



*Southwest Oregon  
Regional Airport*

Operated by the  
Coos County Airport District

**COOS COUNTY AIRPORT DISTRICT**

**COOS COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2025**

# COOS COUNTY AIRPORT DISTRICT

1100 Airport Lane  
North Bend, OR 97459

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## OFFICIALS

Dr. Jason Bell  
1100 Airport Lane  
North Bend, OR 97459

Chair

Joe Benetti  
1100 Airport Lane  
North Bend, OR 97459

Vice-Chair

Caddy McKeown  
1100 Airport Lane  
North Bend, OR 97459

Commissioner

Dr. Brent Pahls  
1100 Airport Lane  
North Bend, OR 97459

Commissioner

Andrew Brainard  
1100 Airport Lane  
North Bend, OR 97459

Commissioner

## ADMINISTRATORS

Rodger Craddock  
1100 Airport Lane  
North Bend, OR 97459

Executive Director

Robert Brittsan  
1100 Airport Lane  
North Bend, OR 97459

Deputy Director

Crystal Pierce  
1100 Airport Lane  
North Bend, OR 97459

Finance Manager

# COOS COUNTY AIRPORT DISTRICT

1100 Airport Lane  
North Bend, OR 97459

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# COOS COUNTY AIRPORT DISTRICT

1100 Airport Lane  
North Bend, OR 97459

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## **Independent Auditors' Report**

To the Board of Commissioners  
Coos County Airport District  
Coos County, Oregon

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the Coos County Airport District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Coos County Airport District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Coos County Airport District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### **Basis of Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coos County Airport District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to the Basis of Accounting notes in the Notes to the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coos County Airport District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Management discussion and analysis and supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coos County Airport District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Coos County Airport District.

The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements taken as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the additional schedules listed in the Other Information section of the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion of any form of assurance thereon.

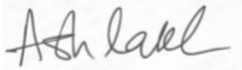
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basis financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it our report.

The schedule of expenditures of federal awards, as listed in the Table of Contents, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

## Other Reporting on State Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated May 26, 2026, on our consideration of the Coos County Airport District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering Coos County Airport District's internal control over financial reporting and compliance.

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated May 26, 2026, on our consideration of the Coos County Airport District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of this report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Ashraf Lakhani-Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
May 26, 2026

**MANAGEMENT'S**  
**DISCUSSION**  
**AND ANALYSIS**

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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The management discussion and analysis of the Coos County Airport District, Oregon (the District), financial performance, using the modified cash basis of accounting, provides an overview of the District's financial activities for the fiscal year that ended June 30, 2025. This discussion and analysis evaluate the District's financial performance as a whole, using the modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's modified cash basis of accounting financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2025, are as follows:

- The District's total modified cash net position increased by \$642,894 during fiscal year 2024-25, from a restated beginning balance of \$48,847,416 to \$49,490,310 at June 30, 2025.
- Total revenues for fiscal year 2024-25 were \$7,874,592, consisting of \$3,273,486 in operating revenues and \$4,601,106 in non-operating revenues. Total expenses were \$7,231,698, resulting in a net increase in net position of \$642,894.
- Capital assets, net of accumulated depreciation, increased by \$211,097, from \$58,799,385 to \$59,010,482. Primary additions included \$2,905,940 in construction in progress, \$137,961 in building and building improvements, and \$200,816 in machinery and equipment.
- At June 30, 2025, the District's total liabilities were \$14,605,831, a decrease of \$2,901,097 from the prior year balance of \$17,506,928.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduces the District's basic financial statements. This audit report consists of the basic financial statements (including notes) and supplementary information and schedules.

*Other Matters*

For the Fiscal Year ending June 30, 2025, and until changed otherwise, the District is reporting its Financial Statements using the Modified Cash Basis of Accounting.

This report adheres to the accounting and reporting standards established by the Governmental Accounting Standards Board (GASB) as applicable to the District's modified cash basis of accounting. Under this basis, revenues are generally recognized when cash is received and expenses are generally recognized when cash is disbursed, with modifications for items such as capital assets, certain long-term obligations, and other items described in the notes to the financial statements. The basic financial statements comprise a statement of net position that outlines the District's assets, liabilities, and net position at the end of the fiscal year; a statement of revenues, expenses, and changes in net position, detailing the District's financial activity during the year; and a statement of cash flows, which delineates the sources and uses of cash throughout the year. Additionally, the financial statements are accompanied by notes that clarify specific information contained in the financial statements and provide further details.

Following the basic financial statements, the report includes supplementary information intended to provide additional detail and support for the amounts and disclosures presented in the financial statements and notes. Readers should also note that certain District resources are legally restricted by Federal Aviation Administration regulations and may be used only for purposes authorized under those requirements.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

For financial reporting purposes, management considers the activities related to the operation of the District as those of unitary nature and are reported as such. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations.

Proprietary funds are accounted for using the economic resources measurement focus and the modified cash basis of accounting. Under this method, revenues are generally recognized when cash is received and expenses are generally recognized when cash is disbursed, with modifications for capital assets, certain liabilities, and other items described in the notes to the financial statements.

Proprietary funds include the following fund types:

*Enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the governing board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

The individual funds of the District comprising the enterprise type are:

General Fund - The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. This includes all administrative, operating, and marketing costs of the District.

Construction Fund - This fund was established to account for capital construction projects.

Passenger Facility Charges (PFC) Fund - This fund was created by District resolution to account for passenger facility charge revenues.

Building Reserve Fund - This fund was created by the District to account for the purchase or improvement of land and buildings.

Unemployment Fund - This fund was created by the District to self-insure the potential unemployment costs that the District may incur in future years. Funding is provided by transfers from the General Fund.

Business Enterprise Center (BEC) Fund - This fund was created by the District to track financial results subsequent to the District assuming the BEC's operational duties from the Oregon International Port of Coos Bay. Funding is provided by the collection of monthly rents.

Bureau of Land Management (BLM) Fund - This fund was created by the District to track financial results subsequent to the District assuming the BLM's operational duties. Funding is provided by the collection of monthly rents.

DHS Multi Services Campus (DHS) Fund - This fund was created by the District to track financial results subsequent to the District's assuming a lease with the Department of Human Services. Funding is provided by the collection of monthly rents.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

*Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

*Financial History*

The District assumed operational control of the Southwest Oregon Regional Airport from the Oregon International Port of Coos Bay on December 1, 2003, pursuant to an intergovernmental agreement. All assets, including property, facilities, and equipment, of the historically designated North Bend Municipal Airport, which was previously under the ownership of the City of North Bend, Oregon, were transferred to the District in accordance with the aforementioned agreement.

This transfer of property was officially finalized on June 15, 2005, following the receipt of approval from the Federal Aviation Administration. The financial transactions concerning the acquisition of District properties have been reported in these statements at the depreciated value as indicated by the City of North Bend as of June 30, 2004.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

As noted earlier, net position provides the perspective of the District as a whole and may serve over time as a useful indicator of the District's modified cash basis financial balances. The District's modified cash basis net position at fiscal year-end is \$49,490,310; this is an increase of 2.9%.

A significant portion of the District's modified cash basis net position (91.9%) reflects its investment in capital assets (e.g., land, runway/taxi, infrastructure, buildings and improvements, and machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to the public; consequently, these assets are not available for future spending.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the District's Net Position. Comparative information from the previous year is provided.

<b><u>Summary of Net Position - Modified Cash Basis</u></b>		
	<u>Business-type Activities</u>	
	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current and Other Assets	\$ 5,085,659	\$31,737,502
Capital Assets	<u>59,010,481</u>	<u>58,799,384</u>
Total Assets	<u>64,096,140</u>	<u>90,536,886</u>
<b>Deferred Outflow of Resources</b>	-	763,339
<b>Liabilities</b>		
Current Liabilities	1,393,319	1,789,447
Long-Term Liabilities	<u>13,212,512</u>	<u>15,717,481</u>
Total Liabilities	<u>14,605,831</u>	<u>17,506,928</u>
<b>Deferred Inflow of Resources</b>	-	<u>25,688,879</u>
<b>Net Position</b>		
Net Investment in Capital Assets	45,472,824	44,361,872
Unrestricted	<u>4,017,486</u>	<u>3,742,546</u>
Total Net Position	<u>\$49,490,310</u>	<u>\$48,104,418</u>

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

**Changes in Net Position** – The District's total revenues for the fiscal year ended June 30, 2025, were \$7,882,114. The following table shows a comparative analysis of government-wide revenues, expenses, and changes in modified cash basis net position.

<b>Summary of Changes in Net Position - Modified Cash Basis</b>		
	Business-Type Activities	
	2024-25	2023-24
<b>Revenues</b>		
Operating Revenues		
Charges for Services	\$ 3,273,486	\$ 3,864,899
Total Operating Revenues	3,273,486	3,864,899
Non-Operating Revenues		
Property Taxes	1,538,045	1,494,275
Grant Revenues	2,396,390	865,149
Leases	94,659	97,051
Passenger Facility Charges	344,553	248,839
Interest Income	212,052	551,590
Miscellaneous	15,407	117,198
Total Non-Operating Revenues	4,601,106	3,374,102
Total Revenues	7,874,592	7,239,001
<b>Expenses</b>		
Operating Expenses	3,720,137	3,540,636
Depreciation and Amortization	3,033,620	2,997,684
Pension Expense	-	(272,005)
OPEB Expense	-	322
Interest Expense	477,926	499,802
Non-Operating Expenses	15	15
Total Expenses	7,231,698	6,766,454
Change in Net Position	642,894	472,547
Beginning Net Position - Restated *	48,847,416	* 47,631,871
<b>Ending Net Position</b>	<b>\$ 49,490,310</b>	<b>\$ 48,104,418</b>

Total District revenues increased by \$643,113 compared to the prior year, from \$7,239,001 to \$7,882,114. The following changes contributed to the overall variance:

- Charges for Services decreased by \$591,413, from \$3,864,899 to \$3,273,486.
- Grant revenues increased by \$1,531,241, from \$865,149 to \$2,396,390. This increase is largely due to the grant for on-going reconstruction for the Ramp and Apron. Revenues also include approximately \$686,000 reimbursement of prior year expenditure for ARFF and Apron projects.
- Interest income decreased by \$339,538, from \$551,590 to \$212,052. The construction projects for the ARFF, Apron, Ramp projects and others, have required a match from the airport of 6.25%.

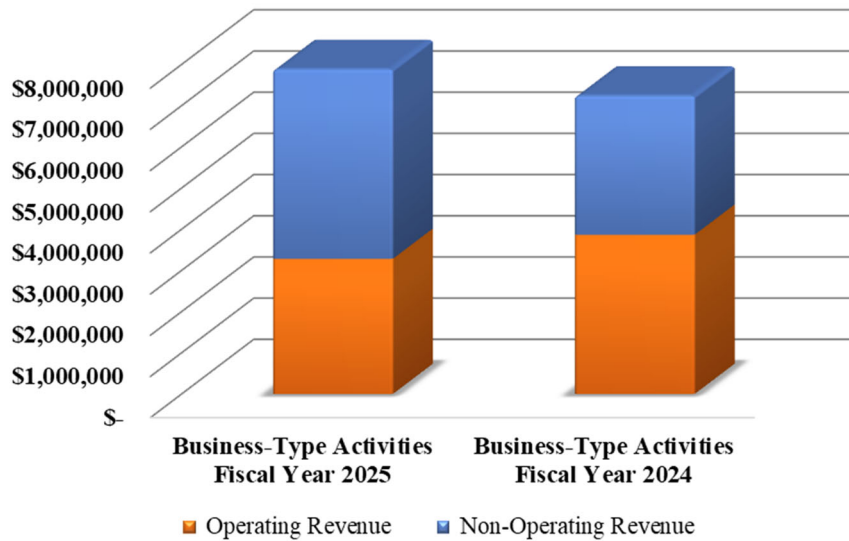
Total expenses increased by \$465,244 compared to the prior year, from \$6,766,454 to \$7,231,698. Operating expenses increased by \$179,501, from \$3,540,636 to \$3,720,137. Depreciation and amortization were \$3,033,620, compared to \$2,997,684 in the prior year.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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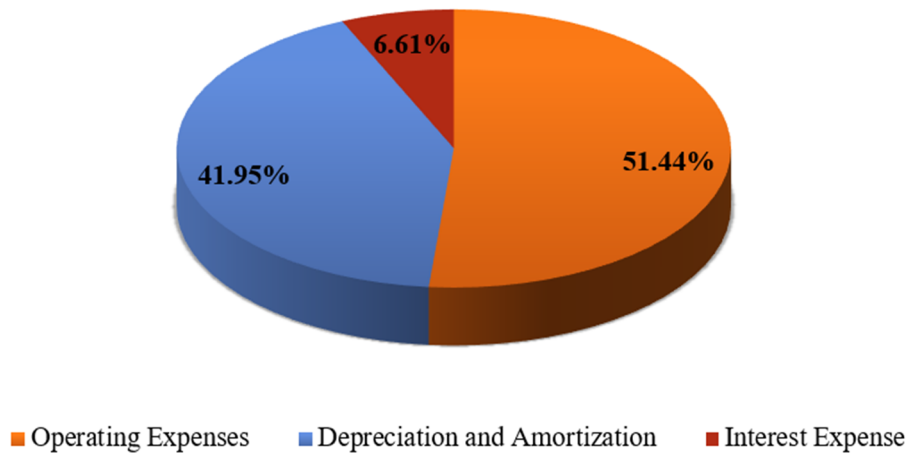
The following chart compares revenue from business-type activities from the prior fiscal year to the current year. The table below presents the overall cost of major functional activities and interest payments on District debt for business-related activities.

**Government - Wide Revenue Summary**



For fiscal year 2024-25, 58.4% of total District revenues were derived from non-operating sources, including property taxes, grants, and passenger facility charges.

**Business-Type Activities  
Program Expenses - 2025**



For fiscal year 2024-25, total District expenses were \$7,231,698. Operating expenses were the largest component at \$3,720,137, followed by depreciation and amortization of \$3,033,620, and interest expense of \$477,926.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

***Budgetary Highlights***

The General Fund had budgeted to collect \$3,127,021 in revenues during fiscal year 2024-25, but collected \$2,848,677, which is \$278,344 less than expected. The General Fund expenditures were underspent by \$1,625,940, primarily because the \$145,659 contingency budget was not required and Capital Outlay came in \$702,367 under budget. As a result, the actual ending fund balance was \$1,990,411.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2025, the District reported a total of \$115,892,623 in capital assets prior to the deduction of accumulated depreciation. This figure encompasses various categories: land, runway/taxi, infrastructure, intangibles, buildings and improvements, and machinery and equipment. During the fiscal year, the District recognized \$3,244,717 in new capital asset additions, including \$2,905,940 in construction in progress, \$137,961 in buildings and improvements, and \$200,816 in machinery and equipment, with no deletions. Total depreciation expense for the year was \$3,033,621, which is solely associated with airport activity.

Additional information on the District's capital assets can be found in the notes to the basic financial statements section of this report.

**Long-Term Debt**

As of June 30, 2025, the District had a total long-term debt outstanding of \$13,537,657. The principal paid on existing debt was \$1,005,334, and the interest paid on the debt amounted to \$588,340. New Issues of debt equaled \$100,000.

Additional information on the District's long-term debt can be found in the notes to the basic financial statements section of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

District officials considered the long-term impacts of the local economy and a variety of operational decisions during the process of developing the fiscal year 2025-2026 budget. The primary driver of the budget increase is the significant volume of capital improvement projects scheduled for the fiscal year, including construction of a new cargo facility, runway safety area expansion, glide slope relocation, concourse improvements, parking lot expansion, and an airport master plan update.

The Coos County Airport District's fiscal year 2025-2026 total budget across all funds was approved at \$26,439,952. The District's permanent property tax rate remains at \$0.24 per \$1,000 of assessed valuation.

**COOS COUNTY AIRPORT DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2025**

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**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Coos County Airport District at 1100 Airport Lane, North Bend, Oregon 97459.

**BASIC FINANCIAL**  
**STATEMENTS**

**COOS COUNTY AIRPORT DISTRICT**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

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**ASSETS:**

Current Assets:	
Cash and Investments	\$ 5,085,659
Total Current Assets	5,085,659
Non-current Assets:	
Non-Depreciable Assets	19,859,284
Depreciable Assets, Net	39,151,197
Total Non-Current Assets	59,010,481
<b>Total Assets</b>	<b>64,096,140</b>

**LIABILITIES:**

Current Liabilities:	
Accounts Payable:	
Contract Retention Payable	391,871
Deposits Payable	600
Current Portion of Long-Term Obligations:	
Deferred Interest Payable	56,309
Long-Term Debt	944,539
Total Current Liabilities	1,393,319
Non-Current Liabilities:	
Deferred Interest Payable	619,394
Long-Term Debt	12,593,118
Total Non-Current Liabilities	13,212,512
<b>Total Liabilities</b>	<b>14,605,831</b>

**NET POSITION:**

Net Investment in Capital Assets	45,472,824
Unrestricted	4,017,486
<b>Total Net Position</b>	<b>49,490,310</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 64,096,141</b>

The accompanying notes are an integral part of the basic financial statements.

**COOS COUNTY AIRPORT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**MODIFIED CASH BASIS**  
**For the Fiscal Year Ended June 30, 2025**

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**OPERATING REVENUES:**

Charges for Services	\$ 3,273,486
<b>Total Revenues</b>	<b>3,273,486</b>

**OPERATING EXPENSES:**

Salaries, Wages, and Fringe Benefits	2,041,624
Contract, Professional and Consulting Services	134,381
Materials and Supplies	61,588
Utilities and Telephone	344,392
Equipment Rentals, Fuel and Lubricants	42,837
Insurance	329,893
Travel and Other Management Expenses	355,103
Building and Equipment Repairs and Maintenance	410,319
Depreciation and Amortization	3,033,620
<b>Total Operating Expenses</b>	<b>6,753,757</b>
<b>Income (Loss) from Operations</b>	<b>(3,480,271)</b>

**NON-OPERATING REVENUES (EXPENSES):**

Lease Revenue	94,659
Property Taxes	1,538,045
Federal Grant Revenues	2,161,493
State Grant Revenues	234,897
Passenger Facility Charge Revenue	344,553
Interest Expense	(477,926)
Earnings on Investments	212,052
Miscellaneous Revenues	15,407
Miscellaneous Expenses	(15)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,123,165</b>

<b>Changes in Net Position</b>	<b>642,894</b>
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Net Position, July 1, 2024 - Restated	48,847,416
<b>Net Position, June 30, 2025</b>	<b>\$ 49,490,310</b>

The accompanying notes are an integral part of the basic financial statements.

**COOS COUNTY AIRPORT DISTRICT**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**For the Fiscal Year Ended June 30, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash Received from Customers	\$ 3,273,486
Cash Payments for Employee Services	(2,041,624)
Cash Payments to Suppliers and Vendors	(1,678,513)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(446,651)</b>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Property Taxes	1,538,045
Grant Proceeds from Governmental Agencies	2,396,390
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>3,934,435</b>

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

Proceeds from Leases	94,659
Proceeds from Passenger Facility Charges	344,553
Acquisition of Capital Assets	(3,244,718)
Proceeds from Long-Term Debt	100,000
Principal Paid on Long Term Debt	(895,545)
Interest Paid on Long Term Debt	(582,236)
Interest Paid on Deferred Interest Agreement	(56,309)
Other	15,392
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(4,224,204)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Investment Income	212,052
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>212,052</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(524,368)
Cash and Cash Equivalents at July 1, 2024	5,610,027
<b>Cash and Cash Equivalents at June 30, 2025</b>	<b>\$ 5,085,659</b>

**RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS**

**TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Income (loss) from operations	\$ (3,480,271)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation and Amortization	3,033,620
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (446,651)</b>

The accompanying notes are an integral part of the basic financial statements.

**NOTES TO THE BASIC**  
**FINANCIAL STATEMENTS**

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The District is a special municipal district pursuant to ORS 838, created by vote of the electors of Coos County on November 5, 2002. It is responsible for the management of aviation trade at the Southwestern Oregon Regional Airport and the facilities surrounding the airport. The District owns property that leases to area businesses and individuals.

**Reporting Entity**

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. Based upon the application of the criteria established by GASB, there are no component units that are required to be included in the reporting District in accordance with GASB 61.

**Basis of Presentation**

The basic financial statements are prepared on the modified cash basis of accounting as described above. The basic financial statements consist of a statement of net position that includes the assets, liabilities, and net position at year end; a statement of revenues, expenses, and changes in net position, which includes all revenues and expenses for the year; and a statement of cash flows, which presents the sources and uses of cash for the year.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistently with legal and managerial requirements.

**Proprietary Funds** are accounted for using the economic resources measurement focus and the modified cash basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets, liabilities, and deferred accounts are included in the Statement of Net Position. The District has presented the following proprietary funds:

**General Fund** – The General Fund is used to account for and report all financial resources not accounted for and reported in another fund. This includes all administrative, operating, and marketing costs of the District. Revenues consist primarily of general property tax levies and charges for services.

**Building Reserve Fund** – This fund accounts for purchasing or improvement of land and buildings.

**Construction Fund** – This fund was established to account for major construction. Revenues consist primarily of grants, transfers, and loan proceeds.

**DHS Multi Services Campus Fund** – This fund was created to account for activity and debt service payments related to facilities owned by the District and leased to the Department of Human Services.

**Business Enterprise Center Fund** – This fund was created to account for activity related to a commercial property for which the District is responsible. Revenues consist primarily of rent receipts.

**BLM Facility Fund** – This fund was created to account for activity and debt service payments related to a facility owned by the District and leased to the Bureau of Land Management.

**Passenger Facility Charges Fund** – This fund accounts for passenger facility charge revenues collected from enplaning passengers and restricted for FAA-approved capital projects.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Unemployment Fund – This fund self-insures for potential unemployment costs which may be incurred in future years.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; the basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are reported on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America but are accepted for governmental financial reporting under Oregon law (ORS 294.333) which leaves the selection of the method of accounting to the discretion of the District. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. For the Statement of Net Position, such reported balances include capital assets, payroll liabilities, and long-term liabilities arising from cash transactions.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) other economic assets, deferred outflows, liabilities, and deferred inflows of resources that do not arise from a cash transaction or event that would be reported in GAAP basis financial statements are not reported in this modified cash basis presentation, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for aeronautical services, terminal revenues, and business park and facility lease revenues. Operating expenses for the District include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, including property taxes, grant revenues, passenger facility charges, interest income, and interest expense.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Budgeting**

A budget is prepared for each District fund in accordance with a modified cash basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by fund are the levels of control. The detailed budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse on June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, newspaper publications, and District Board of Commissioners approval. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the District Board of Commissioners. The District does not utilize encumbrance accounting for budgeted funds.

**Cash and Investments**

For the purposes of the statement of cash flows, cash, and cash equivalents include cash on hand, checking, savings, and money market accounts, and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings.

**Fair Value Inputs and Methodologies and Hierarchy**

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The LGIP is stated at fair value. The fair value of the LGIP is the same as the District's value in the pool shares. The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any fund. LGIP is included in the Oregon Short-Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

**Trade Receivables**

Accounts receivable consists of rents due from tenants, charges due from air craft using airport services and facilities, and reimbursements. The Airport evaluates the financial capacity of prospective and current customers to determine their ability to pay amounts due on a timely basis. Various forms of collateral, including letters of credit and contract pledges from commercial airlines, are obtained from certain customers. Accounts receivables are monitored on an ongoing basis. Trade receivables are shown net of an allowance for doubtful accounts.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Property Taxes

Property taxes are an enforceable lien on real and personal property. The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February, and May. Real property taxes become delinquent if not paid by May 15. The permanent tax rate to finance general governmental services for each fiscal year is \$0.2400 per \$1,000 of assessed valuation.

Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	3-20 years
Vehicles	5-10 years
Water and Sewer Systems	20-50 years
Infrastructure	25-35 years

Deferred Interest

Deferred interest represents interest on a loan with the State Economic and Community Development Department. This loan was originally issued in the amount of \$5,900,000 in May 2007. The interest accrued from 2007 through December 31, 2015. The interest has been recorded as a liability since it has already matured and is fully due. The balance is being paid yearly on a straight-line basis through December 1, 2035.

Accounting for Grants and Contributions from the Federal Government and Others

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

Passenger Facility Charges

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

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Long-Term Debt**

Bonds and notes to be paid from the business-type resources are reported as liabilities on the statement of net position. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the statement of net position.

For budgetary reporting, long-term debt is not recognized as a liability. Debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. 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.

**Restricted Assets and Liabilities**

Certain resources may be set aside and restricted for future purposes. These resources are segregated and reported as restricted assets on the Statement of Net Position because their use is limited.

**Equity Classifications:**

*Government-wide Statements and Proprietary Fund Financial Statements*

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

is reimbursed. All other interfund transactions are reported as transfers in the budgetary schedules. Interfund transfers between individual funds have been eliminated for the statement of revenues, expenses and changes in net position.

**Operating Revenues and Expenses**

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

**CASH AND INVESTMENTS:**

For a discussion of deposit and investment policies and other related information, see the Cash and Investments note under the Summary of Significant Accounting Policies.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized in the Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

**Deposits** - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

**Custodial Credit Risk for Deposits** - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2025, the reported amount of the District's deposits was \$ 1,096,738, and the bank balance was \$1,167,249. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**Investments** - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

*Credit Risk* - Credit risk exists when there is a possibility that the issuer or other counterpart to an investment may be unable to fulfill its obligations. As of June 30, 2025, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

As of June 30, 2025, the District's investments in financial institutions are as follows:

<b><u>Type of Investment</u></b>	<b><u>Fair Value</u></b>	<b><u>Credit Rating</u></b>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>\$ 3,988,922</u>	N/A
	<u>\$ 3,988,922</u>	

Investments in the LGIP and federal agency notes do not require disclosure of credit rating quality.

*Concentration of Credit Risk* - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investment.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**CAPITAL ASSETS:**

The following is a summary of business-type capital asset activity for the fiscal year ended June 30, 2025:

<b><u>Business-Type Activities</u></b>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<b>Assets not being depreciated:</b>				
Land	\$ 425,391	\$ -	\$ -	\$ 425,391
Construction in Progress	16,527,953	2,905,940	-	19,433,893
Total assets not being depreciated	<u>16,953,344</u>	<u>2,905,940</u>	<u>-</u>	<u>19,859,284</u>
<b>Assets being depreciated:</b>				
Runway/Taxi	30,844,193	-	-	30,844,193
Land Improvement	2,636,049	-	-	2,636,049
Infrastructure	6,386,080	-	-	6,386,080
Intangibles	300,944	-	-	300,944
Building and Building Improvement	52,918,549	137,961	-	53,056,510
Machinery and Equipment	2,608,747	200,816	-	2,809,563
Total Depreciable Assets	<u>95,694,562</u>	<u>338,777</u>	<u>-</u>	<u>96,033,339</u>
<b>Less: Accumulated Depreciation</b>				
Runway/Taxi	21,889,468	1,079,567	-	22,969,035
Land Improvement	2,486,342	14,612	-	2,500,955
Infrastructure	5,981,069	61,066	-	6,042,135
Intangibles	300,944	-	-	300,944
Building and Building Improvement	21,312,481	1,734,433	-	23,046,914
Machinery and Equipment	1,878,216	143,942	-	2,022,158
Total Accumulated Depreciation	<u>53,848,521</u>	<u>3,033,621</u>	<u>-</u>	<u>56,882,141</u>
Net Value of Capital Assets Being Depreciated	<u>41,846,041</u>	<u>(2,694,843)</u>	<u>-</u>	<u>39,151,197</u>
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$ 58,799,385</u>	<u>\$ 211,097</u>	<u>\$ -</u>	<u>\$ 59,010,482</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 58,799,385</u>	<u>\$ 211,097</u>	<u>\$ -</u>	<u>\$ 59,010,482</u>
<b>Depreciation expense was charged to the functions of business-type activities as follows:</b>				
Airport Activity		<u>\$ 3,033,621</u>		
Total Depreciation Expense		<u>\$ 3,033,621</u>		

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**LONG-TERM DEBT:**

**Business-Type Activities:**

On April 10, 2018, the District signed a promissory note with the Oregon Infrastructure Finance Authority in the amount of \$11,562,895. Principal and interest payments are due December 1, 2018, through December 1, 2037. The interest rates vary with the first two years at 4% and future years at 5% with an all-in true interest cost of 3.48%.

On November 8, 2016, the District signed a promissory note with a local bank in the amount of \$1,500,000. The loan was used for construction costs for remodeling a building, which the Department of Human Services is leasing. This loan requires monthly payments of \$11,585 through November 2026 and then monthly payments of \$11,633 through November 2031. This note has a variable interest rate, which may change every five years based on the 5-Year Long-Term, Fixed-Rate Advance Rate. The interest rate will never be lower than 4.23%.

On July 1, 2019, the District entered into a taxable financing agreement with a bank in the amount of \$5,444,000. The loan was used to refinance certain debt loans as well as to finance construction costs. The loan required monthly payments of principal and interest for years 1-5 of \$46,253. For years 6-15 monthly principal and interest amounts would have been \$33,566, assuming no use of the drawdown provision. The interest rate is a 15-year taxable fixed interest rate of 3.35%. On September 1, 2021, the District amended the financing agreement with an increase of \$1,400,000 to \$6,844,000. During the balance of the years 1-5, the monthly principal and interest amounts are estimated at \$56,834 per month. For years 6-15 monthly principal and interest amounts are estimated at \$44,147 per month.

On May 22, 2025, the District entered into a non-revolving Full Faith and Credit financing agreement Bond with a maximum principal amount of \$4,100,000 to fund an improvements project at the airport. Under this tax-exempt financing agreement, Banner Bank makes the Bond available to Coos County Airport District. The Bond is intended to be a draw-down obligation. During a 2-year period, the available principal of the Bond shall be disbursed as borrowings from time to time by the Bank upon request by the district, with a minimum draw amount of \$100,000. The outstanding principal balance may not exceed \$4.1 million. After the drawdown period, the Bond is fully amortized over 8 years. The Bond bears an interest rate of 4.35% during the 2-year drawdown period, and fixed rate of 4.54% during the 8-year amortization period.

The following is a summary of business-type long-term debt activity for the fiscal year ended June 30, 2025:

<b><u>Business-Type Long-Term Debt</u></b>	<b>Beginning Balances</b>	<b>New Issues</b>	<b>Reductions</b>	<b>Interest</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b>Bonds Payable:</b>						
Full Faith & Credit Bond, Series 2025 - Banner Bank	\$ -	\$ 100,000	-	\$ -	\$ 100,000	\$ -
<b>Total Bonds Payable</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>
<b>Direct Borrowings and Placements:</b>						
DHS - Business Oregon - IFA	8,096,711	-	413,459	404,836	7,683,252	431,882
DHS - Oregon Pacific Bank	883,516	-	103,370	35,652	780,146	107,669
BLM - Banner Bank	4,504,500	-	384,195	147,852	4,120,305	404,988
<b>Total Direct Borrowings and Placements</b>	<b>13,484,727</b>	<b>-</b>	<b>901,024</b>	<b>588,340</b>	<b>12,583,703</b>	<b>944,540</b>
<b>Premium</b>	<b>958,264</b>	<b>-</b>	<b>104,310</b>	<b>-</b>	<b>853,954</b>	<b>-</b>
<b>Total Business-Type Long-Term Debt</b>	<b>\$14,442,991</b>	<b>\$ 100,000</b>	<b>\$1,005,334</b>	<b>\$588,340</b>	<b>\$ 13,537,657</b>	<b>\$ 944,540</b>

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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The debt service requirements on the above debt are as follows:

**Direct Borrowings and Placements:**

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 944,540	\$ 546,778	\$ 1,491,318
2027	986,622	506,697	1,493,319
2028	1,029,499	464,819	1,494,318
2029	1,073,378	420,940	1,494,318
2030	1,118,126	375,193	1,493,319
2031 - 2035	5,202,417	1,225,075	6,427,492
2036 - 2040	2,229,123	226,512	2,455,635
Total	<u>\$ 12,583,703</u>	<u>\$ 3,766,016</u>	<u>\$ 16,349,719</u>

**LONG-TERM DEBT (Cont.):**

The District has no unused lines of credit.

The District has no assets that are specifically pledged as collateral for any of the debt.

For further details on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Information section of this report.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**PENSION PLAN:**

The Coos County Airport District offers various retirement plans to qualified employees as described below.

***Cost-sharing Multiple-employer Defined Benefit Pension Plan - The Oregon Public Employees Retirement System (PERS).***

Name of Pension Plan

The Coos County Airport District participates with other state agencies in the Oregon Public Employees Retirement System (OPERS) which is a cost-sharing multiple-employer defined benefit pension plan.

Organization

OPERS administers a cost-sharing, multiple-employer defined benefit pension plan (Plan) for units of state government, political subdivisions (including community colleges and school districts), and public universities. The Plan contains multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the Plan. As of June 30, 2024, there were 904 participating employers and more than 415,000 active, inactive, and retired members and beneficiaries.

OPERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Oregon Public Employees Retirement Board (OPERB) to administer and manage the System. All members of the Board are appointed by the governor and confirmed by the State Senate. Oregon PERS produces an independently audited comprehensive annual financial report (ACFR) for the funds administered by OPERB. The OPERS ACFR can be found at:  
<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Plan Membership

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

As of June 30, 2024, Tier One was comprised of 7,928 active plan members, 127,957 retired plan members or their beneficiaries currently receiving benefits, and 6,927 inactive plan members entitled to but not yet receiving benefits for a total of 142,812 members. For Tier Two, as of June 30, 2024, there were 23,549 active plan members, 24,248 retired plan members or their beneficiaries currently receiving benefits, and 12,332 inactive plan members entitled to but not yet receiving benefits for a total of 60,129.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership for the OPSRP Pension Program includes public employees hired on or after August 29, 2003. OPSRP is part of PERS and is administered by the Board. The PERS Board is directed to adopt any rules necessary to administer OPSRP, and such rules are to be considered part of the plan for IRS purposes.

As of June 30, 2024, there were 163,367 active OPSRP Pension plan members, 13,931 retired plan members or their beneficiaries currently receiving benefits, 10,596 inactive plan members entitled to but not yet receiving benefits, and 24,658 inactive plan members not eligible for refund or retirement for a total of 212,552 OPSRP Pension Program members.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*Plan Benefits*

**1. OPERS Pension (Chapter 238) – Tier One/Tier Two**

*a. Pension Benefits*

The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit.

These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly based on years of service and final average salary. A percentage (2.0% for Police and Fire employees, 1.67% for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which they are entitled.

Under Senate Bill (SB) 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2021. The limit was equal to \$232,976 as of January 1, 2024, and it is indexed with inflation every year.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if they have contributions in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are closed to new members hired on or after August 29, 2003.

*b. Death Benefits*

Upon the death of a nonretired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary receives a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death.
- The member died within 120 days after termination of PERS-covered employment.
- The member died as a result of an injury sustained while employed in a PERS-covered job.
- The member was on an official leave of absence from a PERS-covered job at the time of death.

A member's beneficiary may choose a monthly payment for life instead of the lump-sum or a combination of lumpsum and monthly payments, if eligible. The monthly payment must be a minimum of \$200 per month for deaths that occur after July 30, 2003.

In 2019 the Legislature introduced an Optional Spouse Death Benefit (OSDB) that may provide a higher survivor benefit than the standard pre-retirement death benefit described above. To be eligible for the OSDB, the member must have died before retiring, named their spouse or other person who is constitutionally required to be treated in the same manner as the spouse as their pre-retirement beneficiary, and met the following conditions:

- Member's date of death must be on or after January 1, 2020.
- Member's account must be eligible for the employer-matching death benefit (as described above).
- Member must have a surviving spouse.
- The surviving spouse must be the member's sole beneficiary as determined by a valid Tier One/Tier Two Pre-retirement Beneficiary Designation form on file with PERS.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

As of January 1, 2024, the Legislature modified the rules such that, in order to be eligible for the Optional Spouse Death Benefit, a surviving spouse must make a written election no later than 60 days after the date of the estimate that PERS provides to a member's spouse. For members who die before their earliest retirement date, the OSDB is the actuarial equivalent of 50% of the service retirement that would have been paid to the member, calculated as if the member became inactive on their date of death and retired at their earliest retirement date. For members who die after their earliest retirement date but before normal retirement age, the OSDB is the actuarial equivalent of the service retirement that would have been paid to the member calculated as if they retired on the first day of the month following their death. For members who die after their normal retirement age, the OSDB is the actuarial equivalent of the benefit that would have been paid to the member, calculated as if the member retired on the first day of the month following their date of death.

The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

*c. Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time for General Service members is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

*d. Benefit Changes After Retirement*

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations caused by changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

**2. OPSRP Pension Program**

*a. Pension Benefits*

This portion of OPSRP provides a life pension funded primarily by employer contributions and earnings. Benefits are calculated with the following formula for members who attain normal retirement age.

General Service: 1.5% multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65 or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary is limited for all members beginning in 2020. The limit was equal to \$232,976 as of January 1, 2024, and is indexed with inflation every year.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years - the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*b. Death Benefits*

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached the age of their federally required minimum distribution.

*c. Disability Benefits*

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled from a job-related injury may receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.

*d. Benefit Changes After Retirement*

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.

**3. Individual Account Program (IAP)**

*a. Benefit Terms*

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established.

Employers have the option to make employer contributions for a member under ORS 238A.340. Contributions for these accounts are deposited into a separate employer-funded account. The member becomes vested in this optional employer-funded account on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 414(k).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer-funded account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or an anticipated life-span option. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a \$200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

*b. Death Benefits*

Upon the death of a nonretired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*c. Recordkeeping*

PERS contracts with Voya Financial to maintain IAP participant records.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

**4. Postemployment Healthcare Benefits**

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 904 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

For the fiscal year ended June 30, 2024, PERS employers contributed 0.04% of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. A (0.04)% unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers had an effective contribution rate of 0.00% for the RHIA program. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

**Contributions**

**Description of Funding and Contributions for PERS Benefit Plans**

OPERS' funding policy provides for periodic member and employer contributions at rates established by the PERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

**Member Contributions**

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

The Member Reserve represents accumulated member contributions and earnings allocations made prior to January 1, 2004, and subsequent earnings allocations less refunds and amounts transferred to reserves for retirements and disabilities (ORS 238.515). The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements.

Starting July 1, 2020, Senate Bill 1049 (2019) required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. In 2024, if the member earns more than \$3,688 per month, 0.75% (if OPSRP member) or 2.5% (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the member's Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*a. Employee Pension Stability Accounts (EPSA)*

EPSA was created by the Oregon Legislature through Senate Bill 1049 (2019) to address the increasing cost of funding pension benefits. EPSA's function is to help pay for part of an applicable member's lifetime monthly pension benefit when they retire.

EPSA rules apply to most PERS members, but the EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, which is tied to the annual Consumer Price Index (All Urban Consumers, West Region). EPSA accounts are credited with investment earnings and losses annually and have no guaranteed rate of return.

*b. Target-Date Funds*

The Oregon Investment Council, responsible for all PERS fund investments, approved the transition to a target-date fund (TDF) investment methodology for all IAP accounts beginning January 1, 2018. This change in investment methodology reflects an investment best practice that will better protect participants from potential losses as they approach and enter retirement by gradually reducing investment risk as participants age.

Effective January 1, 2021, Senate Bill 1049 (2019) allowed members to elect investment of their IAP account in a TDF other than the default TDF based on their year of birth. PERS now provides members the opportunity to make elections once a year during the month of September, with the change effective the following calendar year.

*Employer Contributions*

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB plans. Employer contribution rates during fiscal year 2024 were based on the December 31, 2021, actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, public universities, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced.

*a. PERS Defined Benefit Plan (ORS 238)*

Effective July 1, 2023, the contribution rate for state agencies was 28.88%, the State and Local Government Rate Pool was 29.03%, the School Districts Pool was 28.58%, and the judiciary was 29.01% of PERS-covered salaries. Political subdivisions that have not joined the State and Local Government Rate Pool had an average pension contribution rate of 29.81%.

*b. OPSRP Pension Program (ORS 238A)*

All PERS-participating employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. The OPSRP Pension Program employer rates effective July 1, 2023, through June 30, 2025, are 11.58% of covered salaries for General Service employees and 16.37% of covered salaries for Police and Fire employees. These rates increased from 10.33% of covered salaries for General Service and 14.69% of covered salaries for Police and Fire employees for the period July 1, 2021, through June 30, 2023. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Effective January 1, 2021, Senate Bill 1049 (2019) requires employers to pay contributions on reemployed PERS retirees' salaries as if they were active members, excluding IAP (6%) contributions. Reemployed retirees do not accrue additional benefits while they work after retirement.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*District Employer Contributions*

The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The District's employer required contributions for the year ended June 30, 2025 were \$298,723 for Defined Benefits and IAP employee contributions, excluding amounts to fund employer specific liabilities.

The contribution rates in effect for the period July 1, 2023 to June 30, 2025 were: Tier1/Tier2 – 20.06 % and OPSRP General Service – 18.04%.

*District Member Contributions*

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf.

During FY 2024-2025, approximately \$62,212 in employee IAP contributions were paid or picked up by the district.

Pension Plan ACFR

Oregon PERS produces an independently audited ACFR which can be found at:  
<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2022 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over the same period of years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**PENSION PLAN (Cont.):**

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

<b>Actuarial Methods and Assumptions Used in Developing Total Pension Liability:</b>	
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b>            Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>            Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>            Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, 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 on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**PENSION PLAN (Cont.):**

*Depletion Date Projection*

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such an evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

*OIC Target and Actual Investment Allocation as of June 30, 2024*

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation<sup>2</sup></u>
Debt Securities	20.0% - 30.0%	25.0%	Debt Securities	19.1%
Public Equity	22.5% - 32.5%	27.5%	Public Equity	23.0%
Real Estate	7.5% - 17.5%	12.5%	Real estate	13.2%
Private Equity	15.0% - 27.5%	20.0%	Private Equity	26.9%
Real Assets	2.5% - 10.0%	7.5%	Real Assets	10.1%
Diversifying Strategies	2.5% - 10.0%	7.5%	Diversifying Strategies	5.0%
Opportunity Portfolio <sup>1</sup>	0.0% - 5.0%	0.0%	Opportunity Portfolio	2.7%
Total		<u>100%</u>	Total	<u>100%</u>

<sup>1</sup>Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**PENSION PLAN (Cont.):**

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Long Term Expected Rate of Return<sup>1</sup></u>	Annual	20-Year	Annual
<u>Asset Class</u>	Target	Annualized	Standard
	Allocation	Geometric Mean	Deviation
Global Equity	27.50%	8.57%	17.99%
Private Equity	25.50%	12.89%	30.00%
Core Fixed Income	25.00%	4.59%	4.22%
Real Estate	12.25%	6.90%	15.13%
Master Limited Partnerships	0.75%	9.41%	27.04%
Infrastructure	1.50%	7.88%	17.11%
Hedge Fund of Funds - Multistrategy	1.25%	6.81%	9.04%
Hedge Fund Equity - Hedge	0.63%	7.39%	12.04%
Hedge Fund - Macro	5.62%	5.44%	7.49%
<b>Assumed Inflation - Mean</b>		<b>2.35%</b>	<b>1.41%</b>

<sup>1</sup>Based on the Oregon Investment Council’s (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

<sup>2</sup>The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

**Sensitivity Analysis**

The following presents the employer’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net pension liability	\$ 3,298,936	\$ 2,091,297	\$ 1,079,840

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

Changes Since Last Valuation

A summary of key changes implemented after the December 31, 2024 valuation, which was used in the 2024 PERS ACFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2024 Experience Study for the System, which was published on July 22, 2025, which can be found at: [https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024\\_Exp\\_Study.pdf](https://www.oregon.gov/pers/Documents/Financials/Actuarial/2025/2024_Exp_Study.pdf)

Changes in Actuarial Methods and Allocation Procedures

As of June 30, 2024, PERS fully finished and closed the Employer Programs, Salary Limit, Member Choice, Technical Debt, and Work After Retirement projects. House Bill 2296 (2023) extended the sunset of the work after retirement provisions until 2034. The Member Redirect project has an expected completion date of June 2025. PERS received funding for these projects for the 2023-25 biennium.

The timing of the amortization period for Pre-SLGRP liabilities and surpluses for SLGRP employers was revised to align the biennial rate-setting cycle.

Changes in Assumptions

- Adjust mortality assumptions to use the new “Pub-2016” base tables, matched to observed PERS-specific experience.
- Increase the individual member salary increase assumption’s merit/longevity component for one member category based on observations of the last 12 years of experience. The individual member salary increase assumption consists of the sum of inflation, real wage growth, and merit/longevity components, with the latter varying by member. We also recommend maintaining an assumed additional 2% annual increase specifically for calendar year 2025 above the long-term assumptions, which was first adopted in the 2022 Experience Study to reflect significant bargained increases already known at that time.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience.
- Lower assumed rates of ordinary (non-duty) disability incidence to more closely match recent experience.
- Adjust the Tier One/Tier Two unused sick leave assumption for one member category to reflect recently observed experience.
- Decrease the likelihood of program participation for non-disabled and disabled retirees in the RHIA retiree healthcare program.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**PENSION PLAN (Cont.):**

**Mortality Rates**

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Used for December 31, 2022 and 2023 Valuations	Recommended December 31, 2024 and 2025 Valuations
<b>Healthy Annuitant Mortality</b>	<b>Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>	<b>Pub-2016 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
School District male	Blend 80% Teachers and 20% General Employees, no set back	No change
Other General Service male (and male beneficiary)	General Employees, set back 12 months	No change
Police & Fire male	Public Safety, no set back	No change
School District female	Teachers, no set back	No change
Other female (and female beneficiary)	General Employees, no set back	No change
Police & Fire female	Public Safety, set back 12 months	No change
<b>Disabled Retiree Mortality</b>	<b>Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>	<b>Pub-2016 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service male	Non-Safety, set forward 24 months	120% of Non-Safety, no set back
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	Blended 20% Public Safety, 80% Non-Safety, no set back
Other General Service female	Non-Safety, set forward 12 months	120% of Non-Safety, no set back
<b>Non-Annuitant Mortality</b>	<b>Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>	<b>Pub-2016 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
School District male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service male	115% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire male	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
School District female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Other General Service female	125% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption
Police & Fire female	100% of Employee table with same job category and set back as Non-Disabled Retiree assumption	120% of Employee table with same job category and set back as Non-Disabled Retiree assumption

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**PENSION PLAN (Cont.):**

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, that we are aware of.

*Deferred Items*

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2025, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 96, of the June 30, 2024 Oregon PERS ACFR. <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

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

At June 30, 2025, the employer reported a liability of \$2,091,297 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the employer's proportion was 0.00940871%.

For the year ended June 30, 2025, the employer recognized pension expense of \$437,685.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**PENSION PLAN (Cont.):**

As of June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,890	\$ 4,991
Changes of assumptions	210,260	269
Net difference between projected and actual earnings on investments	132,856	-
Changes in proportionate share	381,362	11,161
Differences between employer contributions and employer's proportionate share of system contributions	70,611	64,664
(prior to post-measurement date contributions)	\$ 918,979	\$ 81,085
Post-measurement date contributions	298,723	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 1,217,702	\$ 81,085
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		\$ 837,894

Contributions of \$298,723 for PERS defined benefits, and IAP contributions for employees, were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to pensions, will be included as a reduction of the net pension liability in next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 111,892
2nd Fiscal Year	342,316
3rd Fiscal Year	217,252
4th Fiscal Year	135,781
5th Fiscal Year	30,653
Total	\$ 837,894

We are not aware of any changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

As a result of the use of the modified cash basis of accounting in this report the amount of net OPEB liability (asset) for RHIA will not be reported on the Statement of Net Position.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:**

***Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)***

**Plan Description**

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**Funding Policy**

For the fiscal year ended June 30, 2024, PERS Employers had an effective contribution rate of 0.00% for the RHIA program. The unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years. These rates were based on the December 31, 2021, actuarial valuation.

**Contributions**

The District's contributions to OPERS' RHIA for the years ended June 30, 2025, 2024, and 2023 were \$0, \$0, and \$122, respectively, which equaled the required contributions for the year.

**Actuarial Methods and Assumptions Used in Developing Total (OPEB) RHIA Liability**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated November 27, 2024 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
	<b>RHIA</b>
Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study	2022, published July 20, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 25.0% Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Mortality	<p><b>Healthy retirees and beneficiaries:</b>  Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>  Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>  Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and the pattern of cost-sharing between the employer and plan members. The December 31, 2022, system-wide actuarial valuation was used to develop the GASB 67 financial reporting results for the Defined Benefit Pension Plan as of June 30, 2024, using standard roll-forward procedures.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 92 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Sensitivity Analysis

The following presents the employer’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the employer’s proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Employer's proportionate share of the net OPEB liability	\$ (30,346)	\$ (32,782)	\$ (34,880)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2025, the District reported a net OPEB RHIA liability/(asset) of \$(32,782) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024, the District’s proportion was 0.00811625 percent. OPEB RHIA expense/(income) recorded for the year ended June 30, 2025 was \$(9,095).

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 641
Changes of assumptions	-	415
Net difference between projected and actual earnings on investments	926	-
Changes in proportionate share (prior to post-measurement date contributions)	<u>-</u>	<u>4,116</u>
	\$ 926	\$ 5,172
Post-measurement date contributions	-	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 926</u>	<u>\$ 5,172</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (4,246)</u>

Contributions of \$0 were made subsequent to the measurement date, but prior to the end of the District's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (5,653)
2nd Fiscal Year	799
3rd Fiscal Year	501
4th Fiscal Year	<u>107</u>
Total	<u>\$ (4,246)</u>

**Changes Subsequent to the Measurement Date**

We are not aware of any changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

As a result of the use of the modified cash basis of accounting in this report the amount of net OPEB liability (asset) for RHIA will not be reported on the Statement of Net Position.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) SDIS:**

Plan Description

The District operates a single employer retiree benefit plan through the Special Districts Insurance Services (SDIS) that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. In some cases, the premium itself for retirees does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

At June 30, 2025, the District reported an estimated net OPEB SDIS liability/(asset) of \$51,745 for its proportionate share of the net OPEB liability/(asset). The OPEB SDIS liability/(asset) was measured as of June 30, 2024, and the total OPEB SDIS liability/(asset) used to calculate the net OPEB SDIS liability/(asset) was determined by an actuarial valuation as of July 1, 2023. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB SDIS liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. Based on the measurement date of June 30, 2024, the District’s estimated OPEB SDIS expense/(income) for the year ended June 30, 2025, was \$(666).

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2023, using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS and were developed in consultation with Milliman. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

<b>Discount Rate</b>	3.54%	3.65%	3.93%
<b>Other Key Actuarial Assumptions and Methods</b>			
Valuation date	July 1, 2021	July 1, 2023	July 1, 2023
Measurement date	June 30, 2022	June 30, 2023	June 30, 2024
Inflation	2.40%	2.40%	2.40%
Salary increases	3.40%	3.40%	3.40%
Withdrawal, retirement, and mortality rates	December 31, 2020 Oregon PERS valuation	December 31, 2022 Oregon PERS valuation	December 31, 2022 Oregon PERS valuation
Election and Lapse Rates	30% of eligible employees 60% of male members and 35% of female members will electspouse coverage 5% annual lapse rate	30% of eligible employees 60% of male members and 35% of female members will electspouse coverage 5% annual lapse rate	30% of eligible employees 60% of male members and 35% of female members will electspouse coverage 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) SDIS (Cont.):**

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost and is the portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

**The Discount Rate**

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Healthy Retiree tables. The Mortality Table reflects recent rates developed by the Society of Actuaries.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2022. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Starting per capita costs are based on premium rates. The same rates are charged for active and pre-Medicare retirees. When an employer provides benefits to both active employees and retirees through the same plan, the benefits to retirees should be segregated and measured independently for actuarial measurement purposes. The projection of future retiree benefits should be based on claims costs, or age-adjusted premiums approximating claims costs, for retirees, in accordance with actuarial standards issued by the Actuarial Standards Board. As such, premiums were estimated for pre-Medicare retirees based on average ages and assumptions on the relationship between costs and increasing age (Morbidity).

**Sensitivity Analysis**

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Total OPEB liability from Implicit Rate Subsidy	\$ 54,197	\$ 51,745	\$ 49,397
	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 48,304	\$ 51,745	\$ 55,713

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) SDIS (Cont.):**

**Participation**

The following table represents the number of the District's covered participants:

<u>As of most recent census July 1, 2023</u>	<u>Total</u>
Number of Members	
Active	17
Retired Members	0
Spouses of Ineligible Retirees	1
Total Participants	18
Spouses of Eligible Retirees	0

**Changes in Net (OPEB) SDIS Liability**

	Increase (Decrease)
<b>Changes in Total OPEB Liability</b>	<b>Total OPEB Liability</b>
<b>Balance as of June 30, 2024</b>	<b>\$ 52,467</b>
Changes for the year:	
Service Cost	4,042
Interest	1,954
Effect of assumptions or other inputs	(742)
Benefit payments	(5,976)
<b>Net OPEB Liability at June 30, 2025</b>	<b>\$ 51,745</b>

**Components of (OPEB) SDIS Expense**

	<u>July 1, 2024 to</u>
<b>OPEB Expense</b>	<b>June 30, 2025</b>
Service cost	\$ 4,042
Interest on total OPEB liability	1,954
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or los:	(5,243)
Recognition of assumption changes	(1,419)
OPEB Expense	<b>\$ (666)</b>

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) SDIS (Cont.):**

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 17,437
Changes of assumptions or inputs	15,949	14,761
(prior to post-measurement date contributions)	\$ 15,949	\$ 32,198
Post-measurement date contributions	-	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 15,949	\$ 32,198
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		\$ (16,249)

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (6,662)
2nd Fiscal Year	(6,315)
3rd Fiscal Year	(6,094)
4th Fiscal Year	1,085
5th Fiscal Year	1,426
Thereafter	311
Total	\$ (16,249)

**Changes Subsequent to the Measurement Date**

We are not aware of any changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

As a result of the use of the modified cash basis of accounting in this report the amount of net OPEB liability (asset) for SDIS will not be reported on the Statement of Net Position.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**CONTINGENT LIABILITIES:**

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if it is any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The Coos County Airport District has elected the "reimbursement" basis for unemployment claims to the State of Oregon Department of Human Resources Employment Division. If a terminated employee collects unemployment compensation based on earnings from the District, the District will be required to reimburse the State of Oregon for the amount of unemployment compensation paid. Amounts billed by the State of Oregon are charged to expenditures but amounts for which the District is potentially liable as a result of claims not yet filed are unknown.

**RISK MANAGEMENT:**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District is a member of Special Districts Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The District pays an annual premium to SDIS for insurance coverage.

Based on the experience of the District and pool, the District may be liable for an additional premium of up to approximately 20% of its initial premium, or it may receive a refund. The District has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. There have been no significant reductions in coverage from the prior years, and settlements have not exceeded insurance coverage in the past three years.

**INTERFUND TRANSFERS:**

Interfund transfers for the year ending June 30, 2025, were as follows:

<u>Fund</u>	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 300,000	\$ 680,000
Building Reserve Fund	-	175,000
Construction Fund	-	300,000
DHS Multi Services Campus Fund	550,000	-
Business Enterprise Center Fund	75,000	-
BLM Facility Fund	150,000	-
Passenger Facility Charges Fund	80,000	-
Unemployment Fund	-	-
Total	<u>\$ 1,155,000</u>	<u>\$ 1,155,000</u>

These transfers occur on a routine basis and are used by the recipient funds for the normal operations of the fund.

**COOS COUNTY AIRPORT DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

June 30, 2025

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**RESTATEMENT OF BEGINNING FUND BALANCE AND BEGINNING NET POSITION:**

Beginning with the fiscal year ending June 30, 2025, the District has elected to report using the modified cash basis of accounting. The beginning net position has been restated to account for the difference between ending net position (full accrual) and beginning net position (modified cash).

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 26, 2026, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY**

**INFORMATION**

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY**  
**PERS**  
**Last 10 Fiscal Years\***

Fiscal Year Ended June 30, <sup>1</sup>	Measurement Date	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	June 30, 2024	0.00940871%	\$ 2,091,297	\$ 1,134,076	184.41%	79.3%
2024	June 30, 2023	0.00748872%	1,402,689	1,126,210	124.55%	81.7%
2023	June 30, 2022	0.00679433%	1,040,348	856,201	121.51%	84.5%
2022	June 30, 2021	0.00623031%	745,549	583,492	127.77%	87.6%
2021	June 30, 2020	0.00566682%	1,236,695	700,472	176.55%	75.8%
2020	June 30, 2019	0.00702800%	1,215,676	647,136	187.85%	80.2%
2019	June 30, 2018	0.00607187%	919,808	727,430	126.45%	82.1%
2018	June 30, 2017	0.00683014%	920,705	701,593	131.23%	83.1%
2017	June 30, 2016	0.00671811%	1,008,544	651,685	154.76%	80.5%
2016	June 30, 2015	0.00658571%	378,116	657,679	57.49%	91.4%

<sup>1</sup>Measurement date is one year in arrears.

\*This schedule is presented to illustrate the requirement to show information for 10 years.

The full 10-year trend will be presented for those years for which information is available

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**PERS**  
**Last 10 Fiscal Years \***

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ 298,723	\$ 298,723	\$ -	\$ 1,036,871	28.81%
2024	318,818	318,818	-	1,134,076	28.11%
2023	344,874	344,874	-	1,126,210	30.62%
2022	195,747	195,747	-	856,201	22.86%
2021	151,008	151,008	-	583,492	25.88%
2020	153,061	153,061	-	700,472	21.85%
2019	109,006	109,006	-	647,136	16.84%
2018	119,770	119,770	-	727,430	16.46%
2017	93,075	93,075	-	701,593	13.27%
2016	86,404	86,404	-	651,685	13.26%

\*This schedule is presented to illustrate the requirement to show information for 10 years.  
The full 10-year trend will be presented for those years for which information is available

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE**  
**NET OPEB LIABILITY**  
**OPEB RHIA**  
**Last 10 Fiscal Years\***

Fiscal Year Ended June 30, <sup>1</sup>	Measurement Date	(a) Employer's proportion of the net OPEB liability (asset)	(b) Employer's proportionate share of the net OPEB liability (asset)	(c) Employer's covered payroll as of Measurement Date	(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	June 30, 2024	0.00811625%	\$ (32,782)	\$ 1,134,076	-2.89%	220.6%
2024	June 30, 2023	0.00621017%	(22,740)	1,126,210	-2.02%	201.6%
2023	June 30, 2022	0.00476953%	(16,948)	856,201	-1.98%	194.6%
2022	June 30, 2021	0.00468152%	(16,076)	583,492	-2.76%	183.9%
2021	June 30, 2020	0.00172416%	(3,513)	700,472	-0.50%	150.1%
2020	June 30, 2019	0.00583757%	(11,280)	647,136	-1.74%	144.4%
2019	June 30, 2018	0.00670925%	(7,489)	727,430	-1.03%	124.0%
2018	June 30, 2017	0.00675245%	(2,818)	701,593	-0.40%	108.9%
2017	June 30, 2016	0.00675093%	1,833	651,685	0.28%	94.2%

<sup>1</sup>Measurement date is one year in arrears.

\*This schedule is presented to illustrate the requirement to show information for 10 years.

The full 10-year trend will be presented for those years for which information is available

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB RHIA**  
**Last 10 Fiscal Years**

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2025	\$ -	\$ -	\$ -	\$ 1,036,871	0.00%
2024	-	-	-	1,134,076	0.00%
2023	122	122	-	1,126,210	0.01%
2022	118	118	-	856,201	0.01%
2021	125	125	-	583,492	0.02%
2020	123	123	-	700,472	0.02%
2019	2,893	2,893	-	647,136	0.45%
2018	3,249	3,249	-	727,430	0.45%
2017	3,271	3,271	-	701,593	0.47%
2016	3,037	3,037	-	651,685	0.47%

\*This schedule is presented to illustrate the requirement to show information for 10 years.  
The full 10-year trend will be presented for those years for which information is available

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**SPECIAL DISTRICTS INSURANCE SERVICES**

**Last 10 Fiscal Years\***

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service cost	\$ 4,042	\$ 2,085	\$ 2,439	\$ 3,901	\$ 3,314
Interest on total OPEB liability	1,954	1,480	962	1,628	2,356
Effect of changes to benefit terms	-	-	-	-	-
Effect of economic/demographic gains or losses	-	(4,060)	-	(2,639)	-
Effect of assumption changes or inputs	(742)	14,889	(2,809)	(27,148)	3,862
Benefit payments	(5,976)	(3,295)	(2,616)	(4,191)	(3,353)
Net change in total OPEB liability **	(722)	11,099	(2,024)	(28,449)	6,179
Total OPEB liability, beginning	52,467	41,368	43,392	71,841	65,662
Total OPEB liability, ending (a) **	<u>\$ 51,745</u>	<u>\$ 52,467</u>	<u>\$ 41,368</u>	<u>\$ 43,392</u>	<u>\$ 71,841</u>
Covered payroll	\$ 1,134,076	\$ 856,201	\$ 583,492	\$ 700,472	\$ 647,136
Total OPEB OEGB liability as a % of covered payroll	4.56%	6.13%	7.09%	6.19%	11.10%

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 2,885	\$ 2,866	\$ 3,051
Interest on total OPEB liability	3,716	3,594	3,064
Effect of changes to benefit terms	-	-	-
Effect of economic/demographic gains or losses	(39,218)	-	-
Effect of assumption changes or inputs	9,974	(1,461)	(4,043)
Benefit payments	(9,582)	(9,205)	(8,830)
Net change in total OPEB liability **	(32,225)	(4,206)	(6,758)
Total OPEB liability, beginning	97,887	102,093	108,851
Total OPEB liability, ending (a) **	<u>\$ 65,662</u>	<u>\$ 97,887</u>	<u>\$ 102,093</u>
Covered payroll	\$ 727,430	\$ 701,593	\$ 651,685
Total OPEB OEGB liability as a % of covered payroll	9.03%	13.95%	15.67%

<sup>1</sup>Measurement date is one year in arrears.

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

\*\*Totals may not agree due to rounding.

**SUPPLEMENTARY**  
**INFORMATION**

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**GENERAL FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget-- over (under) Actual Amounts
	<u>Original</u>	<u>Final</u>			
<b><u>REVENUES:</u></b>					
Property Taxes	\$ 1,517,450	\$ 1,517,450	\$ -	\$ 1,538,045	\$ 20,595
Business Park Building and Land Leases	234,594	234,594	-	230,523	(4,071)
Aeronautical:					
Hangars	791,109	791,109	-	136,449	(654,660)
Corporate Hangars-Land Leases	-	-	-	23,314	23,314
User Fees	-	-	-	533,807	533,807
Non-Aeronautical:					
Land Leases	-	-	-	9,509	9,509
Ground Transportation	242,368	242,368	-	3,750	(238,618)
Terminal Rooms	-	-	-	102,193	102,193
Terminal Advertising	-	-	-	13,400	13,400
Concessions	-	-	-	138,480	138,480
Rental Parking	-	-	-	5,040	5,040
Apartment Rentals	-	-	-	-	-
Earnings on Investments	90,000	90,000	-	105,950	15,950
Security Background Fees	1,000	1,000	-	492	(508)
US DOT Air Route Subsidy	-	-	-	-	-
Federal Grants	250,000	250,000	-	-	(250,000)
Reimbursements & Cost Shares	-	-	-	2,184	2,184
Miscellaneous	500	500	-	5,541	5,041
<b>Total Revenues</b>	<b>3,127,021</b>	<b>3,127,021</b>	<b>-</b>	<b>2,848,677</b>	<b>(278,344)</b>
<b><u>EXPENDITURES:</u></b>					
Personnel Services	2,057,404	2,057,404	-	2,041,609	(15,795)
Materials and Services	2,031,321	2,031,321	-	1,273,406	(757,915)
Capital Outlay	1,027,398	1,027,398	-	325,031	(702,367)
Debt Service	127,470	127,470	-	123,266	(4,204)
Contingency	145,659	145,659	-	-	(145,659)
<b>Total Expenditures</b>	<b>5,389,252</b>	<b>5,389,252</b>	<b>-</b>	<b>3,763,312</b>	<b>(1,625,940)</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,262,231)	(2,262,231)	-	(914,635)	1,347,596

Continued on next page

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2025**

**OTHER FINANCING SOURCES (USES):**

Operating Transfer In	1,630,000	1,630,000	-	680,000	(950,000)
Operating Transfer (Out)	<u>(1,785,740)</u>	<u>(1,785,740)</u>	-	<u>(300,000)</u>	<u>(1,485,740)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(155,740)</u></b>	<b><u>(155,740)</u></b>	<b>-</b>	<b><u>380,000</u></b>	<b><u>(2,435,740)</u></b>
Net Change In Fund Balance	(2,417,971)	(2,417,971)	-	(534,635)	(1,088,144)
Fund Balance - July 1, 2024	<u>2,417,971</u>	<u>2,417,971</u>	-	<u>2,525,046</u>	<u>107,075</u>
<b>Fund Balance - June 30, 2025</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,990,411</u></b>	<b><u>\$ 1,990,411</u></b>

**Reconciliation to Generally Accepted Accounting Principles:**

Fund Balance from Above	1,990,411
Capital Assets, net	24,330,234
Payroll Liabilities	2,335
Long-Term Debt Payable	<u>(399,082)</u>
Net Position - Modified Cash Basis - June 30, 2025	<u>\$25,248,195</u>

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**BUILDING RESERVE FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with Original Budget--	Actual Amounts	Variance with Final Budget--
	<u>Original</u>	<u>Final</u>	over (under) Final Budget	(Budgetary Basis) (See Note 1)	over (under) Actual Amounts
<b><u>REVENUES:</u></b>					
Earnings on Investments	\$ 50,000	\$ 50,000	\$ -	\$ 57,498	\$ 7,498
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>57,498</b>	<b>7,498</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer In	175,000	175,000	-	175,000	-
Operating Transfer (Out)	(500,000)	(500,000)	-	-	(500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(325,000)</b>	<b>(325,000)</b>	<b>-</b>	<b>175,000</b>	<b>(500,000)</b>
Net Change In Fund Balance	(275,000)	(275,000)	-	232,498	507,498
Fund Balance - July 1, 2024	1,149,157	1,149,157	-	1,150,487	1,330
<b>Fund Balance - June 30, 2025</b>	<b>\$ 874,157</b>	<b>\$ 874,157</b>	<b>\$ -</b>	<b>\$ 1,382,985</b>	<b>\$ 508,828</b>
<b>Reconciliation to Generally Accepted Accounting Principles:</b>					
Fund Balance from Above				1,382,985	
Net Position - Modified Cash Basis - June 30, 2025				<u>\$ 1,382,985</u>	

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -MODIFIED CASH BASIS**

**CONSTRUCTION FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with Original Budget--	Actual	Variance with
	<u>Original</u>	<u>Final</u>	over (under)	Amounts	Final Budget--
			Final Budget	(Budgetary Basis)	over (under)
				(See Note 1)	Actual Amounts
<b><u>REVENUES:</u></b>					
State Grants	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 234,897	\$ (765,103)
FAA Grants	4,730,814	4,730,814	-	2,161,493	(2,569,321)
<b>Total Revenues</b>	<b><u>5,730,814</u></b>	<b><u>5,730,814</u></b>	<b><u>-</u></b>	<b><u>2,396,390</u></b>	<b><u>(3,334,424)</u></b>
<b><u>EXPENDITURES:</u></b>					
Capital Outlay	7,790,875	7,790,875	-	2,905,940	(4,884,935)
<b>Total Expenditures</b>	<b><u>7,790,875</u></b>	<b><u>7,790,875</u></b>	<b><u>-</u></b>	<b><u>2,905,940</u></b>	<b><u>(4,884,935)</u></b>
Excess (Deficiency) of Revenues Over Expenditures	(2,060,061)	(2,060,061)	-	(509,550)	1,550,511
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer In	1,785,740	1,785,740	-	300,000	(1,485,740)
Loan Proceeds	-	-	-	100,000	100,000
<b>Total Other Financing Sources (Uses)</b>	<b><u>1,785,740</u></b>	<b><u>1,785,740</u></b>	<b><u>-</u></b>	<b><u>400,000</u></b>	<b><u>(1,385,740)</u></b>
Net Change In Fund Balance	(274,321)	(274,321)	-	(109,550)	164,771
Fund Balance - July 1, 2024	322,840	322,840	-	305,123	(17,717)
<b>Fund Balance - June 30, 2025</b>	<b><u>\$ 48,519</u></b>	<b><u>\$ 48,519</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 195,573</u></b>	<b><u>\$ 147,054</u></b>

**Reconciliation to Generally Accepted Accounting Principles:**

Fund Balance from Above	195,573
Capital Assets, net	19,404,042
Contractor Retention Liability	(391,871)
Loan Proceeds	<u>(100,000)</u>
Net Position - Modified Cash Basis - June 30, 2025	<u>\$ 19,107,744</u>

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**DHS MUTLI SERVICES CAMPUS FUND**

**For the Fiscal Year Ended June 30, 2025**

	Budgeted Amounts		Variance with	Actual	Variance with
	Original	Final	Original Budget-- over (under) Final Budget	Amounts (Budgetary Basis) (See Note 1)	Final Budget-- over (under) Actual Amounts
<b><u>REVENUES:</u></b>					
Leases	\$ 1,583,279	\$ 1,583,279	\$ -	\$ 1,451,401	\$ (131,878)
Earnings on Investments	30,000	30,000	-	33,246	3,246
Miscellaneous	-	-	-	2,186	2,186
<b>Total Revenues</b>	<b>1,613,279</b>	<b>1,613,279</b>	<b>-</b>	<b>1,486,833</b>	<b>(126,446)</b>
<b><u>EXPENDITURES:</u></b>					
Materials and Services	165,878	165,878	-	148,486	(17,392)
Capital Outlay	60,000	60,000	-	-	(60,000)
Debt Service	957,323	957,323	-	957,318	(5)
Contingency	141,708	141,708	-	-	(141,708)
<b>Total Expenditures</b>	<b>1,324,909</b>	<b>1,324,909</b>	<b>-</b>	<b>1,105,804</b>	<b>(219,105)</b>
Excess (Deficiency) of Revenues Over Expenditures	288,370	288,370	-	381,029	92,659
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer (Out)	(550,000)	(550,000)	-	(550,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(550,000)</b>	<b>(550,000)</b>	<b>-</b>	<b>(550,000)</b>	<b>-</b>
Net Change In Fund Balance	(261,630)	(261,630)	-	(168,971)	92,659
Fund Balance - July 1, 2024	739,844	739,844	-	876,974	137,130
<b>Fund Balance - June 30, 2025</b>	<b>\$ 478,214</b>	<b>\$ 478,214</b>	<b>\$ -</b>	<b>\$ 708,003</b>	<b>\$ 229,789</b>

**Reconciliation to Generally Accepted Accounting Principles:**

Fund Balance from Above	708,003
Capital Assets, net	11,044,550
Long-Term Debt Payable	(9,317,352)
Net Position - Modified Cash Basis - June 30, 2025	<u>\$ 2,435,201</u>

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**BUSINESS ENTERPRISE CENTER FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with Original Budget-- over (under)	Actual Amounts (Budgetary Basis)	Variance with Final Budget-- over (under)
	<u>Original</u>	<u>Final</u>	<u>Final Budget</u>	<u>(See Note 1)</u>	<u>Actual Amounts</u>
<b><u>REVENUES:</u></b>					
Leases	\$ 100,000	\$ 100,000	\$ -	\$ 94,659	\$ (5,341)
Miscellaneous	-	-	-	600	600
<b>Total Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>95,259</b>	<b>(4,741)</b>
<b><u>EXPENDITURES:</u></b>					
Materials and Services	44,410	44,410	-	36,548	(7,862)
Contingency	12,253	12,253	-	-	(12,253)
<b>Total Expenditures</b>	<b>56,663</b>	<b>56,663</b>	<b>-</b>	<b>36,548</b>	<b>(20,115)</b>
Excess (Deficiency) of Revenues Over Expenditures	43,337	43,337	-	58,711	15,374
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer (Out)	(75,000)	(75,000)	-	(75,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>-</b>	<b>(75,000)</b>	<b>-</b>
Net Change In Fund Balance	(31,663)	(31,663)	-	(16,289)	15,374
Fund Balance - July 1, 2024	31,663	31,663	-	35,814	4,151
<b>Fund Balance - June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,525</b>	<b>\$ 19,525</b>
<b>Reconciliation to Generally Accepted Accounting Principles:</b>					
Fund Balance from Above				19,525	
Net Position - Modified Basis - June 30, 2025				<u>\$ 19,525</u>	

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**  
**BLM FACILITY FUND**

For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget-- over (under) Final Budget	Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget-- over (under) Actual Amounts
	Original	Final			
<b><u>REVENUES:</u></b>					
Leases	\$ 881,415	\$ 881,415	\$ -	\$ 888,532	\$ 7,117
Earnings on Investments	14,000	14,000	-	15,354	1,354
Miscellaneous	120,000	120,000	-	4,340	(115,660)
<b>Total Revenues</b>	<b>1,015,415</b>	<b>1,015,415</b>	<b>-</b>	<b>908,226</b>	<b>(107,189)</b>
<b><u>EXPENDITURES:</u></b>					
Materials and Services	204,471	204,471	-	210,313	5,842
Capital Outlay	140,000	140,000	-	23,521	(116,479)
Debt Service	465,150	465,150	-	465,090	(60)
Contingency	248,916	248,916	-	-	(248,916)
<b>Total Expenditures</b>	<b>1,058,537</b>	<b>1,058,537</b>	<b>-</b>	<b>698,924</b>	<b>(359,613)</b>
Excess (Deficiency) of Revenues Over Expenditures	(43,122)	(43,122)	-	209,302	252,424
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer (Out)	(600,000)	(600,000)	-	(150,000)	450,000
<b>Total Other Financing Sources (Uses)</b>	<b>(600,000)</b>	<b>(600,000)</b>	<b>-</b>	<b>(150,000)</b>	<b>450,000</b>
Net Change In Fund Balance	(643,122)	(643,122)	-	59,302	702,424
Fund Balance - July 1, 2024	643,122	643,122	-	651,412	8,290
<b>Fund Balance - June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 710,714</b>	<b>\$ 710,714</b>
<b>Reconciliation to Generally Accepted Accounting Principles:</b>					
Fund Balance from Above				710,714	
Capital Assets, net				4,231,655	
Long-Term Debt Payable				(3,721,223)	
Net Position - Modified Cash Basis - June 30, 2025				<u>\$ 1,221,146</u>	

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**PASSENGER FACILITY CHARGES FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with Original Budget--	Actual Amounts	Variance with Final Budget--
	<u>Original</u>	<u>Final</u>	over (under) <u>Final Budget</u>	(Budgetary Basis) <u>(See Note 1)</u>	over (under) <u>Actual Amounts</u>
<b><u>REVENUES:</u></b>					
Earnings on Investments	\$ -	\$ -	\$ -	\$ 4	\$ 4
Passenger Facility Charges	80,000	80,000	-	81,690	1,690
<b>Total Revenues</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>	<b>81,694</b>	<b>1,694</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Operating Transfer (Out)	(80,000)	(80,000)	-	(80,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>-</b>	<b>(80,000)</b>	<b>-</b>
Net Change In Fund Balance	-	-	-	1,694	1,694
Fund Balance - July 1, 2024	9,594	9,594	-	11,671	2,077
<b>Fund Balance - June 30, 2025</b>	<b>\$ 9,594</b>	<b>\$ 9,594</b>	<b>\$ -</b>	<b>\$ 13,365</b>	<b>\$ 3,771</b>
<b>Reconciliation to Generally Accepted Accounting Principles:</b>					
Fund Balance from Above				13,365	
Net Position - Modified Cash Basis - June 30, 2025				<u>\$ 13,365</u>	

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MODIFIED CASH BASIS**

**UNEMPLOYMENT FUND**

**For the Fiscal Year Ended June 30, 2025**

	<u>Budgeted Amounts</u>		Variance with	Actual	Variance with
	<u>Original</u>	<u>Final</u>	Original Budget--	Amounts	Final Budget--
			over (under)	(Budgetary Basis)	over (under)
			Final Budget	(See Note 1)	Actual Amounts
<b><u>EXPENDITURES:</u></b>					
Personnel Services	<u>20,000</u>	<u>20,000</u>	-	-	<u>(20,000)</u>
<b>Total Expenditures</b>	<b><u>20,000</u></b>	<b><u>20,000</u></b>	-	-	<b><u>(20,000)</u></b>
Net Change In Fund Balance	(20,000)	(20,000)	-	-	20,000
Fund Balance - July 1, 2024	<u>62,149</u>	<u>62,149</u>	-	62,149	-
<b>Fund Balance - June 30, 2025</b>	<b><u>\$ 42,149</u></b>	<b><u>\$ 42,149</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 62,149</u></b>	<b><u>\$ 20,000</u></b>
 <b>Reconciliation to Generally Accepted Accounting Principles:</b>					
Fund Balance from Above				<u>62,149</u>	
Net Position - Modified Cash Basis - June 30, 2025				<u><u>\$ 62,149</u></u>	

**OTHER**  
**INFORMATION**

**Additional**  
**Supporting Schedules**

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2025**

**DHS - Business Oregon - IFA**

On April 10, 2018, the District signed a promissory note with the Oregon Infrastructure Finance Authority in the amount of \$11,562,895. Principal and interest payments are due December 1, 2018, through December 1, 2037. The interest rates vary with the first two years at 4% and future years at 5% with an all-in true interest cost of 3.48%.

**Current Year Activity:**

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 8,096,711	\$ -	\$ 413,459	\$ 7,683,252	\$ 431,882
Interest	-	404,836	404,836	-	384,163
Total	<u>\$ 8,096,711</u>	<u>\$ 404,836</u>	<u>\$ 818,295</u>	<u>\$ 7,683,252</u>	<u>\$ 816,045</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 431,882	\$ 384,163	\$ 816,045	5.00%
	2027	455,477	362,569	818,046	5.00%
	2028	479,250	339,795	819,045	5.00%
	2029	503,213	315,832	819,045	5.00%
	2030	527,374	290,672	818,046	5.00%
	2031	551,742	264,303	816,045	5.00%
	2032	581,329	236,716	818,045	5.00%
	2033	611,146	207,649	818,795	5.00%
	2034	641,203	177,092	818,295	5.00%
	2035	671,513	145,032	816,545	5.00%
	2036	707,089	111,456	818,545	5.00%
	2037	742,943	76,102	819,045	5.00%
	2038	779,091	38,955	818,046	5.00%
Total		<u>\$ 7,683,252</u>	<u>\$ 2,950,334</u>	<u>\$ 10,633,586</u>	

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2025**

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**DHS - Oregon Pacific Bank**

On November 8, 2016, the District signed a promissory note with a local bank in the amount of \$1,500,000. The loan was used for construction costs for remodeling a building which the Department of Human Services is leasing. This loan requires monthly payments of \$11,585 through November 2026 and then monthly payments of \$11,633 through November 2031. This note has a variable interest rate which may change every five years based on the 5 Year Long-Term, Fixed-Rate Advance Rate. The interest rate will never be lower than 4.23%.

**Current Year Activity:**

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 883,516	\$ -	\$ 103,370	\$ 780,146	\$ 107,669
Interest	-	35,652	35,652	-	31,353
<b>Total</b>	<b>\$ 883,516</b>	<b>\$ 35,652</b>	<b>\$ 139,022</b>	<b>\$ 780,146</b>	<b>\$ 139,023</b>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 107,669	\$ 31,353	\$ 139,023	4.23%
	2027	112,379	26,644	139,023	4.23%
	2028	117,237	21,786	139,023	4.23%
	2029	122,422	16,600	139,023	4.23%
	2030	127,777	11,245	139,023	4.23%
	2031	133,366	5,656	139,023	4.23%
	2032	59,296	650	59,946	4.23%
<b>Total</b>		<b>\$ 780,146</b>	<b>\$ 113,935</b>	<b>\$ 894,081</b>	

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2025**

**BLM - Banner Bank**

On July 1, 2019, the District entered into a taxable financing agreement with a bank in the amount of \$5,444,000. The loan was used to refinance certain debt loans as well as to finance construction costs. The loan required monthly payments of principal and interest for years 1-5 of \$46,253. For years 6-15 monthly principal and interest amounts would have been \$33,566 assuming no use of draw down provision. The interest rate is a 15 year taxable fixed interest rate of 3.35%. On September 1, 2021, the District amended the financing agreement with an increase of \$1,400,000 to \$6,844,000. During the balance of the years 1-5 the monthly principal and interest amounts are estimated at \$56,834 per month. For years 6-15 monthly principal and interest amounts are estimated at \$44,147 per month.

**Current Year Activity:**

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ 4,504,500	\$ -	\$ 384,195	\$ 4,120,305	\$ 404,988
Interest	-	147,852	147,852	-	131,262
Total	<u>\$ 4,504,500</u>	<u>\$ 147,852</u>	<u>\$ 532,047</u>	<u>\$ 4,120,305</u>	<u>\$ 536,251</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2026	\$ 404,988	\$ 131,262	\$ 536,251	3.35%
	2027	418,766	117,485	536,251	3.35%
	2028	433,012	103,239	536,251	3.35%
	2029	447,743	88,508	536,251	3.35%
	2030	462,974	73,276	536,251	3.35%
	2031	478,724	57,526	536,251	3.35%
	2032	495,010	41,240	536,251	3.35%
	2033	511,850	24,400	536,251	3.35%
	2034	467,237	64,810	532,047	3.35%
Total		<u>\$ 4,120,305</u>	<u>\$ 701,747</u>	<u>\$ 4,822,052</u>	

**COOS COUNTY AIRPORT DISTRICT**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2025**

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**Full Faith & Credit Bond, Series 2025 - Banner Bank**

On May 22, 2025, the District entered into a non-revolving Full Faith and Credit financing agreement Bond with a maximum principal amount of \$4,100,000 to fund an improvements project at the airport. Under this tax-exempt financing agreement, Banner Bank makes the Bond available to Coos County Airport District. The Bond is intended to be a drawdown obligation. During a 2-year period, the available principal of the Bond shall be disbursed as borrowings from time to time by the Bank upon request by the district, with a minimum draw amount of \$100,000. The outstanding principal balance may not exceed \$4.1 million. After the drawdown period, the Bond is fully amortized over 8 years. The Bond bears an interest rate of 4.35% during the 2-year drawdown period, and fixed rate of 4.54% during the 8-year amortization period.

**Current Year Activity:**

	Outstanding Balance July 1, 2024	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2025	Due Within One Year
Principal	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -
Interest	-	-	-	-	-
Total	\$ -	\$ 100,000	\$ -	\$ 100,000	\$ -

**REPORTS ON OTHER LEGAL**  
**AND**  
**REGULATORY REQUIREMENTS**

# COOS COUNTY AIRPORT DISTRICT

## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2025

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To the Governing Body of the Coos County Airport District  
North Bend, Oregon

We have audited the basic financial statements of the Coos County Airport District as of and for the year ended June 30, 2025, and have issued our report thereon dated May 26, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

As part of obtaining reasonable assurance about whether the Coos County Airport District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures, which included, but were not limited to, the following:

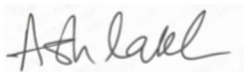
- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions, and repayment.**
- **Budgets are legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### **OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures to express our opinion on the financial statements, but not to express an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the District Board of Commissioners and management of Coos County Airport District and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Ashraf Lakhani-Farishta, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
May 26, 2026

**COOS COUNTY AIRPORT DISTRICT**

**SINGLE AUDIT SECTION**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners  
COOS COUNTY AIRPORT DISTRICT

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business type activities, and the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coos County Airport District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Coos County Airport District's basic financial statements and have issued our report thereon dated May 26, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Coos County Airport District's County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coos County Airport District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coos County Airport District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coos County Airport District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads 'Ashraf Lakhani'.

Ashraf Lakhani-Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
May 26, 2026



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Coos County Airport District

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Coos County Airport District’s compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* that could have a direct and material effect on each of Coos County Airport District’s major federal programs for the year ended June 30, 2025. The Coos County Airport District’s major federal programs are identified in the summary of the auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coos County Airport District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coos County Airport District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Coos County Airport District’s compliance with the requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or grant agreements applicable to Coos County Airport District’s federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coos County Airport District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance for Coos County Airport District's compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coos County Airport District's compliance with the compliance requirements referred to above and performing such other procedures as we have considered necessary in the circumstances.
- Obtain an understanding of Coos County Airport District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coos County Airport District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on Coos County Airport District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Coos County Airport District's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

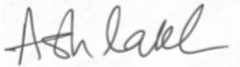
## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses and significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Ashraf Lakhani-Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
May 26, 2026

**COOS COUNTY AIRPORT DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

<b>Federal Grantor, Program or Cluster Title</b>	<b>Federal Assistance Listing (AL) Number</b>	<b>Pass-Through Organization</b>	<b>Pass-Through Entity Agreement Number</b>	<b>Federal Revenues Received</b>	<b>Federal Amounts Expended</b>
<b>US Department of Transportation, Federal Aviation Administration</b>					
Airport Improvement Program	20.106	FAA	3-41-0041-044-2020 ARFF	\$ 523,180	\$ 60,000 *
Airport Improvement Program	20.106	FAA	3-41-0041-055-2023	113,138	225,368 *
Airport Improvement Program	20.106	FAA	3-41-0041-056-2024	601,145	571,331 *
Airport Improvement Program	20.106	FAA	3-41-0041-057-2024	901,718	856,997 *
Airport Improvement Program	20.106	FAA	3-41-0041-058-2025	-	32,775 *
Airport Improvement Program	20.106	FAA	AJW-FN-WSA-22-NW-005425	21,663	21,663
<b>TOTAL FEDERAL AWARDS EXPENDED</b>				<b><u>\$ 2,160,844</u></b>	<b><u>\$ 1,768,134</u></b>

\* Major Program

This Schedule has been prepared using the modified accrual basis of accounting.

# COOS COUNTY AIRPORT DISTRICT

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2025

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## **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of federal awards (the “Schedule”) includes the federal award activity of Coos County Airport District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Coos County Airport District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coos County Airport District.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized in accordance with the cost principles outlined in the Uniform Guidance, which specifies that certain types of expenditures are not allowable or are limited in their reimbursement.

## **NOTE 3 – INDIRECT COSTS RATE**

The Coos County Airport District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, or other approved rate that is lower.

# COOS COUNTY AIRPORT DISTRICT

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2025

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### **Section I—Summary of Auditor’s Results**

1. The auditor’s report expresses an unqualified opinion on the financial statements of Coos County Airport District in accordance with GAAP.
2. No material weaknesses or significant deficiencies in internal control related to the financial statement audit were identified which are required to be reported.
3. No instances of noncompliance material to the financial statements of Coos County Airport District were disclosed during the audit.
4. The auditor’s report on compliance for the major federal award program expresses an unmodified opinion.
5. The audit did not disclose any findings that are required to be reported.
6. The programs tested as a major program were the
  - o U.S. Department of Transportation, Federal Aviation Administration, Airport Improvement Program AL#20.106
7. The threshold for distinguishing between Type A and B programs was \$750,000.
8. The District was determined to not be a low-risk auditee.

### **Section II—Financial Statements Findings**

No findings related to the financial statements are reported in accordance with *Government Auditing Standards* for the year ended June 30, 2025.

### **Section III—Findings and Questioned Costs for Federal Awards.**

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

### **Section IV—Summary Schedule of Prior Audit Findings**

There were no findings or questioned costs for the year ended June 30, 2024.

# **COOS COUNTY AIRPORT DISTRICT**

## **Passenger Facility Charge (PFC) Section**

**COOS COUNTY AIRPORT DISTRICT**

**PASSENGER FACILITY CHARGE PROGRAM  
For the Year Ended June 30, 2025**

**COOS COUNTY AIRPORT DISTRICT**

**SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES**

**For the Fiscal Year Ended June 30, 2025**

**SOUTHWEST OREGON REGIONAL AIRPORT - OTH**

	Current Project Number	Amount Approved	Cumulative Balance Total July 1, 2024	Activity, Quarter Ending				Year End Activity Total June 30, 2025	Project Cumulative Activity June 30, 2025
				September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025		
<b>REVENUES</b>									
Revenues:									
Passenger Facility Charge									
Revenues Received	09-09-C-00-OTH	\$ 1,126,622	\$ 730,397	\$ 22,567	\$ 15,481	\$ 25,143	\$ 18,499	\$ 81,690	\$ 812,087
Current Year Interest Earned			-	0	1	1	1	4	4
<b>Total Revenues</b>			<u>\$ 730,397</u>	<u>\$ 22,568</u>	<u>\$ 15,482</u>	<u>\$ 25,144</u>	<u>\$ 18,500</u>	<u>\$ 81,694</u>	<u>\$ 812,091</u>
Expenses:									
Air Traffic Control Tower - debt service	09-09-C-00-OTH	\$ 1,126,622	718,726				80,000	80,000	798,726
<b>Total Expenses</b>			<u>\$ 718,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 798,726</u>
 Unexpended Passenger Facility Charge Revenues and Interest			<u>\$ 11,671</u>						<u>\$ 13,365</u>

See accompanying Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

# COOS COUNTY AIRPORT DISTRICT

## PASSENGER FACILITY CHARGE PROGRAM For the Year Ended June 30, 2025

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### **NOTES TO THE PASSENGER FACILITY CHARGE (PFC) SCHEDULE**

#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of Passenger Facility Charge (PFC) revenues and expenditures (the “Schedule”) includes the PFC collections and related expenditures of the Coos County Airport District for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Federal Aviation Administration (FAA) under 14 CFR Part 158.

#### **NOTE 2 – BASIS OF ACCOUNTING**

The schedule is prepared on the **cash basis of accounting**, which means revenues are recognized when received and expenditures are recognized when paid. This basis of accounting is consistent with the requirements of the FAA for PFC reporting.

#### **NOTE 3 – PROGRAM DESCRIPTION**

Title 49, US Code Section 40117, authorizes the Secretary of Transportation, (further delegated to the Federal Aviation Administration (FAA) Administrator) to approve the local imposition of an airport PFC of up to \$4.50 per enplaned passenger at airports controlled by public agencies. These funds are used to finance eligible airport-related projects that enhance safety, security, capacity, noise reduction, or increase air carrier competition. The revenue is collected by air carriers on behalf of an airport and subsequently remitted to the airport. The FAA has granted the district the authority to impose and use PFC revenues on approved projects. The current approved and operational project is for the debt service on the Air Traffic Control Tower at Coos County Airport.

#### **NOTE 4 – COMPLIANCE REQUIREMENTS**

The airport is required to comply with FAA regulations regarding the use of the PFC FUNDS. These include maintaining separate accounting records, submitting quarterly reports, and undergoing an annual audit.

# COOS COUNTY AIRPORT DISTRICT

## PASSENGER FACILITY CHARGE PROGRAM For the Year Ended June 30, 2025

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### **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES, ISSUED BY THE FEDERAL AVIATION ADMINISTRATION**

To the Board of Directors  
Coos County Airport District

#### **Report on Compliance**

##### **Opinion on the Passenger Facility Charge Program**

We have audited the Coos County Airport District's compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide) for its passenger facility charge program for the year ended June 30, 2025.

In our opinion, the Coos County Airport District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program.

##### **Basis for Opinion on the Passenger Facility Charge Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the Federal Aviation Administration (Guide) for passenger facility charge programs. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coos County Airport District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Coos County Airport District's compliance with the compliance requirements referred to above.

##### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or grant agreements applicable to Coos County Airport District's passenger facility charge program.

##### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coos County Airport District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance for Coos County Airport District's compliance with the requirements of the passenger facility charge program as a whole.

# COOS COUNTY AIRPORT DISTRICT

## PASSENGER FACILITY CHARGE PROGRAM For the Year Ended June 30, 2025

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In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coos County Airport District's compliance with the compliance requirements referred to above and performing such other procedures as we have considered necessary in the circumstances.
- Obtain an understanding of Coos County Airport District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Coos County Airport District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses and significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

# COOS COUNTY AIRPORT DISTRICT

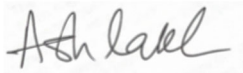
## PASSENGER FACILITY CHARGE PROGRAM For the Year Ended June 30, 2025

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### **Report on Schedule of Expenditures of Passenger Facility Charges Required by the Guide**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Coos County Airport District for the year ended June 30, 2025, and the related notes to the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for the purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information is the responsibility of the management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.



Ashraf Lakhani-Farishta, CPA  
Umpqua Valley Financial, LLC  
Roseburg, Oregon  
May 26, 2026