



ANNUAL FINANCIAL REPORT

December 31, 2022

PORT OF ILWACO
Ilwaco, Washington

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ANNUAL REPORT CERTIFICATION

Port of Ilwaco

(Official Name of Government)

1748

MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended December 31, 2022

GOVERNMENT INFORMATION:

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Audit Contact or Preparer Name and Title Tracy Lofstrom, Executive Director

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I certify 26th day of May, 2023 that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Audit Contact or Preparer Signature: _____



Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

Beginning Cash and Investments

308	Beginning Cash and Investments	3,446,247
388 & 588	Net Adjustments	-

Revenues

310	Taxes	195,128
320	Licenses and Permits	-
330	Intergovernmental Revenues	502,718
340	Charges for Goods and Services	1,509,582
350	Fines and Penalties	-
360	Miscellaneous Revenues	<u>59,293</u>

Total Revenues: 2,266,721

Expenditures

540	Transportation	<u>1,500,937</u>
	Total Expenditures:	<u>1,500,937</u>
	Excess (Deficiency) Revenues over Expenditures:	765,784

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	<u>135,808</u>
	Total Other Increases in Fund Resources:	135,808

Other Decreases in Fund Resources

594-595	Capital Expenditures	444,904
591-593, 599	Debt Service	158,630
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	<u>386,317</u>
	Total Other Decreases in Fund Resources:	<u>989,851</u>
	Increase (Decrease) in Cash and Investments:	(88,259)

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	2,050,008
50841	Committed	-
50851	Assigned	1,307,979
50891	Unassigned	<u>-</u>
	Total Ending Cash and Investments	3,357,987

The accompanying notes are an integral part of this statement.

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Port of Ilwaco (Port) was incorporated on April 7, 1928 and operates under the laws of the State of Washington applicable to Port Districts. The Port is governed by an elected three-member board.

The Port is located in Pacific County and the Port's territory covers less than the entire county. The Port is a special purpose local government and provides marina services, leased properties, equipment/boat storage yards, travel hoist, boatyard facilities and an airport to the general public and is supported primarily through user charges, property lease revenues, ad valorem property taxes levied for operations, debt services and other miscellaneous taxes.

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

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

A. Fund Accounting

Financial transactions of the government are reported in individual funds. For reporting purposes, the activities of all the Port's funds are in one fund. The following fund type is used:

PROPRIETARY FUND TYPE:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting and Measurement Focus

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

C. Cash and Investments

See Note 2 - *Deposits and Investments*.

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one (1) year. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Compensated absences are absences for which employees will be paid upon separation, such as vacation and sick leave.

Vacation leave may be accumulated up to 320 hours and is payable upon separation or retirement only if an employee has completed twelve (12) months of continuous employment with the Port. Sick leave may accumulate up to 480 hours. Upon separation of employment (either voluntarily or involuntarily) any unused sick leave is forfeited and employees are not entitled to any pay in lieu of unused sick leave. Upon retirement, employees with a minimum of five years of continuous employment with the Port and meeting all retirement eligibility requirements under the Public Employees Retirement System (PERS) may receive pay for fifty (50) percent of accumulated sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 5 – *Long-Term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

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

Restrictions and commitments of Ending Cash and Investments consist of funds totaling \$2,050,008 collected from the Port's Industrial Development District (IDD) levy that may be used to carry out all of the powers granted pursuant to RCW 53.25.100 so long as they are within the Port's comprehensive scheme of harbor improvements and industrial developments.

H. Leases

Effective January 1, 2022, the Port has implemented GASB Statement No. 87, Leases in accordance with the requirements in the cash basis BARS Manual. The Port is a lessee for a noncancelable lease. The Port monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. See Note 4, Leases. See Note 4 - *Leases*

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS:

Investments are reported at original cost, unless indicated otherwise. Deposits and investments by type at December 31, 2022 are as follows:

Type of Deposit or Investment	Port's own deposits and investments	Total
Bank Deposits	\$ 8,141	\$ 8,141
Local Government Investment Pool	\$ 3,349,846	\$ 3,349,846
Total	\$ 3,357,987	\$ 3,357,987

It is the Port's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

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

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

Custodial Credit Risk

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

All investments are insured, registered or held by the Port or its agent in the government's name. See Note 1 – *Summary of Significant Accounting Policies, Cash and Investments*.

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 3 - PROPERTY TAX:

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

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

The Port's regular levy for the year 2022 was \$0.245471 per \$1,000 on an assessed valuation of \$789,484,735 for total regular levy of \$193,796.

NOTE 4 – LEASES:

During the year ended December 31, 2022, the Port adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of lease liabilities reported on the Schedule of Liabilities (Schedule 09).

The Port leases a copier for \$107 per month under a non-cancelable five (5) year lease agreement. The lease payments began in September 2021 and end in August 2026. At the end of the lease the Port may purchase the equipment for fair market value.

The total amount paid for leases in 2022 was \$1,281. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	\$1281
2024	\$1281
2025	\$1281
2026	\$854
Total	\$4697

NOTE 5– LONG-TERM DEBT:

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Port and summarizes the Port's debt transactions for the year ended December 31, 2022.

The debt service requirements for general obligation bonds and CERB loans, including interest at December 31, 2022 are as follows:

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 5– LONG-TERM DEBT, CONTINUED:

Year	Principal	Interest	Total Debt
2023	\$ 123,476	\$ 27,680	\$ 151,156
2024	\$ 77,205	\$ 24,245	\$ 101,450
2025	\$ 77,620	\$ 23,830	\$ 101,450
2026	\$ 78,229	\$ 23,221	\$ 101,450
2027	\$ 78,229	\$ 23,221	\$ 101,450
2028-2032	\$ 423,134	\$ 84,116	\$ 507,250
2033-2036	\$ 332,812	\$ 22,473	\$ 355,285
TOTALS	\$ 1,190,705	\$ 228,786	\$ 1,419,491

See Note 1 – *Summary of Significant Accounting Policies, Long-Term Debt.*

NOTE 6 - PENSION PLANS:

State Sponsored Pension Plans

Substantially all Port full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans Public Employees' Retirement System (PERS) Plans 1, 2, and 3.

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

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

State Sponsored Pension Plans, Continued:

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

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 6 - PENSION PLANS, CONTINUED:

State Sponsored Pension Plans

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 21,482	0.003505%	\$ 97,592
PERS 2/3	\$ 36,634	0.004560%	\$ (169,120)

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

At June 30, 2022 (the measurement date of the plans), the Port's proportionate share of the collective net pension liabilities (assets), was as follows:

Only the net pension liabilities are reported on the Schedule of Liabilities (Schedule 09).

NOTE 7 – RISK MANAGEMENT:

The Port of Ilwaco maintains insurance against most normal hazards for commercial automobile, property loss and general liability.

Port of Ilwaco is a member of the Enduris Washington (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 to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool's fiscal year ending August 31, 2022, there were 527 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris' program provides for 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 program. Pollution and

Cyber coverages are provided on a claims made 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

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 7 – RISK MANAGEMENT, CONTINUED:

deductibles/co-pays that are applicable to them. In certain cases, 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 retention, 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

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
Comprehensive 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	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

- (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 pay a 20% co-pay of costs up to a maximum of \$100,000. By meeting established guidelines, the co-pay may be waived.

Property⁽²⁾:

Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit⁽⁵⁾:				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million/ Pool member \$200 million	\$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	\$0

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
billion/APIP program aggregate				
Automobile Physical Damage ⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	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) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and 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.
- (5) This sublimit 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.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. 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.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit 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. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order 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. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 7 – RISK MANAGEMENT, CONTINUED:

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

The Port is self-insured for unemployment insurance. The Port expended \$0 in unemployment claims in 2022. There is a contingent liability for possible future unemployment claims.

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.

The Port adopted a Health Reimbursement Arrangement Plan (the "Plan") effective January 1, 2013. The purpose of the Plan is to allow employees of the Port to obtain reimbursement of qualified medical care expenses on a nontaxable basis from the HRA account funded by the Port. The Port intends that the Plan qualify as an employer-provided medical reimbursement plan under Code Sections 105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as defined under IRS Notice 2002-45, and shall be interpreted to accomplish that objective. The HRA plan is administered by a third-party vendor, and complies with all applicable regulatory requirements. In 2022, there is a maximum annual allowance and annual deductible per employee for qualified claims as follows:

HRA Allowances and Deductibles		
	Allowance	Annual Deductible
Employee Only	\$2,500/year	\$500
Employee and Family	\$5,500/year	\$500

The Port set aside adequate funds to cover the contingent liability if all eligible employees were reimbursed their full allowance after their annual deductible.

NOTE 8 – ENVIRONMENTAL AND CERTAIN ASSET RETIREMENT LIABILITIES:

Pollution Remediation:

On February 12, 2014, the Port of Ilwaco received written notification from a Port Lessee of petroleum contamination at the site of a decommissioned fuel tank located on Port property. The notification included a copy of a letter dated January 8, 2014 issued to the Lessee by the Department of Ecology (DOE). DOE confirmed petroleum contamination by the decommissioned underground storage tank and determined that further remedial action is needed. The lease with that Lessee has now terminated, but in the termination agreement the Lessee acknowledges responsibility for environmental compliance and acknowledges that Lessee remains liable for any cost of remediation of contamination occurring while Lessee was in possession of the leased premises. The Lessee is currently monitoring the site and evaluating its remediation options. The Port has not received any updates from the DOE or Lessee and

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 8 – ENVIRONMENTAL AND CERTAIN ASSET RETIREMENT LIABILITIES:

Pollution Remediation, CONTINUED

there were no amounts paid during 2022 for clean-up costs. At this time, the Port does not have sufficient information to reasonable estimate the liability related to potential cleanup of the site.

NOTE 9 – OTHER DISCLOSURES:

Contingencies and Litigations:

The Port participates in a number of federal and state assisted programs. The grants the Port receives under these programs are subject to audit by grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The most current recoverable grants that have a material impact on the Port are listed under the grants section of the financial notes. Port management believes all other recoverable grant expenditures, if disallowed by the grantors, will be immaterial. See Note 9 – *Other Disclosures, Grants*.

Grants:

In December 2017, the Port was awarded a local grant for \$82,030 from the Pacific Council of Governments (PCOG) funded by the 0.09% local sales tax fund to be used for developing a design and construct a new sanitary sewer line along with replacing the current closed-loop, pressure wash water treatment system with a pretreatment system with discharge to the sanitary sewer. Per the terms of the grant contract, after 2018, grant reimbursements will be dispersed in the following increments: 2019-2025 \$10,290 per year. In 2022, the Port received the 2022 disbursement of \$10,290. This is a recoverable grant for the purpose stated. In the event the Port fails to expend these funds in accordance with state law and/or the provisions of the contract, Pacific County reserves the right to recapture the funds disbursed. Such right of recapture shall exist for six (6) years after the contract expiration date of December 15, 2025.

In 2017, the Port of Ilwaco and Port of Chinook were awarded a total of \$77,000 for a state grant in the 2017-2019 Capital Budget to develop a combined dredging plan for both Ports. There is a 3% fee of \$2,310 that the Department of Commerce (DOC) will retain for administrative costs. The net funds available to expend for costs incurred will be \$74,690. This is a recoverable grant and, in the event, the Port fails to expend the funds in accordance with state law and/or the provisions of the contract, the state may recapture in an amount equivalent to the extent of the non-compliance. On August 9, 2018, the Port of Chinook and Port of Ilwaco entered into an Interlocal Agreement for the combined dredging plan, whereas the Port of Ilwaco will administer and account for Port of Chinook's one-third portion of the grant revenue and expenditures. The completion of the combined dredging plan occurred in 2019 for a final combined total cost of \$69,036. The unexpended portion of the grant funds, or \$5,654, was suspended. The Ports received notice from DOC the project officially closed on January 6, 2020 when final reimbursement was received.

In April 2018, the Port of Chinook and Port of Ilwaco were awarded a combined total of \$450,000 for a state grant in the 2017-2019 Supplemental Capital Budget for marina dredging at both ports. There is a 3% fee that the Department of Commerce (DOC) will retain for administrative costs. The net funds available to expend for costs incurred will be \$436,500. This is a recoverable grant and in the event the Port fails to expend the funds in accordance with state law and/or the provisions of the contract, the state

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 9 – OTHER DISCLOSURES:

Grants:

may recapture in an amount equivalent to the extent of the non-compliance. On August 9, 2018, the Port of Chinook and Port of Ilwaco entered into an Interlocal Agreement for the marina dredging, whereas the Port of Ilwaco will administer and account for Port of Chinook's portion of the grant revenue and expenditures, approximately \$277,000 of the \$436,500. The completion of marina dredging occurred in 2019 for a total combined project cost of \$437,717, of which \$159,751 was allocated to the Port of Ilwaco and \$277,966 was allocated to the Port of Chinook. The Ports received notice from DOC the project officially closed on January 6, 2020 when final reimbursement was received.

In April 2018, the Port was awarded a state grant (contract # CD19-96619-015) in the amount of \$950,000 from the 2018 Supplemental State Capital Budget for construction of a derelict vessel deconstruction facility (project 1) and improvements to the Port's public boatyard, including surface improvements and stormwater system improvements (project 2). There is a 3% fee that the Department of Commerce will retain for administrative costs. The net funds available to expend for costs incurred will be \$921,500. This is a recoverable grant and in the event the Port fails to expend the funds in accordance with state law and/or the provisions of the contract, the state may recapture in an amount equivalent to the extent of the non-compliance. In 2021, the Port was reimbursed \$192,985 from the granting agency, which was officially closed on June 30, 2021. The substantial completion of the projects occurred in 2021 for a total combined cost of approximately \$1.82 million, which was funded by grant revenue, restricted funds from the Port's 2020 Limited Tax Obligation Bond issuance and Port cash. See Note 9, *Construction and Contract Commitments*.

In August 2019, the Port was awarded a state grant from the Washington State Recreation and Conservation Office (RCO) utilizing funds from the Boating Facilities Program, for Outer Harbor Way improvements, including installing a new restroom building, landscaping, repaving and striping the parking lot, installation and construction of an automated pay station and information kiosk. There is a recoverable portion of the grant for non-compliance. In the event the Port fails to expend funds per the terms of the agreement or fails to meet its percentage of the project total, RCO reserves the right to recover awards in the amount equivalent to the extent of noncompliance. The project total is \$441,800 and the grant requires a match of 25%. RCO will fund 75%, or \$331,350, and the Port will fund 25%, or \$110,450. In 2021, the Port expended \$17,697 in eligible grant costs and was reimbursed \$108,488 from the granting agency. In 2022, the Port expended \$15,594.06 for A & E and permitting. See Note 9, *Construction and Contract Commitments*.

On July 1 2019, the Port was awarded a local grant for \$65,000 from the Pacific Council of Governments (PCOG) funded by the 0.09% local sales tax fund to be used for planning, permitting and engineering costs for updating the Port's pier system for a new marine travelift. This is a recoverable grant for the purpose stated. In the event the Port fails to expend these funds in accordance with state law and/or the provisions of the contract, Pacific County reserves the right to recapture for six (6) years after final payment, which occurred December 6, 2021. The right of recovery will expire December 6, 2027. The project was completed in 2021, for a total cost of \$16,450. A portion of the unexpended grant funds, or \$48,500, was carried over to a new award from PCOG for the Port of Ilwaco Bulkhead Replacement project. In 2021, the Port expended \$11,170 of eligible costs and received \$16,450 from the granting agency. See Note 9, *Subsequent Events, East Bulkhead Replacement Project - Funding*

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 9 – OTHER DISCLOSURES:

Grants:

In August 2019, the Port was awarded a \$545,000 state grant in the 2019-2021 Capital Budget to replace the Marine Travelift located in the Port's boatyard facility. There is a 2% fee of \$10,900 charged to the grant that the Department of Commerce (DOC) will retain for administrative costs. This is a recoverable grant and in the event the Port fails to expend the funds in accordance with state law and/or the provisions of the contract, the state may recapture in an amount equivalent to the extent of the non-compliance. In 2020, the Port purchased a 75-metric ton Marine Travelift, which was put in to first use on November 5, 2020 at the Port's boatyard facility. The total project cost was \$586,767 and the Port was reimbursed \$534,100 from the granting agency. The Port used general obligation bond funds to pay the balance of \$52,667 not covered by grant funds. The Port received notice that the project officially closed in December 2020 and the right of recapture will expire December 2026.

In 2019, the Port was awarded two state grants, \$50,000 from the Community Economic Revitalization Board (CERB) and \$50,000 from the WA State Public Works Board (PWB) to fund a feasibility study for the Pacific County Broadband Assessment project. There will be additional matching funds required totaling \$16,800, of which \$12,000 has been committed by the Pacific County Economic Development Council (EDC) utilizing pass-through grant funds from the Pacific Council of Governments (PCOG) 0.09% local sales tax fund and \$4,800 will be paid from Port funds. In 2021, the Port expended \$40,718 in total project costs and received \$45,955 from CERB, \$17,285 from PWB and \$4,392 from the EDC in reimbursements from the granting agencies. The Port completed the project in 2021 for a total cost of \$116,800.

In 2020, the Port was awarded a federal pass-through grant from the Washington State Military Department for damage sustained to the Port's oil depot building due to a windstorm later recognized as a presidentially declared disaster (FEMA-4539-DR-WA). The project worksheet was approved by FEMA in 2021, for a total approved project cost of \$30,885. FEMA funded 75%, or \$23,164, the WA State Military Department funded 12.5%, or \$3,860.50, and the Port funded a 12.5% match of \$3,860.50 of the project cost. In addition, FEMA approved a project worksheet for management costs of \$1,231 and funded 100% of the management costs. The Port incurred a prior-year expense of \$579. In 2021, the Port expended \$32,116 in eligible expenditures and was reimbursed \$27,025 from the granting agencies. The project was completed in 2021 for a total construction cost of \$30,885.

In 2021, the Port of Ilwaco and the Port of Chinook were awarded a total of \$634,000 for a state grant funded through the 2022 Local & Community Projects Program, which is a direct appropriation from the Washington State Legislature, for dredge material disposal site development and marina dredging. There is a 2% fee that the Department of Commerce (DOC) will retain for administrative costs. The net funds available to expend for costs incurred will be \$621,320. This is a recoverable grant and in the event the Port fails to expend the funds in accordance with state law and/or the provisions of the contract, the state may recapture in an amount equivalent to the extent of the non-compliance. In 2021, the Port of Ilwaco and Port of Chinook entered into an Interlocal Agreement for the marina dredging services and an Interlocal Agreement for the dredge material placement project, whereas the Port of Ilwaco will administer and account for Port of Chinook's portion of the grant revenue and expenditures, approximately \$415,070 of the \$621,320. The difference of \$206,250 is the anticipated allocation to Port of Ilwaco's portion of the dredge material disposal site development. The Port of Ilwaco commenced dredging at the Port of Chinook marina in 2021. In 2021, the Port of Ilwaco expended \$19,455 of eligible expenditures and did

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 9– OTHER DISCLOSURES, CONTINUED:

Grants:

not receive any reimbursement from the granting agency on behalf of the Port of Chinook in accordance with the grant conditions. In 2022, the POI expended \$444,013 in dredging costs. See Note 9 - *Other Disclosures, Interlocal for Marina Dredging Services, Interlocal for Dredging and Dredge Material Placement and Construction and Contract Commitments*. (According to DOC there is \$177,307 remaining, due to reappropriations it will be extended to 2025).

In 2022, the Port of Ilwaco was awarded \$18,725 from the State of Washington, Office of the Secretary of State, Archives and Records Management Division to use technology to improve records retention, management and disclosure of public records processes, as authorized under RCW 40.14.026. No funds were spent on this project in 2022. See Note 9, *Subsequent Events*.

Construction and Contract Commitments:

The Port has active construction and contract commitments as of December 31, 2022. The projects include improvements to the drainage and surface area at the Port's boatyard facility, replacement of the boatyard shop roof, boat launch area renovation, engineering/design/permitting for the east bulkhead replacement project, and development of an alternative dredge material placement plan.

At year-end the Port's commitments with contractors and consultants are as follows:

Project	Spent to Date	Remaining Commitment
Boatyard Drainage Improvements	\$ 243,584	\$ 0
Boatyard Shop Roof Replacement	\$ 295,299	\$ 0
Boat Launch Renovation ⁽¹⁾	\$ 39,190	\$ 98,490
East Bulkhead Replacement ⁽²⁾	\$ 291,879	\$ 188,795
In-Water Dredge Material Placement ⁽³⁾	\$ 444,013	\$ 177,307
Total Construction Commitments	\$ 1,313,965	\$ 464,592

(1) Reimbursable by Port matching funds and RCO grant.

(2) Reimbursable by Port matching funds and Federal MARAD grant once the agreement is signed.

(3) Reimbursable by Port matching funds and DOC grant with 2% administrative fees.

The Port will use a combination of grant funding and port cash to pay all Port commitments listed. See Note 9 – *Other Disclosures, Grants and Subsequent Events, East Bulkhead Replacement Project – Funding and East Bulkhead Replacement Project – Engineering*.

Interlocal Agreement for Management Services:

On December 31, 2015 the Port of Ilwaco and the Port of Chinook entered into an Interlocal Agreement for Management Services, pursuant to RCW 39.34.030 and RCW 53.08.240. The Interlocal identifies

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 9 – OTHER DISCLOSURES, CONTINUED:

guidelines for the Port of Ilwaco staff to provide operation and administrative functions for the Port of Chinook. The Interlocal Agreement was effective January 1, 2016 and remained in effect until December 31, 2019. On October 10, 2019, the Ports renewed the agreement and extended the term until December 31, 2023. The annual management fee paid to Port of Ilwaco for services is approximately \$179,500 per year, which is the estimated reimbursement for the direct costs the Port will incur while providing the agreed upon services. The Port received \$152,809 in for management fees in 2022. The Interlocal Agreement for Management Services can be found on the Port's website at www.portofilwaco.com.

Interlocal for Marina Dredging Services:

On August 17, 2021, the Port entered into an Interlocal Agreement for marina dredging services with the Port of Chinook. Pursuant to the agreement, the Port of Ilwaco will administer and account for Port of Chinook's portion of the grant funding related to the project. The Port of Ilwaco has the personnel, expertise and resources to provide marina dredging related services and equipment for the Port of Chinook and will be performing the dredging services at the Chinook marina. The expenditures for Chinook's portion of the marina dredging is estimated at \$315,000 with estimated grant funding of \$246,320. The Port commenced marina dredging at Port of Chinook in 2021 and the Port anticipates completion in 2022. See Note 9 – *Other Disclosures, Grants*

Interlocal for Dredging and Dredge Material Placement Project:

On November 23, 2021, the Port entered into an Interlocal Agreement to develop an alternate dredge material placement site for marina dredging with the Port of Chinook. Pursuant to the agreement, the Port of Ilwaco will administer and account for Port of Chinook's portion of the grant funding related to the project. The expenditures for Chinook's portion of the dredge material placement is estimated at \$254,000 with estimated grant funding of \$168,750. The Port anticipates completion of the project in 2023. See Note 9 – *Other Disclosures, Grants and Construction and Contract Commitments*.

Subsequent Events:

The Port has evaluated events through May 26, 2023, which is the date the financial statements were available to be issued.

East Bulkhead Replacement Project – Funding

The Port has identified a failing bulkhead on the shoreline and is currently working with a firm to design, engineer and permit the Port's East Bulkhead Replacement Project. The total project, including construction, is estimated to cost nearly \$4 million dollars. The Port was notified late 2021 that the project was awarded funding from the US Department of Transportation, MARAD Port Infrastructure Development Program (PIDP). The amount of the award from PIDP is \$2,444,138. In addition, the Port also received an award from Community Economic Revitalization Board (CERB) contingent upon funding from the MARAD grant program. In January 2022, the Port entered into a contract with CERB for a total amount of \$750,000, of which \$112,500 is a grant and \$637,500 is a low interest loan. (Leave in here and insert as a new grant paragraph) The Port was also awarded a local grant for \$80,000 from the Pacific Council of Governments (PCOG) funded by the 0.09% local sales tax fund to be used for the engineering and permitting for the east bulkhead project and as a match for the MARAD and CERB

PORT OF ILWACO
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022

NOTE 10 – OTHER DISCLOSURES, CONTINUED:

Subsequent Events, Continued:

grants. The Port spent \$278,698 pre-award funds on Engineering and Permitting, it will be used as the Port's match towards the MARAD Grant. See Note 9 – *Other Disclosures, Construction and Contract Commitments and Subsequent Events - East Bulkhead Replacement Project*.

East Bulkhead Replacement Project – Engineering

On April 20, 2022, the Port executed Amendment #1 with the engineering firm contracted to design, engineer and permit the Port's East Bulkhead Replacement Project. The Port was notified by MARAD, the federal funding agency for the PIDP grant, that a NEPA Environmental Assessment will need to be completed prior to executing a final contract for the grant funds. The engineering firm will provide the NEPA EA support necessary to meet the grant requirement. The total cost of the amendment is \$139,374 and will be funded using Port cash. See Note 9 – *Other Disclosures, Construction and Contract Commitments and Subsequent Events, East Bulkhead Replacement Project – Funding*.

Ground Lease – Community Center

On February 15, 2022, the Port entered into a ground lease agreement with future escalating lease terms with a non-profit organization (Lessee) for the purpose of constructing and operating a community education and recreation center. The leased property is approximately 1.95 acres of unimproved land. The Lessee intends to invest significant capital to improve and construct a multi-phase facility, which is anticipated to open during 2023.

Derelict Vessel Cleanup

In April 2022, the Port contracted with a salvage company to demolish and remove a derelict vessel located in the Port's storage yard. As a result, the Port discovered a potentially hazardous material contained within the vessel. A sample of the material has been sent for testing. If contamination exists, the Port intends to proceed with remediation and work with DNR's Derelict Vessel Removal Fund to request reimbursement of the cleanup. At this time, the Port does not have sufficient information to reasonably estimate the liability related to the potential clean up.

Boating Facilities Project

The Port anticipates completion of the RCO boat ramp project in 2023. The Port has requested a 3-month extension, ending September 30, 2023.

Archives and Record Management Project

The Port anticipates the use of funds on this project by May 2023 to make improvements to the Port's record management, record retention, management and public record requests.

Port of Ilwaco
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2022

	Fund #	Fund Name	BARS Account	BARS Name	Amount
MCAG					
1748	401	Operations	3083100	Restricted Cash and Investments - Beginning	\$2,015,146
1748	401	Operations	3085100	Assigned Cash and Investments - Beginning	\$1,431,101
1748	401	Operations	3111000	Property Tax	\$195,128
1748	401	Operations	3321560	Payment In-Lieu of Tax	\$2,615
1748	401	Operations	3331500	Federal Indirect Grant from Department of Interior	0
1748	401	Operations	3339700	Federal Indirect Grant from Department of Homeland Security	\$3,548
1748	401	Operations	3340010	State Grant from Legislature and its Committees	\$428,419
1748	401	Operations	3340180	State Grant from Military Department	0
1748	401	Operations	3340270	State Grant from Recreation and Conservation Office	\$15,594
1748	401	Operations	3340690	State Grant from Other State Agencies	\$10,290
1748	401	Operations	3370000	Local Grants, Entitlements and Other Payments	\$42,252
1748	401	Operations	3446000	Airports and Ports Services	\$1,509,582
1748	401	Operations	3611000	Investment Earnings	\$52,613
1748	401	Operations	3614000	Other Interest	\$6,035
1748	401	Operations	3670000	Contributions and Donations from Nongovernmental Sources	0
1748	401	Operations	3691000	Sale of Surplus	\$645
1748	401	Operations	5460010	Airports and Ports	\$608,999
1748	401	Operations	5460020	Airports and Ports	\$316,081
1748	401	Operations	5460030	Airports and Ports	\$91,490
1748	401	Operations	5460040	Airports and Ports	\$484,367
1748	401	Operations	5083100	Restricted Cash and Investments - Ending	\$2,050,008
1748	401	Operations	5085100	Assigned Cash and Investments - Ending	\$1,307,979
1748	401	Operations	3829000	Immaterial Fiduciary Collections	\$135,808
1748	401	Operations	5829000	Immaterial Fiduciary Remittance	\$386,317
1748	401	Operations	5914670	Debt Repayment - Airports and Ports	\$125,993
1748	401	Operations	5924680	Interest and Other Debt Service Cost - Airports and Ports	\$32,637
1748	401	Operations	5944660	Capital Expenditures/Expenses - Airports and Ports	\$444,904

SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2022

<u>ID. No.</u>	<u>Description</u>	<u>Due Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Obligation Debt/Liabilities						
251.11	Bank of Pacific 2013 Loan, ISSUED 2013, Dredge	12/1/2023	95,906	-	45,585	50,321
251.11	LTGO Bond Bank of Pacific, ISSUED 202, Capital Projects	6/1/2035	1,137,683	-	73,008	1,064,675
263.81	CERB, T2000-059PW, ISSUED 2001, Water and Sewer	1/26/2022	7,400	-	7,400	-
Total General Obligation Debt/Liabilities:			1,240,989	-	125,993	1,114,996
Revenue and Other (non G.O.) Debt/Liabilities						
263.57	Lease – Copier	9/2/2026	5,978		1,281	4,697
259.12	Compensated Absences	N/A	64,138	2,592	-	66,730
264.30	Pension Liability	N/A	40,447	57,145	-	97,592
Total Revenue and Other (non G.O.) Debt/Liabilities:			110,563	59,737	1,281	169,019
Total Liabilities:			1,351,552	59,737	127,274	1,284,015

Port of Ilwaco
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2022

Grantor	Program Title	Identification Number	Amount
State Grant from Recreation and Conservation Office			
	Boating Facilities Program	18-2373D	11,696
		Sub-total:	11,696

Port of Ilwaco
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Note
				From Pass- Through Awards	From Direct Awards	Total	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via Washington State Parks)	Clean Vessel Act	15.616	CV719-324	101	-	101	1.2.3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	D20-2083	3,547	-	3,547	1.2.3
Total Federal Awards Expended:				3648	-	3648	

The accompanying notes are an integral part of this schedule.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the Port financial statements. The Port uses the cash basis of accounting where revenues are recognized when received and expenses are recognized when paid. Capital asset purchases, including major repairs are expensed when paid. Long-term liabilities are accounted for on the *Schedule of Liabilities* (Schedule 09).

Note 2 – Federal Indirect Cost Rate

The Port has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The amount expended includes \$0 claimed as an indirect cost recovery using an approved indirect cost rate of 0.0 percent.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Port's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Port of Ilwaco
LOCAL GOVERNMENT RISK ASSUMPTION
For the Year Ended December 31, 2022

1. Self-Insurance Program Manager: Tracy Lofstrom
2. Manager Phone: (360) 642-3143 x 201
3. Manager Email: tlofstrom@portofilwaco.org
4. How do you insure property and liability risks, if at all?
 - a. Formal self-insurance program for some or all perils/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 vision benefits) to employees, if at all?
 - a. Self-insure 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. Self-insured ("Reimbursable")
 - 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. Self-insured ("Reimbursable")
 - 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. Self-insured ("Voluntary Plan") for one or both program benefits
 - ☒ b. Pay premiums to the State's program for both benefits

If the local government DID NOT answer (a) to any of the above questions, then there is no need to complete the rest of this schedule.

If the local government answered (a) to any of the above questions, then answer the rest of the form in relation to the government's self-insured risks.

Port of Ilwaco
LOCAL GOVERNMENT RISK ASSUMPTION
For the Year Ended December 31, 2022

	<u>Please list the title of the self-insurance program or type of risk covered by self-insurance:</u>				
	<i>Unemployment Compensation</i>				
Self-Insurance as a <i>formal</i> program?	<u>No</u>				
If yes, do other governments participate?	<u>n/a</u>				
If yes, please list participating governments.	<u>n/a</u>				
Self-Insure as part of a joint program?	<u>No</u>				
Does a Third-Party Administer manage claims?	<u>Yes</u>				
Has program had a claims audit in last three years?	<u>no</u>				
Are program resources sufficient to cover expenses?	<u>yes</u>				
Does an actuary estimate program liability?	<u>no</u>				
Number of claims paid during the period?	<u>0</u>				
Total amount of paid claims during the period?	<u>\$0</u>				
Total amount of recoveries during the period?	<u>n/a</u>				