



**The Port  
OF HUENEEME**  
Oxnard Harbor District



# *Comprehensive Annual Financial Report*

For the Years Ended  
June 30, 2020 and 2019

The Port of Hueneme (Port) is the only deep-water harbor between Los Angeles and the San Francisco Bay and is a US Port of Entry. The Port plays a vital role in the intermodal logistics supply chain and is critical to the economic vitality of Ventura County and Southern California. The Port facilitates the transport of over \$10.9 billion in cargo, generates a \$1.7 billion economic impact, and provides more than 15,834 direct, indirect, induced and influenced jobs regionally. Trade through the Port of Hueneme generates more than \$119 million in direct and related state and local taxes, which fund vital community services. The niche markets that the Port serves include the import and export of automobiles, non-automotive roll-on roll-off cargo, project cargo, fresh produce, and liquid bulk. Its unique positioning near the Santa Barbara Channel and fertile fishing grounds has also made the Port the primary support facility for the offshore oil industry along California's Central Coast region and an active squid offloading hub. In fiscal year 2020, the Port handled over 1.63 million metric tons of cargo transported on calls from over 350 deep draft ocean-going vessels.



## Port of Hueneme – Oxnard Harbor District

*Board of Harbor Commissioners as of June 30, 2020*

Name	Title	Elected/Appointed	Current Term
<b>Jess Ramirez</b>	President	Elected	1/17 – 1/21
<b>Jason T. Hodge</b>	Vice President	Elected	1/19 – 1/23
<b>Mary Anne Rooney</b>	Secretary	Elected	1/19 – 1/23
<b>Jess Herrera</b>	Commissioner	Elected	1/19 – 1/23
<b>Celina Zacarias</b>	Commissioner	Appointed	2/20 – 1/21

**Prepared by:**

Kristin Decas – CEO & Port Director  
 Andrew Palomares – Deputy Executive Director, CFO/CAO  
 Austin Yang – Director of Finance

**Oxnard Harbor District**

333 Ponomo Street · Port Hueneme, California 93041  
 (805) 488-3677 · [www.portofH.org](http://www.portofH.org)



## Commissioners as of June 30, 2020



**Jess Ramirez**  
PRESIDENT



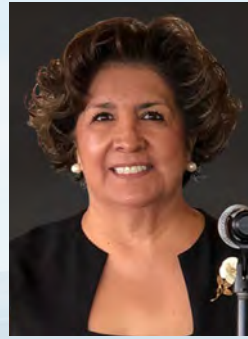
**Jason Hodge**  
VICE PRESIDENT



**Mary Anne Rooney**  
SECRETARY



**Jess Herrera**  
COMMISSIONER



**Celina Zacarias**  
COMMISSIONER

## Senior Staff



**Kristin Decas**  
CEO & PORT  
DIRECTOR



**Andrew Palomares**  
DEPUTY EXECUTIVE  
DIRECTOR, CFO/CAO



**Austin Yang**  
DIRECTOR OF  
FINANCE



**Christina Birdsey**  
CHIEF OPERATING  
OFFICER



**Dona Toteva Lacayo**  
CHIEF COMMERCIAL &  
PUBLIC AFFAIRS OFFICER

# Table of Contents

The Port of Hueneme	2
Commissioners and Senior Staff	3
<b>Introductory Section</b>	
Letter of Transmittal	7
Profile	8
COVID-19 and Supporting our Constituents	9
Niche as a Southern California Port - The California Ports	10
FY 2020 Cargo Performance and Cargo Trends	11-13
Autos Import/Export Trade	14-15
Spurring Covid-19 Recovery	16
Autos Import/Export Trade and Impact of COVID-19 Pandemic	17
Potential Growth and Expansion Opportunities for Ro-Ro	18
Agriculture Sector Import/Export Trade	19
Fertilizer Import Trade - Real Estate Investments	20
Domestic Trade	21
Strategic Planning	22
Jobs/Economic Impact	23
Marketing - Environment	24-25
Strategic Partnerships - Community Outreach - Innovation & Technology	26
Capital Planning	27
OHD Major Capital Project since FY 2015	28
Financial Policies	29
Port Mission & Port Master Plan	30
Organizational Chart	31
Awards and Acknowledgments	32-35
<b>2020 Information</b>	36-39
<b>Financial Section</b>	
Independent Auditor's Report	40
Management's Discussion and Analysis (Unaudited)	41-43
Management's Discussion and Analysis (Unaudited)	44-49
Basic Financial Statements:	
Balance Sheet	50
Statement of Revenues, Expenses and Changes in Net Position	51
Statements of Cash Flows	52-53
Notes to the Basic Financial Statements	54-85
<b>Required Supplementary Information</b>	
Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability	86
Schedule of Contribution - Pension Plan	87
Schedule of Contribution - Pension Plan	88
Schedule of Changes in the District's Net OPEB Liability and Related Ratio	89
<b>Supplemental Information</b>	
Schedule of Expenditures of Federal Awards	90
Schedule of Operating Expenses	91
Schedule of Operating Expenses	92-93
Schedule of Non-Operating Revenues and Expenses	94
<b>Statistical Information</b>	
Net Position by Component - Last Ten Fiscal Years	95
Net Position by Component - Last Ten Fiscal Years	96
Summary of Revenues, Expenses and Changes in Net Position - Last Ten Fiscal Years	97-98
Revenue Bond Coverage - Last Ten Fiscal Years	99-100
Largest Revenue Customers - Last Ten Fiscal Years	101-102
Ten Year Trend - Cargo Revenue Tons - Last Ten Fiscal Years	103-104
Ten Year Trend in Tonnages for California Ports - Last Ten Fiscal Years	105-106
Employees Statistics - Last Ten Fiscal Years	107
Demographic and Economic Statistics - Last Ten Fiscal Years	108
<b>Other Independent Auditor's Reports</b>	
Independent Auditor's Report on Internal Control and Compliance	109-111

# Introductory Section

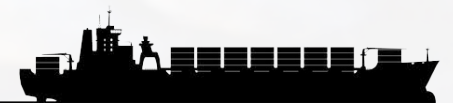


Issued November 30, 2019

# FY 2020 Port Performance Analysis

The following report provides a comprehensive review of the Port's performance for Fiscal Year 2020.

The information provided supports the conclusions outlined in the Fiscal Year 2020 Audit.





333 Ponomo Street  
Port Hueneme, CA  
93041

Tel: 805-488-3677  
www.portofh.org

**BOARD OF HARBOR COMMISSIONERS**

Jess Ramirez	President
Jason T. Hodge	Vice President
Mary Anne Rooney	Secretary
Jess Herrera	Commissioner
Celina L. Zacarias	Commissioner

**December 18, 2020**

To the Board of Harbor Commissioners of the  
Oxnard Harbor District  
Port Hueneme, California

Dear:  
Commissioner Jess Ramirez, President  
Commissioner, Jason T. Hodge, Vice President  
Commissioner, Mary Anne Rooney, Secretary  
Commissioner Jess Herrera  
Commissioner Celina L. Zacarias

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020 and 2019.

The Chief Executive Officer and Port Director, and the Deputy Executive Director and CFO/CAO, along with the rest of the management team assume full responsibility for the completeness and reliability of the information contained in the Management’s Discussion and Analysis (MD&A) and Financial Statements, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Nigro & Nigro, PC, has issued an unmodified (“clean”) opinion on the Port’s financial statements for the year ended June 30, 2020 and 2019. The independent auditor’s report is located at the front of the financial section of this report.

A comprehensive FY2020 Port Performance Analysis immediately follows this letter 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.

Sincerely,

**Kristin Decas**  
CEO & Port Director

**Andrew Palomares**  
Deputy Executive Director, CFO/CAO

## Mission and Vision

### MISSION

To be the preferred port for **specialized cargo** and provide the maximum possible economic and social benefits to our community and industries served.

### VISION

To operate as a **self-supporting** port that enforces the principles of sound public stewardship maximizing the potential of maritime-related commerce and regional economic benefit.

## Port of Hueneme Profile

The Port of Hueneme, an official US Port of Entry located within Ventura County, is the fourth largest California deep water cargo seaport vital to the statewide economy. The Port was initially built to support the agricultural sector in the County. Today, the Port serves as a top strategic auto and refrigerated cargo hub on the US West Coast, situated within sixty miles north of Los Angeles, the largest populated area on the West Coast with over 4 million people. Trade related businesses operating out of the Port make it the County's fourth largest employer and a leading economic force in the region. As one of the state's strategic intermodal transportation ports, the Port provides the County with competitive advantages to attract private investment while creating family sustaining jobs. Last year Port of Hueneme's trade with the world reached a total of \$10.85 billion in value. Exports totaled \$1.22 billion and imports came to \$9.64 billion. The \$10.85 billion in annual cargo, generates over \$1.7 billion in economic impact and creates 15,834 trade related direct, induced, indirect, and influenced jobs. Trade activity resulting from the Port yields \$119 million in state, county and local tax revenues which support vital community services. The Port closed FY2020 with a recorded total of 1.62 million cargo tons translating to a 1.8% decrease in overall Port volumes despite COVID-19 caused shipment slowdowns. Of note, the modest 1.8% loss in tonnage follows a record breaking FY2019.

The Oxnard Harbor District (District) is a political subdivision of the State of California and operates as an independent Special District. The District owns and manages the commercial Port of Hueneme. The District was created in 1937 pursuant to authority of the State of California Harbors and Navigation Code, the state legislation that provides for the formation and governance of Harbor Districts (Section § 6000 et. al). A five-member Board of Harbor Commissioners, elected at large from the Oxnard Harbor District, sets the policies for the Port of Hueneme. The Local Agency Formation Commission (LAFCo) defines the geo-political jurisdictional boundaries of the Oxnard Harbor District. The District's current political boundaries are comprised of the City of Oxnard (population 212,715- 2020: World Population Review.com (2018: 208,881 per US Census), the City of Port Hueneme (population 22,133 - 2020: World Population Review.com; 2018: 21,926 per US Census) and a few unincorporated beach communities within Ventura County. Each Harbor Commissioner carries out a four-year term on the Oxnard Harbor District Board of Harbor Commissioners. Their terms are staggered to maintain a level continuity in Board leadership across elections. The day-to-day business operations of the District [herein called the Port] are administered by the CEO and professional staff.

The Port is empowered to acquire, construct, own, operate, control, and develop any and all harbor works or facilities necessary to the efficient undertaking of its mission. The Port prepares and controls its own budget, administers, and controls its fiscal activities, and is responsible for all Port construction and operations.

The Port does not assess taxes. Port operating expenses are funded by the revenues generated through tariff charges, leases and other contract revenues assessed upon Port users. Port Terminal Schedule No. 8, as amended from time to time, sets forth the rules, regulations, and fees applicable to the use of Port facilities. The Port has long-term contracts with customers that provide for minimum annual revenue guarantees and incentives for increased cargo throughput. The only tax-payer dollars the Port has access to are competitive federal, state, and local grants.

Pursuant to the California Harbors and Navigation Code, the Port adopts an annual operating budget, including a capital spending plan and a debt service schedule for each fiscal year (July 1 through June 30). Annually, the Port engages an independent auditor to audit the fiscal year-end financial statements.





## ***COVID-19 and Supporting our Constituents***

In what turned out to be an unprecedented second half of the fiscal year, the Port took on a leadership role in March 2020 as COVID-19 began to spread throughout the U.S. and the world. The Port launched their Continuity of Operation Plan (COOP), and enacted new policies swiftly to keep staff and Port operators safe. This allowed the Port to work with stakeholders to procure Personal Protective Equipment (PPE), roll-out sanitizing procedures and even procure UV light sanitizers for our building HVAC units. Communication plans ramped up to make sure all customers were well informed and had proper documentation and procedures in place. These efforts have been critical to continuing to keep outbreaks at bay and maintain a safe Port while continuing to stay open for essential workers to continue to move cargo that is vitally needed in our communities in a time when our community and our country is dependent on an efficient supply chain more than ever.

As a public agency responsible for creating economic and social good, the Port pivoted to support its community and constituents in the face of COVID-19 and formed new initiatives to help the most impacted by the pandemic. Although the Port could not host its Annual Banana Festival and other community events, it began Feeding the Frontline and Committed to Community efforts in response to the COVID-19 pandemic to bring the Banana Festival to the community in an impactful way. Early in the COVID-19 crisis, the Port's Community Outreach Manager engaged in a "listening campaign" with stakeholders in the Port's local communities in Port Hueneme and Oxnard, California. These calls and virtual meetings were intended to "take the pulse" of the community and determine vulnerable groups and the greatest local needs. Farmworkers and their families were identified as a vulnerable group – farmworkers are essential workers, with increased health vulnerability who also commonly face food insecurity. Ventura County is an agricultural hub, and these workers are vital to providing produce to the entire county. Additionally, the Community Outreach Manager determined that small swap meet, and street vendors lost their markets due to the closure of open-air activities. Staff reached out to Port customers to collaborate on efforts to provide goods and resources to these populations.

Port customer Del Monte Fresh Produce showed adept initiative, reassigning their warehouse manager as "Community Support Leader" to ramp up efforts in providing donations for food distribution. Prior to the crisis, Del Monte's operation at the Port of Hueneme had already donated 1,077,474 pounds of fresh produce (32,469 boxes) to Ventura County's Food Share. The Port of Hueneme assisted with connecting partners with Del Monte and other local organizations to assist with the community drive efforts. Port customer, Chiquita, donated 1 million bananas to children and seniors impacted by food shortages during the coronavirus (COVID-19) pandemic. Chiquita also supports Food share with bananas distribution throughout the Counties of Ventura and Los Angeles. Some of their donation effort comes through partnerships with Feeding America, the YMCA and various hospitals and school districts. As part of its Share the Love Campaign, local Subaru dealers in Thousand Oaks Ventura County hosted a holiday gift drive for seniors in need through Seniors Concerns' Meals on Wheels program during the Christmas holiday.

The Port also celebrated a record number of international and local environmental stewardship awards including, the Regional Energy 10th Consecutive Financial Excellence Award. The Port's customers, and its ocean carriers including Maersk, GLOVIS, K Line and NYK Line all earned recognition and received awards for participating in the voluntary Blue Whales Blue Skies Program. This vessel speed reduction initiative aims to cut air pollution and protect endangered whales in the Santa Barbara Channel and San Francisco Bay through incentivizing shipping lines to reduce speeds to 10 knots or less in these sensitive areas.



## *Port of Hueneme Niche as a Southern California Port*

The Port of Hueneme, strategically located in Ventura County, California, lies approximately sixty miles north of Los Angeles. It is the fourth largest port in the State that is the fifth largest economy in the world. It is one of four deep water ports located in Southern California. The Port is considered the reefer Port for the agricultural sector, servicing multiple growing regions including Ventura and Kern Counties and the gateway to the West Coast and 13 states (WA, MT, ND, ID, NV, NM, SD, WY, CO, UT, AZ, CA, OR), including Southwest Canada.

The Port ranks 4th for banana imports in the nation, with 16% of the overall containerized bananas and plantains imported to the US in FY2020. Our prime location has also established Hueneme as the preferred port for automobile cargo on the West Coast, reducing travel time and costs for delivering automobile cargo throughout the Western 13 states. As such, the Port of Hueneme ranks 9th in North America and 6th the nation's top automotive Ports and a strategic auto/ro-ro port of the US West Coast automotive supply chain.

The Port of Hueneme specializes in the niche markets of fresh fruit, project cargo, automotive and liquid bulk cargoes. Many of the products traversing the Port are deemed “essential and critical” including fresh foods, supplies, and military equipment. The Port itself is identified as “critical infrastructure” in national and state level freight planning. The Port is also included a “Critical Infrastructure Sector” per the U.S. Cybersecurity and Infrastructure Security Agency’s designation.

With the trend of refrigerated cargo going from break bulk ships to containerized ships, the Port has adapted and currently handles smaller containerized ships with the help of three mobile harbor cranes owned by Ports America. While the largest ports in the country are highly focused on the Trans-Pacific trade lanes, trade war and potential escalations of tariffs with China, the Port’s refrigerated cargo business has been largely insulated from these dynamics because its core trade lanes for reefer cargo are in the North-South America markets. The Port’s Sealand and Great White Fleet shipping lines focus on all-water routes from Central and Latin America (Guatemala, Peru, El Salvador, Nicaragua, Honduras, Mexico, and Costa Rica), these markets have grown substantially over time and currently represent the world’s top producing regions for fresh fruits and vegetables.

Over 64% of the Port’s annual cargo value comes from automotive trade with Europe, Korea, and Japan. These trading partners have shown significant desire to support infrastructure investment and further develop growth initiatives in partnership with the Port.

This unique market position and specialization in automotive and reefer segments in growing trade lanes gives the Port a competitive advantage and provides the opportunity for larger tonnage volumes while strengthening its financial position even further. Even during the pandemic, the Port of Hueneme remained resilient and financially solid.



## **California Ports**

The California Association of Port Authorities (CAPA) represents the eleven public deep-water ports within the state. California's ports play a strategic and critical role in the nation's economy. More than 40% of the total containerized cargo entering the United States arrives at California's ports. On the outbound side, almost 30% of the nation's goods are exported through the ports of the Golden State. At the state level, 25% of California's economy is created through the trade sector, resulting in over five million trade related jobs. California's public ports are the bedrock for this industry and serve as the critical link to the international supply chain.

California ports are not only vital to the national economy, but they also bring opportunity for the State's local growers, manufacturers, and suppliers to export their goods to the rest of the world. The 11 major California Ports are tied to over 5 million jobs. This significant economic activity creates more than half a million local jobs for Californians and generates an estimated \$9 billion in state and local tax revenues annually. Nationwide, an additional three million jobs are linked to California's public ports. Keeping pace with market share growth of competing US Ports remains a high priority.

## **FY 2020 Cargo Performance and Cargo Trends**

### **Total Cargo Performance Imports and Exports**

The Port of Hueneme's top three exports by value included passenger vehicles, commercial vehicles, and potatoes (prepared, frozen). Its top three imports, also by value, were also passenger vehicles, commercial vehicles, and bananas and plantains (fresh or dried). By tonnage, the Port of Hueneme's top three exports were paper, paperboard scrap, passenger vehicles, and potatoes (prepared, frozen). Its top three imports, also by tonnage, were bananas and plantains (fresh or dried), passenger vehicles, and avocados, dates, figs, pineapples.

Over the past ten years, the Port's ocean freight operating revenues have been driven by automobile and fresh produce cargo, the two business segments collectively generate over 75% of the Port's operating revenues. Throughout the Port's 83-year history, the overall trend of increased operating revenues coupled with controlled expenses demonstrates Port's commitment to the highest levels of sound fiscal management.

### **Impacts of COVID-19 in FY2020-Q4**

The impacts of COVID-19 hit sharply in the 4th quarter of FY2020. California's 3 largest Ports experienced blank sailings from Trans-Pacific and Trans-Atlantic Trade Lanes during COVID-19 closures and faced a major slowdown at the terminals. The Port of Hueneme as a hub supporting the transport of essential commodities -- fresh fruit, vegetables, grocery store items -- remained relatively stable with weekly container ship vessel calls during March-June 2020 and were not as greatly impacted. However, some of the higher end fruits and vegetable commodities, such as pineapples and melons, saw decline in consumer consumption and some inventory back-up at the Port resulted. Autos showed 28.6 decrease, but fruit showed slight increase, 3.6% compare to FY 2019.

The impacts of COVID-19 hit sharply in the 4th quarter of FY2020. California's 3 largest Ports experienced blank sailings from Trans-Pacific and Trans-Atlantic Trade Lanes during COVID-19 closures and faced a major slowdown at the terminals. The Port of Hueneme as a hub supporting the transport of essential commodities -- fresh fruit, vegetables, grocery store items -- remained relatively stable with weekly container ship vessel calls during March-June 2020 and were not as greatly impacted. However, some of the higher end fruits and vegetable commodities, such as pineapples and melons, saw decline in consumer consumption and some inventory back-up at the Port resulted. Autos showed 28.6 decrease, but fruit showed slight increase, 3.6% compare to FY 2019.

## Impacts of COVID-19 in FY2020-Q4 (cont.)

Over half of the cargo tonnage that comes through the Port annually is fresh fruit imports and exports. Although restaurants were closed, most grocery stores remained open during lockdown to be able to feed people thus those food category commodities continued moving strongly throughout the fiscal year and even grew. The closures of schools and places of worships, restaurants affected the sales of higher end products in the fresh fruit category such as pineapples, however that slowdown was not as significant as the automotive segment. The Port of Hueneme realized a 9.1% drop in banana imports volume due to school closures and COVID-19 pandemic.

When the pandemic hit, approximately 32,000 shipments full of new automobile vehicles were bound for the Port of Hueneme, where automobiles represent a major piece of the cargo traffic. However, the retail side of the supply chain was shut down, meaning the vehicles would have nowhere to go when they arrived. The port had about 30 days to find a resolution to the situation. Fortunately, the port worked with various partners in the community to identify a creative assortment of places to store the vehicles while waiting out the delay. Auto manufacturing came to a complete halt in the last quarter of fiscal year 2020 and all the Port's original equipment manufacturers (OEMs) experienced a major hit during this period. A routine week of 4-6 auto ships, dropped to 2 vessels calls and in some cases zero.

Despite the closures of OEMs during COVID-19 and the disruption of trade throughout the global supply chains, the Port of Hueneme remained open and realized a relatively stable cargo year with 1.62 million revenue tons for a modest 1.8% decrease in total tonnage compared to FY2019. The decrease is attributed to 4th quarter COVID slowdowns. Top Trading Countries include South Korea, United Kingdom, Germany, Japan, Mexico, and Sweden. During the first three quarters of FY2020, the Port's high cargo productivity is accounted for by a number of performance-based factors, including lack of congestion, customer service orientation and overall supply chain cost competitiveness.

During the period of March through May 2020, the Port's automobile customers all shut down their operations. At the same time California dealerships were not allowed to do in-person sales which also affected the ability of OEMs to sell vehicles unless done online. With 100% closures of OEMs domestically and internationally, the Port was anticipating a cargo volume slowdown of 6~28% throughout the end of the year. What became apparent was a significant reduction in ro-ro vessels, from 4-5 per week to only 4-5 in the month of May. The volumes became impacted in May and June, the slowest months on record since the 2009 recession. Imports through the end of FY2020 in June were 13.8% lower than previous year with 281,516 vehicles and exports declined by 17.6% from last year with 13,122 vehicles.

California vehicle dealerships could reopen in May of 2020 and that allowed for more shipment's orders for the ro-ro ships and gradually the volumes began recovering. The OEMs also reopened in May and began producing with social distancing measures and with some minimal disruption in the supply chains for parts and vehicle components.

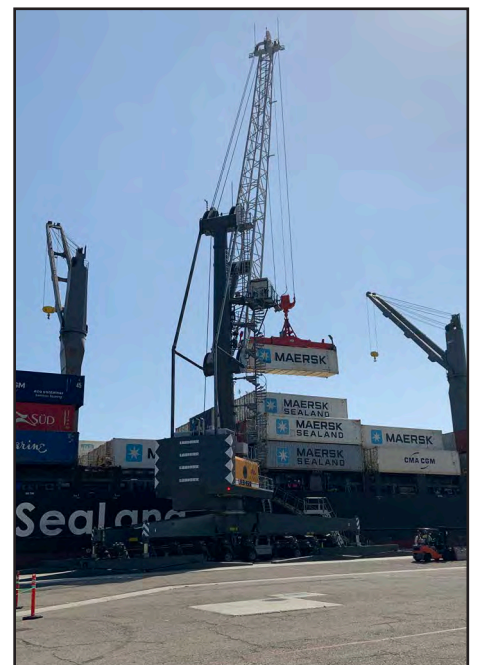
The budgetary ramifications of COVID-19 are expected to continue long past the first wave of cases, impacting budgets for FY2021, and possibly future fiscal years as well. The uncertainties due to the pandemic are making the annual budgeting and planning process uniquely challenging. Instead of the conventional approach, the Port focused on learning, adapting, and growing. The Port first set up a baseline budget with original assumptions at the department level and adjusted to reflect potential Covid-19 impacts. The Automotive Logistics Study published by Ultima Media, LTD., forecasted a 6% best case scenario to a 30% worst case scenario for drops in auto volumes in FY2021 due to the pandemic. Based on these predictions, the Port adopted a very conservative operating budget for FY2021 that anticipated an almost 28% drop in revenue from its automobile sector. The Port also reprioritized its operating expense, and capital outlay plan to reflect potential revenue loss. Uncertainty is inherent in budget processes, but for FY2021, it became much more of a factor due to the unknown impacts to revenue due to one of the most economically adverse years in recent history. As such, the Port opted to budget for the worst-case scenario in revenues and to budget for much more restrictive expenses than in recent years. The Port continues to monitor and update the budget progress to ensure prudent flexibility to address potential fiscal changes resulting from this pandemic and balance that with the operational and capital improvement needs of the Port.

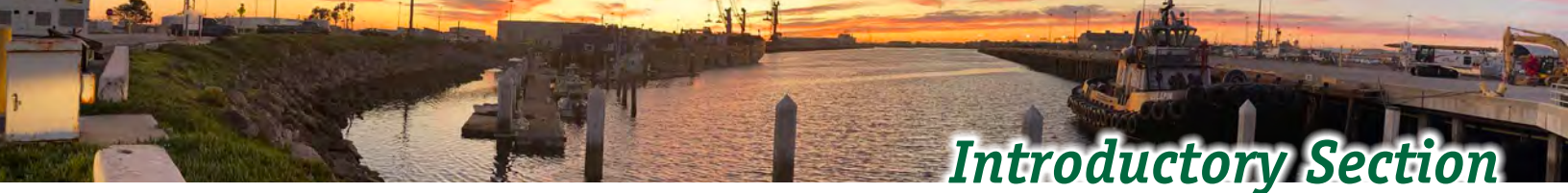
	<b>FY 2019</b>	<b>FY 2020</b>	<b>% Change</b>
<b>Revenue Tons</b>	1,657,881	1,628,409	▼ <b>1.8%</b>

# Introductory Section

Import Activity	Year End Comparison Fiscal Year 2020 to 2019	Fiscal Year 2020 Tonnage
Auto Imports	▼ 13.8%	281,516
Heavy Equipment Imports	▲ 49.3%	71,732
Fruit & Vegetables Imports	▲ 26.1%	324,790
Banana Imports	▼ 9.1%	575,658
Fertilizer Imports	▼ 4.6%	149,079
<b>Export Activity</b>		
Auto Exports	▼ 17.6%	13,122
Heavy Equipment Exports	▼ 61.7%	7,123
Fruit & Vegetables Exports	▲ 67.4%	81,293
<b>Import/Export Combined</b>		
General Cargo Imports	▼ 36.0%	66,413
<b>Shallow Draft Cargo</b>		
Fish, lube oil, and vessel fuel	▼ 19.1%	8,527
<b>Domestic</b>		
Offshore Oil Domestic	▼ 18.1%	49,156
<b>Grand Total</b>	<b>▼ 1.8%</b>	<b>1,628,409</b>

Commodity	The District Terminology
Auto	Passenger vehicles like sedans and SUVs, etc.
Fruit and Vegetables	Examples are grapes, apples, pears, pineapples, melons, mangos, avocados, onions, green peas, etc.
Heavy Equipment	Self-propelled (Ro-Ro) agricultural/industrial/mining/construction equipment or vehicles. Examples are tractors, scraper, loader, etc.
General Cargo	Non-self-propelled cargo. Examples are boats, yachts, and specialized/Project cargo, etc.
Fish	Seafood-squid, different types of white fish
Fertilizer	Premium urea-based, nonflammable, and non-hazardous liquid fertilizer





# Introductory Section

## Ro-Ro Import/Export Trade Performance Auto /High and Heavy Performance

The Port holds contracts with three world-class vehicle distribution and manufacturing companies for the handling of vehicles. These companies and their partners process vehicles prior to delivery to dealerships as well as coordinate inland transportation. The two vehicle distributors include Wallenius-Wilhelmsen Solutions (WWS), and GLOVIS America, Inc. and BMW North America process their own vehicle brands. These companies make the Port of Hueneme an important west coast gateway for the import and export of automobiles and other rolling stock. The Port of Hueneme's prime geographic location of being close to the Southern and Northern California automobile markets and the Los Angeles metro area, along with the Port's significant handling capacity establish it as a competitive automotive gateway center. When coupled with the creative solution-based management practices of processing companies and stevedores working together to gain optimal productivity, the Port's competitive advantages lead the industry. The Port has dedicated approximately 40 acres of terminal land for use by its ro-ro customers and stages automobiles in over 8,000 bays.

Figure X5. Port Customers and Logistics Partners

<p><b>Vehicle Processing Centers</b> WWL/Wallenius Wilhemsen Solutions, GLOVIS America, WWS for BMW North America</p>	<p><b>Cold Storages</b> Channel Islands Cold Storage, Lineage Logistics, Del Norte, Freska, Mission, Seaboard, Western Precool, Anacapa Fresh 1, Anacapa Fresh 2</p>
<p><b>Vehicle Brands</b> BMW, MINI, Rolls Royce, Hyundai, Kia, Volvo, Jaguar, Land Rover, Maserati, Aston Martin, Mitsubishi, General Motors, Ford, U.S. manufactured Honda, U.S. manufactured Toyota, Nissan, Tesla, Subaru</p>	<p><b>Shipping Lines</b> Champion Tankers, COSCO, Eukor, Glovis, K-Line, MOL, Nor-Bulk, NYK, WWO/WWS, Del Monte/Network Shipping, Chiquita/Great White Fleet, K Line, SeaLand, Seim Car Carriers</p>
<p><b>Ro-Ro/High and Heavy Products</b> Caterpillar, John Deere, New Holland, Case, Hyster, other global project cargo</p>	<p><b>Domestic Customers</b> Oxnard Unloading Services LLC, EXXON, Freeport McMoRan, DCOR</p>
<p><b>Agricultural and Fresh Fruit Customers</b> Chiquita, Del Monte Fresh, Mission Produce, Five Diamond Cold Storage, Sun Fresh International, Freska Mangoes, Yara</p>	<p><b>Service Providers</b> Brusco Tug and Barge, TracTide Marine, Port Hueneme Pilots Association, San Pedro Port Services, T&amp;T Truck and Crane, OST Cranes, Security Company</p>
<p><b>Stevedores</b> Ports America, SSA Marine, Pacific Ro-Ro, Ceres</p>	<p><b>Union Labor</b> ILWU, Teamsters, Operating Engineers</p>



## Ro-Ro Import/Export Trade Performance (Cont)

Auto imports in FY2020 were 281,516, a decrease of 13.8% over FY2019 due to OEM closures in March-June of FY2020, and a resulting reduction of shipments throughout the Ro-Ro segment pipeline. The Port of Hueneme outperformed the national trend. Throughput from the Port's newer accounts and taking advantage of the rail operations also remained strong despite COVID-19 closures that adversely impacted total US automobile sale volumes. Korea was the Port's number 1 trading partner in 2019 by revenue with over \$2.93 billion of cargo value shipped. This represents 27% of the Port's annual cargo value, surpassing United Kingdom and Germany's percentages of throughput which make up 18% and 16% of the Port's total trade value respectively.

High and heavy imports increased 49%. As the pandemic hit, the Ro-Ro carriers pivoted and secured record imports of High and Heavy machinery while the auto shipment volumes significantly decreased, helping to close the gap in revenue losses.

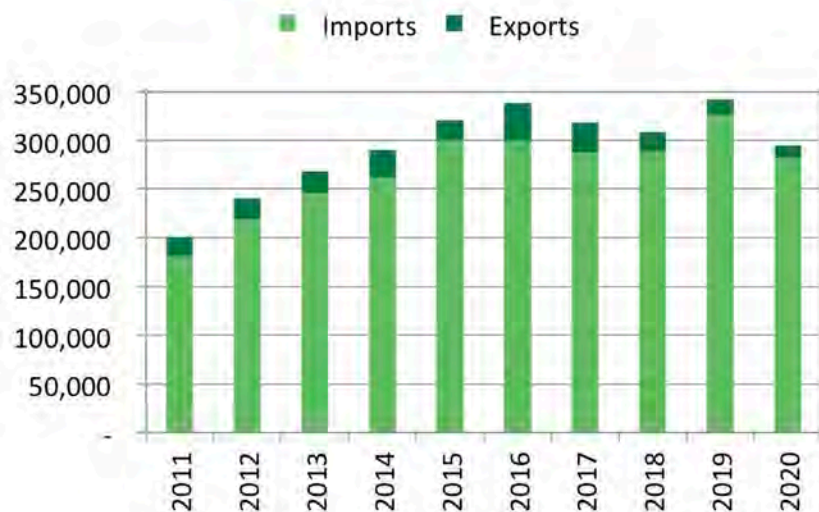
The port saw a 17.6% decrease in automobile exports, which were strongly impacted by the origin OEM factory closures lockdown measures due to COVID-19 pandemic in the US. However, these exports represent only 3.5% of the ro-ro segment at the Port. The losses in auto exports were coupled by a 62% decrease in high and heavy equipment exports.

Total operating revenues from the Ro-Ro import/export sector for FY2020 and FY2019 are \$8,109,382 and \$9,524,366 respectively, marking an 12.4% loss.

With the hard hit to the automotive segment in the 4th quarter of FY2020, the Port took a fiscally responsible approach to prepare for the worst in FY2021 budget. It made cuts to expenses to align with a conservative projected 30% hit in automotive revenue as the uncertainties of COVID-19 continue to play out. It is possible that best case scenarios of 6% losses will prevail, however, the Port is being prudent and budgeting to the worst-case scenario in its FY2021 budget. From growth in recent years, the Port has built up its reserves and has the ability to weather this storm in the automotive segment without having to make cuts to payroll and essential operations.

Without knowing with certainty, the impacts to the Ro-Ro business, there are some positive indicators specific to Port of Hueneme cargo volumes. Positive forecasts for exports of US made vehicles and short sea shipping ro-ro imports from Mexico could soften some of the budgeted losses in the automotive segment. Further, the Ports customers have provided forecasts that suggest recovery from COVID-19 impacts could be brighter than the port's conservative budget estimates the possibility of 30% decreases for FY2021, depending on market demand and stimulus payments, overall economic health.

## AUTO TONNAGE 2011-2020





## Spurring COVID-19 Recovery

As our nation begins the economic recovery from the COVID-19 pandemic crisis, the Port of Hueneme is leading the way. Automotive cargo at the Port has been strong and continues to grow at a robust pace. With pre-COVID projections at the Port showing 26% growth in automobile cargo over the next 4 years, the Port will not only help retain existing jobs but create new jobs as our economy recovers. Our strategic location has established Hueneme as the preferred port for automobile cargo on the West Coast, reducing travel time and costs for delivering automobile cargo throughout the Western 15 states.

Auto imports in FY2020 were 281,516, a decrease of 13.8% over FY 2019 due to OEM closures March-May 2020 and reduction of shipments through the RORO segment pipeline. The Port of Hueneme outperformed the national trend, mostly due to the strong GLOVIS automotive rail operations (transporting Korean imports from Hueneme to Shreveport, Louisiana) and increase in volume from the new account, Subaru-WWS that remained strong despite COVID-19 closures and pandemic impacting the sales volumes. Korea was also the number 1 trading partner with over \$2.93 billion of cargo value shipped, representing 27% of the annual cargo value, surpassing United Kingdom and Germany's which held 18% and 16% of the total trade value respectively.

The Port's RO-RO segment showed a slight decrease in FY 2020 due to a 17.6% decrease in automobile exports which were strongly impacted by the origin OEM factory closures lockdown measures due to COVID-19 pandemic. However, these exports represent only 3.5% of the RO-RO segment at the Port. Automobile imports also showed a decrease of 13.8% in FY 2020 along with a 18.4% increase in heavy equipment exports. High and heavy imports decreased X%. Revenue generated from this line of business is an attractive addition to the Port's bottom line.

The Port of Hueneme is one of the nation's top 10 automotive ports and a strategic auto/RO-RO port of the US West Coast automotive supply chain. Total operating revenues from the RO-RO import/export sector for FY 2020 and FY 2019 are \$8,109,382 and \$9,524,366 respectively.

The RO-RO segment at the Port of Hueneme is projected to reach recover to pre-COVID-19 recession volumes during FY 2021 as a result of the start of continued strong support by GLOVIS America Inc. and WWL. GLOVIS is continuing to utilize the rail line off Navy Base Ventura County which is located next to its processing facility at the Port of Hueneme. The Port of Hueneme also continues to ship GM exports and GM imports from Mexico as a regained automobile account through its existing customer GLOVIS. Customers WWL and BMW also demonstrate strong forecasts to contribute to expected volume jumps to recover well from this pandemic year in the automotive sector.



## *Autos Import/Export Trade and Impact of COVID-19 Pandemic*

The Port of Hueneme has increased its productivity and throughput of high inventories in the auto segment of its business, thus allowing its core auto customers to deliver more vehicles to distribution centers and dealerships. Management has also led a project with its customers to determine the Port's need for an on-dock parking structure as a potential investment strategy. The Port forecasts modest 2-3% growth in the automobile sector for FY 2020, up to 340,000+ annual import numbers, and projects a flat trend in auto exports as the US dollar is expected to remain strong. The Port anticipates continued strength in high and heavy imports and exports due to its frequent RO-RO ship schedule, crane availability and specialized labor force to handle these moves with the highest level of customer service possible.

When COVID-19 pandemic hit in March 2020, the Port remained open and operated extremely well showing how resilient and essential it is for the well-being of the local and national economy.

Over half of the cargo tonnage that comes through the Port of Hueneme annually is fresh fruit imports and exports. Although restaurants were closed, most grocery stores remained open during lockdown to be able to feed people thus those food category commodities continued moving strongly throughout the fiscal year and even grew. The closures of schools and places of worships, restaurants affected the sales of higher end products in the fresh fruit category such as pineapples, however that slowdown was not as significant as the automotive segment. The Port of Hueneme realized a 9.1 drop in banana imports volume due to school closures and COVID-19 pandemic.

During the period of March through May 2020, the Ports automobile customers all shut down their operations. At the same time California dealerships were not allowed to do in person sales which also affected the ability of OEMs to sell vehicles unless it's done online. With 100% closures of OEMs domestically and internationally, the Port was anticipating a cargo volume slowdown of 6-28% throughout the end of the year. What we saw is a drastic reduction in RORO vessels, from 4-5 a week we saw only 4-5 in the month of May. The volumes became impacted in May and June, our slowest months on record since the 2009 recession. Imports through the end of FY 2020 in June were 13.8% lower than previous year with 281, 516 vehicles and exports declined by 17.6% from last year with 13,122 vehicles.

The CA vehicle dealerships were allowed to reopen in May of 2020 and that allowed for more shipment's orders for the RORO ships and gradually the volumes began recovering. The OEMs also reopened in May and began producing with social distancing measures and with some minimal disruption in the supply chains for parts and vehicle components. However, the current 1st Q of Fiscal Year 2021 (July-September) are showing that vehicle volumes have dropped only 8% compared to last year, rebounding well from the initial pandemic slow down.

Other RO-RO business, mostly consisting of construction, agricultural and mining equipment, was down X% YOY for imports, but up X% for exports. The specialized nature of out of gage (OOG)/high and heavy cargo requires special handling, customer service, and no congestion – all of which are offered at the Port of Hueneme. All of the stevedores on Port- SSA, Ceres, Ports America, and Pac-Ro are competing for specialized moves such as military cargo, and project cargo ships using cranes (such as importing yachts and moving large boats on/off vessels). This optimizes cost and efficiency that creates the competitive conditions for the segment to continue to realize robust growth each year.





## *Potential Growth and Expansion Opportunities for Ro-Ro*

The specialized nature of out of gage (OOG)/high and heavy cargo requires special handling, customer service, and no congestion – all of which are offered at the Port of Hueneme. All of the stevedores on Port -- SSA, Ceres, Ports America, and Pac-Ro -- are competing for specialized moves such as military cargo, and project cargo ships using cranes (such as importing yachts and moving large boats on/off vessels). This optimizes cost and efficiency that creates the competitive conditions for the segment to continue to realize robust growth each year and recover well from the pandemic stress on volumes.

As part of the Port's capital improvement plan, the Port is currently deepening the Port's South Terminal from 35 feet to 40 feet, and the project is due to be completed in March 2021. The deeper water will allow the Port to handle deeper draft ro-ro vessels and creates the very real potential for increased business in non-automotive cargoes as well. The deepening would complement plans for a parking structure on the North Terminal to increase capacity of autos on and off Port. The Port's industrial properties along Arcturus Avenue and Edison Drive have helped property management revenues grow.

The Port continues to work on two additional land developments 3 miles from the entrance of its terminal. 34-acre parcel on Port Hueneme Road to be used for temporary auto parking is currently undergoing full scope EIR and will be reviewed for the next 12-18 months. The Port is working with the City of Oxnard to dedicate an additional 34 acres of car staging area within less than a mile of the Port. This will result in less trucking and more rail on/off moves for the OEMs, improving air quality and reducing congestion on city streets and will allow for increases in capacity and throughput for the auto segment. The second is a long-term light industrial land development of 250 acres. This project could allow for the development of an opportunity zone to support customer growth and expansion of this specialized Port. Investment opportunities of this magnitude will significantly enhance the Port's mission of creating social and economic good by generating over 4,000 jobs, creating educational opportunities for local students, allowing for investment in zero emission and clean technologies, and building revenues stream for environmental restoration projects such as that of Ormond Beach.





## Agriculture Sector Import/Export Trade

Agriculture sector imports and exports represent the second highest volume commodity handled at the Port. In FY2020 over 29.7% of the Port's revenue came from this sector.

In FY2020, the Port handled 981,741 revenue tons of fresh produce versus 939,364 in FY2019. Since the Port secured a new service for fresh fruit containers in FY2017 exports and imports of fresh fruit increased significantly due to more capacity and options for movement of agriculture commodities on 3 containers vessels on a weekly basis. The new service for Sealand is projected to continue to grow volumes of fruit imports and exports as both Del Monte and Chiquita are also using it to add to their capacities for port call options from Mexico, Central and South America.

In FY2020 - December 2019, Del Monte discontinued using the breakbulk reefer Star Carrier fleet and went fully into containerized ships by utilizing Sealand vessels twice a week. Infrastructure modernization such as demolition of on dock cold storage and further creation of reefer plugs and terminal space will assist in the fully containerized fruit and perishables movement in the future.

As a result of its specialization in fresh fruit, in FY2020, the Port's locally grown produce exports realized an impressive 67% increase. This represents another record year for this business category which grew by 66% in FY2019 as well. Commodities include, stone fruit, nuts, grapes, frozen potatoes, onions, cheese, citrus, apples, dates, pomegranates, cherries, and pears, The Port has handled fresh fruit products for over 4 years, and it is anticipated that while product mix, origin, and cargo handling modes may change, this cargo will remain a sustainable and growing product line.

Bananas and fresh fruit comprise the single largest commodity type handled at the Port of Hueneme. It handles over 35% of the bananas imports in the South Pacific Ports of the US and is the top second Port on the US West Coast for banana imports. The Port of Hueneme is also ranking the top fourth Port in the nation with 16% of the market share in bananas imports. The Port handled 575,685 tons of bananas and 324,790 tons of fresh fruit imports, accounting for 29.7% of the Port's operating revenue in FY2020. Impacted by the COVID-19 school closures and reduction of sales, banana imports decreased from FY2020 Port customers. Additionally, Freska Mangoes, Mission Produce, Westfalia, Calavo and One Banana and Sol melons ship more of their products through the Port's three weekly fruit services, taking advantage of the non-congested terminal and faster clearance times which get their product to marketplace more efficiently and cheaper.

On the export side, the Port of Hueneme's fruit exporters using container services on weekly basis include Five Diamond Cold Storage and Sunfresh International. Local agriculture growers such as Sunkist are exporting citrus, others are exporting strawberries, grapes, stone fruit, and other domestically grown fruits to Central and South America on Great White Fleet (Chiquita) and Sealand. Regarding the spot market for break bulk reefer ship charters to Asia - the Port continued to see citrus use-chartered break bulk reefer ship as the demand for speedy shipping services grew during the citrus 3-month long season early in the calendar year.



## FRESH FRUITS TONNAGE 2011-2020



## Fertilizer Import Trade

In 1998, the Port of Hueneme entered into a lease for the distribution of liquid fertilizer. Today, Yara North America (Yara), is one of the world's largest fertilizer suppliers which operates a state-of-the-art automated terminal at the Port for distribution of fertilizer and fuel additives to the agriculture industry in the surrounding area. In FY2020 Yara brought 149,079 metric tons of fertilizer, 4.6% less than last year.

Yara is a significant benefactor of the infrastructure improvements taking place in FY 2020 including terminal enhancements and deepening of the navigational channel to 40 feet; this will position Yara to realize growth increases of fertilizer volumes at the Port. The company's on-port storage capabilities allowed customer deliveries to continue at a high and steady rate, with an average of 25 truckloads daily and about 75 during peak season. The hidden gem in their portfolio is the Diesel Exhaust Fluid (DEF) that is used in diesel vehicles to break down NOx emissions into harmless nitrogen and water which aligns with the Port's mission to continue to reduce emissions. The majority of the Port's revenue from Yara (which is 4% of the Port's total revenue) comes from its lease agreement to house its tanks on Port property (3.05 acres).

With the execution of a long-term agreement with Yara, the Port diversified its cargo mix and respective revenues by including liquid bulk fertilizer products. The Port is working with Yara on potential expansion opportunities, including on-dock rail services. Based on the increasing market share, it is forecasted that Yara will see increases in product volumes in FY2021 because it will be able to bring in more tonnage on its vessels at once when the dredging project is completed by March 2021. The liquid fertilizer market represents a significant growth opportunity at the Port of Hueneme. Select infrastructure modifications could result in greatly increased throughput and business expansion for this product line.

## Real Estate Investments

The Port also generates revenue from a 5 acre parcel it owns off Port on Edison Road in Oxnard that nets \$311,650 in revenue. The Port's total Real Estate operating revenue is \$2,121,954.

The Port also owns a 100% membership in Ventura County Railway Company, LLC which derives its revenue from leases of property that investment asset owns on Market Street, as well as from the lease of the track to the railroad operator, Genesee & Wyoming. The asset yields approximately \$310,000 in investments revenue annually. The tenants on Market Street, however, are challenged by COVID and seeking relief on rents.

The strategic business of the Port operations requires the management team to lease and use the properties in a balanced manner to produce the highest synergies for its tenants, cargo throughput and revenues possible. Industrial land in Ventura County is in short supply, experiencing a vacancy factor of just 2.6% and an even tighter vacancy factor of 1.21% within the Oxnard and Port Hueneme sub-market. This is a result of most of the developed and developable land in the county lying within approximately 33.3% of a protected agricultural zone known as SOAR (Save our Agricultural Resources), where no industrial development can take place without voters' approval. 100,000 acres of agricultural land in production are currently used in Ventura County. The Port plans to continue with diversification of its investment portfolio to generate revenue. The Port is in discussions with the City of Port Hueneme to purchase new property on Market Street, directly adjacent to its main gate, to support operations and allow for extra harbor expansion and optimization.

Continued investments in properties off port are a priority as a way to expand Port revenue growth and continue to provide benefit to the community with sustainable jobs and economic prosperity.





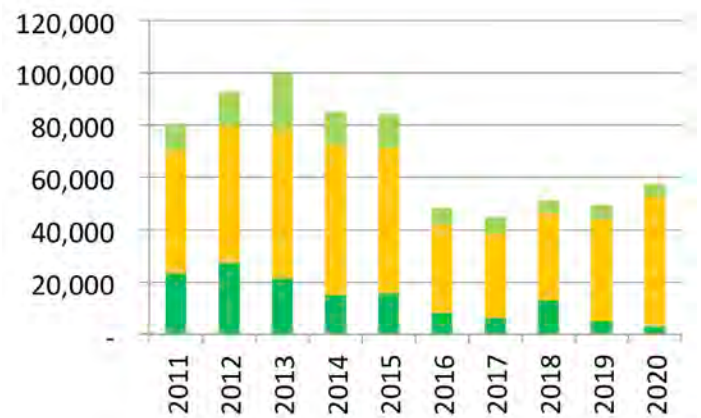
# Introductory Section

## Domestic Trade

### Offshore Oil Support

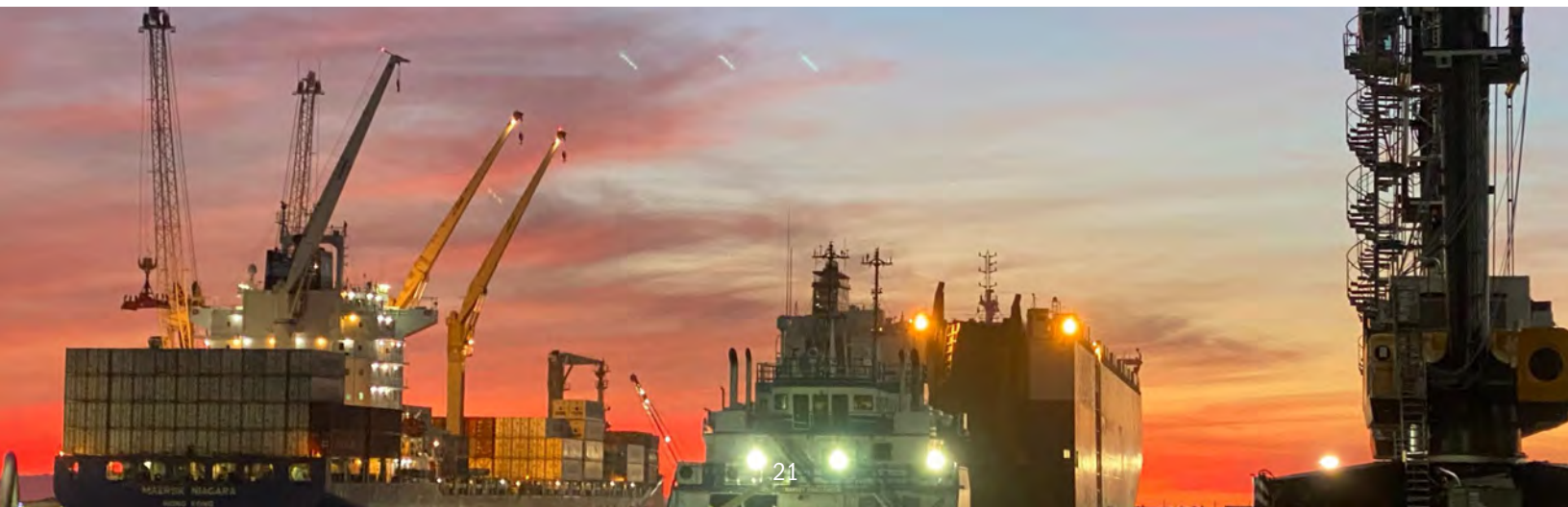
The Port of Hueneme through its customers, Exxon, Freeport McMoran and DCOR provide essential support services for the offshore oil industry in the Santa Barbara channel. Work boats supply offshore rigs and platforms with drill pipe, cement, water, fuel and other necessary equipment for operations. Crew boats transport workers to and from the platforms along with supplies necessary for extended living on the platform rigs. This business has historically supported approximately 2% of Port revenue; however, the Port has continued to see a significant decline in this revenue beginning June 2015 when Exxon Mobil decided to halt production from three oil platforms due to a pipeline spill impacting the Santa Barbara Channel operations. The YOY numbers show 49,156 tons approximately 26.2% increase over FY2019. Due to industry challenges from the oil spill these rigs are being decommissioned which will spark a short-term boost in business at the Port over the next two years to support the demobilization services.

## DOMESTIC FY 2011-2020



### Fishery

The Port also has a vibrant squid fishery, a seasonal business generally starting slow in the spring and peaking in the fall through the end of the year. Fishing boats work at night, delivering their catch in the early morning hours to the Oxnard Unloading Services LLC., a co-op that unloads and delivers to processing plants throughout southern and central California. The squid industry supports approximately 1,400 jobs. The squid business saw a decline in recent months as well due to COVID-19 restaurant closures who are the customers for this industry. Many of the seasonal businesses applied for grants to reduce the financial burden of declines in their business sales and sustain them through the pandemic. Squid catches remain unpredictable due to the highly variable nature of the industry, which can be impacted by even minor changes in ocean temperature as well as their ability to recover from COVID-19 restaurant closures. As result of such weather conditions, the seasons can be long (approximately 9-10 months of the year) or short, and fish may not grow as well. In FY2020, the tonnage of fish through the Port was a total of 3,165 tons. Catch is difficult to forecast in FY2021 with an improved ocean temperature for the fishery and uncertainty around restaurant industry being able to open at 100% capacity again.



## Strategic Planning

The Port has continued the process of creating a 2030 Plan in FY2020. The new plan will continue to focus on 2020's plan five pillars -- jobs and economic impact, marketing, environment, innovation and technology, and strategic partnerships -- and will possibly add infrastructure and community/social equity pillars. The 2030 planning process will also involve the development of a capital outlay analysis and financial modeling to best identify how to secure the opportunities. Planned improvements include harbor deepening completion, a container-friendly facility, investment in environmental initiatives, green technology, parking structure, improvements to on-dock rail, and possible property acquisitions. The actual capital investments required will be developed through a Port master plan study, which will identify specific investment needs, as well as methods to finance the required investments. These financing methods will include grants, bond issuances, and increased private sector investments.

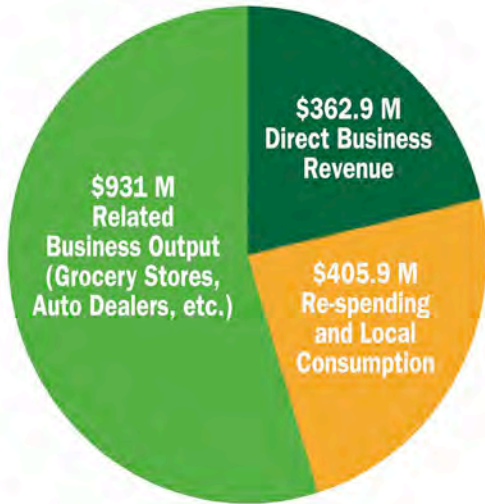
The plan will also continue to focus on export agricultural products through the Port, modernizing into supporting a fully container operation, in turn requiring capital investment for cranes and terminal/wharf improvements for which the Port is aggressively seeking federal, state, and private investment to build. Other business opportunities include increased imported fruit operations and other cargo from Asia, Central and South America, short-sea shipping, the development of project cargo exports and the growth of auto export and import accounts. Fostering the sister port relationship with the Port of Puerto Quetzal, Guatemala, Port of Ensenada and working closely with Pro Guatemala, Pro Mexico and foreign trade representatives through our World Trade Center license umbrella and trade missions is part of that strategy.

The Port of Hueneme is well positioned to continue to sustain and lead Ventura County's economy recovery from COVID-19 recession with new jobs and rebound in trade activity.

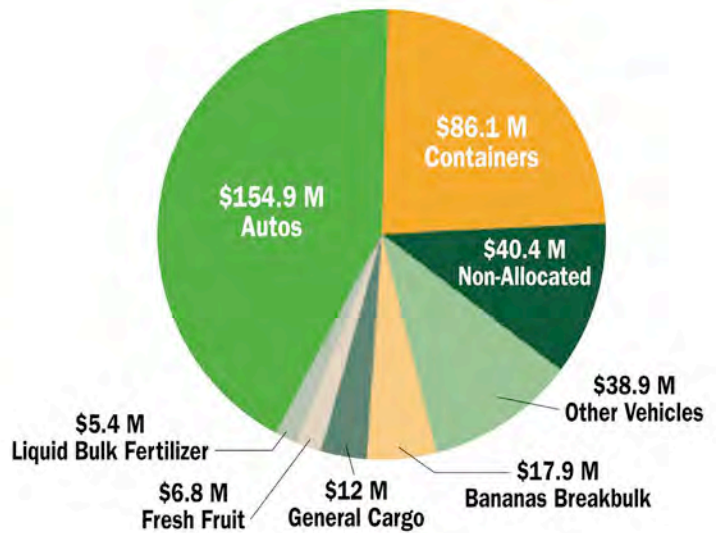


## Jobs/Economic Impact

**\$9.5 Billion in Goods Movement**  
**\$1.7 Billion Economic Activity**



**\$362.9 Million of Direct Revenue by Ton of Commodity**



**JOBS**  
**55% INCREASE**  
**SINCE 2013**



**TAX REVENUE**  
**to local cities and state of CA**  
**123% INCREASE**  
**SINCE 2013**

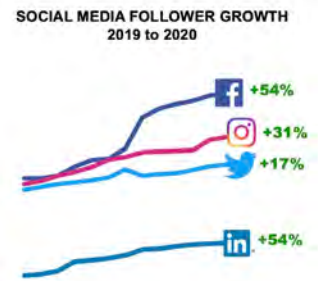


**TOTAL ECONOMIC ACTIVITY**  
**113% INCREASE**  
**SINCE 2013**



## Marketing

The development of the Strategic Plan was also aligned with a reenergized approach to the Port's marketing efforts. During its rebranding campaign the Port rolled out a new identity platform that included a new logo and a very robust approach to marketing. The Port is working on new advertising plan to be released in 2021 for outreach efforts and brand awareness that will highlight the very important partnership the Port has with its Community. The Port has also developed a business development tool kit and upgraded its website and electronic communication capabilities to best heighten its global profile to both retain and attract new business.



The Port's marketing philosophy responds to a diverse but targeted audience of business, community and internal partners. The Port has adopted a robust marketing campaign to bring a broader awareness of the Port's competitive strengths and commitment to smart and sustainable growth. The marketing of the Port includes tours and presentations for community and stakeholders, videos, using multiple social media platforms (Instagram, Facebook, Twitter, LinkedIn), creation of the quarterly Dock Talk publication to highlight projects, events and developments at the Port, e-newsletters, advertising, media marketing, such as radio and local TV. The Port is a sponsor to multiple local events, public and business organizations in to order to bring up the awareness with the community as the Greenest US Port, a strong job creator and the backbone of Ventura County's economy. The marketing and community outreach efforts are solid investments in the Port's strong brand in the industry and in the local community. By telling our story the Port engages the community and aligns its vision and strategy with important stakeholders as an open and transparent partner.

## Environment

The 2020 Strategic Plan also spurred further development of the Port's Environmental Management Framework (Framework). This Framework, created in 2012, focuses on six specific areas of the environment including climate change, energy management, marine resources, soil/sediment quality, water quality, and air quality. The Framework helps to guide the Port's environmental stewardship efforts. It was also developed to help track the Port's progress toward its goals and key performance indicators in each of the six areas. The Port has made great strides in becoming green in each of these categories including:



- Implementing shore-side power system to reduce ship emissions at berth
- Achieved 85% reduction in diesel particulate emissions from our ships at berth since 2008
- Launching Port specific clean air plan to be written in coordination with Ventura County Air Pollution Control District to set emissions reduction goals and targets for future
- Installed the only reference grade air quality monitors in south Oxnard at Haycox Elementary School, and will make data public on the web in 2021
- Installing a backbone of electrical infrastructure to power a new generation of electric, zero emission cargo handling equipment including the newly arrived hybrid electric mobile harbor crane
- Receiving CARB grant funds to acquire zero emission yard tractors
- Installing LED lighting to significantly reduce energy use and associated emissions
- Developing a zero-waste policy to reduce solid waste generation
- Dredged Port sand deposited locally to support Hueneme Beach and fight beach erosion
- Protecting water quality through stormwater management
- First Port in California to earn a Green Marine Certification – a third party verified voluntary and transparent program that tracks green performance indicators and continued improvement





## ***Environment (cont.)***

The Port of Hueneme is committed to protecting the environment and supporting a healthy quality of life for our community. The Port plays a valuable role in the health and vitality of the local and regional economies and takes its role as an active community partner and as an environmental steward very seriously. Promoting the Port's environmental stewardship efforts is a proven way to build support and trust from the local community and is why community engagement is a component of the Port's environmental policy framework.

In 2012, the Port completed a comprehensive Environmental Management Framework (EMF), establishing both long and short-term goals as well as evaluation strategies to monitor and track the Port's progress toward achievement of each EMF goal. Port environmental staff is charged with the responsibility to implement, monitor, and evaluate the success of environmental projects, in partnership with Port tenants, regulatory agencies, and the community. In 2015, the Port registered as a participant and an accredited member of the internationally recognized Green Marine Environmental Program, a wholly voluntary eco-accountability program that monitors and publicly publishes its members' progress in environmental management. In 2016 the Port became the first port in California to complete certification under the Green Marine Environmental Program and for re-certifying under Green Marine again in 2017, continuing its role as an example of leadership in sustainability integrated seaport management. Green Marine is a comprehensive environmental certification program for the marine industry that is administered by a third-party organization. This transparent environmental program assesses the Port's overall environmental program, including environmental management policies and procedures to help guide the Port to reduce its environmental impacts by undertaking measurable actions. The Port's participation in this program served as a tool to audit the Port's existing environmental documents, policies, and operational procedures to verify and publicly announce the Port's progress towards achieving their environmental goals and objectives as detailed in the Port's Environmental Management Framework (EMF) document and subsequent policies.



## Strategic Partnerships

As focusing on strategic partnerships is another great priority of the Port's Strategic Plan, this year's efforts have included strengthening existing and building new relationships and organizing community food drives along with our customers to support people in need during the pandemic challenges. In addition to the local and state governmental agency partnerships, the Port has been intentional on building relationships with various community partners. For example, the Port has partnered with Oxnard Union High School District to teach a 12-week Global Trade and Logistics course for high school junior and seniors, has provided over 120 educational tours for elementary students showing them how importing and exporting goods takes place, and sponsored events within the local community to support safety, economic development, education, and health.

## Community Outreach

In conjunction with the Port's Environmental and Marketing efforts, a robust community outreach campaign to meaningfully engage the community has been established. The community outreach department works on increasing Port project visibility, as well as establish working relationships with community groups and community members. Establishing a visible community presence is essential for continuous stakeholder engagement. The Community Outreach Department's goals are the following:

- To build support for Port projects through good will and community ambassadorship
- To develop key relationships through which the Port can support community projects, events, and other pertinent functions which ultimately expose the community to Port's important work
- To participate in initiatives that can raise the environmental and community equity profile of the Port
- To create social capital through investment in direct community collaboration with residents and agencies

### Some key activities have been:

- 42 "Committed to Community" Community Food Distributions in Ventura County
- Cofounded "Feeding the Frontline" to help supplement food share activities
- Coordinating the California Clean Air Day Coalition for the Central Coast
- Over 800,000 lbs. of fresh produce donated to community partners and food banks
- Sponsored the first trilingual Covid-19 educational video vignettes in Mixteco, English and Spanish
- Sponsored Habitat for Humanity's "Hearts and Hammers" fundraising to build affordable housing.



## Innovation & Technology

The Port's accomplishments under the guidance set out in the Strategic Plan 2020 were significant across the Plan's five leadership priorities. The Port, in working with its Stakeholders, implemented strategies which produced notable job growth, significant expansion of trade and new markets, achieved Green Marine Certification under the Environmental Management Framework and established the Maritime Advanced System Technology (MAST) Program for technology transfer and innovation was most recently founded with the help of Economic Development Collaborative (EDC), Naval Surface Warfare Center, Port Hueneme Division (NAVSEA) and Matter Labs. The collaborative laboratory space goes by the name of Fathomwerx and offers nearly 60,000 square feet providing access to an above ground dive tank, drone testing cage, 3D printers, metal printers, lathes, prototyping, augmented and virtual reality testing, prototyping equipment, and environment testing for technology developers. The Fathomwerx laboratory is a physical collaborative space where government employees, business owners, entrepreneurs, and academic stakeholders can innovate, experiment, and transfer/transition capabilities. In May of 2020, NavalX announced its expansion of its Tech Bridge program to include the Fathomwerx lab and is now part of the innovative ecosystem that includes several other locations around the nation. The Port continues to pursue applications for Federal, State, and local grants to help fund its future growth and sustainability goals with cutting edge technology.

## Capital Planning

For FY2021 and beyond, the Port is in the process of updating and reviewing its capital outlay program to identify and prioritize outstanding infrastructure repairs, as well as opportunities for improvements and expansion, and to develop short and long-term capital investment strategies based on the Strategic 2020 Plan and the demands of changing markets for competitive freight transportation including efficiency improvements in collaboration with environmental leadership. The Strategic 2030 plan will further identify these infrastructure investments.

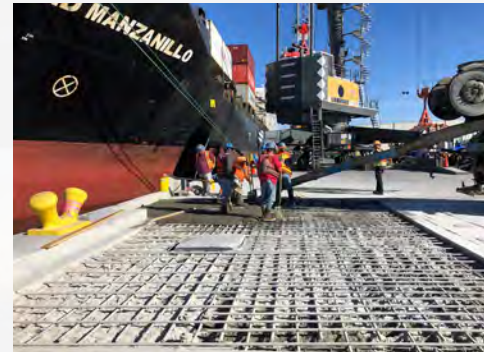
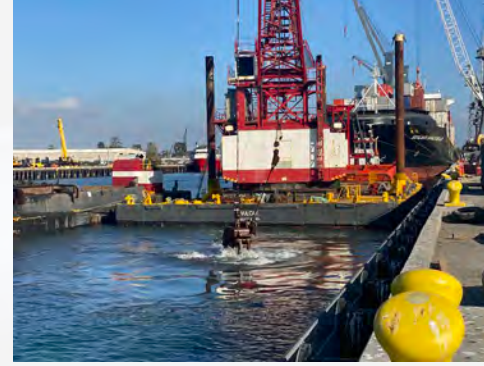
To keep Port assets in a state of good repair and fulfill modernization goals to remain competitive, improvements will be required in the near future. The Port has about \$15 million operating budget and about \$12 million in available unrestricted reserves to support critical capital repairs for the Port's \$86 million in net capital assets. Major capital investments of the Port have been historically financed through the use of revenue bonds issued by the Port pursuant to the California Harbors and Navigation Code. At the close of FY2020, the Port held approximately \$8.1 million in outstanding revenue bond debt.

In addition to revenue bond funds, the Port utilizes federal and state grants to undertake projects identified in the annual capital outlay plan. The Port's Capital Outlay Program includes Port Security Projects eligible for funding from the California Port and Maritime Security Grant Program and the Department of Homeland Security (DHS) Port Security Grant Programs (multiple years). The Port received over \$30 million in federal and state grants between FY2007 and FY2020. The Port was awarded \$360K in FY2018, and \$1.68M in FY2020. The California Air Resources Board (CARB) awarded a \$4.5 million grant and Ventura County Air Pollution Control District awarded a \$250K grant for the Shoreside Power System Project. This state-of-the-art system provides power to ships while docked which dramatically reduce emissions. The Shoreside Power System Project keeps the Port in compliance with CARB regulations. Phase 1 of the project providing primary functionality was completed in December 2013 and phase 2, providing the ability to power three vessels simultaneously, was completed in April 2016. The Shoreside Power System Project Phase 2 was a \$3.2 million project, with \$1.7 million coming from Congestion Mitigation & Air Quality (CMAQ) funds awarded by the US Department of Transportation through the Ventura County Transportation Commission and \$500,000 in Diesel Emission Reduction Act (DERA) funding from the Environmental Protection Agency. The Port funded the remainder using reserve funds.

Building on the Shoreside Power System, the Port was recently awarded \$3M from the California Air Resources Board (CARB) from the ZANZEFF Grant to fund electrical infrastructure at the Port to power zero emission cargo handling equipment. The Port is continuously seeking financing opportunities leveraging multiple funding sources to help offset the costs of infrastructure improvements. The Port was recently successful in getting two adjacent census tracks designated as Opportunity Zones, recognized by the Federal and State governments.

The Port was also awarded several grants during FY2015 and FY2016 – a US Department of Transportation Infrastructure Generating Economic Recovery (TIGER) grant for \$12.3 million and a US Department of Commerce Economic Development Administration (EDA) grant for \$1.4 million to help with improving a portion of the south wharf, deepening the 1800' of wharf from 35' to 40' and repaving infrastructure that had deferred maintenance due the recession, respectively.

The Port advanced three critical projects this year: harbor deepening, related wharf improvements, and terminal paving. The deepening project will increase harbor depth from the current 35 feet to 40 feet. It is anticipated to create 563 direct, indirect and induced jobs and \$28,417,000 in business revenue for the region, as well as \$41,186,000 in direct, re-spending and indirect personal income. The estimated total cost of the federal channel deepening project is \$8.14 million with \$5.29 million coming from the US Army Corps of Engineers and the remainder coming from Port funds. The related wharf improvements will cost approximately \$21 million, with \$12.3 coming from TIGER funds. The paving project was completed in November of 2018 and improved and resurfaced approximately 13.5 acres of terminal land with a total cost of \$3.1 million, with \$1.4 million coming from the EDA grant and the rest coming from Port funds.



## OHD Major Capital Project since FY 2015

PROJECT NAME	AGENCY	OHD GENERAL FUND	GRANT/OTHER FUNDING	PROJECT TOTAL	DESCRIPTION	COMPLETION DATE
Shore Side Power Infrastructure Project	OHD General Fund	\$8,047,851		<b>\$14,991,804</b>	Shore Side Power Infrastructure Project - Dock Electrification	Mar 2017
	Ventura Co. Air Pollution District		\$250,000			
	South Coast Air Management District		\$4,505,710			
	Congestion Mitigation Air Quality		\$1,688,243			
	Environmental Protection Agency (DERA)		\$500,000			
	<b>Project Sub Total</b>		<b>\$8,047,851</b>			
Tesla Batteries	TESLA	\$ -	\$3,000,000	\$3,000,000	Tesla Batteries - for Power Storage	Mar 2017
EDA Paving Paving Project	OHD	\$2,825,350		<b>\$4,297,975</b>	Pavement Rehabilitation Project	Nov 2018 (In Progress)
	Economic Development Administration		\$1,472,625			
	<b>Project Sub Total</b>	<b>\$2,825,350</b>	<b>\$1,472,625</b>			
Federal Security Grant Programs	OHD	\$301,345.00	\$904,035.00	\$1,205,380	Visual Port & Landside Detection Enhance/Port Security EQ, Gear and JOSOC Enhancements	Aug 2015
	OHD	\$136,470	\$409,410	\$545,880	Security Training/Cameras/Network Enhancements	Aug 2016
	OHD	\$177,340	\$532,020	\$709,360	Access Ctrl/GIS/Network Enhancements	Aug 2017
	OHD	\$102,500	\$307,500	\$410,000	Fiber Optic Ph II/ Security Equipment & Network	Aug 2018
	OHD	\$10,500	\$42,000	\$52,500	Security Equipment/Training	Aug 2019
	OHD	\$120,000	\$360,000	\$480,000	Security Equipment/Training	Aug 2020
EV Charging	OHD	\$38,464	\$14,000	\$52,464	EV Charging Stations (333 & 105 location)	Feb 2018
Highmast Lighting Project	OHD	\$805,752	\$200,000	\$1,005,752	Lighting Improvement Project	June 2019
Switchgear Replacement	OHD	\$504,187		\$504,187	Replacement of Outdated Switchgears	June 2019
Staging Improvement	OHD	\$2,450,000		\$2,450,000	Building 1B Staging Improvements	Feb 2020
Tiger Intermodal Improvement	OHD	\$4,077,455		<b>\$16,377,455</b>	Intermodal Improvement Project - Harbor Deepening	March 2021 (In Progress)
	USDOT - Tiger - MARAD		\$12,300,000			
	<b>Project Sub Total</b>	<b>\$4,077,455</b>	<b>\$12,300,000</b>			
Federal Channel Deepening	OHD	\$3,349,702		<b>\$9,342,005</b>	Federal Channel Deepening	June 2021 (In Progress)
	US Army Corps		\$5,992,303			
	<b>Project Sub Total</b>	<b>\$3,349,702</b>	<b>\$5,992,303</b>			
<b>Total</b>		<b>\$21,636,977</b>	<b>\$32,477,846</b>	<b>\$55,424,763</b>		

## **Financial Policies**

### **Internal Control Structure**

The Port's Board of Harbor Commissioners are responsible for policies associated with the Port's financial internal controls. Port employees implement the Port's policies and are responsible for the establishment and maintenance of the day-to-day internal control structure that ensures that the assets of the Port are protected from loss, theft, or misuse.

The internal control structure also ensures that accounting data is appropriately recorded and compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Port's internal control structure is designed to provide reasonable assurance that generally accepted accounting principles are followed.

### **Budgetary Control**

The Port's Board of Harbor Commissioners annually adopts an operating budget, capital budget, and debt service budget prior to the new fiscal year. The budgets authorize and provide the basis for allocation of Port resources and accountability for the Port's enterprise operation and capital projects. The budget and reporting treatment applied to the Port is consistent with the accrual basis of accounting and the financial statement basis. The Port's operating budget is divided into departmental operating business entities managed and administered by department heads.

### **Investment Policy**

The Board of Harbor Commissioners annually adopts an investment policy that conforms to state law, Port ordinances and resolutions, and applicable revenue bond debt covenants. Additionally, the Board designates a Treasurer who is responsible for the implementation of the Port's investment policy. The objectives of the investment policy in order of importance are safety of principal, liquidity, and yield. Port funds are invested in the State of California Local Agency Investment Fund, Ventura County Investment Pool, Federal Securities, Federal Home Loan Bank securities, money market mutual funds and other securities as provided in the investment policy.

### **Financial Statements**

The financial statements for the Port are prepared on an accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP"). The Financial Statements follow the recommendation of the Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations" (SFAS No. 117). Under GAAP, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of any restrictions. Accordingly, the net assets of the Port and changes are classified as unrestricted, temporarily restricted and permanently restricted. The Port implemented GASB No. 34 in the fiscal year ended June 30, 2004. The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pension Plans-an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68 in the fiscal year ended June 30, 2015. The District also implemented GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in the fiscal year ended June 30, 2018

# Port Mission and Port Master Plan

## Mission and Institutional Framework

The Mission and Vision Statements for the Port as adopted by the Board of Harbor Commissioners are as follows:

### Mission Statement:

To operate as a self-supporting Port that enforces the principles of sound public stewardship maximizing the potential of maritime-related commerce and regional economic benefit.

### Vision Statement:

To be the preferred Port for specialized cargo and provide the maximum possible economic and social benefits to our community and industries served.

## Port Master Plan

The General Planning Principles that guide the Port's development and expansion are set forth in the Port Master Plan and include:

- Projects which do not require relatively large amounts of land area are preferable to those which do.
- Projects which require deep draft berths are preferable to those which don't.
- Projects which require vessels that have their own cargo handling equipment are preferable to those which don't and similarly, projects which do not require investments by the Port in major shoreside equipment are preferable to those that do. Investments by the Port in shoreside cargo handling equipment may be required for some projects.
- Projects which require no special storage facilities or other buildings are preferable to those which do.
- Projects which require relatively large inputs of labor are preferable to those which don't.
- Projects which offer relatively high facility utilization are preferable to those which don't.
- Projects which represent the first venture into a major market are generally preferable to those which are likely to be the only one of the kind.
- Public access to the Port's facilities should be provided that are practically and economically feasible and consistent with public safety and efficiency of port operations and land availability.
- Every effort shall be made to enhance the aesthetic appearance of the Port's facilities.
- Every effort shall be made to minimize any adverse environmental impact of any particular project, to the extent that it is practically and economically feasible.

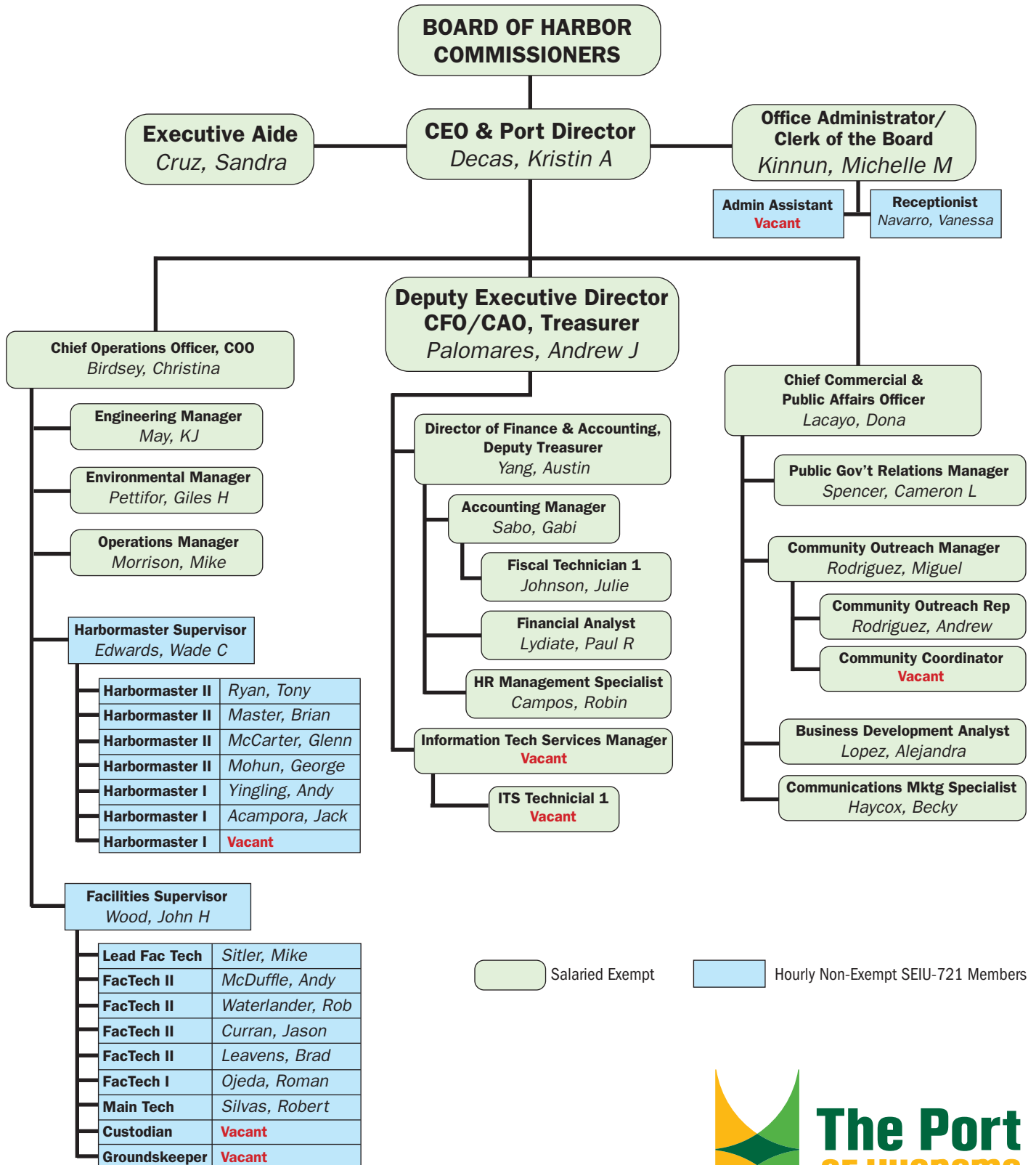
As a public purpose entity and gateway to global markets, the Port strives to maximize its resources for the purpose of stimulating economic growth and creating jobs for the region. For this purpose, the Port threads three (3) fundamental business elements into its organizational operation functions. These include (1) Operations, (2) Finance and Administration, and (3) Business Development.

**Operations:** The day to day on-dock and intermodal activities associated with running the commercial seaport fall under the Operations function of the Port. Key areas of focus include productivity, strategic communication and information flows, safety and security, quality control, information technology (IT), maintenance and repair, scheduling, and customer satisfaction. Responsibilities include the management of and compliance with specific leases and marine terminal agreements, and the contract services performed by outside contractors (e.g. Pilots, Vessel Assist Services, Stevedoring, Cargo Handling, Security, etc.). The Operations team ensures all operations are running efficiently, rules are being complied with and port facilities are well maintained.

**Finance & Administration:** The priority responsibilities enveloped under Finance & Administration include human resources, budget management, financial reporting and analysis, forecasting, accounting services, payroll, risk management, treasury and investment strategy management, project financing, procurement, contract management, office administration and other related general accounting procedures and processes. The Finance & Administration unit develops internal systems for risk management, finance performance and workforce productivity that improve resource efficiency and maximize the financial stability of the Port.

**Business Development:** Strategies for business retention and growth, intermodal connectivity, marketing, and innovation fall under the core area of Business Development. The Business Development team strives to maximize the Port's potential, forge new partnerships, collaborate with Navy Base Ventura County, ensure community trust and implement a sound and sustainable environmental framework. Responsibilities include business and real estate development, port promotion and marketing, media relations, public information and community outreach services.

## FY 2020 Organizational Chart



  Salaried Exempt
 
  Hourly Non-Exempt SEIU-721 Members



## Awards and Acknowledgments

### Finance

---



#### **Government Finance Officers Association - 10th Award of Excellence in Financial Reporting (2020)**

The Port was awarded the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its 2019 Comprehensive Annual Financial Report (CAFR). To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

This is the tenth year that the Port is submitted its Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is valid for a period of one year. We believe that this CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for 2020. Preparation of this report was accomplished by the combined efforts of the Port's Management Team. We appreciate the dedicated efforts and professionalism that these staff members contribute to the Port. We would also like to thank the members of the Board of Harbor Commissioners for their continued support in planning and implementation of the Oxnard Harbor District Port's fiscal policies.

### Environment

---



#### **Green Marine Certified (Recertified 2020)**

In May 2017, the Port became the first Port in California to receive a Green Marine Certification. Established in 2007, Green Marine is a North American environmental certification program for the maritime transportation industry. The program stems from the maritime industry's voluntary initiative to surpass regulatory requirements. The Green Marine program's unique character derives from the support being earned from more than 50 environmental groups and government agencies. Green Marine's metrics and their results are independently verified and released to the public. The Port recertified its membership in Green Marine in spring 2020.



#### **California Green Business Network Certification (2020)**

The California Green Business Network leads the state and nation in working with small to medium sized businesses to create a vibrant green economy.



## Awards and Acknowledgments

### Environment



#### **Greenest Port of the Year (2018)**

The Port was voted as the Greenest U.S. Port of the Year at the Green Shipping Summit in September 2018, and remains the reigning Greenest Port in the United States through 2020. The Green Shipping Summit has historically been held in Europe; however, this year, for the first time ever, a second summit was held in Los Angeles to focus on Green Shipping in the United States. The Summit included port authorities, alternative fuel providers, ship builders, and various leaders in the goods movement supply chain for two days of dialogue, sharing of best green practices, and setting the course for integrating green technologies of the future. The Port of Hueneme was given this top honor for their innovative green practices, Green Marine certification, and being more than “just” a port.



#### **AAPA Communications Awards – Ports Day, Dock Talk (2020)**

The Port was recognized by American Association of Port Authorities (AAPA) with a top Communications Award of Excellence for the Port’s CAPA Ports Day (Special Event) and an Award of Merit for the Port’s magazine Dock Talk.



#### **County of Ventura Earth Day Award for Excellence in Environmental Stewardship (2017)**

Each year in recognition of Earth Day, the Ventura County Board of Supervisors recognizes sustainability leaders in the community. Supervisors can recognize one such leader, and this year Supervisor Long put forward the Oxnard Harbor District as the top organization to honor.



#### **State Legislature - Environmental Award (2015)**

The Port received an environmental award from the State Legislature signed by Senator Pavley for its efforts to balance trade with sound environmental policy.

## Awards and Acknowledgments

### Business



#### **Railway Industrial Clearance Association - Most Improved Port (2013)**

The Port of Hueneme was honored by the Railway Industrial Clearance Association (RICA) as 2013's Most Improved Port. Founded in 1969, the Railway Industrial Clearance Association is dedicated to serving the heavy and dimensional transportation industry, cargos with large dimensions, excess weight or center of gravity or other unusual issues. With over 400 members the association seeks opportunities to solve transportation challenges that lead to improved cooperation between shippers, receivers and railroads to implement common solutions to intermodal problems. The RICA honor was the result of a membership vote at their annual conference in Charleston, South Carolina.



#### **Pacific Coast Business Times Latino Leadership Award — Jess J. Herrera Top Woman in Business — Kristin Decas (2020)**

The Pacific Coast Business Times (PCBT) recognized Oxnard Harbor District Commissioner Jess J. Herrera with a Latino Leadership Award, which recognizes Hispanic leaders in business, education and professional services.

Port CEO & Director Kristin Decas was recognized as one of the region's top women in business, achieving success as an outstanding female business leader.



#### **Oxnard Chamber of Commerce – Chairperson's Award of Excellence, Outstanding Business Catalyst (2020)**

The award represents leaders who make significant contributions to the success of the Chamber community. The Port was selected by the Oxnard Chamber 2018-2019 Chair of the Board.

### Community



Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

#### **AAPA Award of Excellence, COVID-19 Communications Response (2020)**

The Port was recognized by American Association of Port Authorities (AAPA) with an Award of Excellence the Port's COVID-19 Communications Response (Overall Campaign.)

## *Awards and Acknowledgments*



Government Finance Officers Association

### Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Oxnard Harbor District  
Port of Hueneme, California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Merrill*

Executive Director/CEO



**The Port**  
**OF HUENEME**  
Oxnard Harbor District



## 2020 Port of Hueneme

# INFORMATION

### Key Port Information

<b>Harbor Depth</b>	Entrance channel 40ft (12 m)
<b>Channel Length</b>	2,300 Lft (700 m)
<b>Turning Basin</b>	1,200 ft (365 m)
<b>Largest Vessel</b>	800 ft (244 m) LOA; 35 ft (10 m) depth, 40ft (12 m) in late 2020
<b>Tides</b>	Average rise and fall approx. 5.4 ft - 6 ft (1.65 m)
<b>Anchorage</b>	2 miles south of the Port Hueneme Lighthouse
<b>On-Port Terminal</b>	120 acres (Port owned)   Up to 34 acres (joint use - Port leased)
<b>Wharfs/Berths</b>	Wharf 1: Berths 1,2,3 (600 Lft each) – commercial cargo (183 m) Wharf 2: Berths 4,5 (700 Lft each) – commercial cargo (213 m) Wharf 3: Berths 6 (1,000 Lft joint use) – commercial cargo (305 m) Wharf 4, 5 & 6 (license agreement with Navy) 1 shallow draft (320 Lft) – squid fishery (97 m) 4 floats approx. 600 ft of floating dock – small craft support vessels (183 m)
<b>Short Haul Rail</b>	12-mile short track (Class III - 19 km) Owned by Ventura County Railway   Operated by Genessee & Wyoming
<b>Long Haul Rail</b>	Connects to Union Pacific at Oxnard Interchange
<b>Rail Yard</b>	8 acre switchyard holds 99 boxcars & 80 auto racks
<b>Off-Dock Navy Out Lease</b>	130 acres (leased by Navy)
<b>Parcel 1</b>	10 acre off-Port property on Arcturus Ave. (Port leased)
<b>Parcel 2</b>	5 acre off-Port property on Edison Ave. (Port leased)
<b>Off-Deck Private Parcels</b>	279 acres privately wnned Port industrial property
<b>Refrigeration</b>	93,000 ft <sup>2</sup> on-deck (Del Monte) Off-site distribution centers (Anacapa Fresh, Channel Island Cold Storage, Mission Produce, Seaboard, Del Norte Distribution and Lineage Logistics) 1,000,000+SF temperature controlled facilities; transload operations including fumigation and reefer support; processing for fish industry, 299 reefer plugs on port; 350 off for total of 650
<b>Cranes</b>	Mobile shore cranes available
<b>Tugs</b>	Brusco Tug & Barge (Port contracted)
<b>Pilotage</b>	Port Hueneme Pilots Association (Port contracted)
<b>Labor</b>	ILWU Local #46, Teamsters and Operating Engineers
<b>Stevedores</b>	Ceres, Pacific Ro-Ro, Ports America and SSA Marine
<b>Fuel</b>	TracTide (Port contracted)
<b>Security</b>	Allied Universal (Port contracted)

## Economic Impact



**15,834**  
**Jobs**

Over 1,700 direct jobs in Oxnard & Port Hueneme



**\$1.7 Billion**  
**Economy**

Over \$1 billion into the economy annually



**\$10.85 Billion**  
**Annual Cargo**

Over \$9 billion in cargo value annually



## Tax & Job Benefits to the Community



**\$119 Million**  
**Tax Revenues**

Generated in state & local taxes



**\$8.2 Million**  
**Oxnard**

Local taxes benefiting city  
973 direct jobs for Oxnard residents



**\$3.5 Million**  
**Port Hueneme**

Local taxes benefiting city  
413 direct jobs for Port Hueneme residents

## Port Footprint



### Acreeage

**558 Acres** – Entire seaport + all storage & processing areas  
*(FTZ authorized to operate under Alternative Site Framework, allowing up 2,000 acres countywide for site activation.)*

**Private Parcels** – 135 acres of privately-owned Port industrial property

**Navy Parcel** – Up to 34 acres for commercial use (outlease by Navy)

**Arcturus Site** – 10 acre off-Port property (leased by Port to BMW)

**Edison Site** – 5 acre off-Port property (leased by Port to WWL)

### Railway

**12 Mile Short Line Track** – Owned by Oxnard Harbor District, Ventura County Railway *(see cover page)*

**Contract with Genesee & Wyoming Inc.** – Largest short line operator in US

**Connects to Union Pacific** – Downtown Oxnard

**8 Acre Switchyard** – Holds 99 box cars or 80 auto racks

### Refrigeration

256,000 SF on-dock | 900,000+ SF off-dock *(private)* | 450 reefer plugs

## 2020 Statistics

### Import/Export All Cargo

**1.63 million**  
revenue tons

### Fresh Fruit



**Up 33%**

### High & Heavy



**Up 18.4%**

### Offshore Oil



**Up 26%**

## Trading



### Importers

- **Automobiles** (Aston Martin, BMW, Ford, General Motors, Honda, Hyundai, Jaguar, Kia, Land Rover, Maserati, Mini Cooper, Mitsubishi, Rolls Royce, Subaru, Volvo)
- **Fresh Produce** (Chiquita, Del Monte, Sealand - A Maersk Company, One Banana)
- **Heavy Equipment** (Case, Caterpillar, Hyster, John Deere, New Holland, Specialized Construction and Mining Equipment)
- **Liquid Bulk Fertilizer** (Yara North America)
- **Project and other Heavy-lift Cargos**

### Exporters

- **Automobiles** (Acura, Ford, General Motors, Honda, Nissan, Toyota, Tesla) to Asia
- **Fresh Produce** to Latin America
- **Heavy Equipment** (Case, Caterpillar, Hyster, John Deere, New Holland, Specialized Construction and Mining Equipment) Worldwide

### International Trading

Austria, Brazil, Canada, China, Costa Rica, Denmark, Ecuador, Germany, Guatemala, Japan, Korea, Mexico, Norway, Poland, Portugal, Russia, South Africa, Spain, Sweden, Turkey, United Kingdom

## Tenants, Customers & Users



### Shipping Lines

- Champion Tankers
- COSCO
- CSAV
- EUKOR Car Carriers
- Del Monte
- GLOVIS
- K-Line
- Mitsui OSK Lines
- Network Shipping
- Norbulk
- NYK Lines
- Siem Car Carriers
- Sealand - A Maersk Company
- Wallenius Wilhelmsen Lines

### DC & Warehousing

- Anacapa Fresh
- Channel Islands Logistics
- Channel Islands Warehousing
- Del Norte Warehousing
- Linear Logistics
- Mission
- Seaboard Produce
- Western Precooling

### Produce

- Chiquita
- Del Monte

### Liquid Fertilizer

- Yara

### Offshore Oil

- DCOR
- EXXON Mobile
- Freeport-McMoRan

### Auto Processing

- GLOVIS
- WWS

### Fish & Squid

- Oxnard Unloading Services
- Lunds
- Monterey Fish Co.
- Moore's Seafood
- Southern Cal Seafood

### Service Providers

- Brusco Tug & Barge
- Lineage Logistics
- Marine Spill Response Corporation
- National Response Corporation
- OST Truck & Crane
- Port Hueneme Ice
- Port Hueneme Pilots Association
- Stevedores: Ceres, Pacific Ro-Ro, Ports America, SSA Marine
- Securitas Security
- T&T Truck & Crane
- TracTide Marine Fuels

## Services



- Bunkering Fuel
- Chandlery
- Cold Storage
- Crane Service
- Stevedoring
- Railroad
- Marine Equipment/Supplies
- Oil Spill Response & Recovery Services
- Warehousing

## Ship Sizes

### ▶ **Car Ship** (standard) **650 ft x 100 ft**

Max capacity  
5,000 to 7,500 cars  
Typical shipment  
1,000 to 3,000 cars

▶ **Largest Vessel** - 800ft (244m) LOA; 35ft (10m) depth (40ft in 2020)

### ▶ **Container Ships** **688 ft**

25556 TEUs  
43.2 million bananas

### ▶ **Fertilizer Ships** **600+ ft length**

Draw full 35 ft draft requiring  
entry w/high tide

### ▶ **Weekly Averages**

2400 TEUs  
86.4 million bananas



#### FUN FACT #1

Port customers import enough bananas annually to circle the globe 12½ times over!



#### FUN FACT #2

The Port of Hueneme is the 4th largest port in California; our state is the 5th largest economy in the world!



#### FUN FACT #3

The Port of Hueneme was named the Greenest Port of the Year by the International Green Shipping Summit!

## Port Capabilities

*As much as 40% of California's squid can come ashore at the Port*

*Liquid fertilizer ships carry up to 50,000 MT - enough to fertilize 100,000 acres*

*Car ships can carry up to 7,500 vehicles at a time*



*Up to 14% of California's energy can come from 30 offshore oil rigs serviced by the Port.*

*The Port's Leibherr cranes are strong - capable of lifting up to 120 tons*

*The Port's tugs generate 100,000 lbs of omnidirectional thrust*

## Transit Times



Ecuador to Hueneme ▶ **7 days**  
Costa Rica to Hueneme ▶ **5 ½ days**  
Guatemala to Hueneme ▶ **5 days**

Korea to Hueneme ▶ **14 days**  
Germany to Hueneme ▶ **25-28 days**

United Kingdom to Hueneme ▶ **24 days**  
South Africa to UK (stop in Belgium) ▶ **30 days**  
Belgium to Hueneme (Stop in UK) ▶ **30 days**  
Panama Canal to Hueneme ▶ **5-6 days**



## *Financial Section*





***OXNARD HARBOR DISTRICT***

***AUDIT REPORT***

***For the Fiscal Years Ended  
June 30, 2020 and 2019***





## INDEPENDENT AUDITORS' REPORT

Board of Harbor Commissioners  
Oxnard Harbor District  
Port Hueneme, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Oxnard Harbor District (District), which comprise the balance sheets as of June 30, 2020 and 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
WALNUT CREEK OFFICE 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability, Schedule of the District's Contributions to the Pension Plan, and Schedule of Changes in the District's Net OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Schedule of Expenditures of Federal Awards, Schedule of Operating Expenses, Schedule of Non-Operating Revenues and Expenses, and Schedule of Debt Service Net Revenues Coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 18, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 District's internal control over financial reporting and compliance.

Murrieta, California  
December 18, 2020

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
WALNUT CREEK OFFICE 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

www.nncpas.com • Licensed by the California Board of Accountancy

## **OXNARD HARBOR DISTRICT**

### *Management's Discussion and Analysis (Unaudited)*

*For the Years Ended June 30, 2020 and 2019*

---

Management's Discussion and Analysis (MD&A) offers readers of Oxnard Harbor District's financial statements a narrative overview of the District's financial activities for the years ended June 30, 2020 and 2019. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- In fiscal year 2020, the District's net position increased 6.7%, or \$5,395,918 from the prior year's net position of \$80,590,937 to \$85,986,855, as a result of the year's operations.
- In fiscal year 2019, the District's net position increased 13.1%, or \$9,316,190 from the prior year's net position of \$71,274,747 to \$80,590,937, as a result of the year's operations.
- In fiscal year 2020, operating revenues decreased by 2.6%, or \$478,911 from \$18,412,493 to \$17,933,582, from the prior year, primarily due to a \$1,636,957 decrease in auto cargo revenue with a \$875,560 increase in fresh produce cargo.
- In fiscal year 2019, operating revenues increased by 6.8%, or \$1,184,029 from \$17,228,464 to \$18,412,493, from the prior year, primarily due to a \$1,273,410 increase in auto cargo revenue.
- In fiscal year 2020, operating expenses before depreciation expense increased by 7.8% or \$918,209 from \$11,794,912 to \$12,713,121, from the prior year, primarily due to a \$783,987 increase in salaries and benefits expenses.
- In fiscal year 2019, operating expenses before depreciation expense increased by 10.1% or \$1,084,062 from \$10,710,850 to \$11,794,912, from the prior year, primarily due to various increases in expenses.

#### **REQUIRED FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

# OXNARD HARBOR DISTRICT

## Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2020 and 2019

### FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

### Condensed Balance Sheets

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>June 30, 2018</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 19,501,979	\$ 22,695,525	\$ (3,193,546)	\$ 22,386,237	\$ 309,288
Noncurrent	17,952,897	19,133,185	(1,180,288)	21,314,879	(2,181,694)
Capital assets, net	86,225,116	81,084,468	5,140,648	72,439,222	8,645,246
<b>Total assets</b>	<u>123,679,992</u>	<u>122,913,178</u>	<u>766,814</u>	<u>116,140,338</u>	<u>6,772,840</u>
<b>Deferred outflows of resources</b>	<u>1,995,687</u>	<u>2,481,840</u>	<u>(486,153)</u>	<u>2,246,773</u>	<u>235,067</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 125,675,679</u>	<u>\$ 125,395,018</u>	<u>\$ 280,661</u>	<u>\$ 118,387,111</u>	<u>\$ 7,007,907</u>
<b>Liabilities:</b>					
Current liabilities	\$ 9,306,946	\$ 12,216,501	\$ (2,909,555)	\$ 10,171,935	\$ 2,044,566
Noncurrent liabilities	29,167,321	30,557,988	(1,390,667)	36,625,956	(6,067,968)
<b>Total liabilities</b>	<u>38,474,267</u>	<u>42,774,489</u>	<u>(4,300,222)</u>	<u>46,797,891</u>	<u>(4,023,402)</u>
<b>Deferred inflows of resources</b>	<u>1,214,557</u>	<u>2,029,592</u>	<u>(815,035)</u>	<u>314,473</u>	<u>1,715,119</u>
<b>Net position:</b>					
Net investment in capital assets	78,242,850	70,607,900	7,634,950	59,588,353	11,019,547
Restricted	5,443,892	6,731,840	(1,287,948)	5,206,784	1,525,056
Unrestricted	2,300,113	3,251,197	(951,084)	6,479,610	(3,228,413)
<b>Total net position</b>	<u>85,986,855</u>	<u>80,590,937</u>	<u>5,395,918</u>	<u>71,274,747</u>	<u>9,316,190</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 125,675,679</u>	<u>\$ 125,395,018</u>	<u>\$ 280,661</u>	<u>\$ 118,387,111</u>	<u>\$ 7,007,907</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by \$85,986,855 and \$80,590,937 as of June 30, 2020 and 2019, respectively.

## OXNARD HARBOR DISTRICT

### Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2020 and 2019

---

#### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

##### Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (90% as of June 30, 2020 and 88% as of June 30, 2019) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of years 2020 and 2019, the District showed a positive balance in its unrestricted net position of \$2,300,113 and \$3,251,197, respectively, which may be utilized in future years.

##### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>June 30, 2018</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 17,933,582	\$ 18,412,493	\$ (478,911)	\$ 17,228,464	\$ 1,184,029
Non-operating revenues	1,040,524	1,263,526	(223,002)	559,624	703,902
<b>Total revenues</b>	<u>18,974,106</u>	<u>19,676,019</u>	<u>(701,913)</u>	<u>17,788,088</u>	<u>1,887,931</u>
<b>Expenses:</b>					
Operating expenses	12,713,121	11,794,912	918,209	10,710,850	1,084,062
Depreciation	4,552,974	4,007,757	545,217	4,253,321	(245,564)
Non-operating expenses	385,436	609,762	(224,326)	734,264	(124,502)
<b>Total expenses</b>	<u>17,651,531</u>	<u>16,412,431</u>	<u>1,239,100</u>	<u>15,698,435</u>	<u>713,996</u>
<b>Capital contributions</b>	<u>4,073,343</u>	<u>6,052,602</u>	<u>(1,979,259)</u>	<u>1,219,518</u>	<u>4,833,084</u>
<b>Change in net position</b>	<u>5,395,918</u>	<u>9,316,190</u>	<u>(3,920,272)</u>	<u>3,309,171</u>	<u>6,007,019</u>
<b>Net position:</b>					
Beginning of year	80,590,937	71,274,747	9,316,190	71,096,302	178,445
Prior period adjustments	-	-	-	(3,130,726)	3,130,726
End of year	<u>\$ 85,986,855</u>	<u>\$ 80,590,937</u>	<u>\$ 5,395,918</u>	<u>\$ 71,274,747</u>	<u>\$ 9,316,190</u>

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased by \$5,395,918 and \$9,316,190 for the years ended June 30, 2020 and 2019 respectively.

**OXNARD HARBOR DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2020 and 2019***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Revenues**

<b>Operating revenues:</b>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>	<u>June 30, 2018</u>	<u>Change</u>
Auto cargo	\$ 8,239,180	\$ 9,876,137	\$ (1,636,957)	\$ 8,602,727	\$ 1,273,410
Fresh produce cargo	4,828,808	3,953,248	875,560	4,164,692	(211,444)
Offshore oil	525,974	410,715	115,259	278,982	131,733
Property management	2,121,954	1,969,558	152,396	2,236,024	(266,466)
Other operating income	2,217,666	2,202,835	14,831	1,946,039	256,796
<b>Total operating revenues</b>	<u>17,933,582</u>	<u>18,412,493</u>	<u>(478,911)</u>	<u>17,228,464</u>	<u>1,184,029</u>
<b>Non-operating revenues:</b>					
Investment earnings	275,719	347,288	(71,569)	243,681	103,607
Interest earnings – leveraged loan	100,220	100,220	-	100,220	-
Ventura County Railway Co., LLC	200,217	72,158	128,059	180,057	(107,899)
Gain from sale of asset/purchase credits	158,520	535,095	(376,575)	-	535,095
Harbor maintenance tax revenue	280,000	190,000	90,000	-	190,000
Other non-operating revenues	25,848	18,765	7,083	35,666	(16,901)
<b>Total non-operating revenues</b>	<u>1,040,524</u>	<u>1,263,526</u>	<u>(223,002)</u>	<u>559,624</u>	<u>703,902</u>
<b>Total revenue</b>	<u>\$ 18,974,106</u>	<u>\$ 19,676,019</u>	<u>\$ (701,913)</u>	<u>\$ 17,788,088</u>	<u>\$ 1,887,931</u>

In fiscal year 2020, operating revenues decreased by 2.6%, or \$478,911 from \$18,412,493 to \$17,933,582, from the prior year, primarily due to a \$1,636,957 decrease in auto cargo revenue with a \$875,560 increase in fresh produce cargo.

In fiscal year 2019, operating revenues increased by 6.8%, or \$1,184,029 from \$17,228,464 to \$18,412,493, from the prior year, primarily due to a \$1,273,410 increase in auto cargo revenue.

**OXNARD HARBOR DISTRICT***Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2020 and 2019***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

<b>Operating expenses:</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>Change</b>	<b>June 30, 2018</b>	<b>Change</b>
Salaries and benefits	\$ 6,246,630	\$ 5,462,643	\$ 783,987	\$ 5,379,326	\$ 83,317
Governmental contractual agreements	1,915,325	1,893,023	22,302	1,780,804	112,219
Security	419,783	519,623	(99,840)	315,561	204,062
Facilities and maintenance	1,575,256	1,448,525	126,731	1,155,586	292,939
Professional and legal	1,165,125	1,299,932	(134,807)	1,055,317	244,615
Materials and services	451,367	241,689	209,678	262,979	(21,290)
Port promotion	630,323	649,839	(19,516)	497,141	152,698
Insurance	309,312	279,638	29,674	264,136	15,502
<b>Total operating expenses</b>	<b>12,713,121</b>	<b>11,794,912</b>	<b>918,209</b>	<b>10,710,850</b>	<b>1,084,062</b>
Depreciation	4,552,974	4,007,757	545,217	4,253,321	(245,564)
<b>Non-operating expenses:</b>					
Interest expense – long-term debt	316,007	469,964	(153,957)	647,213	(177,249)
Other non-operating expenses	69,429	139,798	(70,369)	87,051	52,747
<b>Total non-operating expenses</b>	<b>385,436</b>	<b>609,762</b>	<b>(224,326)</b>	<b>734,264</b>	<b>(124,502)</b>
<b>Total expenses</b>	<b>\$ 17,651,531</b>	<b>\$ 16,412,431</b>	<b>\$ 1,239,100</b>	<b>\$ 15,698,435</b>	<b>\$ 713,996</b>

In fiscal year 2020, operating expenses before depreciation expense increased by 7.8% or \$918,209 from \$11,794,912 to \$12,713,121, from the prior year, primarily due to a \$783,987 increase in salaries and benefits expenses.

In fiscal year 2019, operating expenses before depreciation expense increased by 10.1% or \$1,084,062 from \$10,710,850 to \$11,794,912, from the prior year, primarily due to various increases in expenses.

**Capital Assets**

<b>Description</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Non-depreciable assets	\$ 35,529,146	\$ 29,461,680	\$ 22,267,929
Depreciable assets	108,287,749	104,661,593	113,550,671
Accumulated depreciation	(57,591,779)	(53,038,805)	(63,379,378)
<b>Total capital assets, net</b>	<b>\$ 86,225,116</b>	<b>\$ 81,084,468</b>	<b>\$ 72,439,222</b>

At the end of year 2020, 2019 and 2018, the District's investment in capital assets amounted to \$86,225,116, \$81,084,468, and \$72,439,222 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$9,693,622 and \$12,653,003 for various projects and equipment for the years ended June 30, 2020 and 2019, respectively. See Note 7 for further information.



# OXNARD HARBOR DISTRICT

## Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2020 and 2019

---

### FINANCIAL ANALYSIS OF THE DISTRICT (continued)

#### Debt Administration

The long-term debt of the District is summarized below:

<u>Description</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenue bonds payable, net	<u>\$ 8,050,702</u>	<u>\$ 10,561,764</u>	<u>\$ 12,952,825</u>

Long-term debt decreased by \$2,511,062 and \$2,391,061 for the years ended June 30, 2020 and 2019, due to regular principal payments on the District's revenue bonds. See Note 9 for further information.

### NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's CEO & Port Director at 333 Ponoma Street, Port Hueneme, CA 93041.

# OXNARD HARBOR DISTRICT

## Balance Sheets

June 30, 2020 and 2019

ASSETS	2020	2019
<b>Current assets:</b>		
Cash and investments (Note 2)	\$ 15,164,889	\$ 16,165,886
Accrued interest receivable	32,476	61,279
Accounts receivable – customers, net (Note 3)	2,748,002	5,054,058
Grants and other receivables	1,220,501	1,155,200
Prepaid items	336,111	259,102
<b>Total current assets</b>	<b>19,501,979</b>	<b>22,695,525</b>
<b>Non-current assets:</b>		
Restricted – cash and cash equivalents (Note 2 and 13)	5,600,239	5,069,030
Restricted – investments (Note 2 and 13)	1,031,008	2,512,520
Shoreside Power/Arcturus Avenue leveraged loan (Note 4)	7,196,641	7,626,843
World Trade Center license (Note 5)	51,000	51,000
Investment in Ventura County Railway Co., LLC (Note 6)	4,074,009	3,873,792
Capital assets – not being depreciated (Note 7)	35,529,146	29,461,680
Capital assets – being depreciated, net (Note 7)	50,695,970	51,622,788
<b>Total non-current assets</b>	<b>104,178,013</b>	<b>100,217,653</b>
<b>Total assets</b>	<b>123,679,992</b>	<b>122,913,178</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts on refunding of revenue bonds, net (Note 9)	68,436	85,196
Deferred outflows of resources related to pensions (Note 10)	1,437,246	1,418,950
Deferred outflows of resources related to OPEB (Note 11)	490,005	977,694
<b>Total deferred outflows of resources</b>	<b>1,995,687</b>	<b>2,481,840</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 125,675,679</b>	<b>\$ 125,395,018</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 3,454,895	\$ 5,078,211
Accrued revenue sharing payables (Note 17)	3,789,375	3,929,652
Customer deposits and unearned revenue	266,991	343,305
Accrued interest payable	154,685	247,133
Long-term liabilities – due within one year:		
Compensated absences (Note 8)	196,000	148,200
Revenue bonds payable (Note 9)	1,445,000	2,470,000
<b>Total current liabilities</b>	<b>9,306,946</b>	<b>12,216,501</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 8)	612,600	444,400
Unearned revenue – ground and equipment lease (Note 4.A.)	7,196,641	7,626,843
Unearned revenue – Arcturus sale contract (Note 4.B.)	2,664,017	2,664,017
Net OPEB liability (Note 11)	6,252,062	6,373,332
Net pension liability (Note 10)	5,836,299	5,357,632
Revenue bonds payable, net (Note 9)	6,605,702	8,091,764
<b>Total non-current liabilities</b>	<b>29,167,321</b>	<b>30,557,988</b>
<b>Total liabilities</b>	<b>38,474,267</b>	<b>42,774,489</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions (Note 10)	435,898	472,272
Deferred inflows of resources related to OPEB (Note 11)	778,659	1,557,320
<b>Total deferred inflows of resources</b>	<b>1,214,557</b>	<b>2,029,592</b>
<b>NET POSITION</b>		
Net investment in capital assets (Note 12)	78,242,850	70,607,900
Restricted (Note 13)	5,443,892	6,731,840
Unrestricted	2,300,113	3,251,197
<b>Total net position</b>	<b>85,986,855</b>	<b>80,590,937</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 125,675,679</b>	<b>\$ 125,395,018</b>

**OXNARD HARBOR DISTRICT***Statements of Revenues, Expenses and Changes in Net Position**For the Fiscal Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Auto cargo	\$ 8,239,180	\$ 9,876,137
Fresh produce cargo	4,828,808	3,953,248
Offshore oil	525,974	410,715
Property management:		
Land	1,232,396	1,107,768
Buildings	889,558	861,790
Other operating revenue:		
Liquid fertilizer	245,798	253,828
Reefer receptacles	831,572	959,652
Water hose rentals	231	-
Wharfage – fish and water	13,348	28,953
Other – moorings, permits and fees	1,126,717	960,402
<b>Total operating revenues</b>	<u>17,933,582</u>	<u>18,412,493</u>
<b>OPERATING EXPENSES</b>		
Salaries and benefits	6,246,630	5,462,643
Governmental contractual agreements	1,915,325	1,893,023
Security	419,783	519,623
Facilities and maintenance	1,575,256	1,448,525
Professional and legal services	1,165,125	1,299,932
Materials and services	451,367	241,689
Port promotion	630,323	649,839
Insurance	309,312	279,638
<b>Total operating expenses before depreciation</b>	<u>12,713,121</u>	<u>11,794,912</u>
<b>Operating income before depreciation</b>	5,220,461	6,617,581
Depreciation expense	<u>(4,552,974)</u>	<u>(4,007,757)</u>
<b>Operating income</b>	<u>667,487</u>	<u>2,609,824</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment earnings	275,719	347,288
Investment earnings – leveraged loan	100,220	100,220
Interest expense – long-term debt	(316,007)	(469,964)
Change in investment in Ventura County Railway Co., LLC, net (Note 6)	200,217	72,158
Gain from sale of asset and purchase credit	158,520	535,095
Harbor maintenance tax revenue	280,000	190,000
Other non-operating revenues	25,848	18,765
Other non-operating expenses	<u>(69,429)</u>	<u>(139,798)</u>
<b>Total non-operating revenue(expense), net</b>	<u>655,088</u>	<u>653,764</u>
<b>Net income before capital contributions</b>	<u>1,322,575</u>	<u>3,263,588</u>
<b>CAPITAL CONTRIBUTIONS</b>		
Federal capital grants	4,073,343	5,782,721
State capital grants	-	11,000
Local capital grants and capital contributions	-	258,881
<b>Total capital contributions</b>	<u>4,073,343</u>	<u>6,052,602</u>
<b>Change in net position</b>	5,395,918	9,316,190
<b>Net position:</b>		
Beginning of year, as originally stated	<u>80,590,937</u>	<u>71,274,747</u>
End of year	<u>\$ 85,986,855</u>	<u>\$ 80,590,937</u>

**OXNARD HARBOR DISTRICT***Statements of Cash Flows**For the Fiscal Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 20,485,382	\$ 17,709,455
Cash paid to employees for salaries and benefits	(6,018,875)	(5,424,915)
Cash paid to vendors and suppliers for materials and services	(8,299,513)	(5,128,315)
<b>Net cash provided by operating activities</b>	<u>6,166,994</u>	<u>7,156,225</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(9,693,622)	(12,653,003)
Proceeds from capital grants	3,872,406	5,851,665
Principal paid on revenue bonds	(2,470,000)	(2,350,000)
Interest paid on revenue bonds	(223,559)	(411,439)
<b>Net cash used in capital and related financing activities</b>	<u>(8,514,775)</u>	<u>(9,562,777)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from the maturity of investments	1,473,250	-
Investment earnings	404,743	469,406
<b>Net cash provided by investing activities</b>	<u>1,877,993</u>	<u>469,406</u>
<b>Net decrease in cash and cash equivalents</b>	(469,788)	(1,937,146)
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>21,234,916</u>	<u>23,172,062</u>
End of year	<u>\$ 20,765,128</u>	<u>\$ 21,234,916</u>
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>		
Cash and investments	\$ 15,164,889	\$ 16,165,886
Restricted assets – cash and cash equivalents	<u>5,600,239</u>	<u>5,069,030</u>
<b>Total cash and cash equivalents</b>	<u>\$ 20,765,128</u>	<u>\$ 21,234,916</u>

**OXNARD HARBOR DISTRICT***Statements of Cash Flows (continued)**For the Fiscal Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 667,487	\$ 2,609,824
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation	4,552,974	4,007,757
Gain from sale of asset and purchase credit	158,520	535,095
Harbor maintenance tax revenue	280,000	190,000
Other non-operating revenues	25,848	18,765
Other non-operating expenses	(69,429)	(139,798)
<b>Change in assets – (increase)decrease:</b>		
Accounts receivable – customers, net	2,306,056	(2,044,328)
Other receivables	(65,301)	(96,564)
Prepaid items	(77,009)	(28,264)
Shoreside Power/Arcturus Avenue leveraged loan	430,202	2,214,262
<b>Change in deferred outflows of resources – (increase)decrease</b>		
Deferred outflows of resources related to pensions	(18,296)	225,867
Deferred outflows of resources related to OPEB	487,689	(477,694)
<b>Change in liabilities – increase(decrease):</b>		
Accounts payable and accrued expenses	(1,623,316)	2,788,647
Accrued revenue sharing payables	(140,277)	(893,009)
Customer deposits and unearned revenue	(76,314)	86,753
Compensated absences	216,000	2,800
Unearned revenue – ground and equipment lease	(430,202)	(430,202)
Unearned revenue – Arcturus sale contract	-	(1,176,819)
Net OPEB liability	(121,270)	(1,873,272)
Net pension liability	478,667	(78,714)
<b>Change in deferred inflows of resources – increase(decrease)</b>		
Deferred inflows of resources related to pensions	(36,374)	157,799
Deferred inflows of resources related to OPEB	(778,661)	1,557,320
<b>Total adjustments</b>	<u>5,499,507</u>	<u>4,546,401</u>
<b>Net cash provided by operating activities</b>	<u>\$ 6,166,994</u>	<u>\$ 7,156,225</u>
<b>Non-cash investing, capital and financing transactions:</b>		
Change in fair-value of investments	\$ 5,809	\$ 28,606
Amortization of bond premium(discount), net	\$ 41,062	\$ 41,061
Amortization of deferred loss on refunding of revenue bonds	\$ (16,760)	\$ (16,760)

# **OXNARD HARBOR DISTRICT**

## *Notes to Financial Statements*

*June 30, 2020 and 2019*

---

### **NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of Organization**

The Oxnard Harbor District (District), a special district of the State of California, was created in 1937 under the State of California Harbors and Navigation Code, which provides for the formation of harbor districts. The District is under the control of an elected five-member Board of Harbor Commissioners and is administered by the CEO & Port Director. The District is empowered to acquire, construct, own, operate, control or develop any and all harbor works or facilities within or outside the established boundaries of the District. The commercial Port of Hueneme (Port) is owned and administered by the District. The District prepares and controls its own budget, administers and controls its fiscal activities, and is responsible for all Port construction and operations.

The District operates as principal landlord for the purpose of assigning or leasing Port facilities and land areas. The District's principal sources of revenue are from cargo activity under tariffs and contracts (dockage and wharfage) and rentals of land and facilities. Capital construction is financed through operations, grants and revenue bond debt proceeds. Daily operation of Port facilities and regular maintenance are performed by the District's regular work force. Major maintenance and new construction projects are awarded by bid to commercial contractors. As a non-operating port, cargo handling is the responsibility of commercial contractors as permitted by the Board of Harbor Commissioners.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

#### **B. Basis of Presentation, Basis of Accounting**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

##### 1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

##### 2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

*Level 2* – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

*Level 3* – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

##### 3. Receivables and Allowance for Doubtful Accounts

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts. Uncollectable accounts are based on prior experience and management's assessment of the collectability of existing accounts.

##### 4. Prepaids

Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**OXNARD HARBOR DISTRICT**

*Notes to Financial Statements*

*June 30, 2020 and 2019*

---

**NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)**

**5. Capital Assets**

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District’s policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District’s classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Wharves and docks	3-40 years
Land improvements	3-40 years
Buildings and buildings improvements	3-30 years
Equipment	3-10 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

**7. Compensated Absences**

The District's personnel policies provide for accumulation of vacation and sick leave (employee benefits). Liabilities for vacation leave are recorded when benefits are earned. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Partial cash payment for accrued sick leave is available upon retirement or termination if certain criteria are met.

**8. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans and addition to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.



# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

##### 9. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oxnard Harbor District Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

##### 10. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Use of Estimates

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

#### E. Grant Funding

Grants for operating assistance and capital acquisitions are included in their respective non-operating and capital contribution sections of the statement of revenues, expenses and changes in net position. Grant funds are claimed on a reimbursement basis and receivables for grant funds are recorded as the related obligations are incurred. Grant funds advanced but not yet earned are treated as unearned revenue until the respective obligations these grants were funded for are incurred.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

#### F. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by outside parties.

### NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

Description	June 30, 2020	June 30, 2019
Cash and investments	\$ 15,164,889	\$ 16,165,886
Restricted – cash and cash equivalents	5,600,239	5,069,030
Restricted – investments	1,031,008	2,512,520
Total	\$ 21,796,136	\$ 23,747,436

Cash and investments consisted of the following:

Description	June 30, 2020	June 30, 2019
Cash on hand	\$ 500	\$ 500
Deposits held with financial institutions	11,102,587	13,298,588
Investments	10,693,049	10,448,348
Total	\$ 21,796,136	\$ 23,747,436

#### Demand Deposits

At June 30, 2020 and 2019, the carrying amount of the District's demand deposits was \$11,102,587 and \$13,298,588, respectively, and the financial institution balance was \$12,054,453 and \$15,895,057 and, respectively. The \$951,866 and \$2,596,469 respective net difference as of June 30, 2020 and 2019 represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 2 – CASH AND INVESTMENTS (continued)

#### Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy requires that all security transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of the District's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and VCPIF).

As of June 30, 2020, \$11.1 million of District deposits was exposed to custodial credit risk.

#### Investments

The District's investments as of June 30, 2020 were as follows:

Type of Investments	Measurement Input	Credit Rating	June 30, 2020 Fair Value	Maturity	
				12 Months or Less	13 to 24 Months
<b>External investment pools:</b>					
California Local Agency Investment Fund (LAIF)	Level 2	N/A	\$ 2,615,595	\$ 2,615,595	\$ -
Ventura County Pooled Investment Fund (VCPIF)	Level 2	AAAf/S-1+	7,046,446	7,046,446	-
<b>Held by bond trustee:</b>					
Negotiable certificates of deposit	Level 2	N/A	1,031,008	1,031,008	-
<b>Total investments</b>			<u>\$ 10,693,049</u>	<u>\$ 10,693,049</u>	<u>\$ -</u>

The District's investments as of June 30, 2019 were as follows:

Type of Investments	Measurement Input	Credit Rating	June 30, 2019 Fair Value	Maturity	
				12 Months or Less	13 to 24 Months
<b>External investment pools:</b>					
California Local Agency Investment Fund (LAIF)	Level 2	N/A	\$ 2,547,321	\$ 2,547,321	\$ -
Ventura County Pooled Investment Fund (VCPIF)	Level 2	AAAf/S-1+	5,388,507	5,388,507	-
<b>Held by bond trustee:</b>					
Negotiable certificates of deposit	Level 2	N/A	2,512,520	1,780,694	731,826
<b>Total investments</b>			<u>\$ 10,448,348</u>	<u>\$ 9,716,522</u>	<u>\$ 731,826</u>

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 2 – CASH AND INVESTMENTS (continued)

#### Authorized Investments and Investment Policy

The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
State on local agency bonds	5-years	None	None
U.S. treasury obligations	5-years	None	None
Government sponsored agency securities	5-years	None	None
Banker's acceptances	270 days	40%	30%
Prime commercial paper	180 days	30%	10%
Negotiable certificates of deposit	5-years	30%	None
Medium-term notes	5-years	30%	None
Mortgage pass-through securities	5-years	20%	None
Mutual funds	5-years	20%	10%
Money market mutual funds	5-years	20%	20%
Collateralized bank deposits	None	None	None
County pooled investment funds	None	None	None
California Local Agency Investment Fund (LAIF)	None	None	None

#### Investment in California – Local Agency Investment Fund (LAIF)

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Further information about LAIF is available on the California State Controller's website: [www.treasurer.ca.gov/pmia-laif/](http://www.treasurer.ca.gov/pmia-laif/).

The District's investments with LAIF at June 30, 2020 and 2019, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

*Structured Notes:* debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities:* generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

The District had \$2,615,595 and \$2,547,321 invested in LAIF, which had invested 3.37% and 1.77% of the pooled investment funds as of June 30, 2020 and June 30, 2019, respectively, in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 1.00491 and 1.00171 was used to calculate the fair value of the investments in LAIF as of June 30, 2020 and 2019, respectively.

## **OXNARD HARBOR DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020 and 2019*

---

#### **NOTE 2 – CASH AND INVESTMENTS (continued)**

##### **Ventura County Pooled Investment Fund (VCPIF)**

The District is a voluntary participant in the VCPIF and the District determines the amount and term of its investment. The County Treasurer makes investments in accordance with a Statement of Investment Policy reviewed and approved annually by the Board of Supervisors. The Treasury Investment Oversight Committee comprised of the County Treasurer, a representative of the Board of Supervisors, the County Investment Manager, a representative of the County Superintendent of Schools and other Treasury Department support staff meets semi-annually to review the activities of the Treasurer and provide a report to the Board of Supervisors. Further information about the VCPIF is available on the Ventura County Treasurer-Tax Collector's website: [www.ventura.org/ttc/](http://www.ventura.org/ttc/)

The County's Treasurer has indicated to the District that as of June 30, 2020 and 2019 that the value of the County's portfolio was approximately \$2.8 billion and \$2.7 billion, respectively. As of June 30, 2020 and 2019, the District has investment in the VCPIF \$7,046,446 and \$5,388,507, respectively. The VCPIF fair value factor of 1.00405717 and 1.00572817 was used to calculate the fair value of the investments in VCPIF as of June 30, 2020 and 2019, respectively.

##### **Fair Value Measurement Input**

The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the previous table.

##### **Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2020 and 2019, the District's investment in the LAIF was not rated as noted in the previous table, and the District's investment in the VCPIF was rated AAf/S-1+.

##### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the previous table.

##### **Concentration of Credit Risk**

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in LAIF, VCPIF or negotiable certificates-of-deposit.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 3 – ACCOUNTS RECEIVABLE

The balance at June 30, consists of the following;

Description	June 30, 2020	June 30, 2019
Accounts receivable - customers	\$ 2,773,002	\$ 5,079,058
Allowance for uncollectible accounts	(25,000)	(25,000)
Accounts receivable – customers, net	\$ 2,748,002	\$ 5,054,058

### NOTE 4 – UNEARNED REVENUES

#### A. Shoreside Power/Arcturus Avenue Leveraged Loan

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities. The District, in partnership with Wells Fargo Bank (Bank), has entered into various agreements that provide for the completion of the Shoreside Power Project, the major improvements to the District’s Arcturus Avenue staging area and the partnership with Food Share, Inc., a local nonprofit, to build and operate a mobile food pantry to combat food desert conditions found in Ventura County.

As part of the NMTC Program transaction, a new independent entity, Port Renovation, Inc. (PRI) was formed to participate under the Federal NMTC guidelines, and to contract with the District to complete the Shoreside power and, Arcturus projects. PRI has also contracted with Food Share, Inc. to implement a mobile pantry project that will address food desert conditions in the Port’s service area.

Also, pursuant to NMTC Program requirements, several financial intermediaries controlled by the Bank have been established to finance this project, which cost approximately \$20 million. As required under the agreements with these entities, the District has loaned the Port of Hueneme Investment Fund, LLC. \$10,021,950 and \$5,713,939 in construction costs as well as invested \$183,868 in cash to the project, and the Clearinghouse NMTC has loaned PRI funds to pay for the remaining project costs. In addition, the District and PRI have signed lease agreements under which the District will lease-back the Shoreside Power equipment and Arcturus Avenue properties from PRI for the District’s operations related to those two assets.

The leveraged loan bears simple interest of 1.00% and is receivable in semi-annual interest-only payments from December 30, 2013 through December 30, 2023; thereafter principal and interest payments are due until December 30, 2033. As of June 30, 2020, the balance was \$7,196,641. The District has recorded an off-set to this leveraged loan as unearned revenue on the ground and equipment lease of \$7,196,641.

#### B. Arcturus Sale Contract

The District owns property located on Arcturus Avenue in the City of Oxnard, which is leased to BMW of North America. The District has agreed to a purchase option to sell the property for a total purchase price of \$6,513,661. The District has received the first two payments, totaling \$3,840,836 as of June 30, 2018. In 2019, \$893,009 of the sale was recognized as revenue of which \$535,095 was recognized as a gain on the sale of the property on the statement of revenues, expenses and changes in net position.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 5 – WORLD TRADE CENTER LICENSE

The District purchased the local World Trade Center License (License) for \$51,000 and re-established the World Trade Center of Port Hueneme. The World Trade Center Association (WTCA) provides licensing and membership for World Trade Centers around the world. The WTCA is a not-for-profit, non-political association dedicated to the establishment and effective operation of World Trade Centers as instruments for trade expansion. The WTCA represents approximately 325 members in 100 countries. Each member is involved in the development or operation of World Trade Centers or in providing related services. These World Trade Centers service more than 750,000 international trading clients. WTCA members develop and maintain facilities to house the practitioners of trade and the services they need to conduct business, creating a central focal point for a region's trade services and activities, or a "one-stop shopping center" for international business. Therefore, the District has determined that its license has an indefinite life as long as international trade continues at the District.

### NOTE 6 – INVESTMENT IN VENTURA COUNTY RAILWAY COMPANY, LLC

The Ventura County Railway Company, LLC, (Railway) owns railway lines used to transport goods from the harbor area to the main line railway. In November 2003, the District acquired all 100% of the outstanding shares (memberships) of the Railway for a \$2,000,000 investment and became the sole member of the Railway. Per GASB Statement No. 61, Paragraph 10, if a government owns a majority of the equity interest in a legally separate organization for the purpose of obtaining income or profit rather than to directly enhance its ability to provide governmental services, it should report its equity interest as an investment, regardless of the extent of its ownership.

The District's total investment in the Railway amounted to \$4,074,009 and \$3,873,792 as of June 30, 2020 and 2019, respectively. Audited financial information for the Ventura County Railway Company, LLC for the years ended June 30, 2020 and 2019 were as follows:

<u>Balance Sheet</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets:		
Current assets	\$ 1,560,091	\$ 1,323,063
Property and equipment, net	2,538,948	2,566,132
<b>Total assets</b>	<u>\$ 4,099,039</u>	<u>\$ 3,889,195</u>
Liabilities	\$ 25,030	\$ 15,403
Equity	4,074,009	3,873,792
<b>Total liabilities and equity</b>	<u>\$ 4,099,039</u>	<u>\$ 3,889,195</u>
<u>Income Statement</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenues	\$ 326,307	\$ 318,640
Expenses	(126,090)	(246,482)
<b>Net income</b>	200,217	72,158
Equity:		
<b>Beginning of year</b>	3,873,792	3,801,634
<b>End of year</b>	<u>\$ 4,074,009</u>	<u>\$ 3,873,792</u>

**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 7 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2020, were as follows:

Description	Balance July 1, 2019	Additions	Deletions/ Transfers	Balance June 30, 2020
<b>Non-depreciable assets:</b>				
Land	\$ 15,332,137	\$ -	\$ -	\$ 15,332,137
Construction-in-process	14,129,543	10,024,287	(3,956,821)	20,197,009
<b>Total non-depreciable assets</b>	<b>29,461,680</b>	<b>10,024,287</b>	<b>(3,956,821)</b>	<b>35,529,146</b>
<b>Depreciable assets:</b>				
Wharves and docks	21,473,636	75,123	-	21,548,759
Warehouses	24,921,953	-	-	24,921,953
Land improvements	31,434,576	2,665,269	-	34,099,845
Buildings	4,644,648	-	-	4,644,648
Buildings and improvements	3,775,661	56,268	-	3,831,929
Vehicles and equipment	18,411,119	829,496	-	19,240,615
<b>Total depreciable assets</b>	<b>104,661,593</b>	<b>3,626,156</b>	<b>-</b>	<b>108,287,749</b>
<b>Accumulated depreciation:</b>				
Wharves and docks	(16,891,017)	(620,072)	-	(17,511,089)
Warehouses	(18,135,654)	(839,784)	-	(18,975,438)
Land improvements	(10,878,337)	(1,241,449)	-	(12,119,786)
Buildings	(2,087,290)	(158,870)	-	(2,246,160)
Buildings and improvements	(1,462,297)	(233,936)	-	(1,696,233)
Vehicles and equipment	(3,584,210)	(1,458,863)	-	(5,043,073)
<b>Total accumulated depreciation</b>	<b>(53,038,805)</b>	<b>(4,552,974)</b>	<b>-</b>	<b>(57,591,779)</b>
<b>Total depreciable assets, net</b>	<b>51,622,788</b>	<b>(926,818)</b>	<b>-</b>	<b>50,695,970</b>
<b>Total capital assets, net</b>	<b>\$ 81,084,468</b>	<b>\$ 9,097,469</b>	<b>\$ (3,956,821)</b>	<b>\$ 86,225,116</b>



**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (continued)**

Changes in capital assets for the fiscal year ended June 30, 2019, were as follows:

Description	Balance July 1, 2018	Additions	Deletions/ Transfers	Balance June 30, 2019
<b>Non-depreciable assets:</b>				
Land	\$ 15,332,137	\$ -	\$ -	\$ 15,332,137
Construction-in-process	6,935,792	12,653,003	(5,459,252)	14,129,543
<b>Total non-depreciable assets</b>	<b>22,267,929</b>	<b>12,653,003</b>	<b>(5,459,252)</b>	<b>29,461,680</b>
<b>Depreciable assets:</b>				
Wharves and docks	27,327,924	6,754	(5,861,042)	21,473,636
Warehouses	25,754,369	-	(832,416)	24,921,953
Land improvements	29,401,504	4,684,666	(2,651,594)	31,434,576
Fuel tanks	1,055,322	-	(1,055,322)	-
Buildings	5,199,897	-	(555,249)	4,644,648
Buildings and improvements	4,348,015	196,582	(768,936)	3,775,661
Vehicles and equipment	20,463,640	571,250	(2,623,771)	18,411,119
<b>Total depreciable assets</b>	<b>113,550,671</b>	<b>5,459,252</b>	<b>(14,348,330)</b>	<b>104,661,593</b>
<b>Accumulated depreciation:</b>				
Wharves and docks	(22,067,641)	(684,418)	5,861,042	(16,891,017)
Warehouses	(18,128,284)	(839,786)	832,416	(18,135,654)
Land improvements	(12,542,274)	(987,657)	2,651,594	(10,878,337)
Fuel tanks	(1,002,888)	(52,434)	1,055,322	-
Buildings	(2,477,670)	(164,869)	555,249	(2,087,290)
Buildings and improvements	(1,862,543)	(368,690)	768,936	(1,462,297)
Vehicles and equipment	(5,298,078)	(909,903)	2,623,771	(3,584,210)
<b>Total accumulated depreciation</b>	<b>(63,379,378)</b>	<b>(4,007,757)</b>	<b>14,348,330</b>	<b>(53,038,805)</b>
<b>Total depreciable assets, net</b>	<b>50,171,293</b>	<b>1,451,495</b>	<b>-</b>	<b>51,622,788</b>
<b>Total capital assets, net</b>	<b>\$ 72,439,222</b>	<b>\$ 14,104,498</b>	<b>\$ (5,459,252)</b>	<b>\$ 81,084,468</b>

**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 8 - COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended June 30, 2020, were as follows:

<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
\$ 592,600	\$ 317,063	\$ (101,063)	\$ 808,600	\$ 196,000	\$ 612,600

Summary changes to compensated absences balances for the year ended June 30, 2019, were as follows:

<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>	<b>Due Within One Year</b>	<b>Due in More Than One Year</b>
\$ 589,800	\$ 370,902	\$ (368,102)	\$ 592,600	\$ 148,200	\$ 444,400

**NOTE 9 - LONG-TERM DEBT**

Changes in long-term debt for the year ended June 30, 2020, were as follows:

<b>Long-Term Debt</b>	<b>Balance July 1, 2019</b>	<b>Additions/ Adjustments</b>	<b>Payments/ Amortization</b>	<b>Balance June 30, 2020</b>
Revenue bonds - Series 2011A	\$ 3,755,000	\$ -	\$ (2,390,000)	\$ 1,365,000
Revenue bonds - Series 2011A - premium	56,054	-	(51,742)	4,312
Revenue bonds - Series 2011B	6,805,000	-	(80,000)	6,725,000
Revenue bonds - Series 2011B - discount	(54,290)	-	10,680	(43,610)
<b>Total long-term debt</b>	10,561,764	\$ -	\$ (2,511,062)	8,050,702
<b>Less current portion</b>	(2,470,000)			(1,445,000)
<b>Non-current portion</b>	\$ 8,091,764			\$ 6,605,702

Changes in long-term debt for the year ended June 30, 2019, were as follows:

<b>Long-Term Debt</b>	<b>Balance July 1, 2018</b>	<b>Additions/ Adjustments</b>	<b>Payments/ Amortization</b>	<b>Balance June 30, 2019</b>
Revenue bonds - Series 2011A	\$ 6,030,000	\$ -	\$ (2,275,000)	\$ 3,755,000
Revenue bonds - Series 2011A - premium	107,795	-	(51,741)	56,054
Revenue bonds - Series 2011B	6,880,000	-	(75,000)	6,805,000
Revenue bonds - Series 2011B - discount	(64,970)	-	10,680	(54,290)
<b>Total long-term debt</b>	12,952,825	\$ -	\$ (2,391,061)	10,561,764
<b>Less current portion</b>	(2,350,000)			(2,470,000)
<b>Non-current portion</b>	\$ 10,602,825			\$ 8,091,764

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 9 – LONG-TERM DEBT (continued)

#### Revenue Bonds

All of the District's revenue bond issues are secured by a lien on and pledge of net revenues of the District and contain certain covenants. One of the covenants requires the District to maintain a minimum debt service coverage ratio of 125%. The debt service coverage ratio is the ratio of net revenues (as defined in the bond trust agreement) to debt service payments. Net revenues as defined in the agreement were calculated as \$6,191,556 and \$7,741,309 for the years ended June 30, 2020 and 2019, respectively. The actual debt service coverage ratio was 222% and 275% for the years ended June 30, 2020 and 2019, respectively.

#### Revenue Bonds – Refunding Series 2011A and 2011B

In 2011, the District issued \$24,690,000 in 10-year and 14-year Revenue Bonds, respectively, \$17,470,000 Series 20011A (AMT) and \$7,220,000 Series 2013B (Non-AMT). The proceeds were used to refund the District's total outstanding debt of \$25,545,000. As a result, the District's total Revenue Bond debt of \$25,545,000 from prior issuances is considered defeased and the liability for those obligations has been removed from the District's financial statements. The District completed the advance refunding to reduce the District's total debt service payments over the next ten to twelve years by a present-value amount of approximately \$1.8 million and to obtain an economic gain of approximately \$2.3 million. Also, the refunding issuance resulted in a deferred loss of \$209,500 that will be amortized over the remaining life of the debt service.

#### Deferred Amount on Refunding of Revenue Bonds

Changes in deferred amount on refunding of revenue bonds, net for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Amortization	Balance June 30, 2020
Deferred amount on refunding, net	\$ 85,196	\$ -	\$ (16,760)	\$ 68,436

Changes in deferred amount on refunding of revenue bonds, net for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Amortization	Balance June 30, 2019
Deferred amount on refunding, net	\$ 101,956	\$ -	\$ (16,760)	\$ 85,196

#### Series 2011A (AMT)

The bonds are scheduled to mature in fiscal year 2021. An interest rate premium in the amount of \$439,802 was calculated on the issuance of the refunding revenue bonds and will be amortized over the life of the debt. Interest is payable semi-annually on August 1 and February 1 each year at rates ranging from 3.00% to 5.00% while principal installments ranging from \$1,590,000 to \$2,390,000 are payable August, 2013 through August, 2020 as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 1,365,000	\$ 34,125	\$ 1,399,125

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 9 – LONG-TERM DEBT (continued)

#### Series 2011B (Non-AMT)

The bonds are scheduled to mature in fiscal year 2025. An interest rate discount in the amount of \$133,500 was calculated on the issuance of the refunding revenue bonds and will be amortized over the life of the debt. Interest was payable semi-annually on August 1 and February 1 at rates ranging from 4.00% to 5.00% while principal installments ranging from \$10,000 to \$1,765,000 would be payable August 2013 through August 2024 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 80,000	\$ 301,235	\$ 381,235
2022	1,555,000	558,575	2,113,575
2023	1,625,000	245,137	1,870,137
2024	1,700,000	154,238	1,854,238
2025	1,765,000	39,713	1,804,713
Total	<u>\$ 6,725,000</u>	<u>\$ 1,298,898</u>	<u>\$ 8,023,898</u>

### NOTE 10 – PENSION PLAN

#### Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Pension related deferred outflows	\$ 1,437,246	\$ 1,418,950
Net pension liability	5,836,299	5,357,632
Pension related deferred inflows	435,898	472,272

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

**OXNARD HARBOR DISTRICT**

*Notes to Financial Statements*

*June 30, 2020 and 2019*

**NOTE 10 – PENSION PLAN (continued)**

**A. General Information about the Pension Plan**

**The Plan**

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

The Plans

	<b>Miscellaneous Plans</b>	
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0 @ 62
Benefit vesting schedule	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.0%
Required member contribution rates	8.00%	6.250%
Required employer contribution rates – FY 2019	10.022%	6.842%
Required employer contribution rates – FY 2018	9.539%	6.533%

**Plan Description, Benefits Provided, and Employees Covered**

The District contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2019 and 2018 Annual Actuarial Valuation Reports. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

At June 30, 2019, the following members were covered by the benefit terms:

<b>Plan Members</b>	<b>Miscellaneous Plans</b>		<b>Total</b>
	<b>Classic Tier 1</b>	<b>PEPRA Tier 2</b>	
Active members	13	21	34
Transferred and terminated members	4	6	10
Retired members and beneficiaries	33	-	33
<b>Total plan members</b>	<b>50</b>	<b>27</b>	<b>77</b>

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 10 – PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

##### Plan Description, Benefits Provided, and Employees Covered (continued)

At June 30, 2018, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	14	16	30
Transferred and terminated members	5	5	10
Retired members and beneficiaries	32	-	32
<b>Total plan members</b>	<b>51</b>	<b>21</b>	<b>72</b>

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A Classic CalPERS Miscellaneous member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. Public Employees' Pension Reform Act (PEPRA) Miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay. Retirement benefits for Classic Miscellaneous and Safety members are calculated as a percentage of their plan based on the average final 36 months of compensation. Retirement benefits for PEPRA Miscellaneous members are calculated as a percentage of their plan based on the average final 36 months of compensation.

Participant members are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

A member's beneficiary may receive the basic death benefit if the member dies while actively employed. The member must be actively employed with the District to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the members' accumulated contributions, where interest is currently credited at 7.15% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 10 – PENSION PLAN (continued)

#### A. General Information about the Pension Plan (continued)

##### Contribution Description

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers will be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The public agency cost-sharing plans covered by the Miscellaneous risk pool, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of members. For the measurement period ending June 30, 2018 and 2016 (Measurement Dates), the active member contribution rate for the Classic Miscellaneous Plan and the PEPRA Miscellaneous Plan are based above in the Plans Description schedule.

Contributions for the year ended June 30, 2020, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 535,036	\$ 121,758	\$ 656,794
Contributions – members	127,434	115,059	242,493
<b>Total contributions</b>	<b>\$ 662,470</b>	<b>\$ 236,817</b>	<b>\$ 899,287</b>

Contributions for the year ended June 30, 2019, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 440,783	\$ 97,981	\$ 538,764
Contributions – members	121,319	87,814	209,133
<b>Total contributions</b>	<b>\$ 562,102</b>	<b>\$ 185,795</b>	<b>\$ 747,897</b>

##### Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the District’s proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal years ended June 30, 2020 and 2019:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
<b>CalPERS – Miscellaneous Plan:</b>			
Balance as of June 30, 2018 (Measurement Date)	\$ 21,107,185	\$ 15,749,553	\$ 5,357,632
Balance as of June 30, 2019 (Measurement Date)	\$ 21,922,725	\$ 16,086,426	\$ 5,836,299
<b>Change in Plan Net Pension Liability</b>	<b>\$ 815,540</b>	<b>\$ 336,873</b>	<b>\$ 478,667</b>

## OXNARD HARBOR DISTRICT

### Notes to Financial Statements

June 30, 2020 and 2019

---

#### NOTE 10 – PENSION PLAN (continued)

##### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

###### *Proportionate Share of Net Pension Liability and Pension Expense (continued)*

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2015 and 2014). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018 and 2017). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 and 2016 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2018 fiscal year and the 2017 fiscal year).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$5,836,299.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.



**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)*****Proportionate Share of Net Pension Liability and Pension Expense (continued)***

The District's proportionate share percentage of the net pension liability for the June 30, 2019, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2020</u>	<u>Fiscal Year Ending June 30, 2019</u>	
Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2018</u>	
Percentage of Risk Pool Net Pension Liability	0.145743%	0.142160%	0.003583%
Percentage of Plan (PERF C) Net Pension Liability	0.056956%	0.055600%	0.001356%

The District's proportionate share percentage of the net pension liability for the June 30, 2018, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2019</u>	<u>Fiscal Year Ending June 30, 2018</u>	
Measurement Date	<u>June 30, 2018</u>	<u>June 30, 2017</u>	
Percentage of Risk Pool Net Pension Liability	0.142160%	0.137910%	0.004250%
Percentage of Plan (PERF C) Net Pension Liability	0.055600%	0.054820%	0.000780%

For the years ended June 30, 2020 and 2019, the District recognized pension expense/(credit) in the amounts of \$1,125,791 and \$522,153, respectively, for the CalPERS Miscellaneous Plan.

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 656,794	\$ -
Difference between actual and proportionate share of employer contributions	-	(197,394)
Adjustment due to differences in proportions	96,795	(6,405)
Differences between expected and actual experience	405,356	(31,407)
Differences between projected and actual earnings on pension plan investments	-	(102,037)
Changes in assumptions	278,301	(98,655)
<b>Total Deferred Outflows/(Inflows) of Resources</b>	<u>\$ 1,437,246</u>	<u>\$ (435,898)</u>

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 10 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### *Proportionate Share of Net Pension Liability and Pension Expense (continued)*

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Amortization Period Fiscal Year Ended June 30</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2021	\$ 361,437
2022	(83,549)
2023	46,048
2024	20,618
2025	-
Thereafter	-
Total	<u>\$ 344,554</u>

##### *Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018, total pension liability. The June 30, 2019, total pension liability and the June 30, 2018, total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the years 1997 to 2011.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 10 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### **Discount Rate**

The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the CalPERS Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability for PERF C.

The crossover test results can be found on CalPERS' website at <https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class.

<b>Investment Type</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1 - 10<sup>1</sup></b>	<b>Real Return Years 11+<sup>2</sup></b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

<sup>1</sup> An expected inflation of 2.5% is used for years 1-10.

<sup>2</sup> An expected inflation of 3.0% is used for years 11+.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

### NOTE 10 – PENSION PLAN (continued)

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

##### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan Type	Net Pension Liability at June 30, 2020		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	\$ 8,784,973	\$ 5,836,299	\$ 3,402,378

Plan Type	Net Pension Liability at June 30, 2019		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	\$ 8,212,826	\$ 5,357,632	\$ 3,000,717

##### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

#### C. Payable to the Pension Plans

At June 30, 2020, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2020.

### NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

#### Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2020	2019
OPEB related deferred outflows	\$ 490,005	\$ 977,694
Net other post-employment benefits obligation	6,252,062	6,373,332
OPEB related deferred inflows	778,659	1,557,320

#### A. General Information about the OPEB Plan

##### **Plan description**

The District provides other post-retirement health care, vision care, dental care and life insurance benefits, in accordance with the Board of Harbor Commissioners employee benefit resolutions, to all employees who retire from the District and meet the age and years of service requirements as specified in such resolutions. Retired Harbor Commissioners are subject to additional eligibility requirements as specified in Government Code Section 53201.

**OXNARD HARBOR DISTRICT**

*Notes to Financial Statements*

*June 30, 2020 and 2019*

---

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**A. General Information about the OPEB Plan (continued)**

**Plan description (continued)**

The District administers its post-employment benefits plan, a single-employer defined benefit plan. The following requirements must be satisfied in order to be eligible for lifetime post-employment medical benefits: (1) Attainment of age 50, and 5 years of full-time service, and (2) Retirement from CalPERS and from the District (the District must be the last employer prior to retirement). Former Harbor Commissioners must have served at least three 4-year terms (12 years) to qualify for medical benefits.

Lifetime dental and vision benefits are provided upon retirement (1) after age 55 with at least 10 years of service, or (2) upon retirement with 30 years of service after age 50 or (3) upon retirement with 10 years of service after age 62. Retiree life insurance benefits are provided upon retirement after either (1) age 50 with 30 years of service, (2) age 55 with 15 years of service, (3) age of 62 with 10 years of service. Former Harbor Commissioners must have served at least three 4-year terms (12 years) to qualify for lifetime dental, vision and life insurance benefits.

**Benefits provided**

The District offers lifetime post-employment medical to employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Eligible retirees may enroll in any plan available through the CalPERS medical program. Each year the District establishes a maximum monthly premium that the District will pay for medical benefits; the maximum monthly premium that the District will pay for fiscal year 2020 and 2019 was \$1,350 and 1,350, respectively.

The Board of Harbor Commissioners of the District approved Resolution No. 1116 modified July 1, 2013 establishing the employment benefits for all employees except as otherwise provided for by the SEIU Local 721 MOU. The Retirement Program – Section 2.A.1 states that the District shall provide medical or alternative medical insurance benefits for retired employees up to the maximum monthly contribution set for the year the employee retires. CalPERS medical or alternative medical insurance benefits for retired employees shall be subject to each retired employee’s specific length of service with the District. Each retired employee’s length of service with the District (excluding any other CalPERS creditable service prior to joining the District) shall determine the type of benefit for which a retired employee is eligible. There is a different percentage of District contributions for retirement medical benefits for employees hired prior to July 1, 2008, and employees hired after July 1, 2008 as follows:

<b>District Years of Service</b>	<b>Hired Prior to July 1, 2008 % of Maximum Benefit</b>	<b>Hired After July 1, 2008 % of Maximum Benefit</b>
5 years	50%	0%
6 years	60%	0%
7 years	70%	0%
8 years	80%	0%
9 years	90%	0%
10 or more	100%	50%
15 or more	100%	100%

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

#### A. General Information about the OPEB Plan (continued)

##### Benefits provided (continued)

A Memorandum of Understanding (MOU) was entered into between the District and the Service Employees International Union Local 721 (SEIU Local 721) for the period of July 1, 2013 - June 30, 2018. SEIU Local 721 representing the job classifications of the District's Clerical Unit, Harbormaster Unit, and the Maintenance Unit. The Retirement Program - Article 1.29 states that during the term of the MOU the District shall provide the following retirement medical benefits up to the maximum monthly contribution: Medical insurance shall be subject to each retired bargaining unit employee's specific length of service with the District. Each bargaining unit employee's length of service with the District (excluding any other PERS creditable service prior to joining the District) shall determine the type of benefit for which each retired bargaining unit employee is eligible. There is a different percentage of District contributions for retirement medical benefits for employees hired prior to July 1, 2013, and employees hired after July 1, 2013 as follows:

District Years of Service	% of Maximum Benefit
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 or more	100%

##### Employees covered by benefit terms

At June 30, 2019, the following employees were covered by the benefit terms:

	2019	2018
Inactive plan members or beneficiaries currently receiving benefit payments	32	31
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	36	31
Total	<u>68</u>	<u>62</u>

##### Contributions

The District will pay 100% of the cost of the post-employment benefit plan for employees hired before December 31, 2012. For employees hired after December 31, 2012, the employee will pay 100% of employee portion of contribution to the CalPERS retirement plan. The District funds the plan on a pay-as-you-go basis and maintains reserves with the Classified Employees Retiree Benefits Trust (CERBT) administered by CalPERS. The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

#### B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

#### Actuarial assumptions

The total OPEB liability in the June 30, 2019 and 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019 and June 30, 2018
Experience Study	N/A
Inflation	2.75%
Salary increases	2.75%
Investment rate of return	7.00%
Healthcare cost trend rates	4.0 percent

The mortality assumptions are based on the 2014 CalPERS Active and Retiree Mortality for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

The retirement assumptions are based on the 2009 CalPERS 2.0%@60 Rates for Miscellaneous Employees table and the 2009 CalPERS 2.5%@55 Rates for Miscellaneous Employees created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

The turnover assumptions are based on the 2009 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

#### Discount Rate

The discount rate used to measure the total OPEB liability was 4.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. The discount rate used historic 27-year real rates of return for each asset class along with an assumed long-term inflation assumption to set the discount rate. The expected investment return was offset by investment expenses of 25 basis points. The Bond Buyer 20 Bond Index was used.

**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****B. Net OPEB Liability (continued)****Discount Rate (continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Assumed Gross Return</u>
Global Equities	59.0%	5.500%
Global Debt Securities	25.0%	2.350%
Inflation Protected Securities	5.0%	1.500%
REITs	8.0%	3.650%
Commodities	3.0%	1.750%

Rolling periods of time for all asset classes were used in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Geometric means were used.

**C. Changes in the Net OPEB Liability**

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balance at July 1, 2019</b>	\$ 7,408,254	\$ 1,034,922	\$ 6,373,332
<b>Changes for the year:</b>			
Service cost	237,323	-	237,323
Interest	524,313	-	524,313
Changes in assumptions	-	-	-
Changes in experience	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	810,791	(810,791)
Actual investment income	-	72,342	(72,342)
Administrative expense	-	(227)	227
Benefit payments	(310,791)	(310,791)	-
Net changes	450,845	572,115	(121,270)
<b>Balance at June 30, 2020</b>	<u>\$ 7,859,099</u>	<u>\$ 1,607,037</u>	<u>\$ 6,252,062</u>



**OXNARD HARBOR DISTRICT***Notes to Financial Statements**June 30, 2020 and 2019***NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)****C. Changes in the Net OPEB Liability (continued)****Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	<u>1% Decrease</u> <u>6.0%</u>	<u>Discount Rate</u> <u>7.0%</u>	<u>1% Increase</u> <u>8.0%</u>
District Plan	<u>\$ 7,160,458</u>	<u>\$ 6,252,062</u>	<u>\$ 5,495,236</u>

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u> <u>3.0%</u>	<u>Healthcare Cost</u> <u>Trend Rates</u> <u>4.0%</u>	<u>1% Increase</u> <u>5.0%</u>
District Plan	<u>\$ 5,411,766</u>	<u>\$ 6,252,062</u>	<u>\$ 7,273,155</u>

**OPEB plan fiduciary net position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Classified Employees Retirement Benefits Trust (CERBT) financial report.

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the District recognized OPEB expense(credit) of (\$100,471). At June 30, 2020, the District reported deferred outflows of resources related to OPEB for plan contributions subsequent to the measurement date of \$467,695. The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date of the net OPEB liability will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Amortization of the deferred outflows/(inflows) is as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2021	\$ (772,395)
2022	6,264
2023	6,263
2024	<u>3,519</u>
Total	<u>\$ (756,349)</u>

## OXNARD HARBOR DISTRICT

### Notes to Financial Statements

June 30, 2020 and 2019

---

#### NOTE 12 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of June 30:

<u>Description</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Net investment in capital assets:</b>		
Capital assets – not being depreciated	\$ 35,529,146	\$ 29,461,680
Capital assets, net – being depreciated	50,695,970	51,622,788
Deferred loss on refunding of revenue bonds, net	68,436	85,196
Revenue bonds payable – current	(1,445,000)	(2,470,000)
Revenue bonds payable, net – non-current	<u>(6,605,702)</u>	<u>(8,091,764)</u>
<b>Total net investment in capital assets</b>	<b><u>\$ 78,242,850</u></b>	<b><u>\$ 70,607,900</u></b>

#### NOTE 13 – RESTRICTED NET POSITION

Restricted net position consisted of the following as of June 30:

<u>Description</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Restricted – cash and cash equivalents	\$ 5,600,239	\$ 5,069,030
Restricted – investments	<u>1,031,008</u>	<u>2,512,520</u>
<b>Total restricted – cash and investments</b>	<b><u>6,631,247</u></b>	<b><u>7,581,550</u></b>
Accrued revenue sharing payables	(1,032,670)	(602,577)
Accrued interest payable	<u>(154,685)</u>	<u>(247,133)</u>
<b>Total restricted net position for debt service</b>	<b><u>\$ 5,443,892</u></b>	<b><u>\$ 6,731,840</u></b>

#### NOTE 14 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

## **OXNARD HARBOR DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020 and 2019*

---

#### **NOTE 15 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; and terrorism. The District has purchased various commercial and marine insurance policies to manage the potential liabilities that may occur from the previously named sources. At June 30, 2020, the District held the following commercial and marine insurance policies:

Property loss is paid at the replacement cost for scheduled property to a combined total of \$200 million per occurrence (with certain sub-limits), subject to a \$100,000 deductible per occurrence, except for \$10,000 per occurrence for contractor's equipment. Flood coverage is provided at a limit of \$5,000,000 subject to a \$100,000 deductible per occurrence, with a \$500,000 deductible applying in special flood hazard areas.

- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$50,000 deductible.
- Marine general liability coverage up to \$1,000,000, per occurrence, and \$3,000,000, general aggregate, for any one policy period subject to a \$10,000 deductible.
- Liability coverage on District vehicles up to \$1,000,000, with physical damage deductibles of \$500/\$500 as elected; the same deductibles apply to hired automobiles.
- Protection and indemnity including collision and tower's liability for \$1,000,000 subject to a \$5,000 deductible. Hull and machinery for scheduled vessels subject to a \$2,500 deductible.
- Public officials' liability coverage up to \$10 million, each occurrence and in the aggregate, with a \$100,000 retention each claim.
- Excess liability coverage up to \$150 million per occurrence including terrorism.
- Terrorism property coverage up to \$600 million per occurrence and in aggregate subject to a \$100,000 deductible.
- Workers' compensation insurance up to California statutory limits for all work-related injuries/illnesses covered by California law.

All coverage and limits are subject to the terms, conditions and exclusions provided in each insurance policy.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2020, 2019 and 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2020, 2019 and 2018.

#### **NOTE 16 – RELATED PARTY TRANSACTION**

The District, which is governed by a five-member Board of Harbor Commissioners elected at large from within the geographical boundaries of the District, derives its principal source of revenues from cargo activity under tariffs and contracts with Port customers. Two of the five current members of the Board of Harbor Commissioners are frequently employed by various stevedoring companies, which in turn contract with various customers of the District for labor services at the Port. For the fiscal years ended June 30, 2020 and 2019, the amount of District revenues derived from these various customers and stevedoring companies was approximately \$14,925,093 and \$15,129,506 respectively.

# OXNARD HARBOR DISTRICT

## Notes to Financial Statements

June 30, 2020 and 2019

---

### NOTE 17 – COMMITMENTS AND CONTINGENCIES

The District leases a portion of its land and facilities to others. The majority of these leases provide for cancellation on thirty-day notice by either party and for retention of ownership by the District. These lease agreements generally are subject to periodic inflationary escalation of base amounts due to the District and adjustments for increases in terminal space. As of June 30, 2020, minimum lease rental payments receivable under operating leases that have initial or remaining non-cancelable lease terms in excess of one-year are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 1,391,581
2022	1,354,239
2023	1,270,574
2024	<u>1,308,691</u>
<b>Total</b>	<b><u>\$ 5,325,085</u></b>

#### Long-Term Revenue Sharing Contracts with Customers

The District has contractual agreements with major customers which offer annual revenue sharing incentives based upon cargo activity. Some of these customers guarantee the District minimum revenue as defined.

#### Contracts with the City of Port Hueneme

Pursuant to an agreement dated October 20, 1983, the District compensates the City of Port Hueneme (City) for certain services provided by the City to the District. Compensation is based on 3.33% of the District's gross operating revenues. Amounts allocated to the City for the fiscal years ended June 30, 2020 and 2019 totaled \$603,933 and \$559,725, respectively.

Pursuant to an agreement dated March 18, 1987, the District compensates the City to mitigate the environmental impacts of the District's Wharf 2 project. Compensation is based on 1.67% of the District's gross operating revenues. Amounts allocated to the City for the fiscal years ended June 30, 2020 and 2019 totaled \$307,488 and \$287,712, respectively.

Additionally, the District compensates the City a cost per unit of \$3.25 for the first 50,000 automobiles and an additional \$0.86 for each automobile over 50,000 less a credit-back to the District of \$0.25 for every dollar paid to the City for each automobile conveyed on the City's streets during the fiscal year. Amounts allocated to the City for the fiscal years ended June 30, 2020 and 2019 totaled \$422,419 and \$504,968.

Pursuant to the Memorandum of Understanding (MOU) between the City, Port Hueneme Surplus Property Authority, and the District dated December 21, 1995, for the acquisition and use of the Naval Civil Engineering Laboratory (NCEL) property. Compensation is based on the District's gross operating revenues. Amounts allocated to the City for the fiscal years ended June 30, 2020 and 2019 totaled \$460,308 and \$430,716, respectively.

Pursuant to an agreement dated October 5, 2015, the District will pay Community Benefit Fund if the District's Gross Operating Revenue exceeds certain threshold amount. The Community Benefit Fund is a separate and distinct fund which may only be spent on approved projects that benefit both the District and City, and the communities they serve. The total amount allocated to the Community Benefit Fund for the fiscal years ended June 30, 2020 and 2019 totaled \$111,177 and \$107,902, respectively.

## **OXNARD HARBOR DISTRICT**

### *Notes to Financial Statements*

*June 30, 2020 and 2019*

---

#### **NOTE 17 – COMMITMENTS AND CONTINGENCIES (continued)**

##### **Navy Joint Use Agreement**

In 2002, the District entered into a 15-year agreement with the Navy that provides for joint use of the Navy's Wharf 3 and associated real property comprising up to 25 acres of the Naval Base Ventura County. The District has the ability to use this property for loading, unloading and the storage of vehicles and cargo in a manner consistent with Navy operations. As consideration for the District's use of Wharf 3 and associated real property, the District pays 39.5% of the tariff revenue attributable to District use to the Navy.

The Navy joint use agreement includes three five-year options to extend the term. As of June 30, 2020 and 2019, the amount payable to the Navy for long-term maintenance of Wharf 3 and associated real property is \$2,853,622 and \$3,929,652, respectively.

##### **Grant Awards**

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

##### **Litigation**

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

#### **NOTE 18 – SUBSEQUENT EVENTS**

In accordance with the provisions surrounding subsequent events, the District's management has evaluated events and transactions for potential recognition or disclosure through December 15, 2020, the date the financial statements were available to be issued.



*Required  
Supplementary  
Information*

**OXNARD HARBOR DISTRICT**

*Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability  
For the Year Ended June 30, 2020*

Last Ten Fiscal Years\*  
California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.056956%	0.055600%	0.054820%	0.055128%	0.055024%	0.052552%
District's Proportionate Share of the Net Pension Liability	\$ 5,836,299	\$ 5,357,632	\$ 5,436,346	\$ 4,770,307	\$ 3,776,823	\$ 3,270,037
District's Covered-Employee Payroll	\$ 3,038,068	\$ 2,661,054	\$ 2,576,254	\$ 2,421,225	\$ 2,203,593	\$ 2,225,867
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	192.11%	201.33%	211.02%	197.02%	171.39%	146.91%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.37%	74.61%	73.31%	74.06%	78.40%	79.82%

\* This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.

**OXNARD HARBOR DISTRICT**

*Schedule of the District's Contributions to the Pension Plan  
For the Year Ended June 30, 2020 and 2019*

Last Ten Fiscal Years\*  
California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Actuarially Determined Contribution <sup>1</sup>	\$ 656,794	\$ 538,764	\$ 452,510	\$ 410,473	\$ 446,756	\$ 305,666	\$ 357,134
Contribution in Relation to the Actuarially Determined Contribution <sup>1</sup>	<u>(656,794)</u>	<u>(538,764)</u>	<u>(452,510)</u>	<u>(410,473)</u>	<u>(446,756)</u>	<u>(695,192)</u>	<u>(357,134)</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (389,526)	\$ -
District's Covered-Employee Payroll <sup>2</sup>	<u>\$ 3,201,256</u>	<u>\$ 3,038,068</u>	<u>\$ 2,661,054</u>	<u>\$ 2,576,254</u>	<u>\$ 2,421,225</u>	<u>\$ 2,203,593</u>	<u>\$ 2,240,975</u>
Contributions as a Percentage of Covered-Employee Payroll	<u>20.52%</u>	<u>17.73%</u>	<u>17.00%</u>	<u>15.93%</u>	<u>18.45%</u>	<u>31.55%</u>	<u>15.94%</u>

<sup>1</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

<sup>2</sup> Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

**Notes to the Schedule:**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).



**OXNARD HARBOR DISTRICT***Schedule of Changes in the District's Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2020 and 2019*

<b>Fiscal Year - Measurement Date</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>			
Service cost	\$ 237,323	\$ 244,464	\$ 237,921
Interest	524,313	397,916	377,672
Changes of assumptions	-	(1,728,734)	-
Differences between expected and actual experience	-	(607,247)	-
Changes of benefit terms	-	649,545	-
Benefit payments	(310,791)	(291,593)	(297,416)
<b>Net change in total OPEB liability</b>	450,845	(1,335,649)	318,177
<b>Total OPEB liability - beginning</b>	7,408,254	8,743,903	8,425,726
<b>Total OPEB liability - ending</b>	<u>\$ 7,859,099</u>	<u>\$ 7,408,254</u>	<u>\$ 8,743,903</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 810,791	\$ 791,593	\$ 797,416
Net investment income	72,342	38,554	(2,700)
Benefit payments	(310,791)	(291,593)	(297,416)
Administrative expense	(227)	(931)	(1)
<b>Net change in plan fiduciary net position</b>	572,115	537,623	497,299
<b>Plan fiduciary net position - beginning</b>	1,034,922	497,299	-
<b>Plan fiduciary net position - ending</b>	<u>\$ 1,607,037</u>	<u>\$ 1,034,922</u>	<u>\$ 497,299</u>
<b>District's net OPEB liability</b>	<u>\$ 6,252,062</u>	<u>\$ 6,373,332</u>	<u>\$ 8,246,604</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	20.45%	13.97%	5.69%
<b>Covered-employee payroll</b>	<u>\$ 2,875,755</u>	<u>\$ 2,791,995</u>	<u>\$ 1,578,831</u>
<b>District's net OPEB liability as a percentage of covered-employee payroll</b>	217.41%	228.27%	522.32%

*This schedule is required to show information for ten years; however, until a full ten year trend is compiled, information is presented for those years for which information is available.*



# *Supplementary Information*

**OXNARD HARBOR DISTRICT**

*Schedule of Expenditures of Federal Awards*

*For the Year Ended June 30, 2020*

---

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Federal Programs:			
U.S.Department of Transportation: National Infrastructure Investments - TIGER Discretionary Grant	20.933	N/A	3,853,282
U.S.Department of Homeland Security: Port Security Grant Program	97.056	N/A	<u>220,061</u>
Total Expenditures of Federal Awards			<u>\$ 4,073,343</u>

Of the Federal expenditures in the schedule, the District provided no Federal awards to subrecipients.

**Notes to Schedule:**

The schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements. The District did not elect to use the ten percent de minimis indirect cost rate.

**OXNARD HARBOR DISTRICT**  
*Schedule of Operating Expenses*  
*For the Years Ended June 30, 2020 and 2019*

---

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Salaries and benefits:</b>		
Commissioner salaries	\$ 33,000	\$ 36,000
Administrative salaries	2,023,470	1,742,443
Maintenance salaries	599,280	622,433
Operations salaries	560,887	637,208
Temporary employee salaries	28,800	1,013
Sick and safety leave	390,947	104,555
Vacation	236,995	208,124
Payroll taxes	272,548	248,915
Workers' compensation	141,320	130,388
Insurance:		
Dental	51,458	54,659
HRA	136,183	106,551
Life	58,754	55,280
Medical	461,329	424,134
Vision	22,064	17,549
457 matching	26,455	-
CalPERS pension expense	1,208,690	963,194
Other post-employment benefits expense	(5,550)	110,197
	<u>6,246,630</u>	<u>5,462,643</u>
<b>Total salaries and benefits</b>		
<b>Governmental contractual agreements:</b>		
1983 Contract	603,933	559,725
1987 Contract	307,488	287,712
1995 Memorandum of understanding	460,308	430,716
Contracts – automobiles	422,419	504,968
Ventura County Fire District	10,000	2,000
Community benefit fund contribution	111,177	107,902
	<u>1,915,325</u>	<u>1,893,023</u>
<b>Total governmental contractual agreements</b>		
<b>Security:</b>		
Guards and traffic control	380,447	282,427
Security training and exercises	16,000	63,629
Security plan and equipment	23,336	173,567
	<u>419,783</u>	<u>519,623</u>
<b>Total security</b>		

**OXNARD HARBOR DISTRICT***Schedule of Operating Expenses (continued)**For the Years Ended June 30, 2020 and 2019*

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Facilities and maintenance:</b>		
Gas and oil	\$ 23,246	\$ 20,876
Repair and maintenance	143,096	172,664
Landscape services	33,015	1,989
Rent – facility and grounds	120,000	120,000
Supplies	534,033	246,600
Supplies – computer	117,410	122,139
Internet connectivity	26,013	30,952
Safety supplies	23,692	49,967
Miscellaneous	-	40
Utilities:		
Water and sewer	110,217	105,906
Electricity	362,199	501,509
Telephone	55,723	54,208
Natural gas	2,031	1,744
Trash disposal	21,795	18,362
Hazardous waste disposal	2,786	1,569
<b>Total facilities and maintenance</b>	<u>1,575,256</u>	<u>1,448,525</u>
<b>Professional and legal:</b>		
Professional fees	800,481	1,000,189
Legal services	364,644	299,743
<b>Total professional and legal</b>	<u>1,165,125</u>	<u>1,299,932</u>
<b>Materials and services:</b>		
Business meeting expense	55,247	37,861
Discounts	22	200
Publications and subscriptions	37,047	23,345
Publications – legal notices	1,557	172
Permits and licenses	6,742	22,228
Postage	4,305	3,920
Recruitment	12,521	18,279
Port of Hueneme Job Fair	30,116	-
Strategic plan	111,078	-
Temporary positions	53,274	71,588
Training	139,458	64,096
<b>Total materials and services</b>	<u>451,367</u>	<u>241,689</u>
<b>Port promotions:</b>		
Advertising	138,512	159,961
Trade relations	246,915	178,566
Memberships and dues	191,383	251,087
Travel	53,513	60,225
<b>Total port promotions</b>	<u>630,323</u>	<u>649,839</u>
<b>Insurance:</b>		
General liability	84,760	81,123
Property	219,952	195,495
Other	4,600	3,020
<b>Total insurance</b>	<u>309,312</u>	<u>279,638</u>
<b>Total operating expenses</b>	<u>\$ 12,713,121</u>	<u>\$ 11,794,912</u>

**OXNARD HARBOR DISTRICT***Schedule of Non-Operating Revenues and Expenses**For the Years Ended June 30, 2020 and 2019*

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Non-operating revenue:</b>		
Reimbursements	\$ 12,240	\$ -
Ventura County Railway Co., LLC	7,000	7,000
Scrap sales	-	10,000
Miscellaneous receipts	6,608	1,765
<b>Total non-operating revenue</b>	<u>25,848</u>	<u>18,765</u>
<b>Non-operating expense:</b>		
Special Event – Banana Festival – expenses	65,000	75,000
Prior year expenses	-	15,492
Election expense	-	46,016
Bank and trust fees	4,429	3,290
<b>Total non-operating expense</b>	<u>69,429</u>	<u>139,798</u>
<b>Total non-operating revenue (expense), net</b>	<u>\$ (43,581)</u>	<u>\$ (121,033)</u>
	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Total revenues:</b>		
Operating revenues	\$ 17,933,582	\$ 18,412,493
Non-operating revenues	1,040,524	1,263,526
<b>Total revenues</b>	<u>18,974,106</u>	<u>19,676,019</u>
<b>Total expenses:</b>		
Operating expenses before depreciation expense	12,713,121	11,794,912
Non-operating expenses	385,436	609,762
Less debt service items:		
Interest expense – long-term debt	(316,007)	(469,964)
Total non-operating expenses adjusted for debt service items	69,429	139,798
<b>Total expenses</b>	<u>12,782,550</u>	<u>11,934,710</u>
<b>Net revenues available for debt service</b>	<u>\$ 6,191,556</u>	<u>\$ 7,741,309</u>
<b>Debt service for the fiscal year</b>	<u>\$ 2,786,007</u>	<u>\$ 2,819,964</u>
<b>Debt service net revenues coverage ratio</b>	<u>222%</u>	<u>275%</u>



# *Statistical Information*

## Port of Hueneme OXNARD HARBOR DISTRICT

Net Position by Component- Fiscal Years Ended June 30, 2011 through 2020

	2011	2012	2013	2014	2015
Net Investment in Capital Asset	\$37,639,639	\$40,269,569	\$47,287,402	\$53,756,789	\$52,428,819
Restricted	\$7,285,362	\$6,144,964	\$5,491,584	\$5,248,654	\$4,583,681
Unrestricted	\$7,695,566	\$10,433,179	\$11,285,466	\$9,007,627	\$10,267,730
<b>Total Net Position</b>	<b>\$52,620,567</b>	<b>\$56,847,712</b>	<b>\$64,064,452</b>	<b>\$68,013,070</b>	<b>\$67,280,230</b>

	2016	2017	2018	2019	2020
Net Investment in Capital Asset	\$56,408,302	\$56,078,201	\$59,588,353	\$70,607,900	\$78,242,850
Restricted	\$4,289,139	\$4,784,765	\$5,206,784	\$6,731,840	\$5,443,892
Unrestricted	\$9,967,418	\$10,233,336	\$6,479,610	\$3,251,197	\$2,300,113
<b>Total Net Position</b>	<b>\$70,664,859</b>	<b>\$71,096,302</b>	<b>\$71,274,747</b>	<b>\$80,590,937</b>	<b>\$-</b>

Net Position by Component- Fiscal Years Ended June 30, 2011 through 2020





## Port of Hueneme OXNARD HARBOR DISTRICT

Summary of Revenues, Expenses, and Change in Net Position  
Fiscal Years Ended June 30, 2011 through 2020

<b>FISCAL YEAR ENDED:</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Operating Revenues:</b>					
Auto Cargo	\$5,553,797	\$6,589,395	\$7,323,391	\$8,030,334	\$8,858,545
Fresh Produce Cargo	2,731,854	2,909,571	3,148,189	3,149,246	3,365,727
Offshore Oil	616,907	651,839	634,909	735,383	715,990
Property Management	1,177,109	1,398,892	1,530,793	1,922,304	2,152,661
Other	408,195	500,781	671,486	472,662	774,735
<b>Total</b>	<b>10,487,862</b>	<b>12,050,478</b>	<b>\$13,308,768</b>	<b>14,309,929</b>	<b>15,867,658</b>
<b>Operating Expenses:</b>					
Salaries & Benefits	4,292,829	4,338,280	\$4,868,475	4,790,826	5,076,772
Governmental Contractual Agreements	1,043,463	1,039,909	1,213,579	1,344,943	1,491,856
Security	208,777	218,751	215,647	247,855	280,056
Facilities and Maintenance	463,166	465,959	655,090	625,315	866,147
Professional and Legal	279,996	374,219	660,163	931,653	1,134,145
Materials and Services	12,837	14,217	17,513	35,757	48,468
Port Promotion	192,122	234,410	324,347	411,942	514,776
Insurance	347,234	279,984	253,718	280,562	304,518
<b>Total</b>	<b>6,840,424</b>	<b>6,965,729</b>	<b>\$8,208,532</b>	<b>8,668,853</b>	<b>9,716,738</b>
<b>Operating Profit ( Loss) before depreciation:</b>	<b>3,647,438</b>	<b>5,084,749</b>	<b>\$5,100,236</b>	<b>5,641,076</b>	<b>6,150,920</b>
Depreciation Expense	3,010,045	2,978,656	\$2,943,094	3,539,818	3,874,064
<b>Net Operating Profit (Loss)</b>	<b>\$637,393</b>	<b>\$2,106,093</b>	<b>\$2,157,142</b>	<b>\$2,101,258</b>	<b>\$2,276,856</b>
<b>Nonoperating Income (Expense)</b>					
and Capital Contributions:					
Investment earnings	\$42,016	\$24,500	\$16,799	\$71,252	\$129,080
Interest expense - long-term debt	(1,550,615)	(1,445,915)	(1,109,151)	(1,029,120)	(912,231)
Amortization of deferred charges	(71,405)	(50,853)	(644,609)	41,061	-
CalPERS side-fund	-	(540,935)	-	-	-
Loss on discontinuance of deep draft navigation project	(1,092,177)	-	-	-	-
Change in membership in Ventura County Railway Co, LLC	140,713	133,256	204,873	216,002	230,225
Property Settlement-City of Port Hueneme	-	-	-	-	-
<b>Other revenue, net</b>	<b>(94,737)</b>	<b>-</b>	<b>57,446</b>	<b>-</b>	<b>(87,978)</b>
<b>Net Contributed Capital/Grants</b>	<b>785,965</b>	<b>(4,846)</b>	<b>-</b>	<b>(58,460)</b>	<b>1,515,942</b>
<b>Net Nonoperating Income (Expense) and Capital Contributions</b>	<b>(1,840,240)</b>	<b>4,005,845</b>	<b>\$(1,474,642)</b>	<b>(759,265)</b>	<b>875,038</b>
Change in Net Position	\$(1,202,847)	\$2,121,052	\$682,500	\$1,341,993	\$3,151,894
Net investment in capital assets	\$37,639,639	\$4,227,145	\$47,287,402	\$53,756,783	\$53,756,783
Restricted for construction projects and debt service	7,285,362	40,269,569	5,491,584	5,248,654	4,191,747
Unrestricted	7,695,566	6,144,964	11,285,466	9,007,627	9,007,627
<b>Net Position, end of year</b>	<b>\$52,620,567</b>	<b>\$10,433,179</b>	<b>\$64,064,452</b>	<b>\$68,013,064</b>	<b>\$66,956,157</b>

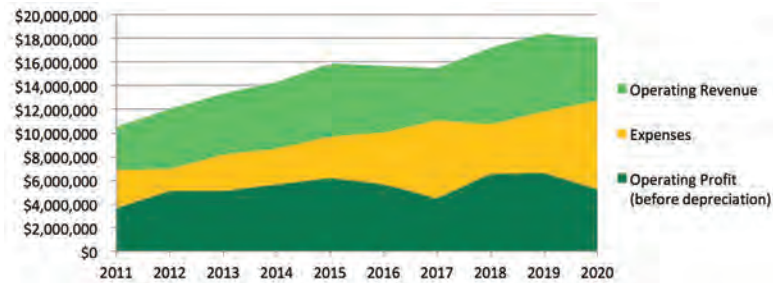
# Statistical Information

## Port of Hueneme

### OXNARD HARBOR DISTRICT

Summary of Revenues, Expenses, and Change in Net Position  
(Continued)

Fiscal Years Ended June 30, 2011 through 2020



FISCAL YEAR ENDED:	2016	2017	2018	2019	2020
<b>Operating Revenues:</b>					
Auto Cargo	\$9,428,157	\$8,287,701	\$8,602,727	\$9,876,137	\$8,239,180
Fresh Produce Cargo	2,913,365	3,308,916	4,164,692	3,953,248	4,828,808
Offshore Oil	390,292	313,126	278,982	410,715	525,974
Property Management	2,179,308	2,260,603	2,236,024	1,969,558	2,121,954
Other	769,498	1,305,676	1,946,039	2,202,835	2,217,666
<b>Total</b>	<b>15,680,620</b>	<b>15,476,022</b>	<b>17,228,464</b>	<b>18,412,493</b>	<b>17,933,582</b>
<b>Operating Expenses:</b>					
Salaries & Benefits	4,890,710	5,744,114	5,452,161	5,462,643	6,246,630
Governmental Contractual Agreements	1,668,846	1,663,439	1,688,017	1,893,023	1,915,325
Security	382,686	539,170	315,561	519,623	419,783
Facilities and Maintenance	1,119,343	1,109,273	1,153,636	1,448,525	1,575,256
Professional and Legal	1,065,889	1,035,257	1,044,717	1,299,932	1,165,125
Materials and Services	56,575	56,405	109,992	241,689	451,367
Port Promotion	579,344	631,323	675,558	649,839	630,323
Insurance	283,286	265,617	264,136	279,638	309,312
<b>Total</b>	<b>10,046,679</b>	<b>11,044,598</b>	<b>10,703,778</b>	<b>11,794,912</b>	<b>12,713,121</b>
<b>Operating Profit (Loss) before depreciation:</b>	<b>5,633,941</b>	<b>4,431,424</b>	<b>6,524,686</b>	<b>6,617,581</b>	<b>5,220,461</b>
Depreciation Expense	3,803,302	4,201,098	4,235,321	4,007,757	4,552,974
<b>Net Operating Profit (Loss)</b>	<b>\$1,830,639</b>	<b>\$230,326</b>	<b>\$2,289,365</b>	<b>\$2,609,824</b>	<b>\$667,487</b>
<b>Nonoperating Income (Expense) and Capital Contributions:</b>					
Investment, Interest earnings	\$162,769	\$205,245	\$343,901	\$347,288	\$375,939
Interest expense - long-term debt	(812,027)	(706,890)	(647,213)	(469,964)	(316,007)
Amortization of deferred charges					
CalPERS side-fund					
Loss on discontinuance of deep draft navigation project					
Change in membership in Ventura County Railway Co, LLC	208,967	257,480	180,057	72,158	200,217
Property Settlement-City of Port Hueneme	(1,100,000)				
Other revenue, net	(46,391)	(82,626)	(58,457)	704,282	394,939
Net Contributed Capital/Grants		527,908	1,219,518	6,052,602	
<b>Net Nonoperating Income (Expense) and Capital Contributions</b>	<b>(1,586,682)</b>	<b>201,117</b>	<b>1,037,806</b>	<b>6,706,366</b>	<b>\$655,088</b>
<b>Change in Net Position</b>	<b>\$243,957</b>	<b>\$431,443</b>	<b>\$3,327,171</b>	<b>\$9,316,190</b>	<b>\$1,322,575</b>
Net investment in capital assets	\$56,408,302	\$56,078,201	\$59,588,353	\$70,607,900	\$78,242,850
Restricted for construction projects and debt service	4,289,139	4,784,765	5,206,784	6,731,840	5,443,892
Unrestricted	9,967,418	10,233,336	6,479,610	3,251,197	2,300,113
<b>Net Position end of year</b>	<b>\$70,664,859</b>	<b>\$71,096,302</b>	<b>\$71,274,747</b>	<b>\$80,590,937</b>	<b>\$85,986,855</b>

## Port of Hueneme OXNARD HARBOR DISTRICT

Revenue Bond Coverage

Fiscal Years Ended June 30, 2011 through 2020

FISCAL YEAR ENDED:	2011	2012	2013	2014	2015
<b>Gross Revenues</b> <sup>(1)</sup>	\$10,575,709	\$12,074,978	\$13,588,404	\$14,560,049	\$16,363,576
<b>Operating Expenses</b> <sup>(2)</sup>	6,295,036	6,365,729	7,518,957	8,168,853	9,941,329
<b>Net Revenue Available for Debt Service</b>	\$4,280,673	\$5,709,249	\$6,069,447	\$6,391,196	\$6,422,247
<b>Debt Service Requirements:</b> <sup>(3)</sup>					
<b>Principal</b>	\$1,600,000	\$1,740,280	\$1,893,625	\$1,994,239	
<b>Interest</b>	1,550,615	1,249,431	\$1,109,151	1,029,120	912,231
<b>Totals:</b>	\$3,190,904	\$2,849,431	\$2,849,431	\$2,922,745	\$2,906,470
<b>Debt Ratio Coverage</b>	134.15%	200.36%	213.01%	218.67%	220.96%
<b>Debt Covenant Requirement</b>	125.00%	125.00%	125.00%	125.00%	125.00%
<b>OVER (UNDER)</b>	9.15%	75.36%	88.01%	93.67%	95.96%

All of the revenue bond issues are secured by a lien on and pledge of net revenues of the District and contain certain covenants. One of the covenants requires the District to maintain a minimum debt service coverage ratio of 125%. The debt service coverage ratio is the ratio of net revenues (as defined in the bond trust agreement) to debt service payments. Net revenues as defined in the agreement were calculated as \$5,220,461 and \$6,617,581 for the years ended June 30, 2020 and 2019, respectively. The actual debt service coverage ratios were 235% and 223% for the years ended June 30, 2020 and 2019, respectively.

The District is in compliance with its bond covenants for fiscal year 2020.

- Series 2011(A) - \$1,365,000
- Series 2011(B) - \$6,725,000

### NOTES:

(1) Total revenues include interest but exclude the contributed capital and grant funds that were generated by donated property (GASB 33).

(2) Total operating expenses exclusive of depreciation, OPEB accrual and debt service interest expense.

(3) Includes principal and interest of revenue bonds only.

**Source:** OXNARD HARBOR DISTRICT – Accounting/Finance Department



## Port of Hueneme

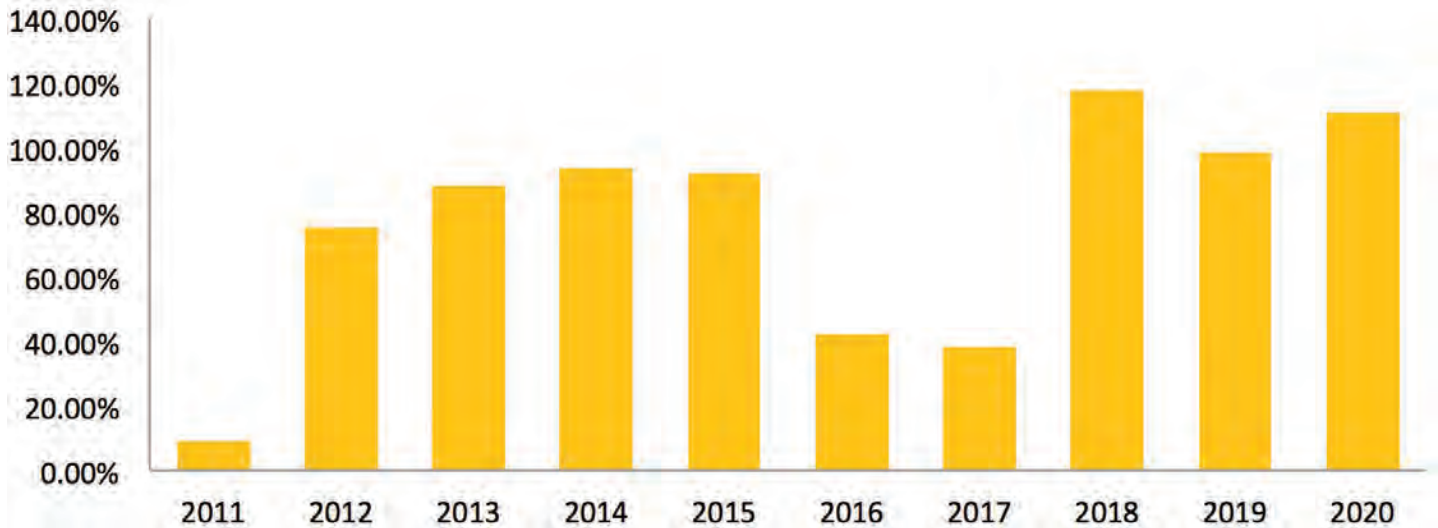
### OXNARD HARBOR DISTRICT

Revenue Bond Coverage (Continued)

Fiscal Years Ended June 30, 2015 through 2019

FISCAL YEAR ENDED:	2016	2017	2018	2019	2020
<b>Gross Revenues (1)</b>	\$16,134,133	\$16,014,135	\$17,781,016	\$18,412,493	\$17,933,582
<b>Operating Expenses (2)</b>	11,274,847	11,202,612	10,790,829	11,794,912	12,713,121
<b>Net Revenue Available for Debt Service</b>	\$4,859,286	\$4,811,523	\$6,990,187	\$6,617,581	\$5,220,461
<b>Debt Service Requirements: (3)</b>					
Principal	\$2,025,000	\$2,230,000	\$2,350,000	\$2,470,000	\$1,445,000
Interest	878,245	722,395	527,213	494,265	768,115
<b>Totals:</b>	\$2,903,245	\$2,952,395	\$2,877,213	\$2,964,265	\$2,213,115
<b>Debt Ratio Coverage</b>	167.37%	162.97%	242.95%	223.25%	235.89%
<b>Debt Covenant Requirement</b>	125.00%	125.00%	125.00%	125.00%	125.00%
<b>OVER (UNDER)</b>	42.37%	37.97%	117.95%	98.25%	110.89%

### Bond Coverage Ratio Trend - Over (Under)



## Port of Hueneme

### OXNARD HARBOR DISTRICT

#### LARGEST REVENUE CUSTOMERS (Net of Revenue Sharing)

Last Ten Fiscal Years

FISCAL YEAR ENDED:		2011	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$2,038,840	19.4%
2	BMW of North America, LLC	1,794,757	17.1%
3	Del Monte Fresh Produce W.A. Inc.	1,719,214	16.4%
4	Global Auto Processing Services, Inc.	1,692,634	16.1%
5	NYK Cool USA, Inc.	1,039,508	10.0%
6	YARA North America, Inc.	439,461	4.2%
7	EXXON Co. USA	315,930	3.0%
8	Marine Terminals Corp. (Ports America)	264,122	2.5%
9	Irwin Holdings Company	202,497	2.0%
10	Plains Exploration & Prod Co.	199,980	1.9%
	Sub-total Top Ten	\$9,706,943	92.6%
	All Other	780,919	7.4%
	<b>Total Revenue</b>	<b>\$10,487,862</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2012	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$2,512,325	18.9%
2	Global Auto Processing Services, Inc.	2,293,224	17.2%
3	Del Monte Fresh Produce W.A. Inc.	1,722,532	12.9%
4	BMW of North America, LLC	1,718,335	12.9%
5	NYK Cool USA, Inc.	1,252,551	9.4%
6	YARA North America, Inc.	497,521	3.7%
7	EXXON Co. USA	357,966	2.7%
8	Marine Terminals Corp. (Ports America)	266,362	2.0%
9	Irwin Holdings Company	264,792	2.0%
10	Plains Exploration & Prod Co.	224,518	1.7%
	Sub-total Top Ten	\$11,110,126	83.5%
	All Other	940,352	7.1%
	<b>Total Revenue</b>	<b>\$12,050,478</b>	<b>90.5%</b>

FISCAL YEAR ENDED:		2013	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$2,554,529	19.2%
2	BMW of North America, LLC	2,363,418	17.8%
3	Global Auto Processing Services, Inc.	2,291,347	17.2%
4	Del Monte Fresh Produce W.A. Inc.	1,857,743	14.0%
5	NYK Cool USA, Inc.	1,404,544	10.6%
6	YARA North America, Inc.	559,804	4.2%
7	Marine Terminals Corp. (Ports America)	395,843	3.0%
8	Channel Islands Logistics	378,290	2.8%
9	Irwin Holdings Company	295,524	2.2%
10	EXXON Co. USA	327,302	2.5%
	Sub-total Top Ten	\$12,428,344	93.5%
	All Other	880,425	6.5%
	<b>Total Revenue</b>	<b>\$13,308,769</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2014	
<u>CUSTOMER</u>			
1	Global Auto Processing Services, Inc.	\$2,780,005	19.4%
2	Wallenius Wilhelmsen Logistics, Inc.	2,699,334	18.9%
3	BMW of North America, LLC	2,439,876	17.1%
4	Del Monte Fresh Produce W.A. Inc.	1,799,492	12.6%
5	Cool Carriers Shipping USA, Inc.	1,460,875	10.2%
6	YARA North America, Inc.	553,783	3.9%
7	Channel Islands Logistics	369,448	2.6%
8	EXXON Co. USA	355,217	2.5%
9	General Steamship, Corp., Ltd.	323,525	2.3%
10	PORTS AMERICA	305,192	2.1%
	Sub-total Top Ten	\$13,086,748	91.5%
	All Other	1,223,181	8.5%
	<b>Total Revenue</b>	<b>\$14,309,929</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2015	
<u>CUSTOMER</u>			
1	BMW of North America, LLC	\$2,981,824	18.8%
2	Glovis America, Inc	2,928,498	18.5%
3	Wallenius Wilhelmsen Logistics, Inc.	2,890,735	18.2%
4	Del Monte Fresh Produce W.A. Inc.	1,765,642	11.1%
5	Cool Carriers Shipping USA, Inc.	1,690,508	10.7%
6	YARA North America, Inc.	611,487	3.9%
7	EXXON Co. USA	391,388	2.5%
8	Channel Islands Logistics	388,130	2.4%
9	PORTS AMERICA	372,649	2.3%
10	Irwin Holdings Company	282,866	1.8%
	Sub-total Top Ten	\$14,303,726	90.1%
	All Other	1,563,932	9.9%
	<b>Total Revenue</b>	<b>\$15,867,658</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2016	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,444,299	22.3%
2	BMW of North America, LLC	3,049,905	19.7%
3	Glovis America, Inc	2,843,567	18.4%
4	Del Monte Fresh Produce W.A. Inc.	1,601,553	10.3%
5	Cool Carriers Shipping USA, Inc.	1,378,930	8.9%
6	YARA North America, Inc.	679,178	4.4%
7	PORTS AMERICA	408,015	2.6%
8	Channel Islands Logistics	379,776	2.5%
9	Freeport McMoran	154,061	1.0%
10	Irwin Holdings Company	141,454	0.9%
	Sub-total Top Ten	\$14,080,738	89.8%
	All Other	1,599,882	10.2%
	<b>Total Revenue</b>	<b>\$15,680,620</b>	<b>100.0%</b>

Some Customers were acquired or changed their names over the 10 Year period. The most current (2010) name was used in all ten years.

## Port of Hueneme

### OXNARD HARBOR DISTRICT

#### LARGEST REVENUE CUSTOMERS (Net of Revenue Sharing) (Continued)

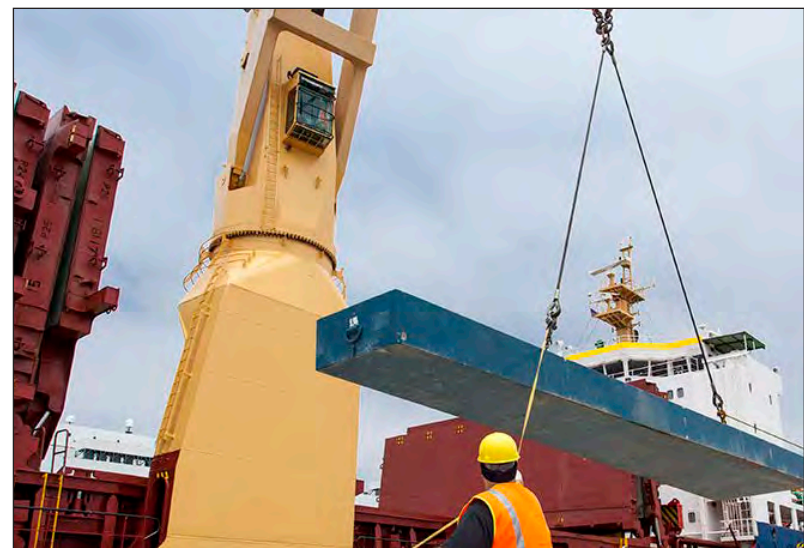
Last Ten Fiscal Years

FISCAL YEAR ENDED:		2017	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,480,767	18.9%
2	Glovis America, Inc	2,546,598	13.8%
3	BMW of North America, LLC	2,117,657	11.5%
4	Del Monte Fresh Produce W.A. Inc.	1,671,805	9.1%
5	Cool Carriers Shipping USA, Inc.	1,515,977	8.2%
6	YARA North America, Inc.	689,738	3.7%
7	Sealand, Inc	495,453	2.7%
8	Channel Islands Logistics	369,330	2.0%
9	PORTS AMERICA	272,808	1.5%
10	Hambrug Sud North America	255,537	1.4%
Sub-total Top Ten		\$13,415,670	86.7%
All Other		2,060,352	13.3%
<b>Total Revenue</b>		<b>\$15,476,022</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2020	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,533,213	19.7%
2	Glovis America, Inc	2,912,590	16.2%
3	Chiquita Fresh North America, LLC.	1,976,922	11.0%
4	Del Monte Fresh Produce W.A. Inc.	1,907,213	10.6%
5	BMW of North America, LLC	1,663,579	9.3%
6	Sealand, Inc	1,445,964	8.1%
7	YARA North America, Inc.	791,179	4.4%
8	NYK Lines	517,148	2.9%
9	Ports America	467,465	2.6%
10	DCOR, LLC.	238,202	1.3%
Sub-total Top Ten		\$15,453,475	86.2%
All Other		2,480,107	13.8%
<b>Total Revenue</b>		<b>\$17,933,582</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2018	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,830,309	24.7%
2	Glovis America, Inc	2,556,615	16.5%
3	Chiquitam Fresh/ Cool Carriers	2,497,150	16.1%
4	BMW of North America, LLC	2,476,465	16.0%
5	Del Monte Fresh Produce W.A. Inc.	1,967,994	12.7%
6	Sealand, Inc	1,018,044	6.6%
7	YARA North America, Inc.	732,839	4.7%
8	Ports America	466,792	3.0%
9	Stellar Biotech, Inc	106,068	0.7%
10	Freeport McMoran	90,770	0.6%
Sub-total Top Ten		\$15,743,043	85.5%
All Other		1,485,421	8.6%
<b>Total Revenue</b>		<b>\$17,228,464</b>	<b>100.0%</b>

FISCAL YEAR ENDED:		2019	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$4,108,519	26.5%
2	Glovis America, Inc	3,601,413	23.3%
3	Chiquita Fresh North America, LLC.	2,509,456	16.2%
4	BMW of North America, LLC	2,322,887	15.0%
5	Del Monte Fresh Produce W.A. Inc.	1,874,445	12.1%
6	Sealand, Inc	925,661	6.0%
7	YARA North America, Inc.	767,223	5.0%
8	Ports America	490,692	3.2%
9	SSA Marine, Inc.	137,850	0.9%
10	DCOR, LLC.	122,669	0.8%
Sub-total Top Ten		\$16,860,815	108.9%
All Other		1,551,678	10.0%
<b>Total Revenue</b>		<b>\$18,412,493</b>	<b>119.0%</b>



## Port of Hueneme

### OXNARD HARBOR DISTRICT

Ten Year Trend - Cargo Revenue Tons

Fiscal Years Ended: June 30, 2011 through 2015

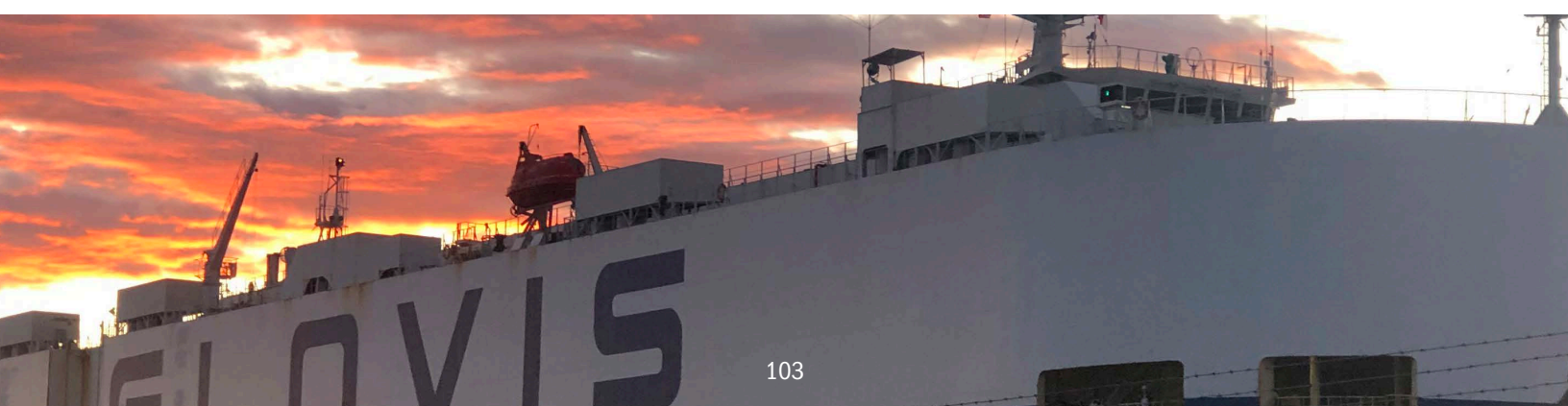
FISCAL YEAR ENDED:	2011	2012	2013	2014	2015
<b>COMMODITY TYPE:</b>					
<b>AUTOMOBILES</b>					
Imports	181,042	219,164	245,974	261,870	300,161
Exports	19,488	21,497	21,763	28,494	20,922
<b>OTHER VEHICLES</b>					
Imports/Exports	34,334	45,734	48,813	44,358	43,553
<b>BANANAS</b>					
Imports	603,703	615,588	650,608	655,589	655,643
<b>FRESH FRUIT</b>					
Imports	85,034	94,874	101,382	103,806	116,673
Exports	4,429	5,912	12,019	11,451	37,909
<b>GENERAL CARGO</b>					
Imports/Exports	100,343	82,196	90,924	111,616	176,133
<b>FISH</b>					
Coastwise	23,587	27,408	21,437	14,942	15,825
<b>OFFSHORE OIL CARGO</b>					
Coastwise	46,898	52,282	56,729	55,507	55,512
<b>TOTAL</b>	<b>1,098,858</b>	<b>1,164,655</b>	<b>1,249,650</b>	<b>1,287,633</b>	<b>1,422,329</b>
<b>BULK LIQUID</b>					
Import	108,777	134,939	167,253	123,947	140,000
<b>VESSEL FUEL</b>					
Coastwise	10,008	13,063	21,693	12,313	12,576
<b>TOTAL</b>	<b>118,785</b>	<b>148,002</b>	<b>188,946</b>	<b>136,260</b>	<b>152,576</b>
<b>GRAND TOTAL</b>	<b>1,217,643</b>	<b>1,312,657</b>	<b>1,438,596</b>	<b>1,423,893</b>	<b>1,574,905</b>

**Source:** OXNARD HARBOR DISTRICT - Maritime Operations Department

**Measurements:**

*Metric Ton = 1000 kgs or Cubic Meter*

*Auto = One Unit*



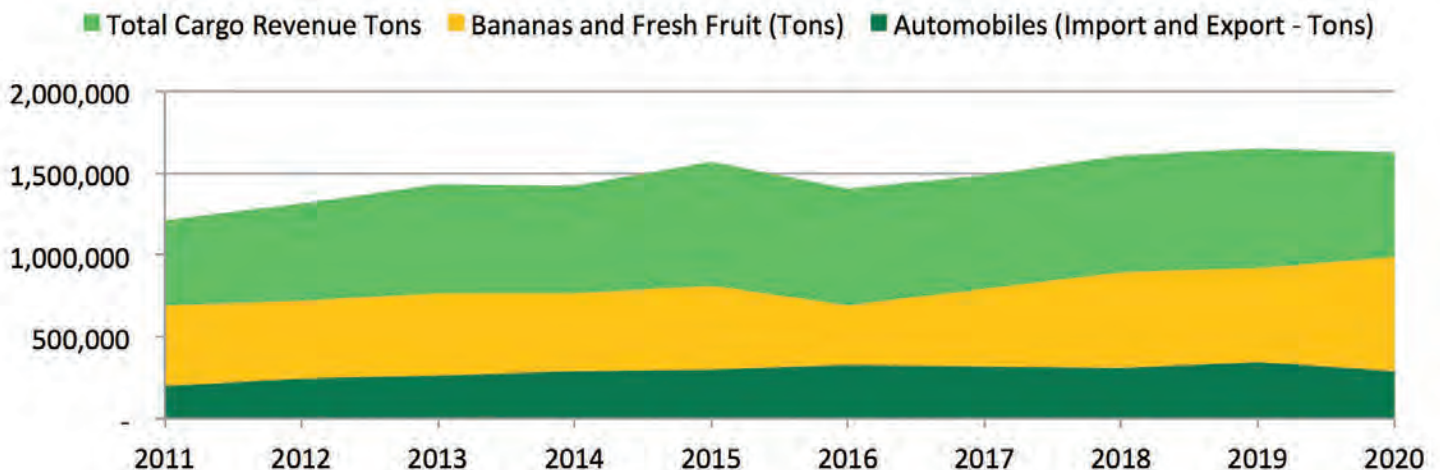
## Port of Hueneme

### OXNARD HARBOR DISTRICT

Ten Year Trend - Cargo Revenue Tons

Fiscal Years Ended: June 30, 2016 through 2020

FISCAL YEAR ENDED:	2016	2017	2018	2019	2020
<b>COMMODITY TYPE:</b>					
<b>AUTOMOBILES</b>					
Imports	290,410	287,467	288,660	326,585	281,516
Exports	37,873	31,109	19,590	15,925	13,122
<b>OTHER VEHICLES</b>					
Imports/Exports	44,451	53,394	68,867	66,613	78,855
<b>BANANAS</b>					
Imports	571,842	599,601	630,283	633,201	575,658
<b>FRESH FRUIT</b>					
Imports	108,389	170,433	261,849	257,589	324,790
Exports	8,718	20,585	29,223	48,574	81,293
<b>GENERAL CARGO</b>					
Imports/Exports	133,129	131,540	107,320	103,741	66,413
<b>FISH</b>					
Coastwise	8,071	4,550	9,174	5,155	3,165
<b>OFFSHORE OIL CARGO</b>					
Coastwise	33,862	32,506	33,582	38,956	49,156
<b>TOTAL</b>	<b>1,236,745</b>	<b>1,331,185</b>	<b>1,448,548</b>	<b>1,496,339</b>	<b>1,473,968</b>
<b>BULK LIQUID</b>					
Import	160,145	150,845	152,209	156,284	149,079
<b>VESSEL FUEL</b>					
Coastwise	6,333	9,442	3,695	5,258	5,362
<b>TOTAL</b>	<b>166,478</b>	<b>160,287</b>	<b>155,904</b>	<b>161,542</b>	<b>154,441</b>
<b>GRAND TOTAL</b>	<b>1,403,223</b>	<b>1,491,472</b>	<b>1,604,452</b>	<b>1,657,881</b>	<b>1,628,409</b>





## Port of Hueneme

### OXNARD HARBOR DISTRICT

Ten Year Trend in Tonnages for California Ports

Metric Revenue Tons

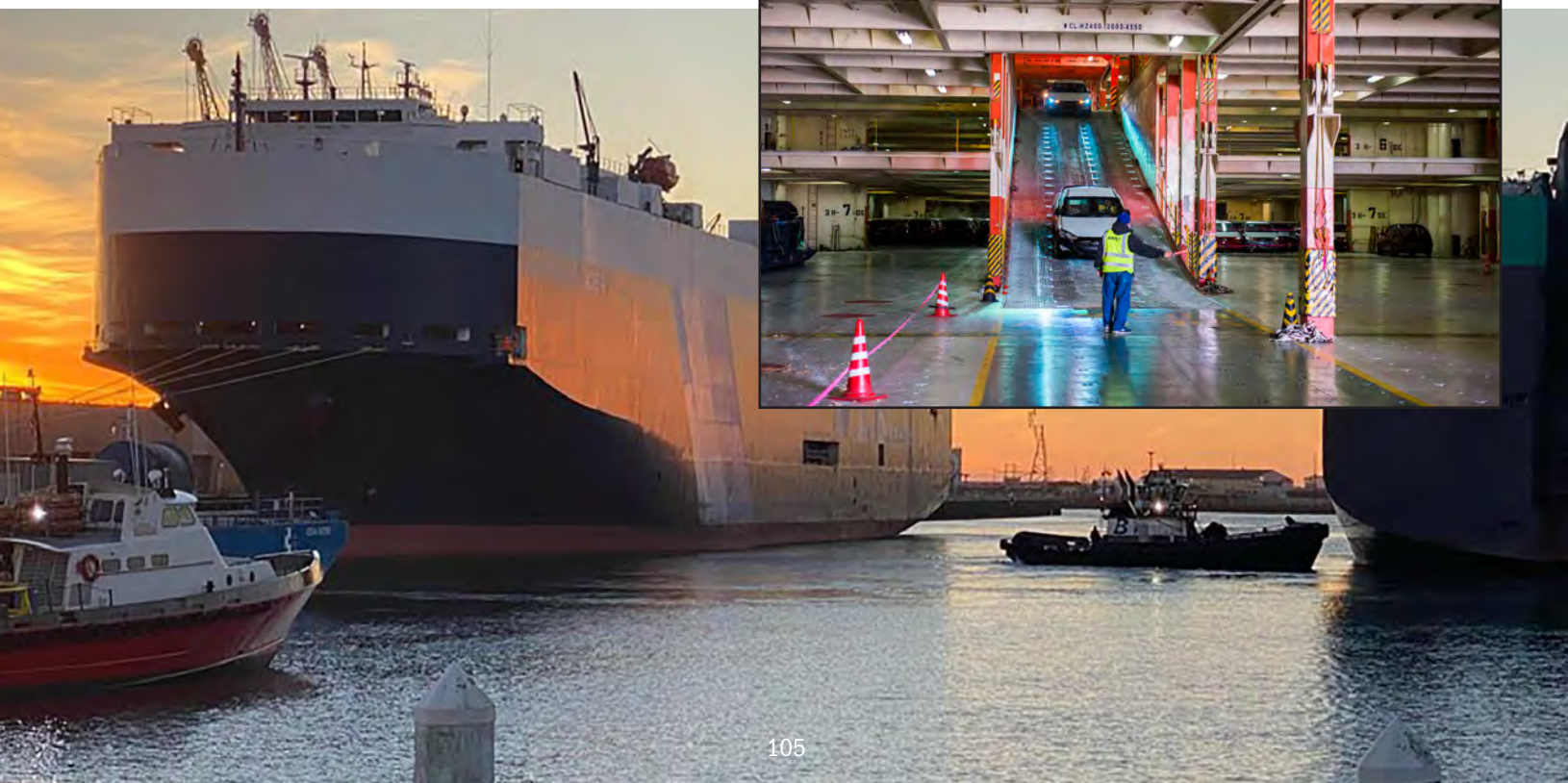
Fiscal Years Ended June 30, 2010 through 2014

FISCAL YEAR ENDED:	2010	2011	2012	2013	2014
<b>Commodities</b>					
General Cargo	267,988,161	294,138,923	303,606,826	301,293,420	344,340,844
Dry Bulk	12,257,955	12,707,528	15,771,301	14,465,939	16,748,735
Liquid Bulk	44,778,813	45,049,117	43,543,921	40,965,656	41,716,159
<b>Total Tonnage</b>	<b>325,024,929</b>	<b>351,895,568</b>	<b>362,922,048</b>	<b>356,725,015</b>	<b>402,805,738</b>

### TOTAL TONNAGE BY PORT

Hueneme	1,135,381	1,217,643	1,317,717	1,438,594	1,421,798
Humboldt	153,403	308,435	491,863	451,078	398,660
Long Beach	131,113,155	153,138,651	148,609,793	150,151,030	163,632,381
Los Angeles	156,166,239	158,237,225	170,904,406	164,543,000	196,177,000
Oakland	29,787,552	31,698,436	32,287,606	32,129,094	32,166,539
Redwood City	842,727	871,940	1,609,237	1,376,991	1,636,330
Richmond	187,120	206,294	235,127	254,909	286,518
West Sacramento	668,886	538,135	805,536	296,999	381,764
San Diego	2,798,180	2,902,128	2,920,338	2,746,503	2,645,484
San Francisco	912,595	763,435	1,088,272	1,242,048	1,207,531
Stockton	1,259,691	2,013,246	2,652,153	2,094,769	2,851,733
<b>Total Tonnage</b>	<b>325,024,929</b>	<b>351,895,568</b>	<b>362,922,048</b>	<b>356,725,015</b>	<b>402,805,738</b>

Source: California Association of Port Authorities



## Port of Hueneme

### OXNARD HARBOR DISTRICT

Ten Year Trend in Tonages for California Ports (Continued)

Metric Revenue Tons

Fiscal Years Ended June 30, 2015 through 2019

FISCAL YEAR ENDED:	2015	2016	2017	2018	2019
<b>Commodities</b>					
General Cargo	325,463,528	327,602,092	343,150,794	347,992,077	371,367,715
Dry Bulk	17,872,881	14,266,755	14,004,394	18,021,788	18,715,286
Liquid Bulk	42,841,226	46,501,284	46,107,734	73,869,811	50,145,916
<b>Total Tonnage</b>	<b>386,177,635</b>	<b>388,370,131</b>	<b>403,262,922</b>	<b>439,883,676</b>	<b>440,228,917</b>

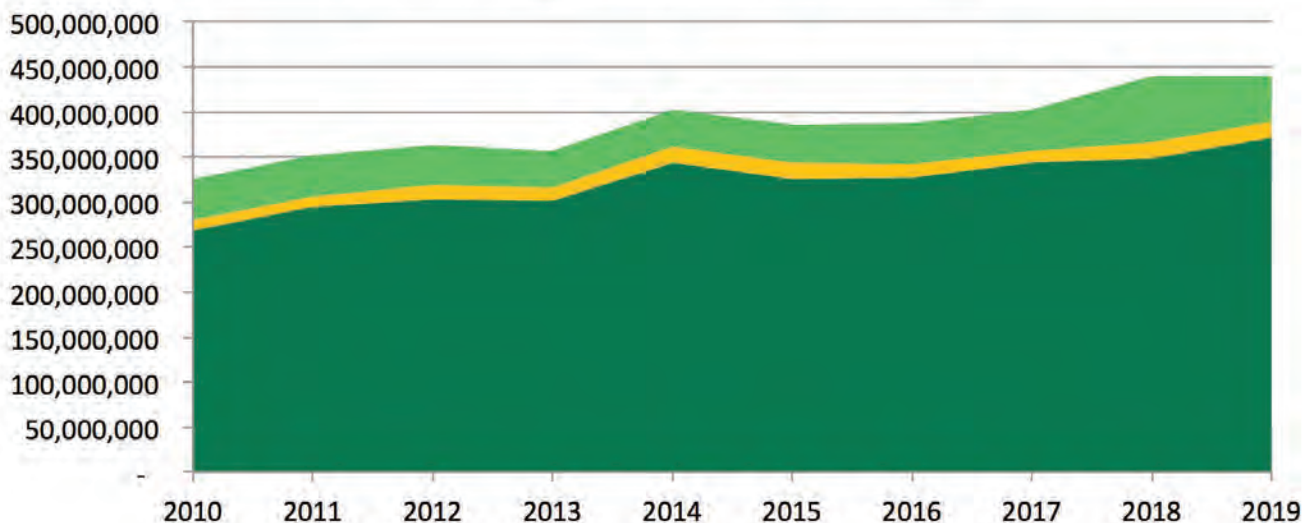
#### TOTAL TONNAGE BY PORT

Hueneme	1,407,705	1,455,507	1,489,097	1,602,033	1,667,666
Humboldt	381,956	310,623	274,851	528,000	482,000
Long Beach	164,792,331	163,554,995	159,475,697	173,938,307	180,282,413
Los Angeles	176,832,000	182,807,000	198,077,000	194,515,000	207,338,000
Oakland	32,091,937	30,302,235	33,528,888	33,935,703	34,123,867
Redwood City	1,830,412	1,699,143	1,639,088	1,906,000	2,468,149
Richmond	268,480	273,067	244,911	23,973,424	5,328,045
West Sacramento	276,591	436,872	558,699	632,776	649,552
San Diego	2,731,453	2,738,802	2,894,677	2,878,000	2,051,875
San Francisco	1,616,671	1,501,854	1,351,400	1,397,829	1,615,430
Stockton	3,948,099	3,290,033	3,728,614	4,576,604	4,221,920
<b>Total Tonnage</b>	<b>386,177,635</b>	<b>388,370,131</b>	<b>403,262,922</b>	<b>439,883,676</b>	<b>440,228,917</b>

Source: California Association of Port Authorities

## Total Tonnage - All California Ports

■ General Cargo ■ Dry Bulk ■ Liquid Bulk



Port of Hueneme

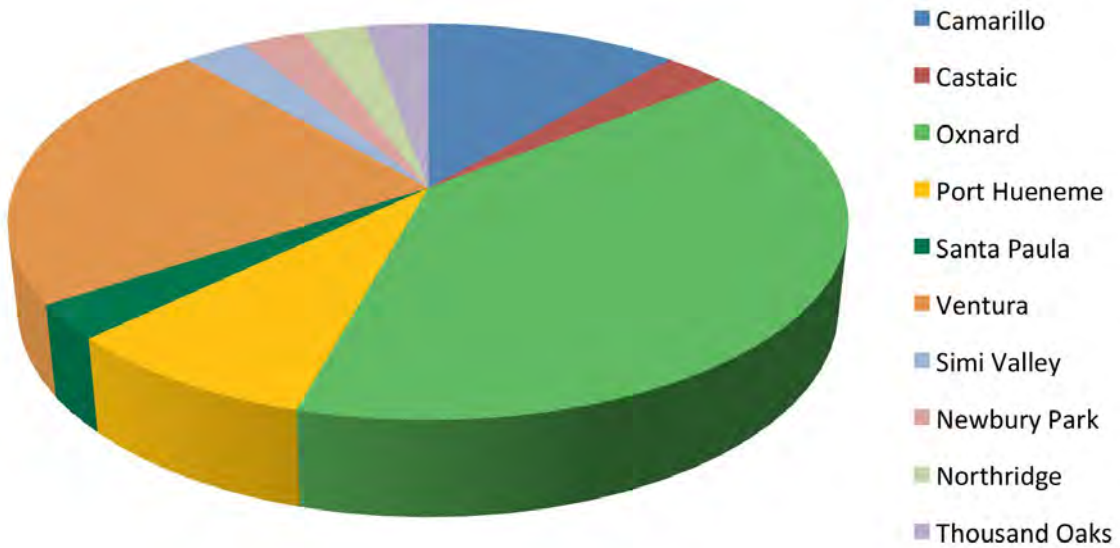
OXNARD HARBOR DISTRICT

Employee Statistics - June 30, 2020

Staffing by Department - June 30, 2020



Staffing by City of Residence - June 30, 2020



Source: OXNARD HARBOR DISTRICT - Finance Department

## Port of Hueneme

### OXNARD HARBOR DISTRICT

Demographic and Economic Statistics,  
Ventura County, California  
Last Ten Fiscal Years

Year	Population (a)	"Per Capita Personal Income (b)"	Unemployment Rate (c)
<b>2010</b>	822,108	44,653	10.80%
<b>2011</b>	827,874	45,055	10.10%
<b>2012</b>	832,970	48,345	9.30%
<b>2013</b>	839,620	48,683	7.00%
<b>2014</b>	846,178	50,545	6.70%
<b>2015</b>	850,536 (d)	55,594	5.50%
<b>2016</b>	849,738 (d)	57,136	5.60%
<b>2017</b>	854,223 (d)	58,761	4.40%
<b>2018</b>	850,967 (d)	61,712	3.80%
<b>2019</b>	846,006 (d)	64,715	3.60%

### Sources:

- (a) State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, January 1, 2001-2010, with 2000 and 2010 census counts, as of August 2011.
- (b) US Department of Commerce, Bureau of Economic Analysis, Regional Economic Accounts, CA1-3-Personal Income. All dollar estimates are in current dollars (not adjusted for inflation).
- (c) State of California, Employment Development Department, Labor Market Information Division, June 2018, unemployment rates and Labor force.
- (d) United State Census Bureau, Quick facts Ventura County, California

## VENTURA COUNTY'S TOP EMPLOYERS

### Employers with 5,000 to 9,999 Employees

Employer	Location	Industry
U.S. Navy Base	Point Mugu/Port Hueneme	National Security
County of Ventura	Countywide	Government
Amgen, Inc.	Thousand Oaks	Biotechnology

### Employers with 1,000 to 4,999 Employees

Employer	Location	Industry
Anthem Blue Cross of CA	Westlake Village	Healthcare
Baxter Healthcare	Westlake Village	Pharmaceutical
Boskovich Farms	Oxnard	Agriculture
Community Memorial Hospital	Ventura	Hospital
Farmers Insurance Group of Companies	Simi Valley	Insurance
Harbor Freight Tools	Camarillo	Hardware Stores
Los Robles Hospital & Medical Center	Thousand Oaks	Hospital
Sheriff's Department & Jails	Thousand Oaks	Public Safety
St. John's Regional Medical Center	Oxnard	Hospital
City of Oxnard	Oxnard	Government

### Employers with 500 to 999 Employees

Employer	Location	Industry
CSU Channel Islands	Camarillo	Education
Haas Automation	Oxnard	Machinery
Moorpark College	Moorpark	Education
Nancy Reagan Breast Center	Simi Valley	Diagnostic Imaging Center
Oxnard College	Oxnard	Education
Simi Valley Hospital	Simi Valley	Hospital
Ventura College	Ventura	Education





*Other Independent  
Auditors' Reports*



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

Board of Harbor Commissioners  
Oxnard Harbor District  
Port Hueneme, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oxnard Harbor District as of and for the year ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Oxnard Harbor District's basic financial statements, and have issued our report thereon dated December 18, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oxnard Harbor District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Oxnard Harbor District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Oxnard Harbor District's internal control.

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

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

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
WALNUT CREEK OFFICE 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444



### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Murrieta, California  
December 18, 2020

Printed on Recycled Paper



Designed by:



Channel Islands Design