



2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



LAGOON AERATION PROJECT



ST. CLAIR ROAD RIBBON CUTTING



ADMINISTRATIVE OFFICE REMODEL

PREPARED BY : DELILAH SAENZ, FINANCE DIRECTOR

SUBMITTED PERSUANT TO RCW 43.09.23 TO THE WASHINGTON STATE AUDITOR FOR FISCAL YEAR ENDED DECEMBER 31, 2025.

PORT OF SUNNYSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2025

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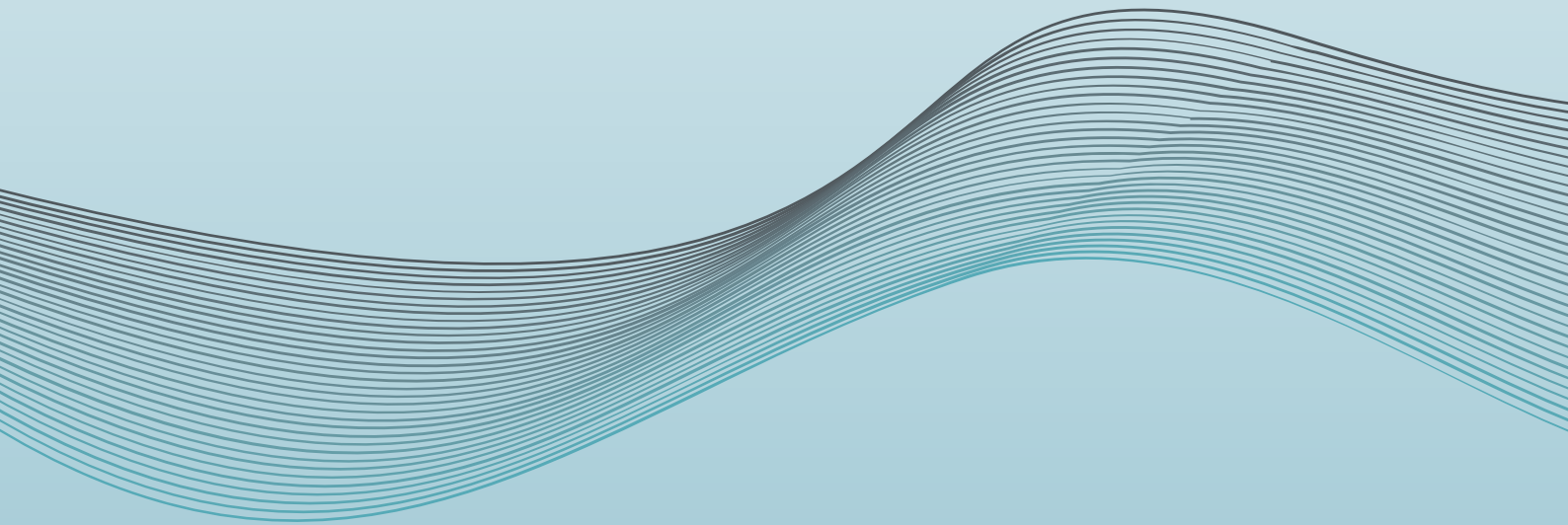
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INTRODUCTION SECTION







June 18, 2026

To the Commissioners and Citizens of the Port of Sunnyside:

The Annual Comprehensive Financial Report of the Port of Sunnyside for the fiscal year ended December 31, 2025, is hereby submitted. This report includes an introduction to the Port, basic financial statements as presented in our year-end audited financial statements and statistical data related to the Port of Sunnyside.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, management of the Port has established a comprehensive internal control framework. This framework has been established to protect the Port from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Port's financial statements in conformity with GAAP. The cost of internal controls should not outweigh their benefits; therefore, the Port's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Washington State Auditors have audited the Port's financial statements. The goal of the audit was to provide reasonable assurance that the financial statements of the Port, for the fiscal year ended December 31, 2025, are free of material misstatement. The audit involved examining on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and evaluating the overall financial statement presentation. The auditors concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the district's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The auditor's report is presented as the first component of the financial section of this report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port of Sunnyside for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024. This was the 27th consecutive year that the Port of Sunnyside achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Management's Discussion and Analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

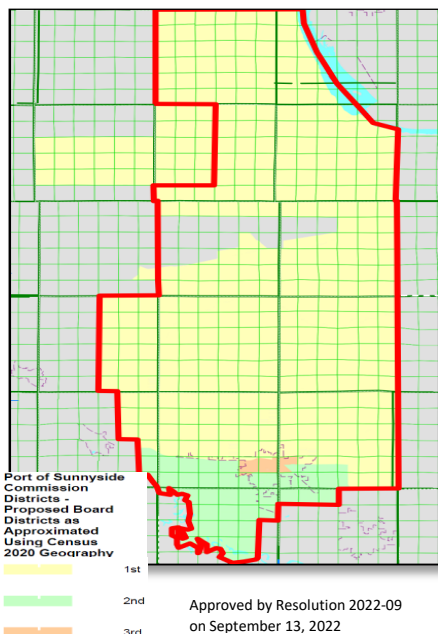
The remainder of this letter provides an overview of the Port's operations, the local economic conditions, and provides a report on some of the Port's current and future initiatives.

PROFILE OF THE PORT OF SUNNYSIDE

The mission of the Port of Sunnyside is to “develop, diversify, broaden and strengthen an economic base throughout the district in an environmentally prudent manner”. The primary objective of the Port is “to enhance economic development within the boundaries of the Sunnyside Port District. The Port is organized to aggressively enhance the local economy by providing access to industrial land, industrial infrastructure, and assistance with funding sources” for new and expanding businesses and industries.

The Port of Sunnyside is a municipal corporation of the State of Washington incorporated in 1964, under the provisions of the Revised Code of Washington Chapter 53.01.010 et seq. The Port is authorized by Washington law to provide and charge fees for industrial wastewater discharge. The Port may acquire land for sale or lease for industrial or commercial purposes and may create industrial development districts. The Port is empowered to levy a property tax on property located within its boundaries. Yakima County levies and collects taxes on the Port’s behalf.

The Port is governed by a 3-person Board of Commissioners (Commission) who represent the three geographic sub-districts within the Port district. The Commission delegates administrative authority to the Executive Director to conduct daily operations.



The Port of Sunnyside is located in Yakima County in the heart of Central Washington, 180 miles equidistant to Portland, Oregon and Spokane and Seattle, Washington. Strategically located in the middle of the Pacific Northwest, the Yakima Valley offers a first-class urban business environment coupled with the allure of relaxed living.

Yakima County covers 4,311 square miles, the second largest land area and eighth largest population area in Washington state. On most days, you can enjoy the beautiful view of both Mt. Rainier and Mt. Adams. The land area comprising the Port district is approximately 335,500 acres or 13 percent of Yakima County. It extends from the Columbia River on the north to the Yakima River on the south.



The Port’s operation is accounted for under a single enterprise fund which uses the same accrual method of accounting as private sectors. Under this method, revenues are recognized when earned and expenses are recorded when incurred. The Port is a primary government and does not have component units.

Industrial Wastewater Treatment Facility

The Port of Sunnyside operates a state-of-the-art Industrial Wastewater Treatment Facility

(IWWTF), permitted by the Washington State Department of Ecology. This facility serves eight food-related industries and a pipe manufacturing plant, ensuring environmentally responsible wastewater management. Located on approximately 30 acres in Sunnyside, the IWWTF includes a Membrane Bioreactor (MBR) system, four treatment lagoons, a dewatering facility, an anaerobic digester, an ultra-filtration system, and an ultraviolet disinfection system.

For more than six decades, the Port of Sunnyside has managed industrial wastewater from local food processing facilities, ensuring that high biochemical oxygen demand (BOD) loads do not disrupt the City's domestic treatment system. This long-standing process protects the public health by preventing interference with municipal treatment critical for disease prevention.

In 2022, the Port converted the existing Sequencing Batch Reactors (SBRs) into Membrane Bioreactors (MBRs). In the MBR process, membranes act as a solid-liquid separation device, keeping the biomass within the bioreactor before discharging the treated effluent. The effluent is then moved to an equalization basin before making its way to the final stage of the treatment process, UV filtration. Ultraviolet light is used to destroy the genetic material of microorganisms which prevent them from reproducing, ensuring safe discharge into the Sulphur Creek Wasteway and ultimately the Yakima River – all in accordance with the Department of Ecology permits.

The Port also operates a fully accredited laboratory, providing on-site testing and monitoring of wastewater constituents and treatment performance. These efforts underscore the Port's commitment to environmental stewardship and support for local industry.

Industrial Users

The nine industries (Users) the Port serves contribute an estimated \$30 million dollars in direct payroll to the local economy and several million more in indirect dollars through purchases of raw goods, materials, and services. The Port has been very successful in attracting industries to the area. In fact, four of the top 10 taxpayers within the Port district are industries directly discharging to the Port's wastewater system. The Port appreciates the strong relationships it shares with its industries and vows to continue to support them in the vital role they play within our community to secure steady family-wage jobs.

In 2025, the Port received approximately 79 million cubic feet of water from the Users as compared to 65 million cubic feet in 2024. The Users of the IWWTF system work diligently toward reusing their water and therefore reducing the amount of water discharged to the system.

Industry Highlights

Dairy farmers are a critical component of Washington's community and economy. Most of the dairy farmers in the Yakima Valley region belong to the Northwest Dairy Association and collectively own the Darigold cheese plant located in Sunnyside.

On behalf of its 300 dairy farmer families, **Darigold** produces a full line of dairy-based products for wholesale, retail, grocery, and food service customers. They also produce butter, cheese, milk powder and whey products for institutions, food brokers and food processing companies. With facilities located in Washington, Oregon, Idaho and Montana, the company serves regional, national, and international markets.

Darigold is one of Washington's largest privately held organizations (as ranked by the Puget Sound Business Journal) and has been in business since 1918.

Darigold contributes significantly to Sunnyside's economy and is the "top taxpayer" in the area. Darigold has a direct impact to our community with annual wages and benefits of approximately \$17 million, in addition to the purchase of local agriculturally based services and supplies. In turn, Darigold exports about 25% of the cheese produced by the Sunnyside plant and more than 50% of the plant's powdered products.

The plant in Sunnyside is a major cheese production facility, as well as whey powder, whey protein concentrates and non-fat dry milk. It takes in approximately 8.0 million pounds of milk every day — most of it gathered within a 30-mile radius of the plant. The Sunnyside facility will manufacture approximately 200 million pounds of cheese in the co-op's fiscal year 2025, along with 93 million pounds of whey powder and 97 million pounds of milk powders. This is the equivalent of 25 truckloads of cheese and powder being shipped out every day of the year.

Milne Fruit Processing is one of the most successful fruit juice and concentrate processors in the state of Washington. Milne is ideally located in the Yakima Valley, one of the most abundant agricultural regions with endless acres of fertile farmland and pristine waterways. Since 1956, Milne has been a steward of this environment and committed to sustainable farming practices to produce high quality fruit and vegetable purees, juices, and concentrates.

Milne's fruit and vegetable ingredients are used around the world in a wide variety of consumer products.

Johnson Cannery & Foods was established in 1950 and is a C-Corporation headquartered in Sunnyside. The Company processes, packages and distributes fresh fruits and vegetables. Johnson Foods specializes in the wholesale distribution of fresh and frozen asparagus, processed asparagus, frozen cherries, maraschino cherries and pickled vegetables. The Company sells its products to manufacturers, retailers and wholesalers located throughout the U.S. Johnson Foods also exports its products to international markets including Japan and Canada.

Yakima Chief Hops (YCH) is a 100% grower-owned supplier of premium hops, providing products and services to brewery customers around the globe. YCH is headquartered in Yakima, with production facilities in Yakima & Sunnyside. The facilities include a state-of-the-art CO₂ extraction plant, three hop pellet mills, a Cryo Hops® plant which was awarded a US patent in 2022 and has a cold storage warehousing capacity of more than 30 million pounds of hops. Yakima Chief Hops has sales offices in Europe and Asia, providing sales and services to international customers.

Other Industries that discharge wastewater to the Port of Sunnyside are categorized as follows:

Fruit Processor: **DRR Fruit** is located in Sunnyside and was established in 1999. They are part of the fruit and vegetable processing industry with a specialty in organic fruit packing.

Mushroom Plant: **Sunnyside Mushroom Farm** is located in Sunnyside and part of the parent company Windmill Farms. Sunnyside Mushroom Farm produces over 12 million pounds of mushrooms annually.

Food Grade Shipping companies: **Centennial Tank Cleaning** and **Milky Way/LTI** are both in shipping, cleaning, and hauling of food grade commodities.

JM Eagle™ is the world's largest pipe manufacturer – an innovative leader that combines advanced technology with superior customer service to create the industry's most sophisticated and diverse products. JM Eagle™ gives its customers a significant competitive advantage in the marketplace with the greatest capacity and geographic reach. JM Eagle™ joins the strengths of two industry-leading plastic pipe producers, including complementary product lines as well as specialty pipe and unique product innovations. Formed in 2007 via the merger of J-M Manufacturing and PW Eagle, the company is privately held.

Major Initiatives

The Port personnel, in compliance with specific directives from the Commission and Executive Director, moved forward on important projects for the citizens in the community in 2025. The projects demonstrate the Port's continued commitment to the mission statement written in 1964. The statement reads as follows:

1. The primary objective of the Port is to enhance the economic development within the boundaries of the Sunnyside Port District. The Port is organized to aggressively enhance the local economy by providing new and expanding businesses and industries access to industrial land, industrial infrastructure, and assistance with funding sources.
2. The mission of the Sunnyside Port Authority is to develop, diversify, broaden, and strengthen an economic base throughout the district in an environmentally prudent manner.

2025 Project Summary

Midvale Industrial Park Infrastructure Expansion: The Port undertook a significant infrastructure project at Midvale Industrial Park to drive long-term growth and future business development. This transformative investment includes enhancements such as improved roadways, new curb and gutter, gravity sewer, force main sewer, upgraded water main infrastructure, fully equipped sanitary lift station to enhance wastewater management, a future-ready industrial lift station, and irrigation improvements.

The Port partnered with the City of Sunnyside and was successful in gaining grants and a loan to complete improvements totaling \$10.1 million. This project is a key component of the purchase and sale agreement with Sunnyside RNG (Pacific Ag).

Ribbon cutting on this project took place on September 4, 2025. This project unlocks 200 acres of land that are now ready for future development and new business opportunities.



Carnation Redevelopment Project: Originally acquired in 2012, the Carnation site underwent environmental remediation with support from the Washington State Department of Ecology. Contaminated areas were successfully cleaned, and obsolete structures were removed, preparing the site for future redevelopment.

In 2024, the Port secured grant funding from the Washington State Community and Economic Revitalization Board (CERB) to initiate a master planning process for the future redevelopment of this site. This planning effort marks a major step toward unlocking the site's long-term economic potential.

Administration Office Remodel:



Under Construction

In February 2025, the Port purchased the building it had been leasing for its Administration Office. The building included a larger neighboring suite, which the Port remodeled to better meet its current and future operational needs. Construction was completed in December 2025, and the Administration Office relocated into the newly remodeled space. The suite previously occupied by

the Port is now available for lease.



Project Completion

The expanded facility now features more than 3,000 square feet of modern, functional space. Highlights include new Commissioner Meeting Chambers, a dedicated staff conference room, a secure file room, six offices and ample storage. Energy-efficient upgrades were incorporated throughout the project – including automated scheduling systems that help reduce unnecessary electrical use – supporting both sustainability and long-term cost savings.

The total facility improvements approached \$750,000, which was funded by Port reserves.

Treatment and Operations Enhancement Project:



Through the Treatment and Operations Enhancement Project, the Port continues to demonstrate its commitment to sustainability and innovation by modernizing infrastructure to improve operational efficiency and support long-term environmental stewardship. Design began mid-2024, while construction began in November and includes the installation of new floating aerators and blower units at Lagoon 2/3 to enhance wastewater aeration and treatment. A newly constructed submerged outfall structure will improve water flow, while updates to the Anaerobic Lift Station (ALS) discharge piping will optimize operations and increase system reliability. The project also addresses aging infrastructure, with upgrades such as new fencing and plumbing modifications at key facilities, including the Ultraviolet Disinfection Building and the Bioreactor Feed Pump Station (BFPS).

This project was completed at the end of 2025, for a total cost of \$2,279,208, which was funded by Port reserves.

Capacity Improvements Project: In 2025 the Port's influent volume exceeded over 85% of its permitted treatment capacity, triggering the Department of Ecology's requirement to update its engineering report, and prepare for expanded treatment needs. Engineering and design work will continue through most of 2026, with construction bidding anticipated in early 2027.

This project aims to double the Port's treatment capacity from 2 million gallons per day (MGD), to 4 MGD. The primary improvement will be converting a currently unused Sequencing Batch

Reactor (SBR) basin into a Membrane Bioreactor (MBR) and connecting it to the Ultra Filtration (UF) building. This work mirrors the successful conversion of the first SBR basin completed in 2020.

To support increased flow, the project also includes an additional screw press to manage the increase in solid volumes. Several smaller upgrades throughout the plant will improve operations, enhance efficiency, and provide additional capacity. Construction is expected to conclude in late 2027 or early 2028.

Environmental Stewardship

The Port continues as a conscientious steward in carefully balancing land use issues and environmental concerns, while pursuing our mission of economic development. We continue to work closely with local, state, and federal agencies to fully address the needs and concerns of both our industries and community. We recognize the importance of a clean environment. The treated effluent of our Industrial Wastewater Treatment Facility meets stringent standards set by our local, state, and federal permitting agencies.

ECONOMIC OUTLOOK

Yakima County

The prosperity of Yakima County stems from agriculture. It is a premier site for the production of food for the nation and the world. The future of this county's fortunes will undoubtedly be intertwined with the local agriculture community. Growth in other sectors, particularly manufacturing, is desirable to counterbalance the seasonality and lower wages associated with agriculture.

The Port of Sunnyside has excellent infrastructure and site ready property available to enhance and support growth; three industrial parks, a good rail system, a convenient highway system linking to 3 major interstates, and water access to the Pacific Ocean through ports on the Columbia River in Benton & Franklin Counties. These advantages make the Port competitive with other areas vying to attract growth and development.

Contrary to the rumor that Washington State is “wet and rainy”; the Yakima Valley is sheltered from Western Washington's typically heavy rainfall by the Cascade Mountains. The Yakima Valley, being a high desert, boasts an annual average of 300 days of sunshine and just 8 inches of precipitation, about half of which is measurable snowfall. The average length of the growing season is 195 days! From lush, irrigated farmland on the floor of the Yakima River Valley to the rolling sagebrush hills to the forested Cascade Mountains, dominated by majestic Mt. Rainier (14,411') and Mt. Adams (12,307') to the west, Yakima County is a land of diverse natural beauty. The clear, blue waters of 71 lakes, 14 rivers and numerous streams accent the landscape of the area. The average temperature in the winter is 37°, spring is 63°, summer is 88°, and fall is 64°. The perfect weather makes Yakima a leader in agricultural products (including wine), outdoor recreation and tourism.

Yakima County is the state's second leading agricultural county with sales estimated at \$2.3 billion per year (highest value from fruit and milk), and Grant County leading with \$3.3 billion (fruit and vegetables). Yakima County has a large and varied farm base, complemented by diverse non-

agricultural interests. Yakima County ranks first in the nation in the number of fruit trees. It produces more apples, sweet cherries, mint, winter pears, blueberries, and hops than any other county. Additional agricultural products include peaches, apricots, grapes, beef, wheat, and award-winning wines. Yakima County is also the leading county for dairy production and number of cows.

Washington’s Agriculture

Think about crisp apples, creamy dairy products, fine wine, and mouthwatering vegetables. Washington food products are known worldwide for their quality and variety. Combined with state-of-the-art processing, world class transportation and port facilities, Washington State is an agricultural powerhouse.

Agriculture has played a critical role in Washington’s economy since the first pioneers settled over 200 years ago. On average, the agri-food industry employs approximately 250,000 people, which is more than any other sector in the state.

The geography of Washington is very diverse, ranging from rain forests in the extreme western part of the state to semi-arid regions in the interior. The Cascade Mountains divide the state into two distinct regions. The western side of the state contains the majority of the population, located in urban areas, while the central and eastern regions are more sparsely populated. Farms in the west tend to be small, and dairy products, poultry and berries are the primary commodities produced. The eastern side of the Cascade Range has larger farms. Small grains such as wheat and barley, potatoes, fruit, and vegetables are the primary commodities produced with over 300 food, feed and seed crops are grown each year. The state’s proximity to world markets has made Washington the 8th largest exporter of goods in the nation in 2025. According to the Office of the United States Trade Representative, Washington’s exports of goods topped \$65.2 billion in 2025. The large number of exports is a result of the strong yields by Washington growers, high prices producers are getting for their commodities, the low dollar which makes the state’s products more attractive to international buyers, weather events in other parts of the world and trade missions opening new markets.

Top Export Products	
FROZEN FRENCH FRIES - \$1.1B	<small>Source: WISER Trade, CY24</small> TOP MARKETS: Japan, South Korea, Philippines
FISH & SEAFOOD - \$940M	Canada, China, Hong Kong
APPLES - \$845M	Mexico, Canada, Taiwan
WHEAT - \$652M	Philippines, Japan, Indonesia
DAIRY - \$564M	Japan, Indonesia, Philippines

The Yakima Valley has the largest variety of fresh produce in the Pacific Northwest with over 2,500 farms that cover over 1.8 million acres of land and produces over 17% of the state’s annual gross agricultural products. Many farms owned in Washington State (94%) are family farms.



The 2024 Washington Annual Statistical Bulletin (October 2024) ranks Washington first among all states for production of hops (73.6%), spearmint oil (67.7%), apples (67%), sweet cherries (58.7%), pears (40.1%), dry onions (28%), and blueberries (21.2%). Washington ranked second in the nation for potatoes, apricots, asparagus, grapes, and raspberries.

The state’s diverse agricultural economy includes aquaculture, farm forest products, wheat, cranberries, spearmint oil, peppermint oil and mint extracts.

Washington is also the third largest producer of wine in the United States. Vineyards on the east side of the Cascades grow 99% of Washington’s wine grapes. Washington ranks third in wine production in the United States, at 32.4 million gallons.

There are approximately 300 dairy farms in Washington State and dairy foods constitute the 3rd largest agricultural commodity produced in Washington State with over \$1.331 billion.

Economy

Based on Bureau of Labor Statistics and the Employment Security Department estimates, Washington state experienced a slight net loss of jobs from December 2024 to December 2025, losing approximately 6,600 jobs (0.2%). The private sector added an estimated 600 jobs over the year but was offset by a significant decline in government employment (7,200). Private sector employment had minimal change and the public sector employment decreased by 1.2 percent.

Washington State as a whole and Yakima County nonfarm jobs market has stalled in 2025, holding steady from last year.

The average unemployment rate in Yakima County for 2025 was 7.3%, with the year-end rate at 7.1%. By comparison, the unemployment rate across Washington in December saw a slight increase from 2024 to 4.7%. Yakima County jobs, by category, remained stable during 2025.

An available, hardworking labor force is an invaluable asset for businesses that are expanding in the Yakima Valley area. Companies expanding into Yakima County may be able to take advantage of a variety of tax, financing, and employee training incentives. Some of these possible incentives are: Industrial Revenue bonds, sales tax exemptions, B & O tax credits, site development assistance, fast track permitting and training programs.

Yakima County offers a range of educational resources which includes a private technical college, a community college, and a major university plus a few specialized vocational training centers.

Getting goods to and from markets is paramount to any manufacturer. Our central location makes the Yakima Valley a great place to locate. We have rail access, an interstate highway system and nearby river ports. Goods can be transported to and from all areas of the world.

The cost of doing business in the Yakima Valley is lower than many other parts of the country. Our utility rates are some of the best in the nation. We offer a knowledgeable workforce. Yakima Valley workers are highly skilled, abundant, and trainable. All in all, the Yakima Valley has a lot to offer a new business or one wishing to relocate to our region.

Sunnyside is an outstanding community which offers the ideal blend of quality living and business opportunities. Sunnyside is bordered by larger metropolitan markets to the west (Yakima, 35 miles) and to the east (Tri-Cities, 40 miles). Sunnyside finds itself situated as the retail hub of the Lower Yakima Valley, which has gained substantial growth in recent years. There are city parks, a golf course, a museum, and a library. There are parades, fairs, tours, cultural festivals, wineries, wine tasting events and breweries. Outdoor activities include hunting, fishing and much more.

Financial Information

Accounting System and Budgetary Control

In developing and evaluating the accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the Port's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget is prepared by staff for adoption and certification by the Commission, which is an essential element of the financial planning, control, and evaluation process. The nature of operation, financed and accounted for, is such that the demand for the services provided largely determines the appropriate level of revenues and expenses (i.e., increased demand for services causes a higher level of expenses to be incurred, but also results in a higher level of revenues). The expense estimates are not viewed as appropriations, but as an approved plan. Budgetary controls are maintained at the departmental level. Management compares the budget to actual results monthly.

Financial Policies

It has been, and will continue to be, the Port's policy to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of the Port and conforming to all state statutes governing the investment of public funds. The long-term financial plan for the Port is to sell property in our various industrial parks to pay down the amount of long-term debt.

AWARDS & ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port of Sunnyside for its Annual Comprehensive Financial Report (ACFR) for the fiscal years ended December 31, 1998, through December 31, 2024.

Independent Audit

Pursuant to Article 3, Section 20, of the Washington State Constitution and further prescribed by the Revised Code of Washington 43.09.230, the Port is legally required to annually have its financial statements audited by an independent accountant. The Port Commission has engaged the State of Washington's Auditors' Office to provide both financial and compliance audits on an annual basis. The opinion of the auditors is included in the financial section of this report. The statistical section of this report is not covered by the Auditor's opinion. Since the inception of the Port, the State Auditor has issued a report of compliance to state statute without exception.

Acknowledgments

As Director of Finance/Treasurer, I take this opportunity to recognize the contributions and assistance made by staff in striving to maintain the highest standards established for public relations, accountability, internal control, cooperation and the continued effort to improve accounting procedures. A thank you also goes out to the Commission for their ongoing commitment to ensure fiscal transparency and accountability, and to maintain the Port's financial statements in conformance with the highest professional standards.

Respectfully Submitted,



Lucia Navarro
Port of Sunnyside, Executive Director



Delilah Saenz
Port of Sunnyside, Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Port of Sunnyside
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

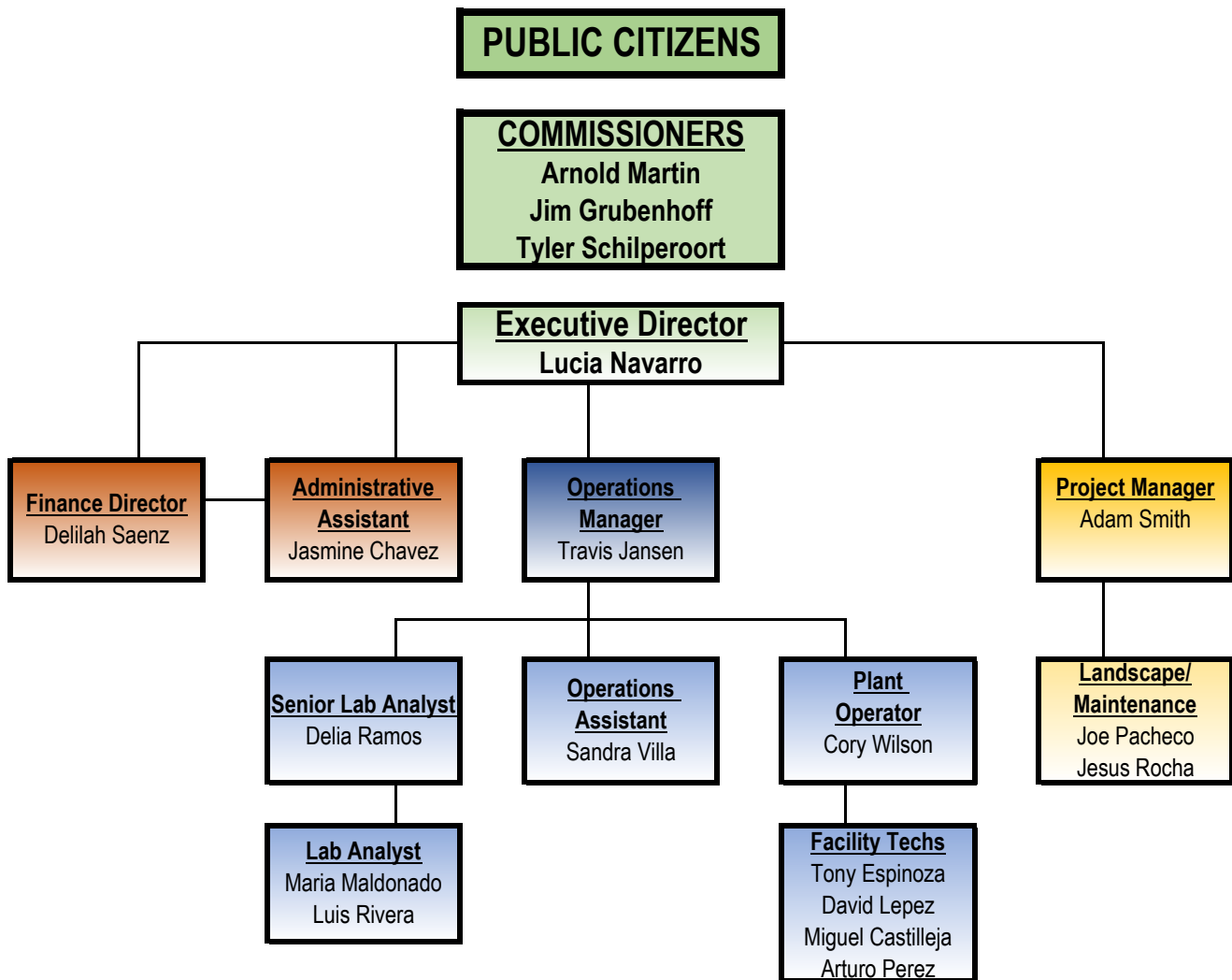
Christopher P. Morill

Executive Director/CEO



PORT OF SUNNYSIDE

ORGANIZATIONAL CHART





BOARD OF COMMISSIONERS 2025

The Port of Sunnyside has a three-member Board of Commissioners (Commission) that sets policy and approves all expenses. The Commission appoints the executive administrative staff, which includes the Executive Director/Auditor and the Port's attorney.

A commissioner is elected to a six-year term of office by the voters in the district. The Commission meetings are open to the public and are held on the first and third Monday, at the Administration Office of the Port, located at 2405 Reith Way, Suite 1, Sunnyside, WA 98944.

Meet the Commissioners

Arnold Martin



Arnold Martin has served on the Commission since 1989 and served as Commission President in 2025. Commissioner Martin was re-elected for a six-year term in 2025 which expires December 31, 2031. He was born and raised in the Lower Yakima Valley. He graduated, with distinction, from Washington State University in 1967 with a Bachelor of Science in Agriculture and a Minor in Business. He owns and operates his own farm, where he grows mint, wheat, corn, grapes, and hay.

Commissioner Martin served as Chairman of the Washington Mint Commission for four years, Washington Mint Growers Association, Board of Federal Spearmint Marketing Order and was a member of Sunnyside Noon Rotary. He received the Washington State Mint Grower of the Year award in 1980. Commissioner Martin received the Agri-Business Person of the Year award in 1993. The Washington Mint Growers Association named Commissioner Martin "Friend of the Industry" in 2007. Commissioner Martin has also served as the Chairman and the Treasurer of the Far West Spearmint Marketing Order committee. He was honored with a Lifetime Achievement Award from the Washington Mint Growers in December 2014.

Jim Grubenhoff

Jim Grubenhoff was elected to the Commission in November 2009 and began serving in January 2010. He was re-elected in 2022, and his term expires at the end of December 2028. He served as the Commission Vice-President for 2025. He has lived in the Yakima Valley his entire life. He graduated from Sunnyside High School in 1974.

Commissioner Grubenhoff has been very active in the Sunnyside community. He was a former board member of Sunnyside, Inc., an organization that strived to promote and revitalize the Sunnyside business community. He served as a board member of Lower Valley Credit Union for 12 years, serving 3 years as chairman and was a member of the Sunnyside Community Hospital Board of Trustees. He served on the board of the Lower Valley Crisis and Support Services for 10 years and was chairman 3 times. Commissioner Grubenhoff served as a member of the Sunnyside Airport advisory board from 2010 through 2018. He was a member of the Sunnyside Noon Rotary Club for more than 25 years.

In 2013, Commissioner Grubenhoff was honored as the Outstanding Public Official by the Sunnyside Chamber of Commerce. In 2021, Commissioner Grubenhoff retired after over 40 years as a self-employed business owner. Commissioner Grubenhoff and his wife, Kathy, reside in Sunnyside and have 5 children and 8 grandchildren.



Tyler Schilperoort

Tyler Schilperoort was elected to the Commission in November 2017 and began serving in January 2018. He was re-elected in 2023, and his term expires at the end of December 2029. He served as Commission Secretary for 2025. Commissioner Schilperoort has served as a member of the Sunnyside Airport advisory board since 2019. He has spent his career as a mint buyer for a large, multinational corporation and owns his own farm. As a life-long Sunnyside resident he felt that it was time for him to give back to the community by serving as Port Commissioner. He believes his experience as a business owner provides him with the local perspective needed to take on Port issues. One of Commissioner Schilperoort's main goals is to keep local citizens in town by bringing in more family-wage jobs to the community. To do this, Commissioner Schilperoort believes the Port needs to continue its aggressive efforts in bringing new industries to Sunnyside.



Port of Sunnyside Staff



List of Principal Officials

Lucia Navarro, Executive Director

Delilah Saenz, Finance Director

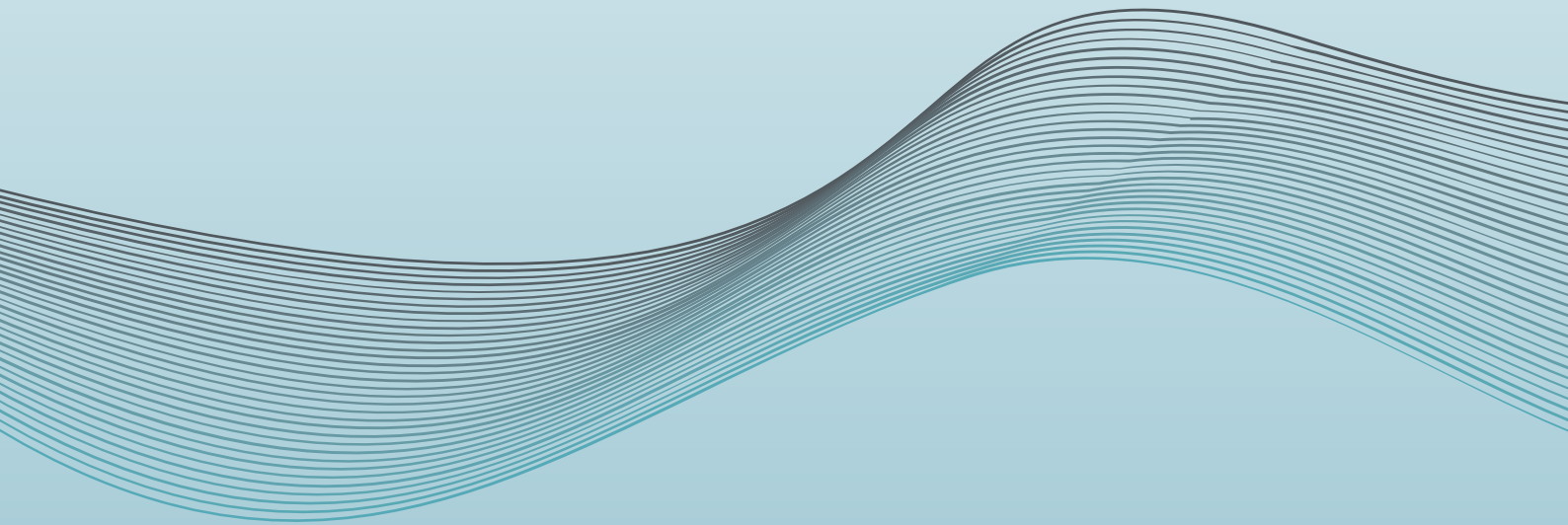
Adam Smith, Property Development & Project Manager

Travis Jansen, Operations Manager

Cory Wilson, Plant Operator



FINANCIAL SECTION







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

June 18, 2026

Board of Commissioners
Port of Sunnyside
Sunnyside, Washington

Report on Financial Statements

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

We are issuing this report for inclusion in the Port's annual comprehensive financial report package, which will be issued by the Port under the Port's own cover.

This report is in addition to our regular financial statement audit report, which will be available on our website and includes the Port's basic financial statements.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.



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

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE
FINANCIAL STATEMENTS**

Board of Commissioners
Port of Sunnyside
Sunnyside, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of basic of the Port of Sunnyside as of and for the year then ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of basic of the Port of Sunnyside, as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Port 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Port'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 GAAS and *Government 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.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, 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 Port'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 the Port's ability to continue as a going concern for a reasonable period of time; and
- 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.

Required Supplementary Information

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

Other Information

The other information comprises Introductory and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the 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 basic 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 in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 18, 2026, on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control

over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

June 18, 2026

Port of Sunnyside

MANAGEMENT DISCUSSION AND ANALYSIS

For The Year Ended December 31, 2025

INTRODUCTION

The following is the Port of Sunnyside's (Port) Management Discussion and Analysis (MD&A) of financial activities and the performance for the calendar year ended December 31, 2025, with selected comparative information for the year ended 2024. The design of the discussion and analysis is to assist the reader in focusing on the significant financial activities of the Port, to identify any significant changes in financial position, and to serve as an introduction to the Port's financial statements.

This report also presents certain required supplementary information regarding Other post-employment benefits (OPEB) and the Port's proportionate share of net pension liability and contributions. Information contained in the MD&A has been prepared by Port management and should be considered in conjunction with the financial statements and the notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: MD&A, the basic financial statements, and the notes to the financial statements. The basic financial statements include: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position shows the Port's overall financial position and provides an understanding of the operations of the Port, to assist users in assessing whether that financial position has improved or deteriorated as a result of the year's activities. Over time, increases or decreases in net position may serve as an indicator of whether the Port is financially stable or if there are any concerns.

The Statement of Revenues, Expenses, and Changes in Net Position shows how the Port's net position changed during the most recent year. These changes are reported as the underlying event occurs regardless of the timing of related cash flows.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and non-capital and capital-related financing activities. A reconciliation of the cash provided by operating activities to the Port's operating income as reflected in the Statement of Revenues, Expenses, and Changes in Net Position is also included.

The Notes to Financial Statements provide the reader with additional detailed information that may not be apparent from the actual financial statements. The Notes to Financial Statements are essential to a full understanding of the data contained in the financial

statements and can be found immediately following the financial statements in the “Financial Section” of this report.

The Port uses the full-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized, and long-term liabilities are accounted for in the appropriate fund.

The Port’s Programs - The Port is authorized by Washington law to provide and charge fees for industrial wastewater discharged to our treatment facility. The Port may acquire land for sale or lease for industrial or commercial purposes and may create industrial development Ports.

The Port operates a state-of-the-art, ecologically sound, Industrial Wastewater Treatment Facility (IWWTF) permitted by the Washington State Department of Ecology. The facility serves eight manufacturing industries. The IWWTF is located in Sunnyside on approximately 30 acres which includes an MBR system, four treatment lagoons, a dewatering facility, an anaerobic digester, an ultra-filtration system, and an ultraviolet disinfection system.

The Port leases and develops real estate with a goal of economic growth for the city of Sunnyside. These parcels all have easy access to I-82, generally less than one mile from the on ramp. Commercial airports in Yakima and Tri-Cities are approximately a 35–45-minute drive to either airport or for private planes, the Sunnyside municipal airport is within a mile of these parcels. Sunnyside is centrally located in Washington State, equal distance (180 miles) from Seattle, Portland, Vancouver (USA), and Spokane.

The following schedule reflects condensed net position. The Port is engaged only in business-type activities. Also, comparative years are being shown for 2025 & 2024 to offer the reader a better means of analyzing the Port’s condensed statements that follow.

FINANCIAL REPORT

Financial Highlights

- The total assets and deferred outflows of the Port exceeded liabilities and deferred inflows, as of December 31, 2025, by \$71,164,939. Of this amount, \$23,290,049 is unrestricted and may be used to meet the Port’s ongoing obligations to citizens and creditors. The restricted portion of the Port’s net position does not affect fund resources for future use.
- At the end of 2025, the Port’s total combined cash & investment balance was \$20,724,721 which is a decrease of \$617,708 from 2024’s balance and is related to the increase in Port-funded capital improvements.
- The Port’s 2025 total change in net position increased by \$6,383,392, a decrease of \$2,226,600 from 2024.
- The Port’s total long-term liabilities increased by \$442,002 to \$17,510,413.

- The total deferred outflows for the Port related to pension were \$346,920 and \$5,341 related to OPEB. The total deferred inflows for the Port were \$69,820 related to Pension and \$5,600,786 related to leases.
- The overall financial position improved in 2025. This was due to a combination of completed project (assets) and property rentals.

Port of Sunnyside's Net Position

	Business Type Activities	
	2025	2024
Current Assets and Other Assets	\$ 30,744,447	\$ 30,910,094
Capital Assets, Net Accumulated Depreciation	66,084,013	58,758,119
Total Assets	\$ 96,828,460	\$ 89,668,214
Deferred Outflows Related to Pension	346,920	330,011
Deferred Outflows Related to OPEB	5,341	9,016
Total Deferred Outflows	352,261	\$ 339,027
Current Liabilities	2,834,763	3,237,463
Long-Term Liabilities	17,510,413	17,068,411
Total Liabilities	\$ 20,345,176	\$ 20,305,874
Deferred Inflows Related to Pension	69,820	91,571
Deferred Inflows Related to Leases	5,600,786	4,828,248
Total Deferred Inflows	\$ 5,670,606	\$ 4,919,819
Net Investment in Capital Assets	47,338,764	40,810,205
Restricted	536,126	463,114
Unrestricted	23,290,049	23,508,227
Total Net Position	\$ 71,164,939	\$ 64,781,547

Major Factors Affecting the Statement of Net Position - Total net position increased by \$6,383,392 in 2025, which reflects an increase from the overall operation of the Port – due to construction projects, and property rentals. The largest portions of the Port's total assets (68%) are in capital assets (e.g., land, buildings, other improvements, machinery and equipment). The Port uses these capital assets to provide general services, wastewater treatment, and future development. Consequently, these assets are not available for future spending, except for the sale of land. The unrestricted net position of the Port is available for future use to provide and maintain existing and future services.

The largest portion of the Port's total liabilities is long-term debt (86%), up from 2024 (84%), which are primarily payments for bond debt and payments to various funding

agencies and private contracts associated with capital assets. Any significant increase or decrease in total assets or total liabilities will have a correlating effect on the Statement of Net Position. For more detailed information see the Statement of Net Position in the following financial statements.

Changes in Net Position - The following schedule reflects the Port of Sunnyside's condensed Changes in Net Position.

Statements of Revenues, Expenses and Changes in Net Position

	Business Type Activities	
	2025	2024
Revenues:		
Operating Revenues:		
IWWTF Operating Revenue	\$ 8,879,523	\$ 9,099,891
Property Rental & Sprayfield Revenue	1,805,405	1,535,095
Other Operating Revenue	310,361	385,545
Total Operating Revenues	\$ 10,995,289	\$ 11,020,530
Gain on disposition of Assets	30	123,672
Interest Income	894,328	1,093,531
Tax Levy Income	713,113	688,444
Other Non-Operating Revenues	147,872	208,634
Total Non-Operating Revenues	1,755,343	2,114,281
Total Revenues	\$ 12,750,632	\$ 13,134,812
Expenses:		
IWWTF Operating Expenses	4,192,522	3,813,938
General & Admin Operating Expenses	1,041,740	893,968
Depreciation	2,375,670	1,978,049
Non-Operating:		
Loss on disposition of assets	175,057	5,595
Interest Expenses	368,644	428,778
Other Non-Capital Financing Expenses	1,410	5,636
Total Expenses	\$ 8,155,043	\$ 7,125,965
Income Before Capital Contributions	4,595,589	6,008,847
Capital Contributions	1,787,803	2,601,144
Error Corrections	-	286,286
Increase in Net Position	6,383,392	8,609,992
Net Position - January 1	64,781,547	55,885,268
Net Position - December 31	\$ 71,164,939	\$ 64,781,547

Analysis of the Schedule of Changes in Net Position – The 2025 net position is \$71,164,939, an increase from 2024 of \$6,383,392 resulting in 15% annualized growth for the last 5 years. Changes from a rate analysis slightly increased revenue receipts for the IWWTF, additionally continued termination fees and discharges exceeding contract limits were recognized. Commercial rentals increased in 2025 due to CPI increase and one additional property lease. The Port is organized to aggressively enhance the local economy by providing new and expanding business access to industrial land, infrastructure, and funding assistance.

Most of the Port’s revenues (92%) are derived from utility billing, property taxes and rental income. Additional revenue sources include interest earnings, subsidies, grants, and contributions by various external agencies. Funding for the Port’s general operating costs remains consistent, since it comes from utility users who depend on the Port’s wastewater treatment facility, as well as property taxes levied by the Commissioners and rental income from Port-owned properties.

General operating expenses are influenced by a variety of factors, including fluctuations in utility rates, fuel prices, medical and liability insurance premiums, the cost of building materials, and new regulatory requirements from state or federal agencies regarding treatment of wastewater. The increase in asset disposal losses reflects a rise in the number of surplus items that had not been fully depreciated.

Capital Assets

As of year-end 2025, the Port had capital assets valued at \$66,084,013, an increase of \$7,325,894 from 2024 as reflected in the following schedule:

Port of Sunnyside Capital Assets

	Business Type Activities	
	2025	2024
<u>Capital Assets not being depreciated</u>		
Land	\$ 4,743,930	\$ 4,743,900
Construction In Progress	404,882	2,086,969
Construction In Progress - Assets for City	-	4,827,396
<u>Capital Assets being depreciated</u>		
Buildings	58,756,453	55,560,350
Improvements other than Buildings	15,690,992	5,455,428
Machinery and Equipment	12,244,693	9,600,947
Accumulated Depreciation	(25,756,937)	(23,516,871)
Total Capital Assets	\$ 66,084,013	\$ 58,758,119

The following reconciliation summarizes the change in Capital Net Position, which is presented in detail in the Notes to Financial Statements – Note 2 Capital Assets & Depreciation.

Change in Capital Assets

	Business Type Activities	
	2025	2024
Beginning Balance, January 1	\$ 58,758,119	\$ 50,783,651
Net Additions (Deletions)	9,701,564	(50,783,651)
Depreciation	(2,375,670)	(1,978,049)
Ending Balance, December 31	\$ 66,084,013	\$ 58,758,119

Analysis of changes in Capital Assets – For year-end 2025, net capital assets had an increase of \$7,325,894.

Debt Service

At the end of 2025, the Port had total debt of \$18,609,950. This is an increase of \$662,036 from 2024. Additional information regarding outstanding debt can be found in the Port's Notes to Financial Statements Note 9 – Long-Term Debt.

Outstanding Debt, at Year-end

	2025	2024
G O Bonds	\$ 2,333,000	\$ 2,508,000
Revenue Bonds	10,030,000	11,017,000
Notes & Contracts Payable	6,246,950	4,422,914
Total	\$ 18,609,950	\$ 17,947,914

The Port remains committed to upgrading and modernizing the wastewater treatment plant, with the ongoing goal of achieving cleaner water. Efforts also continue to attract large-scale industries to support the expansion of the industrial park. Additionally, the Port is actively pursuing revitalization projects in downtown Sunnyside, aiming to attract new restaurants, wineries, and breweries, with expectation of increasing commercial rental revenues.

ECONOMIC FACTORS

Sunnyside has remained steady in employment, housing starts and disposable income since 2024.

Retail Sales in Sunnyside have remained constant from 2024 to 2025. The tourism and travel industries have remained status quo as people continue to enjoy the valley and local events.

The civilian workforce has seen a slight increase in employment in 2025. Unemployment for Washington has slightly increased from 4.5% in 2024 to 4.7% in 2025.

With plentiful property available for development, the Port has seen a steady rise in industry and commercial property transactions since 2024. Continued industrial development is expected to position Sunnyside as a leading destination for manufacturing and transportation-related businesses.

REQUEST FOR INFORMATION

This annual report is designed to provide citizens, customers, investors, and creditors with a general overview of the Port's finances and to show accountability of public funds. If you have any questions concerning any of the information in this report or requests for additional financial information, please contact: Finance Director, 2405 Reith Way, Suite 1, Sunnyside, WA 98944; Telephone (509) 839-7678; Fax (509) 436-7270.

Port of Sunnyside

Yakima County, Washington

Statement of Net Position

December 31, 2025

Page 1 of 2

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**CURRENT ASSETS**

Cash and Cash Equivalents, Unrestricted (Note 1-C1)	\$	17,998,097
Accounts Receivable (Note 1-D3)		3,132,760
Taxes Receivable (Note 1-C3 & Note 13)		62,173
Lease Receivables (Note 8)		549,070
Prepayments (Note 1-C4)		255,443
Total Current Assets		<u>21,997,543</u>

NONCURRENT ASSETS

Long-Term Investments		2,726,624
Net Pension Asset (Note 11)		254,844
Long Term Receivable Leases (Note 1-C7 & Note 8)		5,053,816
Capital Assets: (Note 2)		
Capital Assets not being Depreciated:		
Land		4,743,930
Construction in Progress		404,882
Capital Assets being Depreciated:		
Improvements to Land		15,690,992
Buildings and Structures		58,756,453
Equipment		12,244,693
Less: Accumulated Depreciation		(25,756,937)
Other Receivables (Note 1-C3)		711,620
Total Noncurrent Assets		<u>74,830,917</u>

TOTAL ASSETS\$ 96,828,460**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows Related to Pensions (Note 11)		346,920
Deferred Outflows Related to OPEB (Note 10)		5,341
Total Deferred Outflows		<u>352,261</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS\$ 97,180,721

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Port of Sunnyside

Yakima County, Washington

Statement of Net Position

December 31, 2025

Page 2 of 2

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**CURRENT LIABILITIES**

Accounts Payable (Note 1-C11)	\$	700,654
Retainage Payable	\$	135,299
Current Portion of General Obligation Bonds (Note 9)		180,000
Current Portion of Revenue Bonds (Note 9)		1,011,000
Current Portion of Notes/Contracts Payable (Note 9)		734,762
Compensated Absences (Note 1-C9)		61,394
Total OPEB Current Liability (Note 10)		11,654
Total Current Liabilities		<u>2,834,763</u>

NONCURRENT LIABILITIES

General Obligation Bonds, Net of Current (Note 9)		2,153,000
Revenues Bonds, Net of Current (Note 9)		9,019,000
Notes/Contract Payable, Net of Current (Note 9)		5,512,188
Pollution Remediation (Note 12)		200,100
Compensated Absences		89,181
Total OPEB Liability (Note 10)		476,108
Net Pension Liability (Note 11)		60,836
Total Noncurrent Liabilities		<u>17,510,413</u>

TOTAL LIABILITIES\$ 20,345,176**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows Related to Pensions (Note 11)		69,820
Deferred Inflows Related to Leases (Note 8)		5,600,786
Total Deferred Inflows		<u>5,670,606</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS\$ 26,015,782**NET POSITION**

Net Investment in Capital Assets		47,338,764
Restricted, for Net Pension Asset (Note 11)		536,126
Unrestricted		23,290,049
TOTAL NET POSITION	\$	<u><u>71,164,939</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Port of Sunnyside

Yakima County, Washington

Statement of Revenues, Expenses and Changes in Net Position

For the fiscal year ended December 31, 2025

OPERATING REVENUES

Industrial Waste Water Treatment Facility Operations	\$	8,879,523
Property Rentals & Sprayfield Operations		1,805,405
Other Operating Revenue		310,361
Total Operating Revenues		<u>10,995,289</u>

OPERATING EXPENSES

Industrial Waste Water Treatment Facility Operations		4,192,522
General & Administrative		1,041,740
Depreciation		2,375,670
Total Operating Expenses		<u>7,609,932</u>

OPERATING INCOME (LOSS)

3,385,357

NON-OPERATING REVENUES (EXPENSES)

Investment Income		894,328
Interest on Lease Activity		147,872
Taxes Levied For:		
General purposes		458,359
Debt service principal/interest		254,754
Gain on Disposition of Assets		30
Loss on Disposition of Assets		(175,057)
Interest Expense - General Obligation		(109,011)
Interest Expense - Revenue Obligation		(259,633)
Other Non-Capital Financing		(1,410)
Total Nonoperating Revenues (Expenses)		<u>1,210,232</u>

INCOME BEFORE CAPITAL CONTRIBUTIONS

4,595,589

CAPITAL CONTRIBUTIONS1,787,803**CHANGE IN NET POSITION**

6,383,392

Net Position - Beginning of Year

64,781,547

NET POSITION - END OF YEAR\$ 71,164,939

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Port of Sunnyside

Yakima County, Washington

Statement of Cash Flows

For the fiscal year ended December 31, 2025

Page 1 of 2

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 11,393,691
Payments to Suppliers	(4,083,130)
Payments to Employees	(1,864,538)
Net Cash Provided by Operating Activities	<u>5,446,023</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipts of Property Taxes from Yakima County	306,943
Net Cash Provided by Noncapital Financing Activities	<u>306,943</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Receipts of Property Taxes from Yakima County	254,754
Paid from Sale of Assets	(24,473)
Purchases of Capital Assets	(9,565,960)
Capital Contributions	1,787,803
Debt Proceeds	1,652,636
Principal Paid on Capital Debt	(990,600)
Interest Paid on Capital Debt	(368,644)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,254,484)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and Dividends	883,810
Net Cash Provided by Investing Activities	<u>883,810</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS

(617,708)

Cash and Cash Equivalents - Beginning of Year

21,342,429

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 20,724,721

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Port of Sunnyside

Yakima County, Washington

Statement of Cash Flows

For the fiscal year ended December 31, 2025

Page 2 of 2

**RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (Loss)	\$	3,385,357
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization		2,375,670
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable		218,825
Lease Receivable		(590,219)
Prepaid Expenses		(30,813)
Net Pension Asset		(24,875)
Deferred Outflows		(13,234)
Other Operating		147,812
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accounts Payable		(362,849)
Retainage Payable		(43,478)
Payroll Liabilities		(1,981)
Loss on Lease Modification		(150,554)
Net Pension Liability		(56,598)
Total OPEB Liability		(183,687)
Compensated Absences		4,109
Deferred Inflows		772,538
Total Adjustments		<u>2,060,666</u>
Net Cash Provided by Operating Activities	\$	<u>5,446,023</u>

NONCASH TRANSACTIONS

Noncash Pension activity	(98,382)
Noncash OPEB activity	(180,012)
Noncash lease activity	182,319
Noncash compensated absences activity	4,109
Accumulated depreciation	2,240,066

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

Port of Sunnyside
Yakima County, Washington
Notes to Financial Statements
December 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Port of Sunnyside (Port) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

The Port of Sunnyside was incorporated in 1964 and operates as a municipal corporation under the laws of the state of Washington applicable to port districts under provisions of the Revised Code of Washington 53.04.010 et seq.

The Port is a special purpose government and provides local industries a means of wastewater disposal. The Port may acquire and improve land for sale or lease for industrial or commercial purposes and may create industrial development districts.

The main revenue source consists of charges to our industries for wastewater disposal which is authorized by RCW (53.08.040). The Port operates a state-of-the-art, ecologically sound, Industrial Wastewater Treatment Facility (IWWTF) permitted by the Washington State Department of Ecology. The Port serves nine food or food-related industries and a pipe manufacturing plant. The IWWTF is located in Sunnyside on approximately 30 acres which includes an MBR system, four treatment lagoons, a dewatering facility, an anaerobic digester, an ultra-filtration system and an ultraviolet disinfection system. Industry fees pay for all the operating costs and all of the debt retirement of the IWWTF.

The district's economic development program offers marketing, planning and development opportunities to industries and the community at large.

The Port of Sunnyside is governed by an elected 3-member Board of Commissioners. The Port of Sunnyside has no component units.

B. Measurement Focus, Basis of Accounting

The accounting records of the Port of Sunnyside are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Port of Sunnyside uses the *Budgeting, Accounting and Reporting System for GAAP Cities, Counties, and Special Purpose Districts* in the State of Washington.

The Port statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when liability is incurred regardless of the timing of cash flows.

The Port operates as a proprietary fund, distinguishing between operating revenues and expenses from non-operating ones. Operating revenues and expenses result from providing services in connection with a district's principal ongoing operations. The principal operating revenues of the district are charges to customers for industrial wastewater treatment. The district also recognizes rent as operating revenue for land and/or building rentals, crop proceeds and miscellaneous reimbursements. Operating expenses for the district include the costs incurred in providing for the industrial wastewater treatment facility and the administrative expenses including depreciation on capital assets as well as economic development costs. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

C. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

It is the Port of Sunnyside's policy to invest all temporary cash surpluses. At December 31, 2025, the Port was holding \$17,131,505. This amount is reported on the Statement of Net Position as cash and cash equivalents, unrestricted. The interest on these investments is prorated to the various accounts.

For the purposes of the statement of cash flows, the Port considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

(See Note 6 – *Deposits and Investments*)

The Port measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles.

3. Receivables

Taxes receivable consists of property taxes and related interest and penalties. (See Note 13 – *Property Tax*). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Customer accounts receivable consists of amounts owed from private individuals, other governments, or organizations for goods and services contracted or provided.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of amounts paid in 2025 for 2026 and beyond expenses.

5. Capital Assets & Depreciation

(See Note 2 – *Capital Assets & Depreciation*)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the Statement of Net Position. Capital assets are defined for the Port as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at appraised value at the date of donation.

Cost for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation expense is charged to operations to allocate the cost of capital assets over their estimated useful lives using the straight-line method.

By category, the estimated useful lives are as follows:

- Buildings & Structures – 2 to 100 years
- Improvements other than buildings – 10 to 30 years
- Machinery & equipment – 2 to 40 years.

6. Other Assets and Debits

Other Receivables – The amount shown is the Port's portion of outstanding grant funding, leasehold tax refund, and Benton REA's Capital Credits (also called patronage dividends, patronage refunds, patronage capital or equity capital). Benton REA is a not-for-profit member-owned electric co-operative. The Port is a member of the co-operative.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension Asset – The amount calculated as a pension asset held by the Washington State Department of Retirement. (See – Note 11 *Pension Plans*)

7. Leases

Lessor: The Port is a lessor for non-cancellable leases. The Port recognizes a lease receivable and a deferred inflow of resources.

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

Key estimates and judgements related to leases include how the Port determines (1) the discount rate it used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Port uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease plus any additional periods covered by either a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the lessor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee and purchase option price that the Port is reasonably certain to exercise.

The Port monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

8. Deferred Outflows/ Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Port's deferred outflows of resources consist of resources related to pensions and OPEB.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of financial net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Port's deferred inflows of resources consist of resources related to pensions and leases.

9. Compensated Absences

Compensated absences are absences for which the employees will be paid, such as vacation and compensatory leave. All vacation and compensatory leave are accrued when incurred.

Vacation pay may be accumulated up to 80 hours into the next calendar year. The balance of an employee's vacation pay is payable upon resignation, retirement, or death. Sick leave may accumulate up to 60 days and is not payable upon resignation or termination of employment. Compensatory time is allowed to carry over up to 40 hours into the next calendar year and the balance is payable upon resignation, retirement, or death.

Compensated absences liability, included related taxes, is recognized for both used but unpaid leave and leave that is more likely than not to be used based on historical usage trends. The Port's total obligation for compensated absences is \$150,575 at December 31, 2025, and was \$146,467 at December 31, 2024. The compensated absences that could be due within the coming year are recorded as a current liability and total \$61,394. The remaining balance of \$89,181 is the long-term liability portion of the compensated absences.

10. Pensions

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

For purposes of calculating the restricted net position related to the net pension asset, the Port of Sunnyside includes the net pension asset and the related deferred outflows and deferred inflows.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Long-Term Liabilities

(See Note 9 – *Long-Term Debt*)

12. Grants

The Port has, at various times, received grants-in-aid funds for construction of the airport, industrial sites, and certain recreational facilities.

13. Net Position Classification

For proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the Port will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Port's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 2 - CAPITAL ASSETS AND DEPRECIATION

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

Capital assets activity for the year ended December 31, 2025, were as follows:

(continued on next page)

NOTE 2 - CAPITAL ASSETS AND DEPRECIATION (continued)

	Beginning Balance 1/1/2025	Increases	Decreases	Ending Balance 12/31/2025
Capital Assets, not being depreciated:				
Land	\$ 4,743,930	\$ -	\$ -	\$ 4,743,930
Construction In Progress	\$ 6,914,365	\$ 8,381,022	\$ 14,890,504	\$ 404,882
Total Capital Assets, not being depreciated	\$ 11,658,295	\$ 8,381,022	\$ 14,890,504	\$ 5,148,812
Capital Assets, being depreciated:				
Buildings & Structures	\$ 55,560,350	\$ 3,224,584	\$ 28,481	\$ 58,756,453
Improvements other than buildings	\$ 5,455,428	\$ 10,247,769	\$ 12,205	\$ 15,690,992
Machinery & Equipment	\$ 9,600,947	\$ 2,763,167	\$ 119,422	\$ 12,244,692
Total Capital Assets, being depreciated	\$ 70,616,725	\$ 16,235,520	\$ 160,107	\$ 86,692,138
Less Accumulated Depreciation for:				
Buildings & Structures	\$ (16,890,997)	\$ 1,687,810	\$ 9,266	\$ (18,569,541)
Improvements other than buildings	\$ (3,048,505)	\$ 342,698	\$ 6,916	\$ (3,384,287)
Machinery & Equipment	\$ (3,577,368)	\$ 345,162	\$ 119,422	\$ (3,803,108)
Total Accumulated Depreciation	\$ (23,516,871)	\$ 2,375,670	\$ 135,605	\$ (25,756,937)
Total Capital Assets, being depreciated, net	\$ 47,099,854	\$ 18,611,191	\$ 24,503	\$ 60,935,201
Total Capital Assets	\$ 58,758,149	\$ 26,992,212	\$ 14,915,007	\$ 66,084,013

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2025	Additions	Reductions	Ending Balance 12/31/25	Due Within One Year
Bonds Payable:					
GO Bonds	\$ 2,508,000	\$ -	\$ 175,000	\$ 2,333,000	\$ 180,000
Revenue Bonds	11,017,000	-	987,000	10,030,000	1,011,000
Total Bonds Payable	\$ 13,525,000	\$ -	\$ 1,162,000	\$ 12,363,000	\$ 1,191,000
Notes & Contracts Payable	\$ 4,422,914	\$ 2,387,398	\$ 563,362	\$ 6,246,950	\$ 734,762
Net Pension Liability	95,683	-	34,847	60,836	-
Total OPEB Liability	671,449	-	183,687	487,762	11,654
Pollution Remediation	27,584	172,516	-	200,100	-
Compensated Absences	146,467	4,108	-	150,575	61,394
Total Long-Term Liabilities	\$ 18,889,097	\$ 2,564,022	\$ 1,943,896	\$ 19,509,223	\$ 1,998,810

Compensated absences are presented as a net increase/decrease.

(continued on next page)

NOTE 4 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The Port has active construction projects as of December 31, 2025. The projects include:

Projects as of 12/31/25	Spent to Date		Remaining Commitment	
Airport Hangar Project	\$	139,483	\$	626,314
Carnation Redevelopment Project	\$	104,245	\$	25,272
Capacity Improvements - Phase 1	\$	161,155	\$	110,379
Totals	\$	404,883	\$	761,965

NOTE 5 – CONTINGENCIES AND LITIGATION

The Port has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the Port will have to make payment. In the opinion of management and the Port's attorney, the Port's insurance policies are adequate to pay all known or pending claims.

The Port participates in a number of federal- and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenses disallowed under the terms of the grant. Port of Sunnyside management believes that such disallowances, if any, will be immaterial.

In December 2025, the Port received a Notice of Intent with potential liability unknown at time of receipt. No liability was recorded as of the balance sheet date of December 31, 2025. (See Note 16 – *Subsequent Events*)

NOTE 6 – DEPOSITS AND INVESTMENTS

Deposits

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

Cash and Bank Balances on December 31, 2025, totaled \$777,814.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

Investments

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

The Port is a voluntary participant in the Local Government Investment Pool (LGIP) authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by the GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, or online at <http://www.tre.wa.gov>.

The table below identifies the type of investments, concentration of investments in any one issuer, and maturities of the Port investment portfolio (excluding investments held by the Post-Employment Health Care Benefits Trust Fund, (see Note 10 for investment detail for the Trust)) as of December 31, 2025:

Investment Type	2025				Percentage of Total Portfolio
	Fair Value	Maturities (in years)			
		Less than 1	1-3	More than 3	
US Treasury Bonds	\$ 3,025,619	\$ 1,764,987	\$ 1,260,631	\$ -	15.18%
Gate City Bank	\$ 250,905	\$ -	\$ 250,905	\$ -	1.26%
Wells Fargo Bank	\$ 251,375	\$ -	\$ 251,375	\$ -	1.26%
BMW Fank of North	\$ 35,080	\$ -	\$ 35,080	\$ -	0.18%
Valley Ntnl Bank	\$ 110,521	\$ -	\$ 110,521	\$ -	0.55%
Morgan Standley P	\$ 253,690	\$ -	\$ 253,690	\$ -	1.27%
Sallie Mae Bank	\$ 253,692	\$ -	\$ 253,692	\$ -	1.27%
Toyota Financial Savings	\$ 264,725	\$ -	\$ 264,725	\$ -	1.33%
Ally Bank	\$ 46,004	\$ -	\$ 46,004	\$ -	0.23%
Schwab Money Market	\$ 6,585	\$ 6,585	\$ -	\$ -	0.03%
Local Government Investment Pool*	\$ 15,448,711	\$ 15,448,711	\$ -	\$ -	77.45%
Total Investments	\$ 19,946,907	\$ 17,220,283	\$ 2,726,624	\$ -	100.00%
Percentage of Total Portfolio		86.3%	13.7%	0.0%	100.0%

*Investments in the Local Government Investment Pool. The investments in the pool are valued at amortized cost of the pool shares.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

The table below identifies the credit risk of the Port’s investment portfolio as of December 31, 2025:

Investment Type	2025							
	Fair Value	Moody's Equivalent Credit Ratings						
	A3	A1	Aa3	Aa2	Aa1	Baa3	No Rating	
US Treasury Bonds	\$ 3,025,619					\$ 3,025,619		
Gate City Bank	\$ 250,905							\$ 250,905
Wells Fargo Bank	\$ 251,375				\$ 251,375			
BMW Fank of North	\$ 35,080			\$ 35,080				
Valley Ntnl Bank	\$ 110,521							\$ 110,521
Morgan Standley P	\$ 253,690		\$ 253,690					
Sallie Mae Bank	\$ 253,692					\$ 253,692		
Toyota Financial Savings	\$ 264,725		\$ 264,725					
Ally Bank	\$ 46,004	\$ 46,004						
Schwab Money Market	\$ 6,585							
Local Government Investment Pool*	\$ 15,448,711							
Total	\$ 19,946,907		\$ 518,415	\$ 35,080	\$ 251,375	\$ 3,025,619	\$ 253,692	\$ 361,426

Custodial credit risk is the risk that in the event of a failure of the counterparty to an investment transaction the Port would not be able to recover the value of the investment or collateral securities.

The Port’s Investment policy allows investment in Certificates of Deposit, Notes or Bonds of the United States and the Washington State Local Government Investment Pool. All investments of the Port have been undertaken in a manner that seeks to ensure the preservation of capital in the over-all portfolio thus avoiding any risk of principal.

NOTE 7 – JOINT VENTURES

The Port of Sunnyside owns real property for which negotiations were taking place for the sale and development of such property. The developer requested the Port provide the infrastructure improvements that would serve the property. Since the infrastructure benefits both the Port and the City of Sunnyside (City), the two entities collaborated to provide the design, construction, funding, ownership, and use of the public project for their mutual advantage.

In 2022, the Port applied for a SIED (Supporting Investment in Economic Development) grant and CERB (Community Economic Revitalization Board) grant as well as a CERB loan. In 2023, the Port was awarded grant funds through SIED (\$3,000,000) and CERB (\$750,000). The Port was also awarded a CERB loan (\$4,250,000) of which the City contribution will be \$2,359,710 and the Port’s contribution will be \$1,890,290.

The City agreed to provide a cash amount of \$950,000.00. In addition to the City’s cash payment, the City will also reimburse the Port for the portion of loan funds allocated as part of the City’s contribution (55.5226%), plus interest over a period of ten years. The Port shall be responsible for loan funds allocated as part of the Port’s contribution

NOTE 7 – JOINT VENTURES (continued)

(44.4774%), plus interest over a period of ten years.

All transportation improvements, water main pipeline, and sanitary sewer pipeline will be dedicated to and owned by the City, while the industrial sewer pipeline and related facilities will be owned by the Port.

NOTE 8 – LEASES (LESSOR)

The Port promotes the economic development in Sunnyside by providing operating leases of buildings, land and rail spur to a variety of businesses. The investment properties are leased to tenants under operating leases with rentals payable on a monthly basis or annualized amount. Any additional charges such as utility and/or maintenance costs, among others, are added to lessor's next regular billing. Annually, the rates are increased based on the Consumer Price Index or fixed rate, dependent upon contract terms.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Although the Port is exposed to changes in the residual value at the end of the current leases, the Port typically enters into new operating leases following the expiration of existing operating leases. Expectations about the future residual values are reflected in the fair value of the properties.

The Port does not allow sublease transactions without written consent by the Port. The Port currently has two subleases with the same lessee for two land leases. The Port currently does not have any sale-leaseback or lease-leaseback transactions.

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date. Interest is based on an imputed interest rate of 2% for original leases and the incremental borrowing rate for modifications.

(continued on next page)

NOTE 8 – LEASES (LESSOR) (continued)

Year Ended December 31	Principal	Interest	Total
2026	\$ 549,070	\$ 166,176	\$ 715,246
2027	547,799	144,596	692,395
2028	560,370	122,697	683,067
2029	474,240	101,622	575,862
2030	259,679	84,229	343,908
2031 - 2035	1,055,174	280,988	1,336,162
2036 - 2040	201,565	205,235	406,800
2041 - 2045	222,745	184,055	406,800
2046 - 2050	246,151	160,649	406,800
2051 - 2055	274,016	134,784	408,800
2056 - 2060	300,600	106,200	406,800
2061 - 2065	332,186	74,614	406,800
2066 - 2070	367,092	39,708	406,800
2071 - 2075	214,198	5,762	219,960
Total	\$ 5,604,885	\$ 1,811,315	7,416,200

The total amount of deferred inflows of resources (for example, lease revenue, interest revenue, and any other lease-related inflows) are detailed on the financial statements and compliment the Lease Receivable and Interest Receivable presented under Assets. The deferred inflows are recognized as revenue over the term of the lease, regardless of when payments are received from the lessee.

NOTE 9 – LONG-TERM DEBT

The Port of Sunnyside issues general obligation and revenue bonds to finance the purchase of land and/or buildings and the acquisition or construction of the Industrial Wastewater Treatment Facility and its improvements. Bonded indebtedness has also been entered into to advance refund revenue bonds. General obligation bonds have been issued for business-type activities and are being repaid from the applicable resources. The revenue bonds & other revenue debts are being repaid by proprietary fund revenues.

The Port of Sunnyside is also liable for notes that were entered into for the purchase of land and economic development. These notes are considered obligations of the general government and are being repaid with general governmental revenue sources.

General obligation bonds currently outstanding are as follows:

General Obligation Bonds	Maturity Range	Interest Rate	Original Amount	Amount of Installment	Loan Balance 12/31/25
2022 Bond Debt	2036	3.18%	\$ 3,000,000	\$ 175,000	\$ 2,333,000

NOTE 9 – LONG-TERM DEBT (continued)

The annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Principal	Interest
2026	180,000	74,189
2027	186,000	68,465
2028	192,000	62,551
2029	198,000	56,445
2030	205,000	50,149
2031-2035	1,126,000	148,824
2036	246,000	7,823
Total	\$ 2,333,000	\$ 468,446

Revenue Bonds currently outstanding are as follows:

Revenue Bonds	Maturity Range	Interest Rate	Original Amount	Amount of Installment	Loan Balance 12/31/2025
2020 A bond	2034	2.40%	\$ 14,058,000	\$ 987,000	\$ 10,030,000

The annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31	Principal	Interest
2026	\$ 1,011,000	\$ 229,771
2027	1,036,000	205,860
2028	1,060,000	181,373
2029	1,086,000	156,310
2030	1,112,000	130,637
2031-2035	4,725,000	253,154
Total	\$ 10,030,000	\$ 1,157,105

(continued on next page)

NOTE 9 – LONG-TERM DEBT (continued)

The contracts payable outstanding are as follows:

Contracts Payable						
Description	Original Loan	Maturity Date	Interest Rate	Loan Balance 1/1/2025	Loan Balance 12/31/2025	Current Portion
CERB 2 - SBR	\$ 500,000	1/1/2025	0.000%	\$ 25,000	\$ -	\$ -
DOE Loan - SBR	\$ 3,448,655	5/10/2025	1.500%	\$ 101,137	\$ -	\$ -
SIED Loan - Anaerobic Digester	\$ 1,000,000	6/1/2025	2.500%	\$ 104,353	\$ -	\$ -
SIED Loan - Nutrien Railspur	\$ 251,686	6/1/2028	3.560%	\$ 111,164	\$ 84,816	\$ 27,288
CERB - Anaerobic Digester	\$ 850,000	7/30/2028	3.000%	\$ 377,778	\$ 283,333	\$ 94,444
TRUS-WAY Loan	\$ 500,000	11/25/2028	4.000%	\$ 220,008	\$ 167,064	\$ 55,101
CERB - East Edison	\$ 513,600	1/1/2029	0.000%	\$ 142,667	\$ 114,133	\$ 28,533
CERB - North First	\$ 400,000	1/31/2038	1.500%	\$ 291,489	\$ 271,336	\$ 20,253
CERB - Planter's	\$ 375,000	1/31/2038	1.250%	\$ 352,873	\$ 329,652	\$ 23,511
CERB - Varietal Exp	\$ 914,600	7/31/2033	1.500%	\$ 833,844	\$ 746,616	\$ 88,537
CERB - Industrial Park	\$ 4,250,000	7/31/2035	1.500%	\$ 1,862,602	\$ 4,250,000	\$ 397,095

The annual debt service requirements to maturity for contracts payable are as follows:

Year Ending	Principal	Interest
2026	\$ 734,762	\$ 181,565
2027	745,659	83,898
2028	751,732	69,927
2029	581,310	57,046
2030	560,802	49,021
2031-2035	2,727,632	122,010
2036-2040	145,052	2,673
Total	\$ 6,246,950	\$ 566,140

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS

Other post-employment benefits (OPEB) are benefits provided to retired employees beyond those provided by their pension plans. Such benefits include medical, prescription drug, life, dental, and vision insurance. PEGB offers retirees access to all of these benefits and PEGB employers, through this single-employer defined benefit plan, provide monetary assistance, or subsidize, these benefits.

The OPEB relationship between PEGB employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS (continued)

understood by the employers and plan members. This understanding is based on communications between the employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs. The Office of the State Actuary, a department within the primary government of the State of Washington, issues a publicly available Other Post-Employment Benefits Actuarial Valuation Report. The Other Post-Employment Benefits Actuarial Valuation Report may be obtained by writing to: Office of the State Actuary, PO Box 40914, Olympia, Washington 98504-0914 or it may be downloaded from the Office of the State Actuary website.

The Port elected to use the Alternative Measurement Method (AMM) to calculate the 2025 total OPEB liability. The Alternative Measurement Method worksheet was developed by Washington State Actuary. The following table represents the aggregate OPEB amounts:

OPEB Amounts - As of June 30, 2025	
OPEB liabilities	\$ 487,762
OPEB assets	\$ -
Deferred outflows of resources	\$ (5,827)
Deferred inflows of resources	\$ -
OPEB expense/expenditures	\$ 172,586

OPEB Plan Description

The Port of Sunnyside eligible retirees and spouses are entitled to subsidies associated with postemployment medical benefits provided through the Public Employees Benefits Board (PEBB). The PEBB was created within the Washington State Health Care Authority to administer medical, dental, and life insurance plans for public employees and retirees.

The subsidies provided by PEBB and valued in this report include the following:

- Explicit medical subsidy for post-65 retirees and spouses
- Implicit medical subsidy
- Implicit dental subsidy

The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS (continued)

GASB 75 requires the projection total cost of benefit payments to be based on claims costs or age-adjusted premiums approximating claims costs. The projection of retiree premiums is based on current amounts for the retirees’ share of the premium, projected with the medical trend assumption.

Employees covered by benefit terms: At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	21
Total	24

Funding Policy

The Port District funds the implicit and explicit subsidies on a pay-as-you-go basis, meaning that the Port District pays these costs as they occur or become due. Therefore, there are no assets accumulated in a GASB-compliant trust.

Methodology	
Actuarial Valuation Date	6/30/2025
Actuarial Measurement Date	6/30/2025
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)

Sensitivity Analysis			
Total OPEB Liability	1% Decrease	Current	1% Increase
Discount Rate	\$571,118	\$487,762	\$420,642
Healthcare Trend	\$410,869	\$487,762	\$586,429

(continued on next page)

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS (continued)

Assumptions	
Discount Rate¹	
Beginning of Measurement Year	3.93%
End of Measurement Year	5.20%
Projected Salary Changes	3.25% + Service-Based Increases
	Initial rate ranges from about (4.5%)-9.5%, reaching an ultimate rate of approximately 3.8% in 2080.
Healthcare Trend Rates²	
Mortality Rates	
Base Mortality Table	PubG.H-2010 (General)
Age Setback	0 years
Mortality Improvements	MP-2017 Long-Term Rates
Projection Period	Generational
Inflation Rate³	2.40%
Post-Retirement Participation Percentage	60%
Percentage with Spouse Coverage	45%

¹ Source: Bond Buyer General Obligation 20-Bond Municipal Index.

² Trend rate assumptions vary by medical plan. For additional detail on the healthcare trend rates, please see our [2024 PEBB OPEB Actuarial Valuation Report](#).

³ Based on the [Consumer Price Index \(CPI\)](#): Urban Wage Earners & Clerical Workers, U.S. City Average, WA - All Items.

The online AMM tool makes other specific assumptions:

Data input estimated retirement service for each active member on the average entry age of 35, with a minimum service of 1 year. For example, an age 47 member is assumed to have 12 years of service. Service is a component of benefit eligibility. Assumptions for rates of decrement (retirement, disability, termination, and mortality) are consistent with the most recent PEBB OPEB valuation. Based on average expected retirement age of approximately 65, we applied active mortality rates for ages less than 65 and retiree mortality rates for ages 65+. Input further assumes that eligible spouse is the same age as the primary member.

Changes in total OPEB Liability	
Balance as of June 30, 2024	\$ 671,449
Changes for the year:	
Service Cost	\$ 25,182
Interest on total Liability	\$ 27,162
Changes in Experience Data and Assumptions	\$ (244,738)
Expected payment	\$ 8,707
Balance as of June 30, 2025	\$ 487,762

NOTE 10 – DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS (continued)

The Port District uses the alternative measurement method, which does not calculate deferred outflows and inflows for anything other than payments subsequent to the measurement date. Payments subsequent to the measurement date of June 30, 2025, were \$5,341. The total OPEB liability is included as a noncurrent liability in the Statement of Net Position.

NOTE 11 - PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2025:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 60,836
Pension assets	\$ (254,844)
Deferred outflows of resources	\$ 346,920
Deferred inflows of resources	\$ (69,820)
Pension expense/expenditures	\$ (22,118)

State Sponsored Pension Plans

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

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

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

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs.

NOTE 11 - PENSION PLANS (continued)

PERS is comprised of three separate pension plans for membership purposes: PERS Plans 1 and 2 are defined benefit plans, and PERS Plan 3 is a defined benefit plan with a defined contribution component.

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6%. The employer contribution rate is developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by legislature and includes an administrative expense component that is currently set at 0.20 percent. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee
January through June 2025	9.11%	6%
July through December 2025	5.58%	6%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or

NOTE 11 - PENSION PLANS (continued)

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013, have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3-required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.20 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2025 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer	Employee
January through June 2025	9.11%	6.36%
July through December 2025	5.58%	5.38%

The Port of Sunnyside’s actual PERS plan contributions were \$15,110 to PERS Plan 1 and \$65,579 to PERS Plan 2/3 for the year ended December 31, 2025.

NOTE 11 - PENSION PLANS (continued)

Actuarial Methods and Assumptions

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

Additional assumptions for subsequent events and law changes are current as of the 2024 Actuarial Valuation Report. <https://leg.wa.gov/osa/>

The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2025. Plan liabilities were rolled forward from June 30, 2024 to June 30, 2025, reflecting each plan's normal cost (using the entry age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7.0%

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

OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administration.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members.

Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7% was used to determine the total

NOTE 11 - PENSION PLANS (continued)

liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7% was determined using a building-block method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2025.

The inflation component used to create the table is 2.5% and represents the WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

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

Plan	1% Decrease 6%	Current Discount Rate 7.00%	1% Increase 8%
PERS 1	\$ 102,655	\$ 60,836	\$ 24,160
PERS 2/3	\$ 413,550	\$ (254,844)	\$ (803,782)

NOTE 11 - PENSION PLANS (continued)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2025, the Port of Sunnyside reported its proportionate share of the net pension liabilities and assets as follows:

Plan	Liability (or Asset)
PERS 1	\$ 60,836
PERS 2/3	\$ (254,844)

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

Plan	Proportionate share		Change
	6/30/2024	6/30/2025	
PERS1	0.00539%	0.00516%	-0.00023%
PERS 2/3	0.00698%	0.00668%	-0.00030%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025, are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-employer Allocations.

Pension Expense

For the year ended December 31, 2025, the Port of Sunnyside recognized pension income as follows:

Plan	Pension Income
PERS 1	\$ (5,618)
PERS 2/3	\$ (14,738)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the Port of Sunnyside reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 11 - PENSION PLANS (continued)

PERS 1	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	0	0
Net difference between projected and actual investment earnings on pension plan investments	0	(4,182)
Changes of assumptions	0	0
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	0	
TOTAL	0	(4,182)

PERS 2/3	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	186,327	0
Net difference between projected and actual investment earnings on pension plan investments	0	(57,389)
Changes of assumptions	98,488	(7,037)
Changes in proportion and differences between contributions and proportionate share of contributions	31,452	(1,212)
Contributions subsequent to the measurement date	30,654	
TOTAL	346,920	(65,638)

Deferred outflows of resources related to pensions resulting from the Port of Sunnyside's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/ asset in the year ended December 31, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 11 - PENSION PLANS (continued)

YEAR ENDED DECEMBER 31	PERS 1	PERS 2/3
2026	3,991	96,060
2027	(2,907)	40,823
2028	(3,019)	39,521
2029	(2,247)	18,491
2030	\$ -	\$ 37,702
Thereafter	-	18,032
TOTAL	\$ (4,182)	\$ 250,629

NOTE 12 – POLLUTION REMEDIATION

In 2020, the Port of Sunnyside was donated property in downtown Sunnyside known as the Planter’s Hotel. The site contains environmental impacts associated with historic underground storage tanks. In August 2022, the Port initiated cleanup and revitalization of this downtown building. The Port received grant funding from the Environmental Protection Agency through the Department of Commerce, which covered 100% of the remediation costs. Based on the engineering firm’s cleanup estimate and the agreement with Washington State Department of Ecology, the original net liability using the expected cash flow technique was \$200,037.

In 2023, engineers encountered conditions that were not included in the initial cleanup design. These unanticipated conditions, combined with additional sampling required for compliance, resulted in additional remediation costs of \$98,160.

In 2025, final monitoring well sampling for the site was completed. Results indicated that contamination levels remained above the established cleanup levels. The Department of Ecology recommended seeking additional funding to further investigate the source of the non-aqueous phase liquid (NAPL) observed in the samples. In response, the Port is working with the Department of Commerce on a contract amendment for additional grant funding to further evaluate environment conditions and to complete a Data Gaps Work Plan.

As of December 31, 2025, the net liability is \$200,100.

NOTE 13 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

Property Tax Calendar

January 1 Tax is levied and becomes an enforceable lien against properties.

February 14 Tax bills are mailed by Yakima County.

NOTE 13 – PROPERTY TAX (continued)

- April 30 First of two equal installment payments is due to the County.
- May 31 Assessed value of property established for next year’s levy at 100 percent of market value.
- October 31 Second installment payment is due to the County.

Property tax is recorded as a receivable and revenue when levied. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

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

The Port’s regular levy for 2025 was \$.2550 per \$1,000 on an assessed valuation of \$2,814,586,506 for a total regular levy of \$717,935.

Year	Rate	Assessed Value	Regular Levy Amount
2025	0.25507655	\$ 2,814,586,506	\$ 717,935
2024	0.25905230	\$ 2,680,894,857	\$ 694,992
2023	0.29138963	\$ 2,335,756,115	\$ 680,615
2022	0.33534528	\$ 1,989,555,291	\$ 667,188

NOTE 14 – RESTRICTED COMPONENT OF NET POSITION

In proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net Position is comprised of three components: net investment in capital assets, restricted and unrestricted.

From time to time, the Port will fund outlays for a project or other purpose from restricted (grant proceeds, restricted bond, etc.) and/or unrestricted resources. To calculate the amount(s) to report as restricted net position and unrestricted net position, a flow assumption is made to determine which order the resources should be applied.

The Port’s statement of Net Position reports \$536,126 of restricted component of net position.

PERS 2/3 Pension Asset	\$	254,844
PERS 2/3 Deferred Outflow		346,920
PERS 2/3 Deferred Inflow		(65,638)
Net Pension Asset	\$	536,126

NOTE 15 – RISK MANAGEMENT

The Port of Sunnyside maintains commercial insurance coverage. The Port is exposed to various risks of loss related to torts; damage to, theft of and destruction of assets or cargo; natural disasters; and employee injuries. To limit exposure, the Port purchases property, liability and related insurance coverage annually through a commercial insurance broker which provides coverage against most normal hazards. Settlement claims have not exceeded commercial insurance coverage in any of the past three years.

The Port participates in the State of Washington Labor and Industries workers' compensation insurance program. However, management has elected to become self-insured through the Washington State Employment Security Department on a reimbursement basis. Unemployment claims are processed by the Washington State Employment Security Department. No reserve for self-insurance has been established as the potential liability is not considered to be material to the financial statements.

NOTE 16 – SUBSEQUENT EVENTS

In 2026, city assets from the St. Clair Project totaling \$9,240,407 is expected to be surplused and dedicated to the City of Sunnyside.

In December 2025, the Port received a Notice of Intent and has since agreed on a settlement of \$250,000, plus legal fees which is expected to be officially approved in May 2026.



REQUIRED SUPPLEMENTARY INFORMATION

State Sponsored Plans - Schedule of Proportionate Share of the Net Pension Liability

*Pension schedules are intended to show information for ten years; additional years will be displayed as they become available.

Port of Sunnyside Schedule of Proportional Share of the Net Pension Liability PERS Plan 1 As of June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.005160%	0.005385%	0.005723%	0.005657%	0.005589%	0.005302%	0.005129%	0.005305%	0.006644%
Employer's proportionate share of the net pension liability or(asset)	\$ 60,836	\$ 95,683	\$ 130,641	\$ 157,512	\$ 68,255	\$ 187,189	\$ 197,228	\$ 236,923	\$ 315,263
Covered Payroll	\$ 1,119,167	\$ 1,080,918	\$ 1,021,899	\$ 930,564	\$ 856,539	\$ 811,283	\$ 725,476	\$ 691,822	\$ 778,254
Employer's proportionate share of the net pension liability or asset as a percentage of covered payroll	5.44%	8.85%	12.78%	16.93%	7.97%	23.07%	27.19%	34.25%	40.51%
Plan fiduciary net position as a percentage of the total pension liability or asset	89.07%	84.05%	80.16%	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%

Port of Sunnyside Schedule of Proportional Share of the Net Pension Liability PERS Plan 2/3 As of June 30									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net pension liability (asset)	0.006678%	0.006976%	0.007382%	0.007379%	0.007183%	0.006905%	0.006621%	0.006754%	0.007370%
Employer's proportionate share of the net pension liability or(asset)	\$ (254,844)	\$ (229,969)	\$ (302,565)	\$ (273,671)	\$ (715,542)	\$ 88,311	\$ 64,312	\$ 115,319	\$ 256,072
Covered Payroll	\$ 1,119,167	\$ 1,080,918	\$ 1,021,899	\$ 930,564	\$ 856,539	\$ 811,283	\$ 725,476	\$ 691,616	\$ 728,396
Employer's proportionate share of the net pension liability or asset as a percentage of covered payroll	-22.77%	-21.28%	-29.61%	-29.41%	-83.54%	10.89%	8.86%	16.67%	35.16%
Plan fiduciary net position as a percentage of the total pension liability or asset	105.53%	105.17%	107.02%	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%

Port of Sunnyside Schedule of Employer Contributions PERS Plan 1 As of December 31 Last Fiscal Year										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily or contractually required contributions	\$ 15,110	\$ 30,979	\$ 34,001	\$ 36,705	\$ 38,086	\$ 40,755	\$ 37,364	\$ 34,493	\$ 37,383	\$ 39,385
Contributions in relation to the statutorily or contractually required contributions	\$ (15,110)	\$ (30,979)	\$ (34,001)	\$ (36,705)	\$ (38,086)	\$ (40,755)	\$ (37,364)	\$ (34,493)	\$ (37,383)	\$ (39,385)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,110,993	\$ 1,124,522	\$ 1,021,899	\$ 976,774	\$ 890,430	\$ 850,003	\$ 755,925	\$ 683,676	\$ 759,214	\$ 761,277
Contributions as a percentage of covered employee payroll	1.36%	2.75%	3.33%	3.76%	4.28%	4.79%	4.94%	5.05%	4.92%	5.17%

Port of Sunnyside Schedule of Employer Contributions PERS Plan 2/3 As of December 31 Last Fiscal Year										
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily or contractually required contributions	\$ 65,579	\$ 71,848	\$ 63,839	\$ 63,426	\$ 63,426	\$ 67,321	\$ 58,375	\$ 51,118	\$ 48,234	\$ 44,355
Contributions in relation to the statutorily or contractually required contributions	\$ (65,579)	\$ (71,848)	\$ (63,839)	\$ (62,123)	\$ (63,426)	\$ (67,321)	\$ (58,375)	\$ (51,118)	\$ (48,234)	\$ (44,355)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,110,993	\$ 1,124,522	\$ 1,021,899	\$ 976,774	\$ 890,430	\$ 850,003	\$ 755,925	\$ 683,676	\$ 733,798	\$ 711,959
Contributions as a percentage of covered employee payroll	5.90%	6.39%	6.25%	6.36%	7.12%	7.92%	7.72%	7.48%	6.57%	6.23%

REQUIRED SUPPLEMENTARY INFORMATION

Port of Sunnyside

Actuary assumptions for Pension Plans

Actuarial Assumptions The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2024. The actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS website. The actuarial assumptions used in the June 30, 2024, valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2023 Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2024 Actuarial Valuation Report. <https://leg.wa.gov/osa/>

The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2025.

Plan liabilities were rolled forward from June 30, 2024, to June 30, 2025, reflecting each plan's normal cost (using the entry age cost method), assumed interest and actual benefit payments.

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

REQUIRED SUPPLEMENTARY INFORMATION - OPEB

Port of Sunnyside
 Schedule of Changes in Total OPEB Liability and Related Ratios
 RETIREE MEDICAL AND DENTAL BENEFITS UNDER PEBB
 For the year ended June 30
 (in thousands)

*OPEB schedules are intended to show information for ten years; additional years will be displayed as they become available.

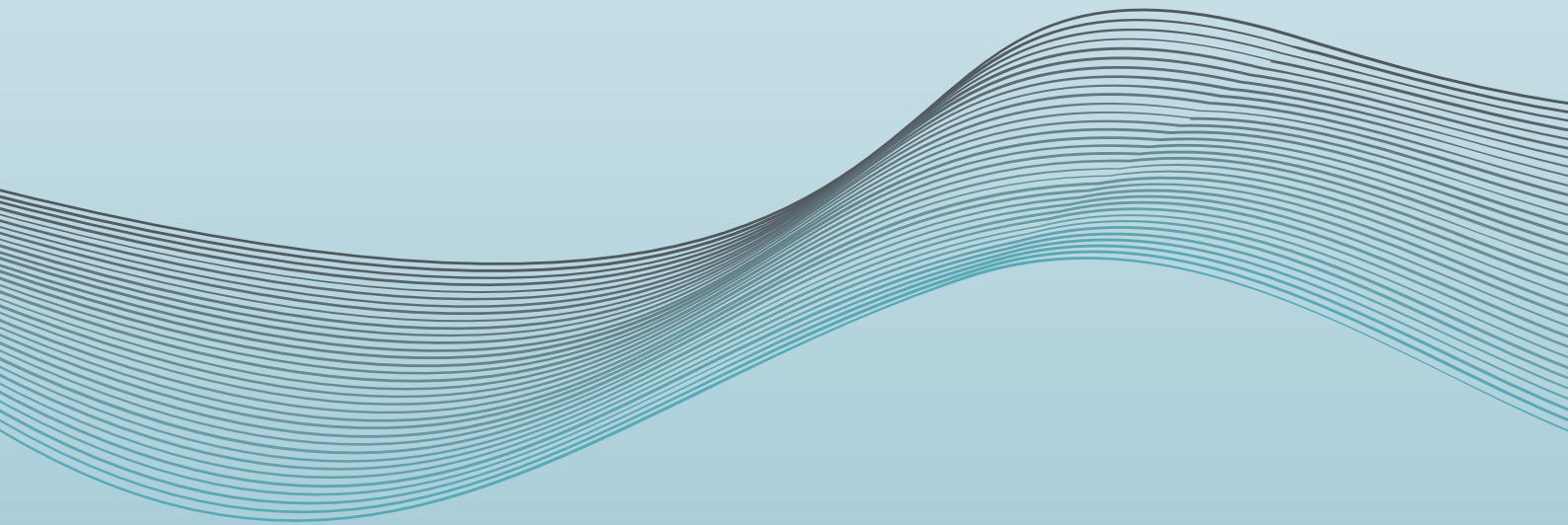
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 671	\$ 740	\$ 950	\$ 1,103	\$ 1,241	\$ 769	\$ 638	\$ 636
Service cost	25	25	31	48	50	28	27	28
Interest	27	28	34	24	28	27	25	23
Changes in benefit terms	19	-	0	0	-	-	-	-
Changes of assumptions & Experience Data	(244)	(104)	(256)	(211)	(193)	433	96	(33)
Benefit payments	(11)	(18)	(19)	(14)	(23)	(17)	(17)	(16)
Total OPEB liability - ending	\$ 487	\$ 671	\$ 740	\$ 950	\$ 1,103	\$ 1,241	\$ 769	\$ 638
Covered-employee payroll	1133	1128	1,078	1,030	857	811	725	666
Total OPEB liability as a % of covered-employee payroll	42.98%	59.49%	69%	92%	128.70%	153.02%	106.07%	95.80%

Notes to Schedule:

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



STATISTICAL SECTION





STATISTICAL SECTION

This section of the Port of Sunnyside's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information present about the government's overall financial health.

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FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Port's financial performance and well-being have changed over time. The schedules include fiscal year 2016 and forward (if applicable), and include:

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REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the Port's ability to generate its property taxes and how the property tax rates have changed over time. The schedules include fiscal year 2016 and forward (if applicable), and include:

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DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the Port's current levels of outstanding debt and the Port's ability to issue additional debt in the future. Details regarding the Port's outstanding debt can also be found in the notes to the financial statements. The schedules include fiscal year 2016 and forward (if applicable), and include:

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DEMOGRAPHIC & ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment in which the Port's financial activities take place. The schedules include fiscal year 2016 and forward (if applicable), and include:

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OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the Port's financial report relates to the services the Port provides and the activities it performs. The schedules include fiscal year 2016 and forward (if applicable), and include:

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
 SCHEDULE 1: NET POSITION BY COMPONENTS – LAST 10 YEARS
 December 31, 2025

Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2016	12,516,174	1,231,552	7,389,665	21,137,391
2017	15,540,856	1,231,552	8,590,059	25,362,467
2018	17,475,529	1,231,553	10,795,905	29,502,987
2019	18,974,485	1,231,553	11,866,842	32,072,880
2020	24,728,950	320,907	9,303,207	34,353,064
2021	24,157,353	113,696	13,234,517	37,505,566
2022	22,300,231	268,643	19,124,776	41,693,650
2023	32,823,134	378,070	22,684,066	55,885,270
2024	40,810,205	463,114	23,616,731	64,890,050
2025	47,338,764	536,126	23,290,049	71,164,939

Note: The District is engaged in only business-type activities.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
 SCHEDULE 2: CHANGES IN NET POSITION – LAST 10 YEARS
 December 31, 2025

YEAR	OPERATING REVENUE	NON OPERATING REVENUE	CAPITAL CONTRIBUTIONS	OPERATING EXPENSES	NON OPERATING EXPENSES	CHANGE IN NET POSITION
2016	6,521,970	634,002	324,521	4,311,835	464,919	2,703,739
2017	6,419,945	1,414,784	1,207,927	4,413,289	404,292	4,225,076
2018	6,392,240	2,450,663	47,983	4,179,111	527,502	4,184,272
2019	6,747,622	894,819	65,926	4,608,644	493,756	2,605,968
2020	7,085,651	710,500	-	5,153,399	362,569	2,280,183
2021	7,078,333	697,856	390,487	4,344,828	669,344	3,152,503
2022	7,484,176	1,474,362	762,346	5,047,095	485,780	4,188,007
2023	9,364,195	1,688,919	9,639,380	5,970,395	530,478	14,191,621
2024	11,020,531	2,114,283	2,601,144	6,685,955	440,009	8,609,994
2025	10,995,289	1,755,343	1,787,803	7,609,932	545,111	6,383,392

Note: Changes in Net position are due primarily to wastewater volumes.

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 3: ASSESSED VALUE OF TAXABLE PROPERTY – LAST 10 YEARS

December 31, 2025

YEAR	ASSESSED VALUATION YAKIMA COUNTY	ASSESSED VALUATION PORT DISTRICT	RATIO OF PORT TO COUNTY ASSESSMENT	PORT LEVY RATE
2016	16,453,866,766	1,390,704,957	8.45%	0.41634949
2017	17,265,650,942	1,453,176,814	8.42%	0.40478859
2018	17,265,651,813	1,513,049,820	8.76%	0.39717836
2019	19,007,816,058	1,640,320,204	8.63%	0.37606408
2020	20,544,382,240	1,764,554,594	8.59%	0.35903307
2021	21,883,536,629	1,864,742,772	8.52%	0.34840580
2022	24,085,892,127	1,989,555,291	8.26%	0.33534528
2023	27,564,903,609	2,335,756,115	8.47%	0.29138963
2024	31,953,707,823	2,680,894,857	8.39%	0.25905231
2025	33,615,877,369	2,814,586,506	8.37%	0.25507655

Source: Yakima County Assessor's Office

Note: Yakima County does not estimate actual value.

The Port of Sunnyside receives funds from property taxes only.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
 SCHEDULE 4: PROPERTY TAX RATES – DIRECT & OVERLAPPING GOVERNMENTS –
 LAST 10 YEARS
 Per \$1,000 of Assessed Value
 December 31, 2025

Year	Port of Sunnyside	Yakima County			School District		Cities	Special Districts		Totals
		County General Fund	Special Revenue Funds	County Debt Service	School District Average	State School Levy	Cities and Towns	Fire District	Regional Library	
2016	0.416	1.681	2.145	-	4.143	2.255	3.645	1.341	0.475	16.101
2017	0.405	1.668	2.170	-	4.391	2.055	3.451	1.352	0.474	15.966
2018	0.397	1.620	2.127	-	4.416	3.070	3.368	1.315	0.461	16.774
2019	0.376	1.517	2.023	-	3.784	2.728	3.139	1.250	0.435	15.252
2020	0.359	1.436	1.913	-	3.899	3.181	2.976	1.195	0.412	15.370
2021	0.348	1.515	1.490	-	3.484	2.191	2.890	1.155	0.393	13.467
2022	0.335	1.251	1.801	-	3.573	2.951	2.768	1.106	0.366	14.151
2023	0.291	1.082	1.778	-	3.125	2.420	2.288	1.034	0.330	12.348
2024	0.259	0.978	1.605	-	2.946	2.208	2.288	1.168	0.293	11.745
2025	0.255	0.960	1.540	-	2.957	2.420	2.106	1.084	0.286	11.608

Source: Yakima County Assessor's Office

Overlapping rates are those of local and county governments that apply to property owners within the Port of Sunnyside. Not all overlapping rates apply to all Port of Sunnyside property owners (ex. Residents of Sunnyside do not pay county taxes and residents of the county do not pay Sunnyside taxes).

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
SCHEDULE 5: PRINCIPAL PROPERTY TAXPAYERS – LAST 10 YEARS
December 31, 2025

Taxpayer	Type of Business	2025 Ranking	2025 Assessed Valuation	Percent of Total	2016 Ranking	2016 Assessed Valuation	Percent of Total
Darigold Inc.*	Food Manufacturing	1	\$ 68,987,337	25.97%	1	\$ 45,287,645	27.50%
Yakima Chief-Hopunion LLC*	Agriculture	2	33,637,909	12.66%			
Greenwood Mushroom Sunnyside*	Agriculture	3	29,796,800	11.22%			
Milne Fruit Produce*	Food Manufacturing	4	25,173,186	9.48%			
Pacificorp	Utilities	5	22,267,459	8.38%	2	18,305,198	11.12%
Yakima Valley Commercial LLC	Real Estate	6	20,734,800	7.80%			
Sunsteel LLC	Manufacturing	7	18,907,084	7.12%	10	8,300,072	5.04%
Sunnyside Dairy LLC	Agriculture	8	16,588,301	6.24%	5	14,764,815	8.97%
Carrington Company	Real Estate	9	15,195,350	5.72%			
Cow Palace	Agriculture	10	14,377,410	5.41%	9	8,983,818	5.46%
Wal-Mart Stores Inc.	General Merchandise				6	11,446,788	6.95%
Francis Realty Inc.	Real Estate				8	10,204,200	6.20%
United Telephone of the NW	Telecommunications				3	18,177,029	11.04%
Valley Processing Inc.	Food Manufacturing				4	17,929,946	10.89%
Independent Food Processor	Food Manufacturing						
J-M Manufacturing	Manufacturing						
Seneca Food Corporation	Food Manufacturing				7	11,269,300	6.84%
Total Assessed Valuation of Principal Taxpayers			\$ 265,665,636	100%		\$ 164,668,811	100%
Total Assessed Valuation of Port of Sunnyside			\$ 2,814,586,506			\$ 1,390,704,957	

*discharge into the Port's wastewater system

Source: Yakima County Treasurer

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 6: PROPERTY TAX LEVIES AND COLLECTIONS – LAST 10 YEARS

December 31, 2025

Year Ended December 31	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2016	\$ 579,019	\$ 560,364	96.78%	\$ 13,887	\$ 574,251	99.18%
2017	\$ 588,229	\$ 584,614	99.39%	\$ 12,214	\$ 596,828	101.46%
2018	\$ 600,951	\$ 583,114	97.03%	\$ 13,460	\$ 596,574	99.27%
2019	\$ 616,866	\$ 599,787	97.23%	\$ 14,131	\$ 613,917	99.52%
2020	\$ 633,533	\$ 616,130	97.25%	\$ 14,729	\$ 630,859	99.58%
2021	\$ 649,687	\$ 629,463	96.89%	\$ 18,736	\$ 648,199	99.77%
2022	\$ 667,188	\$ 641,681	96.18%	\$ 13,955	\$ 655,636	98.27%
2023	\$ 680,615	\$ 645,974	94.91%	\$ 15,549	\$ 661,522	97.19%
2024	\$ 694,492	\$ 651,937	93.87%	\$ 21,842	\$ 673,779	97.02%
2025	\$ 717,935	\$ 671,513	93.53%	\$ 17,552	\$ 689,065	95.98%

Source: Yakima County Treasurer's Monthly Fund Revenue Distribution

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 7: RATIOS OF OUTSTANDING DEBT BY TYPE – LAST 10 YEARS
December 31, 2025

Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes Payable	Lease Liability	Total Debt	Ratio of Debt to Personal Income	Total Debt Per Capita
2016	830,000	5,145,000	5,412,648	-	11,387,648	20405.59%	45.60
2017	725,000	4,365,000	5,233,713	-	10,323,713	17636.53%	41.34
2018	615,000	3,525,000	5,745,983	-	9,885,983	15204.29%	39.38
2019	505,000	2,620,000	5,089,768	-	8,214,768	12423.47%	32.24
2020	390,000	833,071	4,054,074	-	5,277,145	7864.25%	20.56
2021	-	13,841,582	3,351,995	-	17,193,577	29451.14%	66.62
2022	2,841,000	12,922,000	8,223,442	-	23,986,443	36953.39%	92.27
2023	2,677,000	11,981,000	3,302,516	47,928	18,008,444	26477.17%	68.95
2024	2,508,000	11,017,000	4,422,914	-	17,947,914	25401.83%	69.42
2025	2,333,000	10,030,000	6,246,950	-	18,609,950	30949.27%	71.80

Note: Total Debt does not include Pension, OPEB or Deferred Inflows in this section.

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 8: RATIOS OF GENERAL BONDED DEBT OUTSTANDING – LAST 10 YEARS
December 31, 2025

Fiscal Year	General Obligation Bonds	% of GO Bonds to Assessed Valuation	GO Bonds Per Capita
2016	830,000	0.06%	3.32
2017	725,000	0.05%	2.90
2018	615,000	0.04%	2.45
2019	505,000	0.03%	1.98
2020	395,000	0.02%	1.54
2021	-	0.00%	-
2022	2,841,000	0.14%	10.93
2023	2,677,000	0.11%	10.25
2024	2,508,000	0.09%	9.70
2025	2,333,000	0.08%	9.00

Note: See the Assessed Value of Taxable Property schedule in this section for property

Note: Population data can be found in the schedule of Demographic and Economic

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

**SCHEDULE 9: DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2025**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Yakima County	\$ 16,977,522	9.23%	\$ 1,567,457
<i>Subtotal Overlapping Debt</i>	\$ 16,977,522		\$ 1,567,457
Sunnyside School District	20,995,193	100.00%	20,995,193
City of Sunnyside	7,655,751	100.00%	7,655,751
Fire District #5	15,990,000	100.00%	15,990,000
<i>Subtotal Direct Debt</i>	\$ 44,640,944		\$ 44,640,944
Total Direct and Overlapping Debt	\$61,618,466		\$ 46,208,401

Sources: Assessed value data used to estimate applicable percentages provided by Yakima County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Port District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Port of Sunnyside. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each government.

The percentage of overlapping debt applicable is estimated using population data. Applicable percentages were estimated by determining the population in each governmental unit and the Port District's population that lies within each of the governmental units boundaries.

Info gathered from Yakima County Treasurer's Office -Outstanding Debt Service 2025

For City of Sunnyside, contact Administrative Services Director at 509-837-3782.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
SCHEDULE 10: LEGAL DEBT MARGIN INFORMATION – LAST 10 YEARS
December 31, 2025
(in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assessed Value	\$1,390,705	\$1,453,177	\$1,513,050	\$1,640,320	\$1,764,555	\$1,864,743	\$1,989,555	\$2,335,756	\$2,680,895	\$2,814,587
Legal limit of 3/4 of 1% of Assessed Value	10,430	10,899	11,348	12,302	13,234	13,986	14,922	17,518	20,107	21,109
GO Bonds	830	725	615	505	390	-	2,841	2,677	2,508	2,333
Other GO Debt	822	1,099	2,074	1,853	1,614	561	2,532	2,363	2,100	5,964
Less Assets	(2,054)	(1,726)	(2,809)	(2,774)	(2,072)	(224)	(5,047)	(3,401)	(3,108)	(2,031)
Indebtedness Incurred	(402)	98	(120)	(416)	(68)	337	326	1,639	1,500	6,266
Legal Debt Margin	10,430	10,899	11,348	12,302	13,302	13,649	14,596	15,879	20,107	21,109
Margin of Indebtedness available without a vote of the people (1/4 of 1% of Assessed	\$ 3,477	\$ 3,633	\$ 3,783	\$ 4,101	\$ 4,479	\$ 4,325	\$ 4,648	\$ 4,200	\$ 6,702	\$ 7,036

Source: Assessed Valuation received from Yakima County Assessor's office.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
SCHEDULE 11: REVENUE BOND COVERAGE – LAST 10 YEARS
December 31, 2025

Year	Total Operating Revenues	Direct Operating Expenses	*Non-Operating Revenue & Expenses	Net Revenue Available for Debt Service	Debt Service Requirements Revenue Bonds		Total	Coverage Ratio
					Principal	Interest		
2016	6,521,970	3,262,648	169,081	3,428,403	675,000	334,050	1,009,050	3.41
2017	6,419,945	3,372,587	1,010,491	4,057,849	780,000	294,844	1,074,844	3.79
2018	6,392,240	3,059,438	1,923,161	5,255,963	840,000	248,906	1,088,906	4.84
2019	6,747,622	3,415,469	401,064	3,733,216	905,000	199,331	1,104,331	3.39
2020	7,085,651	3,887,967	347,931	3,545,615	833,071	352,446	1,185,517	3.00
2021	7,078,333	3,037,176	28,512	4,069,669	893,000	211,175	1,104,175	3.70
2022	7,484,176	3,647,355	988,581	4,825,402	919,000	320,429	1,239,429	3.90
2023	9,364,195	4,302,104	1,158,441	6,220,532	941,000	298,351	1,239,351	5.03
2024	11,020,531	4,509,820	1,674,274	8,184,985	964,000	275,890	1,239,890	6.61
2025	10,995,288	5,336,501	1,210,232	6,869,019	987,000	253,107	1,240,107	5.55

Note: Details regarding the Port of Sunnyside's outstanding debt can be found in the notes to the financial statements.
Total Operating Revenue includes WWTF Operating Revenue, Property rental operations, and Other Revenue.
Direct Operating Expenses does not include depreciation.
*Non-Operating Rev/Exp includes interest income, interest expense (excluding RO Bonds), tax revenues, and other non operating revenues/expenses (excluding pollution remediation).

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 12: DEMOGRAPHIC AND ECONOMIC STATISTICS – LAST 10 YEARS

December 31, 2025

Fiscal Year	Population County	City of Sunnyside Population	Median Family Income	Per Capita Personal Income	School Enrollment	Average Unemployment Rate
2016	249,745	16,029	60,131	39,115	53,048	9.8%
2017	249,757	6,046	55,807	40,415	51,955	6.7%
2018	251,012	16,161	58,536	41,740	53,763	8.3%
2019	254,770	16,289	65,021	43,910	53,935	8.0%
2020	256,728	16,375	66,123	49,099	54,110	7.4%
2021	258,100	16,409	67,103	51,637	55,172	5.9%
2022	259,950	16,500	58,380	25,069	51,414	6.4%
2023	261,200	16,530	64,910	27,488	51,340	6.1%
2024	258,523	16,375	68,015	29,309	50,372	6.5%
2025	259,185	16,317	70,656	30,448	49,892	5.9%

All figures are for Yakima County except for City of Sunnyside Population.

Data Sources:

County & City Population data and Median and Per Capita Income data supplied by US Census Bureau

School Enrollment supplied by Educational Service District #105. (student records dept)

Unemployment Rate supplied by State Unemployment - Labor Market Analysis

Employment Security Department/LMEA; U.S. Bureau of Labor Statistics

Local Area Unemployment Statistics Metropolitan area Labor force Employed Unemployed

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
 SCHEDULE 13: YAKIMA COUNTY PRINCIPAL EMPLOYERS
 December 31, 2025

Yakima County Principal Employers	2025			2016		
	Employees	Rank	Percentage of Total Yakima County Employment	Employees	Rank	Percentage of Total Yakima County
Washington Fruit & Produce	3,800	1	3.21%	1,500	5	1.46%
Yakima Valley Farm Workers Clinic	2,518	2	2.13%	1,006	9	0.98%
MultiCare Yakima Memorial Hospital	2,500	3	2.11%	2,500	1	2.43%
Borton Fruit	2,500	4	2.11%	1,212	6	1.18%
Wal-Mart (Yakima, S'side, G'view)	1,950	5	1.65%	1,700	2	1.65%
Yakima School District No.7	1,594	6	1.35%	1,594	3	1.55%
Zirkle Fruit	1,500	7	1.27%	1,500	4	1.46%
Monson Fruit	1,437	8	1.22%	1,023	8	1.00%
Allan Bros., INC.	1,300	9	1.10%			
Yakama Nation Gov't Operations	1,289	10	1.09%			
Yakima County				1,074	7	1.05%
Yakima Regional Medical Center				985	10	0.96%
Total	20,388		17.25%	14,094		13.72%

Source: Yakima County, Washington Profile
 Prepared by Yakima County Development Association

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

**SCHEDULE 14: FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION – LAST 10 YEARS
December 31, 2025**

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
IWWTF*	13.50	12.50	13.50	15.00	15.00	15.00	14.50	14.50	12.62	13.00
Administration	2.50	2.50	2.50	3.00	3.00	3.00	3.50	3.50	3.36	3.16
Total	16.00	15.00	16.00	18.00	18.00	18.00	18.00	18.00	15.98	16.16

**IWWTF = Industrial Waste Water Treatment Facility
Source: Year end payroll reports*

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

**SCHEDULE 15: IWWTF INDUSTRY RATES – LAST 10 YEARS
December 31, 2025**

YEAR	OPERATING	BOD/COD *****	TSS	TKN	SBR- Chloride	SBR- TKN	Capital TKN- Chloride ***	Capital SBR-TKN ****	Capital Dewatering **	Anaerobic *
2016	1.6575	0.0953	0.1230	0.0711	0.4560	2.4956	0.2401	1.1953	0.0395	1.2904
2017	1.6224	0.0930	0.1060	0.0641	0.4957	2.8432	0.2050	1.1245	0.0463	1.1855
2018	1.8917	0.0931	0.1151	0.0670	0.4574	2.6615	0.2025	1.1316	0.0480	1.2005
2019	1.4364	0.0877	0.1060	0.0596	0.4641	2.6611	0.1987	1.0943	0.0468	1.3282
2020	0.9813	0.1400	0.2491	-	0.4090	2.1057	0.1738	1.2119	0.0609	1.8840
2021	1.0811	0.1442	0.2526	-	0.4451	2.1345	0.1066	1.9476	0.0614	1.4832
2022	0.8963	0.1502	0.2706	-	0.3853	2.3422	0.1236	2.1226	0.0472	0.9928
2023	0.8821	0.1719	0.2918	-	0.3086	2.6092	0.1253	2.0866	0.0477	0.9448
2024	0.9289	0.1752	0.2808	-	0.1015	2.9161	0.0644	1.8536	0.0538	0.9448
2025	1.0562	0.1136	0.3067	-	0.0760	2.7543	0.0347	1.6772	0.0212	0.6649

*Operation Rate - Charged per 100 cubic feet of water discharged
COD Rate - Charged per pound of (COD) biochemical oxygen demand discharged
TSS Rate - Charged per pound of (TSS) total suspended solids discharged
TKN Rate - Charged per pound of (TKN) total nitrogen discharged. Discontinued in 2020.
SBR Chloride - Charged per pound of Chloride discharged. Began in 2004.
SBR TKN - Charged per pound of (TKN) total nitrogen discharged. Began in 2004.
* starting 2020 the Anaerobic Debt is updated with Hydraulic and dairy industry rate
** starting in 2020 the Dewatering Capital had been renamed and reassessed to COD Capital
*** starting in 2020 the Capital TKN Chloride was reassessed for current usage
**** SBR TKN Capital was reassessed based on capital expenditures
***** starting in 2025 all billing is in COD*

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
SCHEDULE 16: MAJOR REVENUE SOURCE – IWWTF INDUSTRY CHARGES – LAST 10 YEARS
December 31, 2025

IWWTF INDUSTRY LIST	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025 Percent Relative to Total Revenue
Centennial Tank	\$ 16,567	\$ 17,597	\$ 20,403	\$ 40,042	\$ 26,578	\$ 32,519	\$ 40,533	\$ 33,604	\$ 38,660	\$ 27,564	0.31%
Darigold	\$ 4,985,617	\$ 4,726,290	\$ 4,703,449	\$ 5,116,576	\$ 5,742,354	\$ 5,780,728	\$ 6,144,773	\$ 7,828,441	\$ 8,419,360	\$ 7,910,158	89.08%
Darigold-COW Water	\$ 9,742	\$ 63,880	\$ 103,179	\$ 74,251	\$ 107,855	\$ 92,940	\$ 109,156	\$ 112,414	\$ 134,203	\$ 153,066	1.72%
DRR Fruit	\$ 72,450	\$ 96,208	\$ 90,403	\$ 84,913	\$ 86,496	\$ 103,795	\$ 110,415	\$ 100,325	\$ 83,038	\$ 93,584	1.05%
Greenwood Mushroom Sunnyside	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,818	\$ 9,622	0.11%
J. M. Eagle	\$ 1,425	\$ 1,500	\$ 1,475	\$ 1,500	\$ 1,475	\$ 1,425	\$ 1,475	\$ 1,475	\$ 1,450	\$ 1,500	0.02%
Johnson Cannery	\$ 141,681	\$ 111,211	\$ 112,216	\$ 135,056	\$ 93,388	\$ 113,921	\$ 137,513	\$ 145,779	\$ 110,717	\$ 116,573	1.31%
Johnson Fruit	\$ 190,503	\$ 180,951	\$ 176,784	\$ 138,231	\$ 138,352	\$ 183,345	\$ 113,167	\$ 153,839	\$ 178,071	\$ 188,662	2.12%
Milky Way/LTI	\$ 29,879	\$ 31,741	\$ 28,856	\$ 26,889	\$ 28,806	\$ 38,074	\$ 39,783	\$ 32,099	\$ 28,027	\$ 36,423	0.41%
Milne Fruit	\$ -	\$ -	\$ -	\$ -	\$ 38,155	\$ 175,138	\$ 170,158	\$ 105,869	\$ 42,946	\$ 289,917	3.27%
Seneca/Andrus & Roberts	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Seneca/Independent	\$ 351,612	\$ 340,120	\$ 335,119	\$ 180,454	\$ 114,221	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Valley Processing	\$ 391,352	\$ 383,969	\$ 364,074	\$ 291,949	\$ 167,632	\$ 45,688	\$ 45,688	\$ 45,688	\$ 45,688	\$ 45,688	0.51%
Valley U. S. Grape	\$ 1,356	\$ 1,504	\$ 4,487	\$ 1,308	\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Yakima Chief Hopunion	\$ 3,945	\$ 5,393	\$ 3,639	\$ 9,121	\$ 5,405	\$ 11,380	\$ 9,337	\$ 12,472	\$ 8,413	\$ 6,765	0.08%
TOTAL	\$ 6,197,330	\$ 5,961,564	\$ 5,945,284	\$ 6,101,490	\$ 6,552,066	\$ 6,578,953	\$ 6,921,999	\$ 8,572,005	\$ 9,100,391	\$ 8,879,523	100.00%

Source: Port's internal records.

Note: Indicators are not available for the Port's general government function.

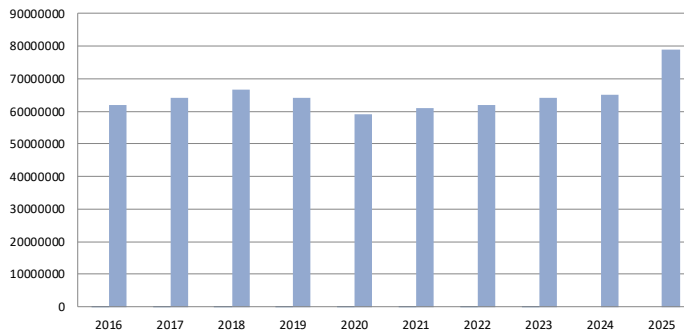
Note: Darigold accounts for more than 50% of the Port's annual revenue for User/Industry fees.

PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
SCHEDULE 17: CUBIC FEET OF WASTEWATER RECEIVED – LAST 10 YEARS
December 31, 2025

Industry	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Centennial Tank	321,200	386,500	376,532	949,417	445,767	481,633	710,049	488,004	580,459	335,405
Danigold	42,011,079	41,463,807	43,077,197	45,661,886	46,974,605	47,114,479	46,640,533	50,967,437	53,360,677	58,439,515
Danigold-COW Water	371,878	2,360,255	3,618,472	3,077,195	3,543,907	2,277,863	3,645,678	3,751,283	4,885,360	5,660,104
DRR Fruit	1,558,290	2,077,751	1,874,281	1,963,981	1,391,688	1,920,693	2,460,625	2,093,635	1,899,099	1,834,771
Greenwood Mushroom Sunny	-	-	-	-	-	-	-	-	41,711	35,294
J.M. Eagle	126	223	824	236	1	1	-	-	-	-
Johnson Cannery	1,486,253	1,346,400	1,342,059	1,438,461	1,449,454	1,714,481	1,569,138	1,558,645	1,448,386	1,405,712
Johnson Food/Storage	1,806,530	2,085,287	2,087,256	1,679,883	1,521,084	2,412,757	1,415,751	2,208,704	2,174,451	2,908,829
Milky Way/ LTI	720,877	734,900	600,000	601,700	479,230	558,453	631,504	421,978	411,866	584,097
Milne Fruit	-	-	-	-	791,628	4,022,831	4,664,135	2,299,714	119,282	7,549,043.00
Seneca Foods	4,721,633	5,354,718	4,468,508	1,830,768	337,866	-	-	-	-	-
Valley Processing	8,917,100	8,079,990	8,787,281	6,416,186	1,870,640	-	-	-	-	-
Valley U.S. Grape	29,763	37,946	212,370	702	-	-	-	-	-	-
Yakima Chief Hops	66,470	114,880	42,100	361,700	226,010	392,310	258,120	402,985	149,660	124,008
TOTAL	62,011,199	64,042,657	66,486,880	63,982,115	59,031,880	60,895,501	61,995,533	64,192,385	65,070,951	78,876,778

Source: Port's internal records.

Note: Indicators are not available for the Port's general government function.



PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON
 SCHEDULE 18: IWWTF CURRENT INDUSTRY LIST
 December 31, 2025

Industry	Type of Business
Centennial Tank	Food grade shipping company
Darigold	Cheese plant
DRR Fruit	IQF fruit plant
Greenwood Mushroom Sunnyside	Mushroom plant
J. M. Eagle	Plastic pipe manufacturer
Johnson Cannery	Fruit processing plant
Johnson Fruit	Fruit processing plant
Milky Way/LTI	Food grade shipping company
Milne Fruit	Fruit processing plant
Yakima Chief Hopunion	Hop Extraction plant

With regard to capital fee only-A termination fee set forth in Section 5.3.1 of the User Contract provides assurance to prospective bond purchaser that each user would be responsible for its pro-rata share on "indebtedness" even if the user no longer discharged into the system. The termination fee was also implemented to protect other users of the system from having rates increased because another user terminated its contract.

**PORT OF SUNNYSIDE
YAKIMA COUNTY, WASHINGTON**

SCHEDULE 19: CAPITAL ASSET STATISTICS BY FUNCTION – LAST 10 YEARS

December 31, 2025

IWWTF:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Industries Served	12	12	12	12	11	9	9	9	9	10
Volume of Wastewater Received in thousands	62,011	64,043	66,487	63,982	59,032	60,896	61,996	64,192	65,071	78,877
Monthly Daily Average MGD Permitted	2	2	2	2	2	2	2	2	2	2
Volume of Wastewater Received Anually in MG	464	479	497	479	442	455	464	480	487	590

Source: Port's internal records.





PORT OF SUNNYSIDE COMMISSIONERS

ARNOLD MARTIN - DISTRICT 1
TYLER SCHILPEROORT - DISTRICT 2
JIM GRUBENHOFF - DISTRICT 3

EXECUTIVE DIRECTOR

LUCIA NAVARRO

