurement date	$ 29,388	$ -
TOTAL	$ 171,338	$ (62,315)

Deferred outflows of resources related to pensions resulting from the Port's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended December 31:	PERS 1
2025	(5,847)
2026	3,004
2027	(318)
2028	(372)
2029	
Thereafter	
TOTAL	**(3,533)**

Years ended December 31:	PERS 2 & 3
2025	(24,121)
2026	47,842
2027	19,265
2028	18,788
2029	10,611
Thereafter	10,781
TOTAL	**83,167**

Port of Centralia
December 31, 2024 and 2023

Note 9 - Risk Management

Washington Government Entity Pool

The Port of Centralia is a member of the Enduris Washington (the Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. The Pool was formed on July 10, 1987, under the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. During the Pool's fiscal year ending August 31, 2024, there were 507 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims-made and reported coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year, members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that apply to them. In some instances, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member deductible or co-pay up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits, and member deductibles/co-pays by coverage type.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 9 - Risk Management *(continued)*

Washington Government Entity Pool *(continued)*

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays[(1)]
Liability:				
General Liability	Per Occurrence	$1 million	$20 million	$1,000-$100,000
Automobile Liability	Per Occurrence	$1 million	$20 million	$1,000-$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	$1 million	$20 million $20 million	$1,000-$100,000
Terrorism Liability[(2)]	Per Occurrence Pool Aggregate	$500,000 $1 million	None	$1,000-$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	$1 million	$20 million $20 million	20% Copay[(3)]
Property[(4)]:				
Buildings and Contents	Per Occurrence	$500,000	$1 billion	$1,000-$250,000
Mobile Equipment	Per Occurrence	$500,000	$1 billion	$1,000-$250,000
Boiler and Machinery	Per Occurrence	$500,000	$100 million	$1,000-$250,000
Business Interruption (BI)/ Extra Expense (EE)[(5)]	Per Occurrence	$500,000	$100 million (BI)/ $50 million (EE)	$1,000-$250,000
Sublimit[(6)]:				
Flood	Per Occurrence	$500,000	$50 million (shared by Pool members)	$1,000-$250,000
Earthquake	Per Occurrence	5% of indemnity; subject to a $500,000 minimum	$10 million (shared by Pool members)	$1,000-$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	$250,000	$100 million per occurrence $200 million aggregate	$1,000-$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	$500,000	$600 million/Pool aggregate $1.1 billion/per occurrence APIP program $1.4 billion/APIP program aggregate	$0

(continued)

Note 9 - Risk Management *(continued)*

Washington Government Entity Pool *(continued)*

Automobile Physical Damage[7]	Per Occurrence	$500,000 with exceptions	$1 billion	$250-$1,000
Cyber[8]	Each Claim APIP Aggregate	$50,000 to $100,000 with waiting period	$2 million $45 million	20% Copay
Pollution[9]	Each Claim APIP Aggregate	$250,000 with exceptions	$2 million $25 million	$1,000-$250,000
Crime Blanket[10]	Per Occurrence	$50,000	$1 million	$1,000
Named Position[11]	Per Occurrence	$50,000	$1 million	$1,000
Identity Fraud Expense Reimbursement[12]	Member Aggregate	$0	$25,000	$0

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage, and certain types of losses require a specific co-pay or deductible.
(2) Terrorism liability is fully funded by the Pool, i.e. no excess/reinsurance is procured.
(3) Members are responsible for a 20% co-pay for Employment Practices Liability coverage claim costs. However, the co-pay may be waived if they meet established guidelines.
(4) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost or replacement according to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP), reinsurance carriers cover insured losses over $500,000 to the limit of $1 billion, except for certain types of sub-limited property losses such as floods, earthquakes, and terrorism.
(5) Business Interruption(BI)/Extra Expense(EE) coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled; the rest are limited to $500,000 of coverage with a $2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours, but there are exceptions specific to the type of exposure covered.
(6) This Property Program sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
(7) Auto Physical Damage coverage includes comprehensive, collision, and additional coverage (i.e., rental reimbursement, towing, and personal property). Each member's coverage is based on a detailed vehicle schedule. The Pool's Auto Physical Damage coverage deductible is $500,000 per occurrence with certain exceptions: $25,000 for on-premises comprehensive and collision; a $100,000 minimum for emergency vehicles and all other vehicles with an RCV of $250,000 to $750,000; $250,000 for all vehicles with an RCV above $750,000.
(8) Cyber coverage is included under the Pool's Property program on an optional basis. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between $50,000 and $100,000 depending on the insured/members property TIV with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is $2 million, with various declared sub-limits.
(9) Pollution coverage is included under the Pool's Property program on an optional basis. Members are subject to a 20% co-pay per loss. The Pool's SIR is $250,000, with certain specific deductibles ranging from $250,000 to $1 million. The reinsurance maximum limit is $2 million, with various declared sub-limits.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 9 - Risk Management *(concluded)*

Washington Government Entity Pool *(concluded)*

(10) Each member is provided with $2,500 of Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance"). Members may elect to "buy up" the coverage from $2,500 to $1 million.
(11) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits between $5,000 and $1 million.
(12) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims are not subject to a deductible; the limit is $25,000 per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. No claim settlements were above the insurance coverage in the last three policy years.

Upon joining the Pool, members are contractually obligated to remain for at least one year. They must give notice 60 days before renewal to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Any Member terminated or withdrawing from the Pool shall be liable pro-rata for any assessments levied against Members for any year in which that Member belonged to the pool as they were still a member.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

A seven-member Board of Directors governs the Pool. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly, oversees Enduris' business affairs, and provides policy direction to the Pool's Executive Director.

Note 10 - Leases

As a part of its normal operations, the Port leases land and buildings to tenants who intend to utilize the facilities to generate direct benefits within the community. The Port's objective is that lease terms be for a length of time that will assist in ensuring economic stability and a fair return on the value of the facilities being leased. Lease terms, including options for renewal, run from 11 months to 20 years. In addition, there are properties that are rented on a month-to-month basis. All leases are accounted for as operating leases.

Leases subject to GASB Statement No. 87 have a fixed term that exceed one year.

2024 inflows of resources from lease activities were as follows:

Lease Revenue from Lease Receivable	$ 693,104
Interest Revenue	157,764
Total:	$ 850,868

(continued)

Note 10 - Leases *(concluded)*

The Port's minimum future lease rental income on noncancellable operating lease terms remaining are as follows:

Years ending December 31:	Principal	Interest	Total
2025	719,991	145,634	865,625
2026	512,119	103,336	615,455
2027	446,788	74,274	521,062
2028	470,432	45,079	515,511
2029	255,541	22,369	277,910
2030-2033	296,623	12,842	309,465
Total	**2,701,494**	**403,534**	**3,105,028**

During the years ended December 31, 2024, and 2023, the Port received $1,009,528 and $881,307 including principal and interest, respectively, under these agreements and other short-term agreements.

Assets held for rental and leasing purposes totaled $17,645,361 and $19,352,784 at December 31, 2024 and 2023, respectively. Accumulated depreciation on these assets totaled $6,719,151 and $6,906,073 at December 31, 2024 and 2023, respectively.

Note 11 – Other Postemployment Benefit (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2024:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	$ 276,541
OPEB assets	-
Deferred outflows of resources	6,188
Deferred inflows of resources	-
OPEB expenses/expenditures	$ 18,230

Plan Description
Other Post-Employment Benefits (OPEB) are benefits to retired employees beyond those provided by their pension plans. Such benefits include medical, prescription drug, dental, life, vision, disability, and long-term care insurance. The Public Employees Benefits Board (PEBB), the Port's substantive plan carrier, offers retirees access to all these benefits. However, the Port provides only monetary assistance, or subsidies, for medical, prescription drug, life, and vision insurance. Port employees who end public employment are eligible to continue PEBB insurance coverage as a retiree if they retire under the public employees' retirement system and are vested in that system.

The OPEB relationship between PEBB employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 11 – Other Postemployment Benefit (OPEB) Plans (continued)

The Office of the State Actuary, a department within the primary government of the State of Washington, issues a publicly available Other Post-Employment Benefits Actuarial Valuation Report. The Other Post-Employment Benefits Actuarial Valuation Report may be obtained by writing to: Office of the State Actuary, PO Box 40914, Olympia, Washington 98504 or it may be downloaded from the Office of the State Actuary website at http://osa.leg.wa.gov.

Subsidies
The Washington State Health Care Authority (HCA) administers PEBB plan benefits. For medical insurance coverage, the HCA has two claims pools: one covering employees and non-Medicare eligible retirees, and the other covering retirees enrolled in Medicare Parts A and B. Each participating employer pays a portion of the premiums for active employees. For retirees, participating employers provide two different subsidies: an explicit subsidy and an implicit subsidy.

The explicit subsidy, permitted under RCW 41.05.085, is a simple, set dollar amount for a specific group of people. The explicit subsidy lowers the monthly premium paid by retired members enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually.

The implicit subsidy, set up under RCW 41.05.022, is more complex because it is not a direct payment from the employer on behalf of the member. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retirees.

Employees Covered by Benefit Terms
At December 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	9
Total	11

Funding Policy, Funding Progress and Reserves
The Port funds the implicit and explicit subsidies on a pay-as-you-go basis, meaning the Port pays these costs as they occur or become due. The Port’s cost-sharing policy on the medical premiums is to pay 100% of the PEBB medical plan for employees as described above and 100% of the premiums up to 90 days after termination or retirement.

In order to fund the OPEB plan, the Port would have to establish an irrevocable trust, which means that the Port would no longer have control of the money from the trust. If the Port left the PEBB program, the Port would not be able to retrieve the money out of the trust. As of December 31, 2024, the Port does not pre-fund post-retirement medical insurance subsidies. Since the PEBB plan is paid on a “pay-as-you-go” basis and is 0% funded, there are no assets to invest. However, currently the Port has sufficient cash and cash equivalents to cover the entire liability (if any costs are incurred in the future). If the Port no longer uses PEBB for their medical insurance coverage, under the current Port policy, the Port is not liable for any future cost to retired employees.

(continued)

Note 11 – Other Postemployment Benefit (OPEB) Plans *(continued)*

Assumptions and Other Inputs
Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, service retirement, disability, mortality, and the health care cost trend. Amounts determined regarding the OPEB liability are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Changes in Total OPEB Liability and Related Ratios, presented as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2024, and looking forward, the schedule provides multi-year trend information about the actuarial values of OPEB liability.

The actuarial assumptions in use to measure the total OPEB liability include the entry-age cost method. The assumptions also include a discount rate that ranged from 3.65% at the beginning of the measurement year, to 3.93% at the end of the measurement year (Source used: *Bond Buyer General Obligation 20-Bond Municipal Index*). Projected salary changes are 3.25% with the addition of service-based increases. Healthcare trend rates range from 2 to 16%. The inflation rate is set at 2.35%. The Post-Retirement participation percentage is 60%, with 45% assumed for spouse coverage.

The Port uses the alternative measurement method permitted under GASB Statement No. 75. Date (e.g., age range, years of service, active age average, etc.) is compiled into the Office of the State Actuary (OSA) GASB No. 75 reporting tool for all active and inactive members to determine the total pension liability and the total pension expense. The OSA report involves calculations that require assumptions about future economic and demographic events. Consistent with GASB reporting requirements, the Office of the State Actuary uses a “pay-as-you-go” funding policy when selecting the assumed rate of investment return. General and salary inflation are the same as those used in the June 30, 2023, Actuarial Valuation Report (AVR) issued by the OSA. Participation percentage, percentage of spouses’ coverage, and Medicare coverage is determined by the Office of the State Actuary.

OSA assumes 3/4 of members select a UMP plan and 1/4 select a Kaiser Permanente (KP) plan. UMP pre- and post-Medicare costs and premiums are equal to the Uniform Medical Plan (UMP) Classic. The KP pre-Medicare costs and premiums are a 40/60 blend of KP WA Classic and KP WA Value. The KP post-Medicare costs and premiums are equal to KP WA Medicare.

OSA estimates retirement service for each active cohort based on the average entry age of 35, with a minimum service of 1 year. For example, an aged 47 member is assumed to have 12 years of service. Service is a component of benefit eligibility.

Retirement, disablement, termination, and mortality rates are consistent with the 2023 PEBB OPEB AVR. The following changes were made for simplicity: based on average expected retirement age of 65, we applied active mortality rates for ages less than 65 and retiree mortality rates for ages 65+.

Each cohort is assumed to be a 50/50 female/male split. OSA further assumed a 45% likelihood that current (and future) retirees cover a spouse and that eligible spouses are the same age as the primary member. Age-based cohorts are used based upon the overall distribution of State employees and retirees that participate in PEBB. Dental benefits are not included when calculating the Total OPEB Liability. OSA believes these approaches and simplifying assumptions are reasonable for the purposes of the Alternative Measurement Method.

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 11 – Other Postemployment Benefit (OPEB) Plans *(continued)*

The following presents the total OPEB liability of the Port for each plan calculated using the current healthcare cost trend rate, which varies by plan, as well as what the OPEB liability would be, if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 241,193	$ 276,541	$ 320,592

The following presents the total OPEB liability of the Port calculated using the discount rate of 3.65 percent, as well as what the OPEB liability would be if it were calculated using a discount rate what is 1-percentage point lower (2.65 percent) or 1-percentage point higher (5.65 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	$ 316,560	$ 276,541	$ 243,746

Changes to the Total OPEB Liability
The following presents the changes to the total OPEB liability:

Total OPEB Liability at 07/01/2023	$ 269,091
Service cost	9,978
Interest	9,991
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,739)
Benefit payments	(10,780)
Other changes	-
Total OPEB Liability at 06/30/2024	**$ 276,541**

The Port reported a total OPEB expense of $18,230 in 2024.

At December 31, 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Payments subsequent to the measurement date	6,188	-
Total	$ 6,188	$ -

(continued)

Port of Centralia
December 31, 2024 and 2023

Note 11 – Other Postemployment Benefit (OPEB) Plans *(concluded)*

Deferred outflows of resources of $6,188 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended in December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended in December 31:	
2024	$ 6,188
2025	-
2026	-
2027	-
2028	-
Thereafter	$ -

Note 12 – Subsequent Events

The Port has had the following transactions occur subsequent year-end:

- On March 5, 2025, the Commissioners approved a Purchase and Sales Agreement for approximately 3.3 acres of land in Park III for $2.8 million.
- On April 2, 2025, the Commissioners approved a Findings of Fact on the Advisability of Sale of approximately 75 acres in Park I

Required

Supplementary

Information

PORT OF CENTRALIA
Schedule of Proportionate Share of the Net Pension Liability*
As of June 30, 2024
Last 10 Fiscal Years

Fiscal Year	Plan	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	TOTAL	Employer's covered employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability/asset
2024	PERS 1	0.002%	$ 44,154	$ 44,154	$ 549,819	8%	84.05%
2023	PERS 1	0.002%	$ 64,715	$ 64,715	$ 544,798	12%	80.16%
2022	PERS 1	0.002%	$ 68,078	$ 68,078	$ 404,303	17%	76.56%
2021	PERS 1	0.002%	$ 26,904	$ 26,904	$ 309,822	9%	88.74%
2020	PERS 1	0.003%	$ 91,406	$ 91,406	$ 406,727	22%	68.64%
2019	PERS 1	0.002%	$ 79,753	$ 79,753	$ 290,867	27%	67.12%
2018	PERS 1	0.002%	$ 102,719	$ 102,719	$ 305,599	34%	63.22%
2017	PERS 1	0.003%	$ 109,896	$ 109,896	$ 298,890	37%	61.24%
2016	PERS 1	0.003%	$ 124,112	$ 124,112	$ 262,017	47%	57.03%
2015	PERS 1	0.002%	$ 117,583	$ 117,853	$ 263,825	45%	59.10%
2024	PERS 2/2	0.003%	$ (107,468)	$ (107,468)	$ 549,819	-20%	105.17%
2023	PERS 2/3	0.003%	$ (149,643)	$ (149,643)	$ 537,978	-28%	107.02%
2022	PERS 2/3	0.003%	$ (118,607)	$ (118,607)	$ 404,303	-29%	106.73%
2021	PERS 2/3	0.003%	$ (281,615)	$ (281,615)	$ 309,822	-91%	120.29%
2020	PERS 2/3	0.003%	$ 43,318	$ 43,318	$ 406,727	11%	97.22%
2019	PERS 2/3	0.003%	$ 25,993	$ 25,993	$ 290,867	9%	97.77%
2018	PERS 2/3	0.003%	$ 50,642	$ 50,642	$ 305,599	17%	95.77%
2017	PERS 2/3	0.003%	$ 103,506	$ 103,506	$ 298,890	35%	90.97%
2016	PERS 2/3	0.003%	$ 149,285	$ 149,285	$ 262,017	57%	85.82%
2015	PERS 2/3	0.002%	$ 103,976	$ 103,976	$ 263,825	39%	89.20%

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

PORT OF CENTRALIA
Schedule of Employer Contributions
As of December 31, 2024
Last 10 Fiscal Years

Fiscal Year	Plan	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered employee payroll
2024	PERS 1	$ 15,420	$ 15,420	$ -	$ 561,680	3%
2023	PERS 1	$ 18,215	$ 18,215	$ -	$ 537,978	3%
2022	PERS 1	$ 17,408	$ 17,408	$ -	$ 463,238	4%
2021	PERS 1	$ 15,359	$ 15,359	$ -	$ 358,420	4%
2020	PERS 1	$ 15,474	$ 15,474	$ -	$ 338,367	5%
2019	PERS 1	$ 16,434	$ 16,434	$ -	$ 332,379	5%
2018	PERS 1	$ 15,870	$ 15,870	$ -	$ 313,417	5%
2017	PERS 1	$ 15,761	$ 15,761	$ -	$ 298,890	5%
2016	PERS 1	$ 12,498	$ 12,498	$ -	$ 262,017	5%
2015	PERS 1	$ 11,570	$ 11,570	$ -	$ 263,825	4%
2014	PERS 1	$ 10,195	$ 10,195	$ -	N/A	
2024	PERS2/3	$ 35,723	$ 35,723	$ -	$ 561,680	6%
2023	PERS2/3	$ 34,216	$ 34,216	$ -	$ 537,978	6%
2022	PERS2/3	$ 29,462	$ 29,462	$ -	$ 463,238	6%
2021	PERS2/3	$ 25,569	$ 25,569	$ -	$ 358,420	7%
2020	PERS2/3	$ 25,918	$ 25,918	$ -	$ 338,367	8%
2019	PERS2/3	$ 25,662	$ 25,662	$ -	$ 332,379	8%
2018	PERS2/3	$ 23,506	$ 23,506	$ -	$ 313,417	7%
2017	PERS2/3	$ 21,962	$ 21,962	$ -	$ 298,890	7%
2016	PERS2/3	$ 16,323	$ 16,323	$ -	$ 262,017	6%
2015	PERS2/3	$ 14,854	$ 14,854	$ -	$ 263,825	6%
2014	PERS2/3	$ 13,071	$ 13,071	$ -	N/A	

Schedule of Changes in Total OPEB Liability and Related Ratios
Public Employees Benefits Board
For the year ended December 31, 2024
Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	269,091	$ 340,087	$ 393,498	$ 565,212	$ 432,489	$ 465,841	$ 463,093
Service Cost	9,978	13,919	21,152	27,368	20,942	17,679	18,188
Interest	9,991	12,364	8,829	12,944	15,697	18,501	17,068
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	-
Change of assumptions	(1,739)	(87,733)	(71,545)	(198,158)	106,060	(58,523)	(23,389)
Benefit payments	(10,780)	(9,546)	(11,847)	(13,868)	(9,976)	(11,009)	(9,119)
Other changes	-	-	-	-	-	-	-
Total OPEB liability - ending	276,541	269,091	340,087	393,498	565,212	432,489	465,841
Covered-employee payroll	605,895	576,950	499,495	389,845	360,245	360,843	349,246
Total OPEB liability as a % of coveraged payroll	45.64%	46.64%	68.09%	100.94% #	156.90%	119.86% #	133.38%

Notes to Schedule:

* Until a full 10-year trend is compiled, only information for those years available is presented
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Supplementary

Schedules

Supplementary Schedules of Operating Expenses

Port of Centralia
December 31, 2024 and 2023

	2024	2023
Operating Expenses - General Operations		
Building maintenance	$17,502	$8,361
Outside services	147,980	36,978
Utilities	1,562	4,485
Building janitorial and garbage	- -	691
Total	**$167,044**	**$50,515**
Operating Expenses - Maintenance		
Salaries - staff	$117,378	$132,817
Pension benefit	10,351	12,802
Payroll taxes and benefits	47,851	60,783
Fuel and lubricants	3,548	5,181
Landscape supplies	9,519	21,910
Utilities - street lights, pump houses	18,846	23,804
Maintenance and repair	17,668	11,749
Security services	761	252
Telecommunications	1,331	1,579
Benefit	626	(8,233)
Equipment Rentals	487	- -
Total	**$228,366**	**$262,644**
Operating Expenses – General and Administrative		
Salaries - administration	$478,856	$435,508
Pension benefit	68,504	67,025
Commissioner compensation	9,660	8,576
Payroll taxes	55,818	48,706
Health insurance - administration	93,724	96,420
Health insurance - commissioners	63,458	61,734
Benefits	2,553	(26,996)
Computer repairs and office supplies	17,515	18,349
Insurance	42,899	47,316
Legal advertising and miscellaneous	3,225	1,635
Legal services	80,562	110,305
Marketing	26,140	33,695
Membership dues	2,306	2,455
Conferences, seminars, and education	491	5,231
Other expenses	1,896	4,089
Community Relations/Newsletter	26,960	38,928
Outside services	24,607	30,709
Printing, publications, and newsletters	3,257	1,909
Security services	5,794	4,890
Telecommunications	8,642	6,171
Travel and meals	1,026	533
Utilities	6,801	6,992
Total	**$1,024,694**	**$1,004,180**

Supplementary Schedules of Non-Operating Revenues - Miscellaneous Taxes

Port of Centralia
Years Ended December 31, 2024 and 2023

	2024	2023
Non-Operating Revenues - Other Taxes		
Leasehold excise tax	$ 2,628	$ 4,135
Private harvest tax	19,469	46,714
Forest board yield tax	6	45,889
Miscellaneous tax	- -	- -
Total	**$22,103**	**$96,738**

ANNUAL REPORT

PORT OF CENTRALIA
(Name of Government)

0588
MCAG No.

Submitted pursuant to RCW 43.09.200

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED December 31, 2024

Certified correct this 9th day of May, 2025, to the best of my knowledge and belief:

GOVERNMENT INFORMATION:
OFFICIAL MAILING ADDRESS ______3508 Galvin Road, Centralia, WA 98531
OFFICIAL WEB SITE ADDRESS _____www.portofcentralia.com___________

PREPARER INFORMATION and CERTIFICATION

NAME: Amy Graber

TITLE: Director of Finance & Administration

PREPARED BY Port of Centralia

TELEPHONE NUMBER (360)736-3527

FAX NUMBER (360) 330-5666

E-MAIL ADDRESS agraber@portofcentralia.com

HOME PAGE ADDRESS www.portofcentralia.com

____

Contents

SCHEDULE 01

For The Year Ended December 31, 2024

BARS Account	Description	Amount
3081900	Restricted Net Position - Beginning	170,861
3086000	Net Investment in Capital Assets - Beginning	43,563,641
3088900	Unrestricted Net Position - Beginning	(2,287,732)
3111000	Property Tax	1,057,872
3446000	Airports and Ports Services	1,009,528
3613000	Gains (Losses) on Sale of Investments	151
3614000	Other Interest	157,764
3699200	Miscellaneous Other Nonoperating	22,103
3730000	Gains (Losses)	(827,808)
3740360	Capital Contributions - State Grant from WSDOT	31,537
3917000	Other Note/Contracts/Line of Credits	1,250,000
5014600	Depreciation, Depletion, Amortization - Airports and Ports	454,122
5460010	Airports and Ports - Salaries	605,895
5460020	Airports and Ports - Benefits	342,885
5460030	Airports and Ports - Supplies	146,106
5460040	Airports and Ports - Services	325,218
5914670	Debt Repayment - Airports and Ports	2,851,027
5924680	Interest and Other Debt Service Cost - Airports and Ports	84,965
5944660	Capital Expenditures/Expenses - Airports and Ports	3,887,357
5081900	Restricted Net Position - Ending	216,491
5086000	Net Investment in Capital Assets - Ending	41,518,803
5088900	Unrestricted Net Position - Ending	(796,568)
8100000	Current Assets	138,442
8200000	Other Current Assets	802,308
8300000	Noncurrent Assets	44,367,270
8400000	Deferred Outflows	177,526
8500000	Current Liabilities	1,013,889
8600000	Noncurrent Liabilities	976,915
8700000	Deferred Inflows	2,556,015

PORT OF CENTRALIA

SCHEDULE OF LONG-TERM LIABILITIES

For The Year Ended December 31, 2024

_X_ G.O. Debt
___Revenue Debt
___Assessment Debt
___Refunded Debt

I.D. NO. AND CLASS DESCRIPTION	PURPOSE	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE(S)	AMOUNT ORIGINALLY ISSUED	(a) BEGINNING OUTSTANDING DEBT	(b) AMOUNT ISSUED	(c) AMOUNT REDEEMED THIS PERIOD	(a+b-c) ENDING OUTSTANDING DEBT
263.91 Line of Credit - Columbia Bank	Other	2023	Aug. 2025		1,800,000	1,793,566	1,250,000	2,668,655	$ 374,911
263.91 Line of Credit - Columbia Bank	Other	2023	Aug. 2025		1,000,000	- -	- -	-	$ -
Total G.O. debt					**$ 2,800,000**	**$ 1,793,566**	**$ 1,250,000**	**$ 2,668,655**	**$ 374,911**

PORT OF CENTRALIA

___G.O. Debt
_X_Revenue Debt
___Assessment Debt
___Other Debt

SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2024

I.D. NO. AND CLASS DESCRIPTION	PURPOSE	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE(S)	AMOUNT ORIGINALLY ISSUED	(a) BEGINNING OUTSTANDING DEBT	(b) AMOUNT ISSUED	(c) AMOUNT REDEEMED THIS PERIOD	(a+b-c) ENDING OUTSTANDING DEBT
263.62 Note payable - Fry contract	Land acquisition	May 2006	2036	8.00	548,400	376,808	- -	18,491	$ 358,317
263.62 Note payable - Moe contract	Land acquisition	April 2007	2027	8.00	1,312,900	384,457	- -	104,811	$ 279,646
259.12 Compensated Abesences	Other			0.00	-	74,398	17,437		$ 91,835
264.30 Pension Liability	Other			0.00	-	64,715		20,561	$ 44,154
264.40 OPEB Liability	Other			0.00	-	269,091	7,450		$ 276,541
Total revenue debt					**$ 1,861,300**	**$ 1,169,469**	**$ 24,887**	**$ 143,863**	**$ 1,050,493**

PORT OF CENTRALIA

SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2024

___G.O. Debt
___Revenue Debt
___Assessment Debt
_X_ Other Debt

						(a)	(b)	(c)	(a+b-c)
I.D. NO. AND CLASS DESCRIPTION	**PURPOSE**	**DATE OF ISSUE**	**DATE OF FINAL MATURITY**	**INTEREST RATE(S)**	**AMOUNT ORIGINALLY ISSUED**	**BEGINNING OUTSTANDING DEBT**	**AMOUNT ISSUED**	**AMOUNT REDEEMED THIS PERIOD**	**ENDING OUTSTANDING DEBT**
263.85 Community Economic Revitalization Board (CERB)	Land improvement	2005	2026	0.75	800,000	178,543	- -	59,070	$ 119,473
Total other debt					**$ 800,000**	**$ 178,543**	**$ -**	**$ 59,070**	**$ 119,473**

PORT OF CENTRALIA

Schedule 15

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For The Year Ended December 31, 2024

1	2	3	4
Grantor/Pass-Through Grantor Program Title	**Federal CFDA Number**	**Other Identification Number**	**Current Year Expenses**
Washington State Department of Transportation - I-5 Mellen Street Connector		**LA9251**	$ 31,537
Total state financial assistance			**$ 31,537**

The accompanying notes to the schedule of state financial assistance are an integral part of this schedule.

LOCAL GOVERNMENT RISK-ASSUMPTION

For the Year Ended December 31, 2024

1. Self-Insurance Program Manager: Amy Graber

2. Manager Phone: (360) 736-3527

3. Manager Email: agraber@portofcentralia.com

4. How do you insure property and liability risks, if at all?
   a. Self-insurance program with accumulated resources for some or all risks.
   b. Belong to a public entity risk pool
   c. Purchase private insurance
   d. Retain risk internally without a self-insurance program (i.e. risk assumption)

5. How do you provide health and welfare insurance (e.g. medical, dental, prescription drug, and/or visions benefits) to employess, if at all?
   a. Self-insurance program with accumulated resources for some or all benefits
   b. Belong to a public entity risk pool
   c. All benefits provided by health insurance company or HMO
   d. Not applicable - no such benefits offered

6. How do you insure unemployment compensation benefits, if any?
   a. "Reimbursable"status, with accumulated resources (i.e. self-insurance program)
   b. Belong to a public entity risk pool
   c. Pay taxes to the Department of Employment Security ("Taxable")
   d. Not applicable - no employees

7. How do you insure workers compensation benefits, if any?
   a. Approved self-insured employer
   b. Belong to a public entity risk pool
   c. Pay premiums to the Department of Labor and Industries
   d. Not applicable - no employees

8. How do you participate in the Washington Paid Family & Medical Leave Program?
   a. "Voluntary Plan" for one or both program benefits, with accumulated resources (i.e. self-insurance program)
   b. "Voluntary Plan" for one or both program benefits, but with no accumulated resources (i.e. risk assumption)
   c. Pay premiums to the State's program for both benefits
   d. Purchase private insurance
   e. Not applicable - no employees