

Annual Comprehensive Financial Report

For the Years Ended June 30, 2021 and 2020



**The Port
OF HUENEME**
Oxnard Harbor District



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 2021, the Port handled over 1.73 million metric tons of cargo transported on calls from over 370 deep draft ocean-going vessels.



Port of Hueneme – Oxnard Harbor District

Board of Harbor Commissioners as of June 30, 2021

Name	Title	Elected/Appointed	Current Term
Jason T. Hodge	President	Elected	1/19 – 1/23
Mary Anne Rooney	Vice President	Elected	1/19 – 1/23
Jess Herrera	Secretary	Elected	1/19 – 1/23
Celina Zacarias	Commissioner	Elected	1/21 – 1/25
Jess Ramirez	Commissioner	Elected	1/21 – 1/25

Prepared by:

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

Oxnard Harbor District

333 Ponoma Street · Port Hueneme, California 93041
(805) 488-3677 · www.portofH.org



Commissioners as of June 30, 2021



Jason Hodge
PRESIDENT



Mary Anne Rooney
VICE PRESIDENT



Jess Herrera
SECRETARY



Celina Zacarias
COMMISSIONER



Jess Ramirez
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



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Introductory Section



Issued November 30, 2019

FY 2021 Port Performance Analysis

The following report provides a comprehensive review of the Port's performance for Fiscal Year 2021.

The information provided supports the conclusions outlined in the Fiscal Year 2021 Audit.



333 Ponomo Street
Port Hueneme, CA
93041

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

BOARD OF HARBOR COMMISSIONERS

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

December 20, 2021

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

Dear:

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

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, 2021 and 2020.

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, 2021 and 2020. The independent auditor's report is located at the front of the financial section of this report.

A comprehensive FY2021 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

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.

MISSION

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

Port of Hueneme Profile

The Port of Hueneme, “The Port that Farmers Built,” was established in 1937 as the Oxnard Harbor District. Building on that legacy, today the Port serves as the fourth largest California Port and ranks amongst the top ten Ports in the US for autos and fresh produce. Located sixty miles north of Los Angeles, the Port of Hueneme is strategically positioned to serve as a niche hub for the US West Coast exporters and importers without any congestion.

As a political subdivision of California, the Port operates as an independent Special District that owns and manages the Port of Hueneme. A five-member Board of Harbor Commissioners, elected at large from the Oxnard Harbor District, sets the policies for the Port. The District’s current political boundaries include the cities of Oxnard and Port Hueneme, as well as a few beach communities within Ventura County.

The Port is empowered to acquire, construct, own and operate all harbor works to fulfill its mission to maximize maritime commerce and provide extensive economic benefits to the community. The Port of Hueneme does not assess taxes and operates based on the revenues from its commercial activities. The Port has long term contracts with shipping line and cargo owners that provide for minimum annual revenue guarantees and incentives for increased velocity and cargo throughput. The only tax-payer dollars the Port has access to include state, federal and local grants available only if the Port has a competitive grant application awarded.

The Port prepares and controls its own budget, administers, and controls its fiscal activities, and is responsible for all Port construction and operations. 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.

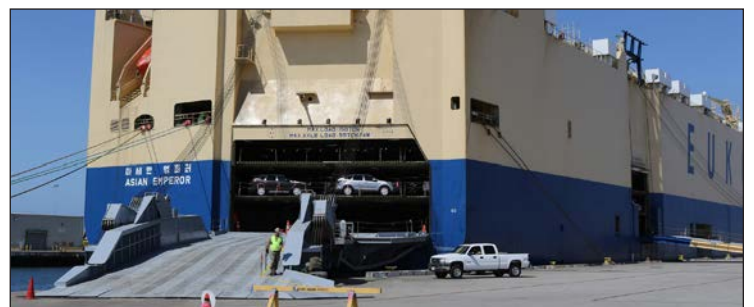
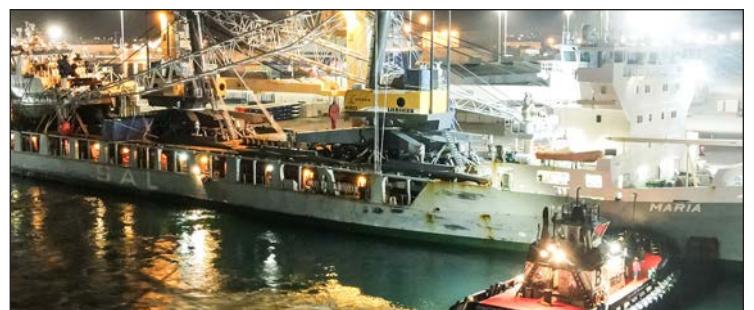
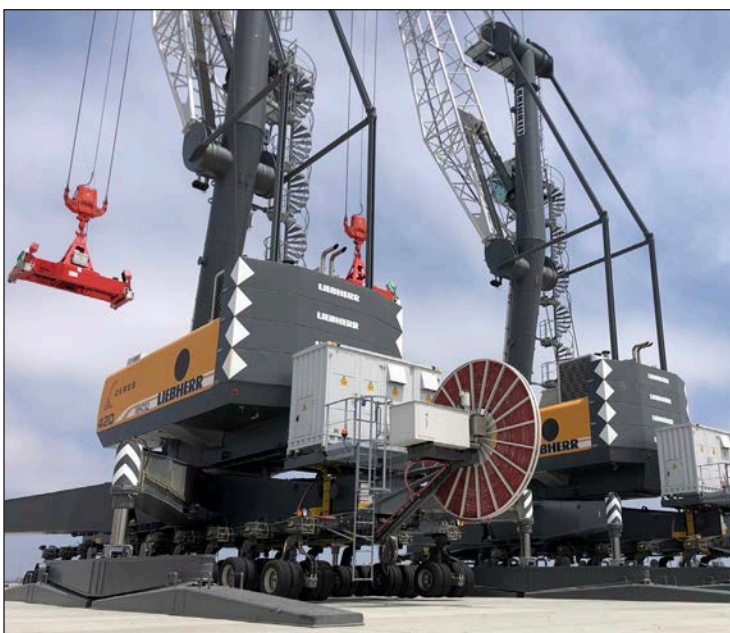


The California Port System and The Port of Hueneme

California's eleven deep water ports play a strategic and critical role in the nation's economy. The Ports include Humboldt Bay Harbor District, Port of Hueneme, Port of Long Beach, Port of Los Angeles, Port of Oakland, Port of Redwood City, Port of Richmond, Port of San Diego, Port of San Francisco, Port of Stockton, Port of West Sacramento.

More than 40% of the total containerized cargo entering the United States arrives at California's ports. Over 30% of the nation's exports go through the ports of the Golden State, creating the opportunity for local, California and US growers, manufacturers, and suppliers to export their goods to the rest of the world. 25% percent of California's economy is created through the trade sector, resulting in over 3 million California trade related jobs and 5 million nationwide. California's public ports are the bedrock for global commerce serving as the critical link to the international supply chain in a state that boasts the 5th largest economy in the world.

The Port of Hueneme, the 4th largest of the 11 ports is strategically located in Ventura County and lies approximately 60 miles north of Los Angeles. The Port 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 recognized as "Critical Infrastructure Sector" per the U.S. Cybersecurity and Infrastructure Security Agency's designation.

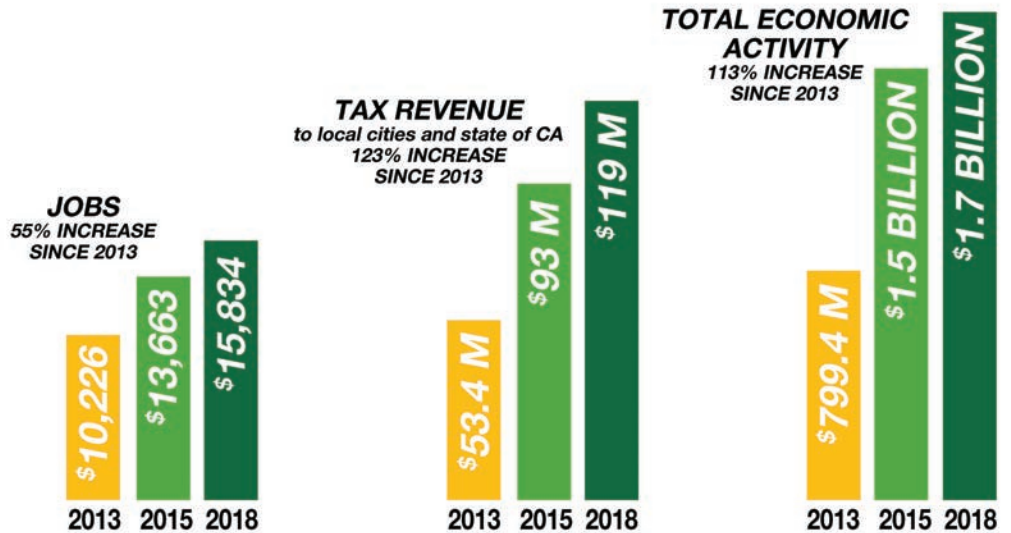


Introductory Section



The Port of Hueneme an Economic Engine for Ventura County

The Port of Hueneme is one of the most productive and efficient commercial trade gateways for niche cargo on the West Coast and as such, a significant part of Ventura County's economy. The Port moves \$10.85 billion in goods each year and consistently ranks among the top ten U.S. ports for automobiles and fresh produce. Port operations support the community by bringing \$1.7 billion in economic activity and creating 15,834 trade-related jobs of which 2,534 are direct jobs. Trade through the Port of Hueneme generates more than \$119 million in direct and related state and local taxes, which fund vital community services.



I'm from Port Hueneme. I'm from Oxnard. I'm from Ventura. I'm from Camarillo.

MUNICIPALITIES	PERCENT (JOBS BENEFIT)	DIRECT JOBS
Port Hueneme	16.37%	413
Oxnard	38.57%	973
Ventura	17.47%	441
Camarillo	10.6%	267
Thousand Oaks	1.43%	36
Moorpark	2.52%	64
Simi Valley	1.43%	36
Santa Paula	2.13%	54
Ojai	2.13%	54
Other Ventura County	4.85%	122
County of Los Angeles	1.56%	39
Other California	0.96%	24
TOTAL	100%	2,524

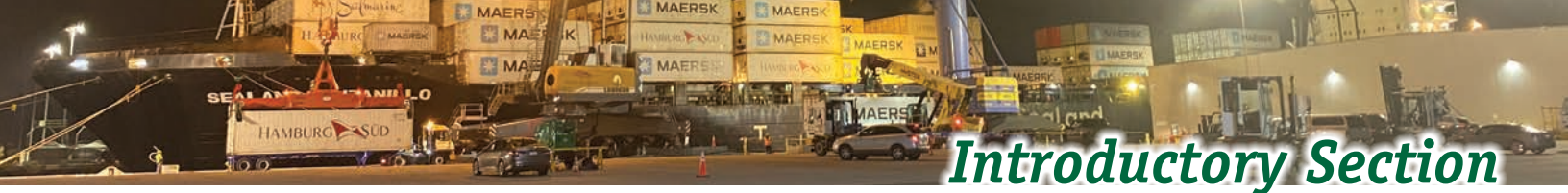
ECONOMY JOBS

In 2021, the Port achieved its highest volume for containerized cargo business in its 83-year history due to its unique market position as the uncongested Port on the West Coast. While the largest ports in the country saw historic levels of import trade and congestion due to COVID-19 and exponential growth in consumer spending and e-commerce from Asia, the Port of Hueneme's business model of an operating port allowed the Port to remain insulated from these dynamics, while doubling import and export container traffic.

The Port's containerized shipping lines, SeaLand, Network Shipping and Great White Fleet, focus on all-water routes from Central and Latin America (Guatemala, Peru, El Salvador, Nicaragua, Honduras, Mexico, and Costa Rica). These services saw immense cargo growth from a diversion of cargo and new customers looking to avoid congestion at the larger ports on the West Coast.

Over 46% 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 give the Port a competitive advantage and provide the opportunity for increased tonnage and further strengthening its financial position. Throughout the pandemic, the Port of Hueneme has remained free of congestion and financially solid.



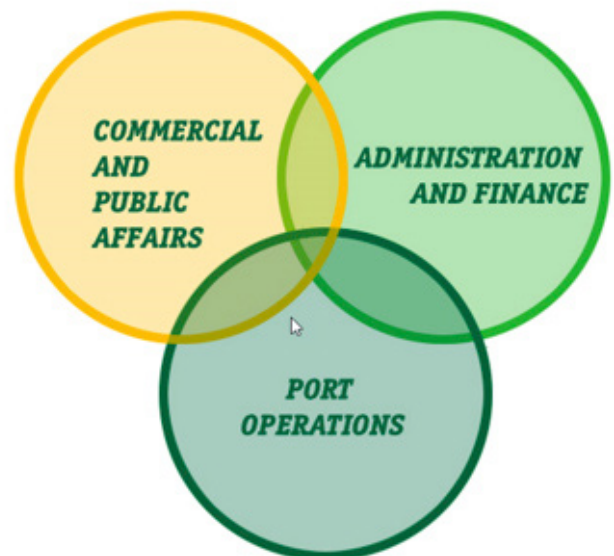
Introductory Section

Port of Hueneme Customers and Services

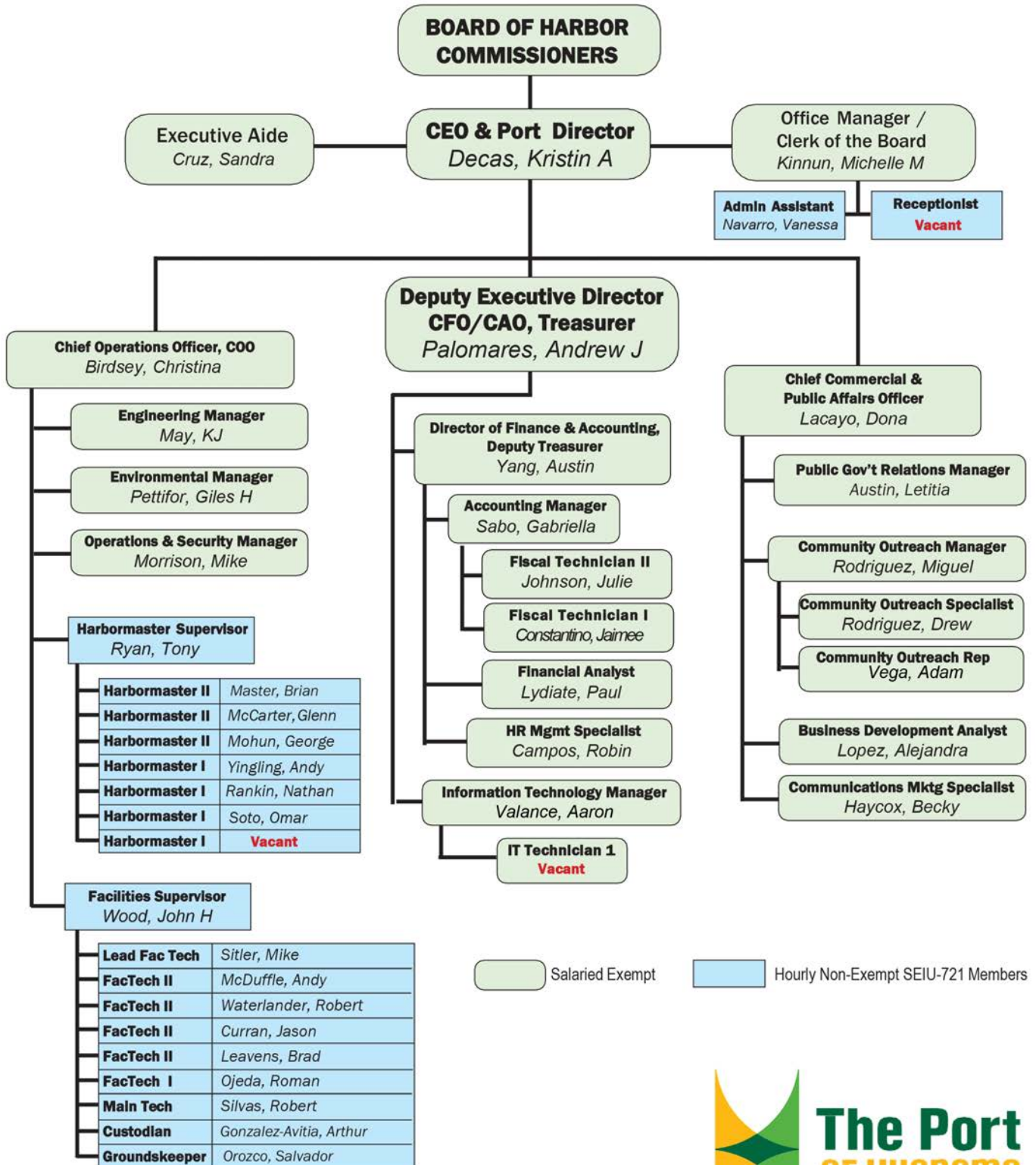
<p>Vehicle Processing Centers WWLA (Wallenius- Wilhemsen Logistics Americas), GLOVIS America, BMW North America</p>	<p>Cold Storages Channel Islands Cold Storage, Lineage Logistics, Del Norte, Freska, Mission, Seaboard, Western Precool, Anacapa Fresh 1, Anacapa Fresh 2</p>
<p>Vehicle Brands BMW, MINI, Rolls Royce, Hyundai, Kia, Volvo, Jaguar, Land Rover, Maserati, Aston Martin, Mitsubishi, General Motors, Honda, Toyota, Nissan, Tesla, Subaru</p>	<p>Shipping Lines Champion Tankers, CMA, COSCO, Eukor, Glovis, K-Line, MOL, NorBulk, NYK, WWO, Del Monte/Network Shipping, Chiquita/ Great White Fleet, K Line, SeaLand-a Maersk Company, Seim Car Carriers</p>
<p>RO-RO/High and Heavy Products Caterpillar, John Deere, New Holland, Case, Hyster, other global project cargo</p>	<p>Domestic Customers Oxnard Unloading Services LLC, EXXON Freeport McMoRan, DCOR</p>
<p>Agricultural and Fresh Fruit Customers Chiquita, Del Monte Fresh, Mission Produce, Five Diamond Cold Storage, Sun Fresh International, Freska, Yara, Sunkist</p>	<p>Service Providers Brusco Tug and Barge, TracTide Marine, Port Hueneme Pilots Association, San Pedro Port Services, T&T Truck and Crane, OST Cranes, Security Company</p>
<p>Stevedores Ports America, SSA Marine, Pacific Ro-Ro, Ceres</p>	<p>Union Labor ILWU, Teamsters, Operating Engineers</p>
<p>Aquaculture and Innovation Urchinomics, FATHOMWERX</p>	<p>Fishing / Squid Customers Oxnard Unloading LLC</p>

Institutional Overview

The Port's three key departments include Port Operations, Administration and Finance, and Commercial and Public Affairs: A Chief Officer heads up each department and develops an annual business plan and strategy. Department staff help create the visioning documents and perform the day-to-day functions of their department. Weekly check-in meetings are held with the CEO and Deputy Director to ensure strong communication across departments, teams are supporting one another, and the port is functioning at optimal efficiency. During COVID these meetings have been virtual and highly productive.



FY 2021 Organizational Chart



Salaried Exempt
 Hourly Non-Exempt SEIU-721 Members





Introductory Section

Operational Strategy

The Operations Team strives to realize the overall vision and mission of the Port by improving productivity and building upon areas that enable the Port to better compete including, strategic growth, infrastructure improvements and maintenance, environmental stewardship, and safety & security. The Operations Department continually works to add value to the Port's competitive strength and market position through building efficiencies, optimizing logistics, foreseeing customer needs, prioritizing the allocation of resources, securing assets, running safe operations, and providing superior customer service.

The Operations Team meets with Port operators every Monday (or more as necessary) to coordinate activities such as, vessel arrivals/departures, berthing, cargo and space allocation, security, traffic flows, operational goals and to discuss other anomalies like weather, construction activities, equipment needs, etc. Keeping everyone on the same page allows for the Port to run as efficiently as possible and helps avoid unnecessary obstacles or delays.

The Port also coordinates bi-weekly (or more as necessary) with the Port Operations staff at the Naval Base Ventura County (NBVC) to discuss vessel traffic, Joint Use Agreement (JUA) berthing or property availability for upcoming events and associated JUA requests.

The Port is unique in that it does not have fenced in terminal yards with space allocations to terminal operators. The majority of Port property is managed by Port staff allowing for management to oversee and optimize on-port cargo handling and staging logistics.

Customer service is at the forefront of all Departmental functions to continue to support a complex system of interrelationships across the many disciplines involved in safe and efficient movement of cargo.

Port Operations & Logistics

The Operation's Department continuously seeks to improve and maximize on-port logistics. Areas of focus include:

- Executing the Port's Traffic Improvement Plan
- Implementing successful port infrastructure and modernization projects while minimizing operational impacts
- Strategic planning for to augment operational efficiencies
- Developing individual plans (i.e. energy, paving, building demos) for preparation of strategic growth
- Advancing infrastructure improvement projects to "shovel ready" status to help secure state and federal grants and/or other funding opportunities.

The Harbormasters observe surveillance cameras, make routine rounds and log Port activities to ensure the Port is running in good order and that Port rules and cargo and berthing assignments are in check.





Introductory Section

Facilities, Maintenance & Capital Improvement Projects

The Operation’s Department manages Facilities and Maintenance, Engineering and the Port’s Capital Improvement Projects (CAPX) with the objective of completing projects on time and on budget. An integral part of the CAPX annual budget includes an allocation for general maintenance and repair. In FY2021, approximately \$2M was applied to these general facilities projects, compared to \$8M in FY2020. The overall CAPX budget in FY2021 was \$2.1M compared to \$14.9M in FY2020. The decreased spending in FY2021 was due to the budget uncertainties caused by COVID, forecasted losses in revenue as high as 30% and the intentional decision to defer several projects until budget realities were better understood. Increased spending in CAPX is scheduled for FY2022 to make up for the deferred investments based on positive revenue growth in FY2021 and strong revenue forecasts for FY2022.

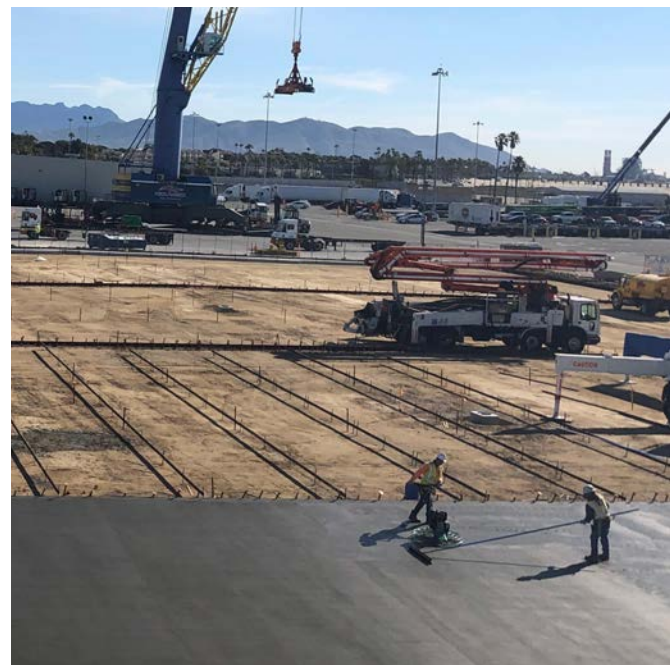
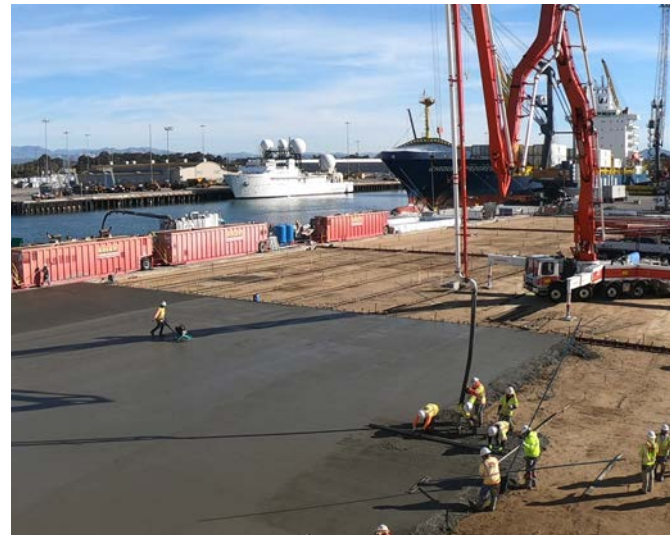
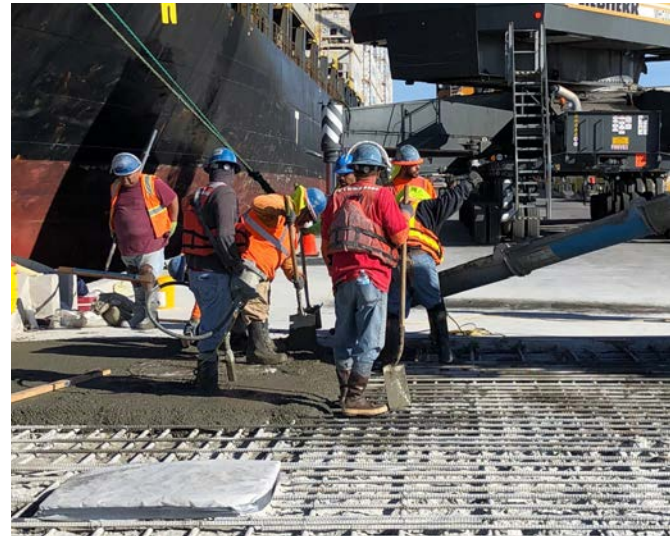
In FY2021, priority maintenance and capital improvement projects include:

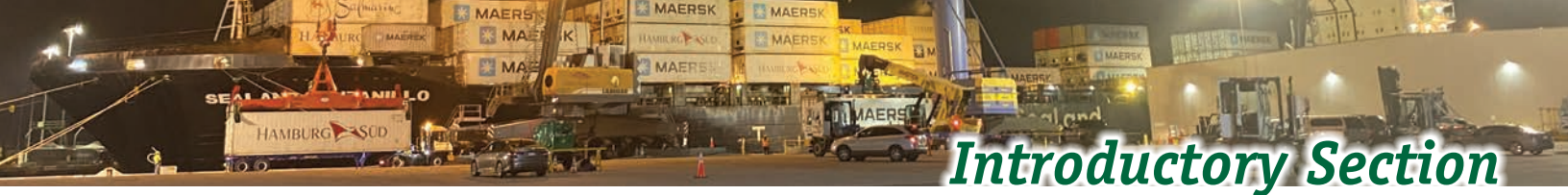
Cargo Operations and Enhancement Projects

- General Maintenance and Paving
- 30% Engineering Building 1A Demolition
- Aquaculture Lot Improvements
- Wharf 1 Berth Improvements
- Berth and Federal Channel Deepening
- Security Camera Infrastructure Engineering and Installation

North and South Terminal Projects

- Lighting Infrastructure Shoreside Power Equipment Maintenance
- Engineering for Hybrid Crane Power Infrastructure
- Engineering for Additional Reefer Plugs and Lighting
- North Terminal Plan Development for Electrification





Introductory Section

Environment

The Operations Department ensures the forward progress of the Environmental Framework and associated projects adopted by the Board in FY2012. It works with all departments to confirm benchmarks are met, goals are clear and attainable, and applicable grant opportunities are submitted. In 2017, the Port of Hueneme became the first port in California to become Green Marine certified and was voted the Greenest Port in the U.S. at the 2017 Green Shipping Summit.

A top priority for the Port is to decarbonize operations and provide the infrastructure and/or alternative technologies to achieve this goal. Projects include the Port Hueneme Reducing Emissions Sustaining Health (PHRESH) Plan, which this year will focus on the community air quality program. This program would build a data website, continue data partnerships with universities and non-profits, and add a new monitoring site at the Port.

The Port also launched the California Energy Coalition (CEC) Blueprint Project that will map out the Port's pathway to decarbonization with renewable fuels. The final blueprint is expected to be completed by March 30, 2023.

The Port is completing its 2019 and 2020 emission inventories, tracking year over year emission deltas and documenting its progress for continued Green Marine certification.

In FY2021 the Port secured two new electric UTRS with state grant funds and invested \$1.3M in general environmental projects including Green Marine 3rd party environmental auditing compliance, air quality monitoring studies and equipment, storm water infrastructure and reporting, emissions analysis and environmental data collection. With strong budget performance forecasted for FY2022, the Port plans to continue to rigorously invest in electrification, zero emissions, and green initiatives, projects and infrastructure upgrades

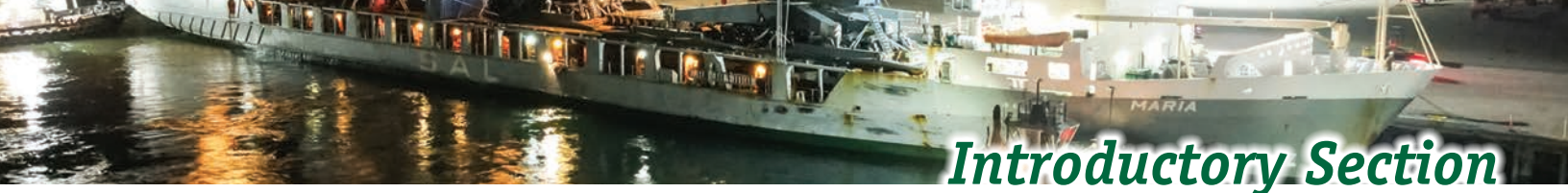
Port Safety & Security

Priorities include assisting in the development of safety and security protocols, maintaining proper training, and overseeing key committees. Monitoring and updating policies for COVID-19 and ensuring that information is disseminated, trained and understood by Port staff and Port operators were key initiatives in FY2021 and will continue to be at the forefront in FY2022.

The Operations Department works across all departments to apply for and manage Port Security Grant Projects as well as maintain an overarching Facility Security Plan for the Port. It also works closely with IT on cybersecurity threats, reporting and training.

FY2021 training and committee efforts included, Disaster Response Planning and Training, General Security Awareness training, security drills and training exercises, participating in and hosting Area Maritime Security Committee meetings, hosting traffic and safety meetings, participating in Harbor Safety Meetings and supporting associated projects.

In FY2021, the Port invested approximately \$887,000 in Port security projects compared to \$480,000 in FY2020. Grants supported \$665,000 of these investments. With continued grant funding and forecasted solid revenues for FY2022, the Port intends to make upgrades to its front gate, data management systems, and surveillance equipment as well as pursue additional FEMA Port Security Grants.



Introductory Section

Administration and Finance

The primary responsibilities enveloped under Administration & Finance include IT, 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 Administration & Finance team develops internal systems for risk management, financial performance, and workforce productivity that improve resource efficiency and maximize the financial stability of the Port.

Plan of Finance

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. Port staff also develops a Plan of Finance, a comprehensive evaluation of the Port's current and future financial state using current known variables to predict future revenues, capital projects, and debt financing needs to create strategies for long-term monetary goals.

Budget Process

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 Port's budget and reporting practices are 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.

Grants

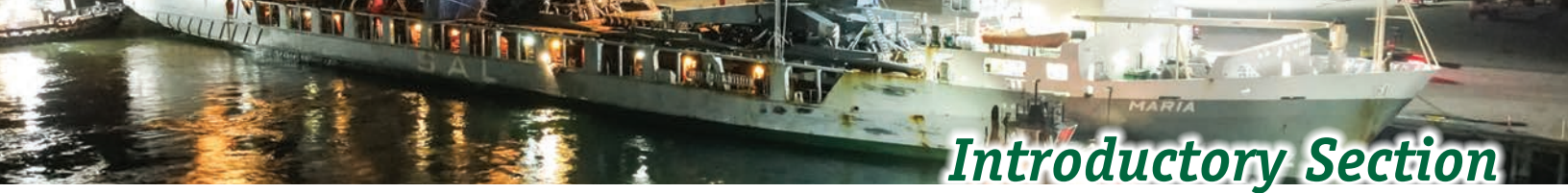
With several capital projects in queue, the Port makes it a priority to pursue local, state and federal funding opportunities. Over the past decade, the Port has realized the following in grant revenue: (page 17)



Introductory Section

OHD Major Capital Projects 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		\$14,991,804	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			
	Project Sub Total	\$8,047,851	\$6,943,953			
Tesla Batteries	TESLA		\$3,000,000	\$3,000,000	Tesla Batteries- for Power Storage	Mar, 2017
EDA Paving Project	OHD	\$2,825,350		\$4,297,975	Pavement Rehabilitation Project	Nov, 2018 (In Progress)
	Economic Development Administration		\$1,472,625			
	Project Sub Total	\$2,825,350	\$1,472,625			
Federal Security Grant Programs	OHD	\$301,345.00	\$904,035.00	\$1,205,380	Visual Port & Landside Detection Enhance/Port Security EQ, Gear and JOSCS 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 Maint/ Security Training & Exercises	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
	OHD	\$221,888	\$665,663	\$887,551	Security Equipment/Contract	Aug, 2022
EV Charging	OHD	\$38,464	\$14,000	\$52,464	EV Charging Stations (333 and 105 location)	Feb, 2018
Highmast Lighting Project	OHD	\$805,752	\$200,000	\$1,005,752	Lighting Improvement Project	Jun, 2019
Switchgear Replacement	OHD	\$504,187		\$504,187	Replacement of outdated switchgears	Jun, 2019
Staging Improvement	OHD	\$2,450,000		\$2,450,000	Building 1B Staging Improvements	Feb, 2020
eUTR Project	OHD	\$50,000		\$1,350,000	Two eUTRs and charging stations	Nov, 2021
	ZANZEFF GRANT		\$1,300,000			
	Project Sub Total	\$50,000	\$1,300,000			
Tiger Intermodal Improvement	OHD	\$4,077,455		\$16,377,455	Intermodal Improvement Project -Harbor Deepening	Mar, 2022 (Finalizing)
	USDOT - Tiger - MARAD		\$12,300,000			
	Project Sub Total	\$4,077,455	\$12,300,000			
Federal Channel Deepening*	OHD	\$3,349,702		\$9,342,005	Federal Channel Deepening	June, 2022 (In Progress)
	US Army Corps		\$5,992,303			
	Project Sub Total	\$3,349,702	\$5,992,303			
eCrane Plug in Project	OHD	\$3,500,000		\$7,533,000	Mobile crane plug in infrastructure project	June, 2023 (In Progress)
	FRPA PORT GRANT		\$2,333,000			
	ZANZEFF GRANT		\$1,200,000			
	CARL MOYER GRANT		\$500,000			
	Project Sub Total	\$3,500,000	\$4,033,000			
Total		\$26,718,805	\$38,476,509	\$65,195,314		



Introductory Section

Information Technology

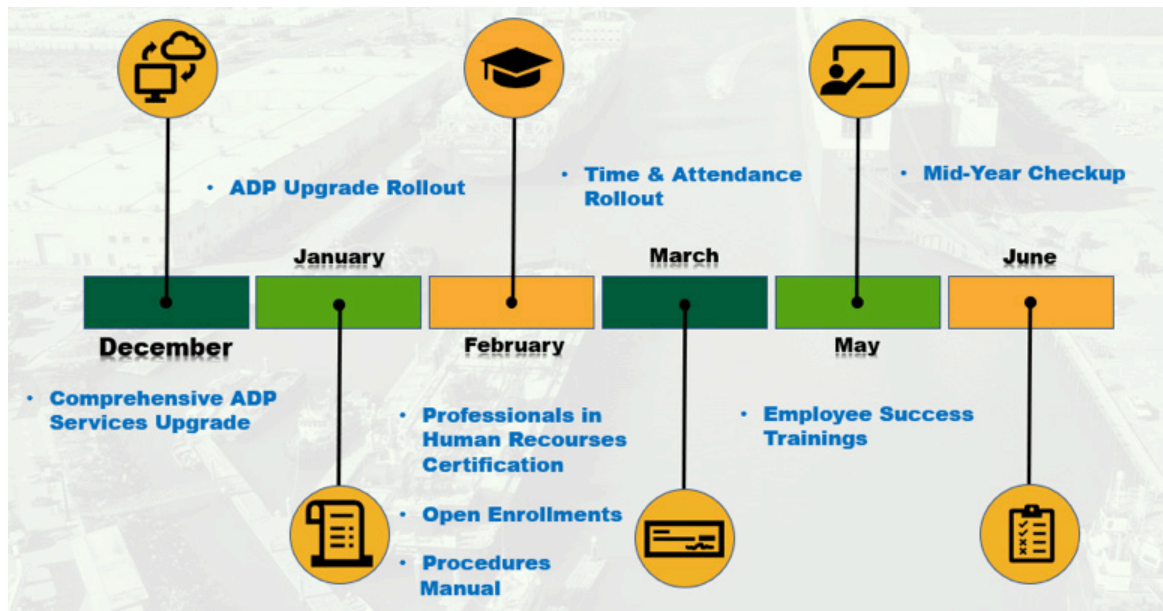
In FY2021, the Port retained an IT Manager to shift several key IT functions inhouse. The benefit to the Port's more focused attention to the day-to-day needs of staff was pursued as a cost saving measure to reduce reliance on more expensive outsourced vendors. Outside support for more complex cyber and surveillance actives was maintained in FY2021.

FY2021 Priorities for the IT Included:

- Shifting several key IT functions to cloud based enabling for better security and redundancy.
- Establish new tools for cyber threat prevention.
- Establish better business continuity with improved data redundancy connections.
- Comprehensive cyber-security auditing in partnership with the United States Coast Guard.
- Expand wireless conductivity across the port enabling better data collaboration.

Human Resources

The Human Resources unit strives to provide a quality and efficient partnership with all employees, maintaining the “humanity” in Human Resources (HR). Recruiting and retaining qualified valued employees is a top priority. For more complex and sensitive matters, HR is supported by outside counsel of LightGabler and BB&K legal counsel. Below is a flow chart of HR activities for FY2021, including payroll, ADP upgrades, trainings and services, benefit enrollments, procedures and policy updates.



The Port has 15 SEIU unionized employees and 20 exempt at-will employees as of June 30, 2021. The SEIU contract was negotiated for a 5-year term in 2019, expiring in 2024.



Administration

The Administration Unit works to provide quality administrative support throughout all departments, assist in coordination and cooperation between department functions and to provide consistent support that exemplifies the highest of standards in quality, performance and service, to support the success of our district, staff and the Board of Harbor Commissioners.

Key duties in FY2021 included:

- Administrative functions to support senior management and the Board of Harbor Commissioners
- File Tracking and Upkeep
- Contract Tracking and Monitoring
- Office Supply Procurement
- Board Agenda Development and Posting
- Compliance with all Brown Act Rules and Regulations

COMMERCIAL AND PUBLIC AFFAIRS

Commercial and Public Relations Strategy

The Port of Hueneme's unique story, competitive strengths and commitment to smart and sustainable growth have been on the forefront of our Commercial and Public Relations efforts. In FY2021, this Department was extremely active in commercial business development, marketing, community sponsorships, government relations and media and public relations initiatives. Over the last decade this Department's role has been under robust development growing from 1 employee in FY2012 to 7 employees in FY2021. The investment has paid off in significant commercial development with Port business up 43% from FY2012 to FY2021, and revenue up 68% over the same period, stemming from new services and commercial business secured. Continued growth, port expansion and the social license to operate is directly tied to strong relationships and trust with the community, government partners, social and environmental justice groups, the Navy and other important stakeholders.

Commercial Business Development

As focusing on strategic partnerships is a priority, FY2021 Port's cargo growth has strengthened the Port of Hueneme's position as the uncongested West Coast hub for autos and container business. The pandemic challenges brought many new customers to the Port that are now interested in staying after the congestion is resolved. The commercial business unit runs business analytical reports to understand market conditions, assess new opportunities and develop its marketing strategy to attract new opportunities. The Port participates in trade shows around the world to promote and market the Port and offers a strong media and marketing campaign targeted at its existing and potential commercial customers. In FY2021 overall commercial business grew 6.8% over FY2020. Cargo performance update section of this report provides an in-depth analysis of the Port's FY2021 cargo performance.

Community and Strategic Partners

In conjunction with the Port's Environmental and Marketing efforts, a robust community outreach campaign to meaningfully engage the community is well underway. The community outreach unit 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 to develop key relationships and to raise awareness of the environmental and community equity profile of the Port. The Port organized over 59 community food distributions since the pandemic that helped donate over one million pounds of fresh produce to community partners and food banks.



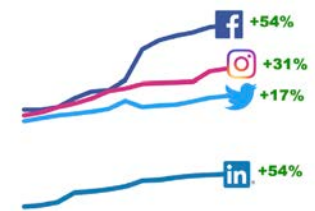
Government Relations

In addition to the local and state governmental agency partnerships, the Port has been intentional in building relationships with various government partners and stakeholders. In addition to revenue bond funds, the Port utilizes federal and state grants to undertake projects identified in the annual capital outlay plan. The Public and Government Relations Manager establishes and maintains effective, cooperative relationships with the community, government officials, educational partners and their representatives, news media, customers, stakeholder organizations and other groups.

Press and Marketing

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.

SOCIAL MEDIA FOLLOWER GROWTH
2019 to 2020



Import/Export Trade and Cargo Performance Fiscal Year 2021

Commercial cargo transiting the Port of Hueneme are included in the following chart with the specific definition of that cargo type:

Commodity	Definition Applied by the Port of Hueneme
Auto	Passenger vehicles like sedans and SUVs, etc.
Fruits 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, scrapers, loaders, etc.
General Cargo	Break-bulk: Non-self-propelled cargo. Examples are boats, yachts, and specialized/project cargo, etc. Dry Containerized Cargo. Examples are electronics, garments, apparel, furniture, toys, bicycles, etc.
Fish	Seafood-squid, different types of white fish
Meat & Food	Frozen meat, French fries, etc.
Fertilizer	Premium urea-based, nonflammable, and non-hazardous liquid fertilizer

Overall Performance and Cargo Trends for FY2021

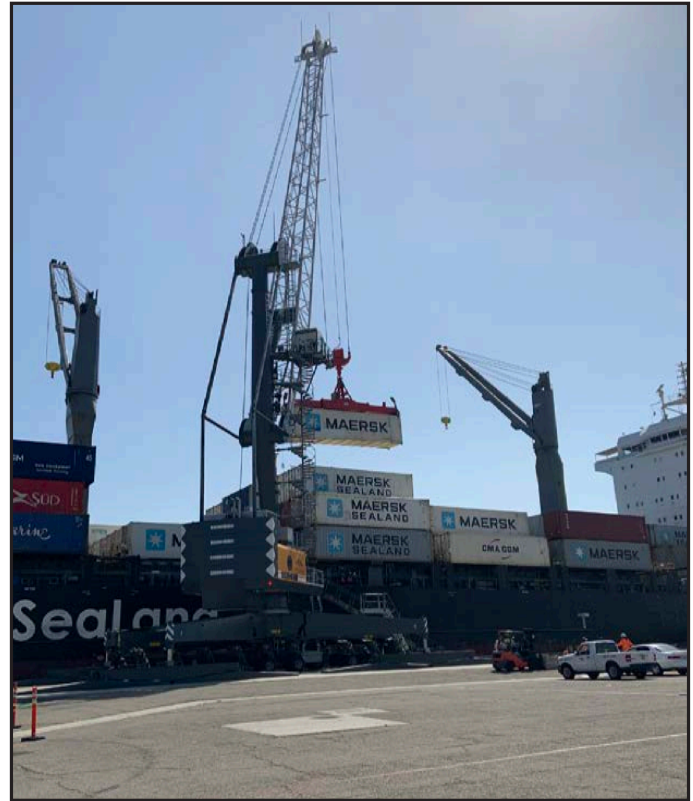
Over half of the cargo tonnage that comes through the Port annually consist of fresh fruit imports and exports. During last year we saw that the container business continued to grow and reached record levels of 44% growth over FY2020 mainly because of two factors: (1) The roll out of the blueberry cold treatment pilot program from Peru; and (2) New shippers using existing customers' services to avoid congestion at other Ports. The Port of Hueneme built resiliency into the supply chain for California shippers.



Introductory Section

Overall Performance and Cargo Trends for FY2021 (Cont.)

Further, to avoid backlog at the larger ports, importers explored chartering their own smaller vessels to use the Port of Hueneme to build resiliency into their supply chains for more time sensitive commodities. These opportunities will require increased capacity from customers at sites off-port and importers are doing their best to optimize their existing facilities to stage increased volumes. Volumes from this type of service are forecasted for FY2022. The Port of Hueneme has become part of the solution to supply chain congestion.



Year-end Cargo Comparison

Import Activity	Fiscal Year 2021 to 2020	
Auto Imports	▲ 10.2%	310,369
Heavy Equipment Imports	▲ 19.3%	85,580
Fruit & Vegetables Imports	▲ 3.0%	334,536
Banana Imports	▼ 1.3%	567,970
Fertilizer Imports	▼ 5.7%	140,540
General Cargo Imports	▲ 26.6%	78,791
Export Activity		
Auto Exports	▲ 18.2%	15,510
Heavy Equipment Exports	▲ 9.9%	7,829
Fruit & Vegetables Exports	▼ 2.6%	79,219
General Cargo Exports	▲ 1,701.2%	75,508
Shallow Draft Cargo		
Fish, Lube Oil, and Vessel Fuel	▼ 28.3%	6,115
Domestic		
Offshore Oil Domestic	▼ 25.2%	36,778
Grand Total	▲ 6.8%	1,739,745



Introductory Section

Container Import/Export Trade Market Analysis

Agriculture Container Import/Export Trade

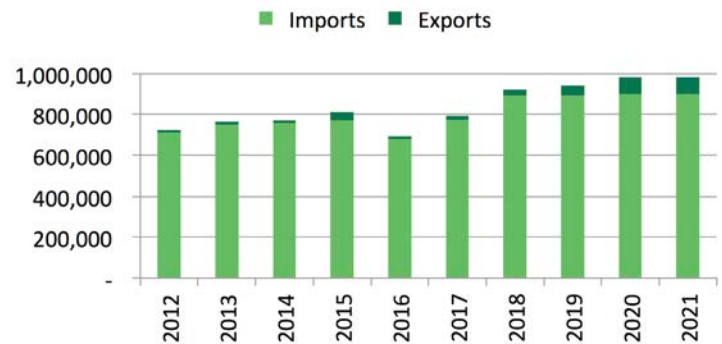
The Port serves the agricultural sector, supporting multiple growing regions including Ventura and Kern Counties, and acts as the gateway to the West Coast and thirteen states (WA, MT, ND, ID, NV, NM, SD, WY, CO, UT, AZ, CA, OR), including Southwest Canada. The Port ranks 2nd for banana imports in the nation, and first on the West Coast.

The Port of Hueneme remained open 24/7 throughout the pandemic, and the agriculture trade volumes grew 19% over FY2020, while containerized fruit grew 63+% over FY2019. This is an essential commodity sector for the Port, and it is growing due to persistent demand for produce as well as from cargo diversion resulting from congestion at other Ports.

Congestion at the larger ports also profoundly impacted exports. The products from local agricultural exporters were getting left behind from vessels racing back to Asia to get more profit-making import containers and not waiting to load export boxes. As a result, these exporters chartered their own vessels that are suitable for smaller ports and called on the Port of Hueneme to get their citrus goods to global markets in places like South Korea and Japan.

Total operating revenues from the agriculture trade increased as demand soared. Revenues in FY2021 reached \$5,473,562, a 13% revenue increase over FY2020. Agriculture trade is forecasted to continue to grow in FY2022.

FRESH FRUITS TONNAGE 2012-2021



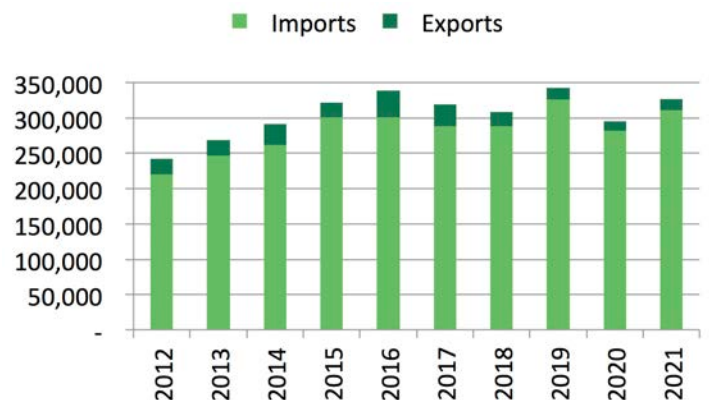
New Container Import/Export Trade

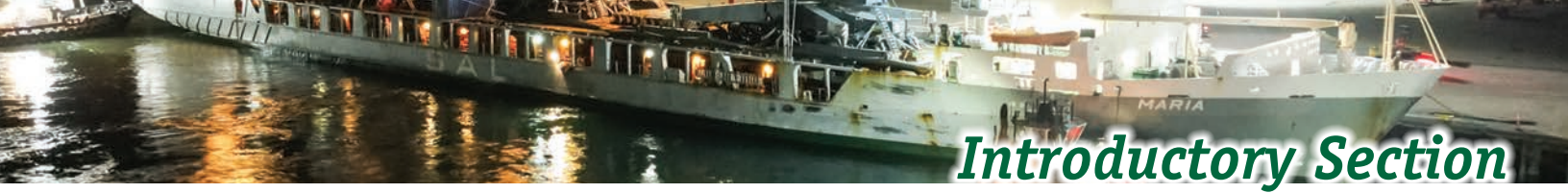
The Port of Hueneme saw increases in dry exports due to textile, paper, protein and clothing commodities which were diverted from other Ports to avoid congestion. Because shippers are enjoying the uncongested nature and predictability of ocean services through the Port of Hueneme, it is anticipated that shipments of dry general cargo containers will continue to grow well into FY2022 outpacing the FY2021 numbers.

Automobile Import/Export Trade Market Analysis

The Port of Hueneme's prime geographic location, along with the Port's auto handling capacity and specialized labor, make the Port a significant player in the automotive segment, ranking 6th in the nation. 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. In addition to the 13 western states served by the Port, auto exports are delivered to the Port of Hueneme from the states of Ohio and Michigan.

AUTO TONNAGE 2012-2021





Introductory Section

Automobile Import/Export Trade Market Analysis (Cont.)

Approximately half of the Port’s revenue is generated from the Port 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 Ocean (WVO) and GLOVIS America, Inc. BMW North America process their own vehicle brands in Oxnard, CA. These companies make the Port of Hueneme one of the top west coast Ports for the import and export of automobiles and high and heavy/rolling stock cargo.

After several manufacturing halts due to COVID super-spread, most Original Equipment Manufacturers (OEMs) were able to reopen in May of FY2020. They began producing with social distancing measures, but not without disruption in the supply chains for parts and vehicle components. Chip shortages have emerged as another challenge for OEMs looking to ship automobiles to the US West Coast to meet consumer demand. As a consequence of COVID, many of the chip producers were stressed by larger than anticipated demand for their chips used in electronics. Inventories and supply fell to levels far below the surge in demand. Limited sourcing of chip shortages made the auto market supply chain more unpredictable. Engine parts also reached low levels as COVID hit manufacturing plants in Vietnam and Malaysia further stressing the production of automobiles.

Demand for new vehicles was very strong indicating economic forces were not a factor in reduced vehicle supply. Some OEM’s reported that 4 out of 5 vehicles imported at the Port of Hueneme were already sold to customers. The auto industry dealerships traditionally have an inventory of autos in the US market for 90-days (4 million units). These market dynamics resulted in low inventory levels at an average of a 26-day supply on retail lots (1 million units). Demand outpaced supply and this trend is anticipated to continue well into next fiscal year. Volumes of autos may not recover to pre-Covid record levels until FY2023. Despite these challenges, the Port continues to be an essential and strategic port of entry for major auto makers such as BMW, Subaru, Kia, Hyundai, Volvo, Mitsubishi, JLR, GM and Tesla.

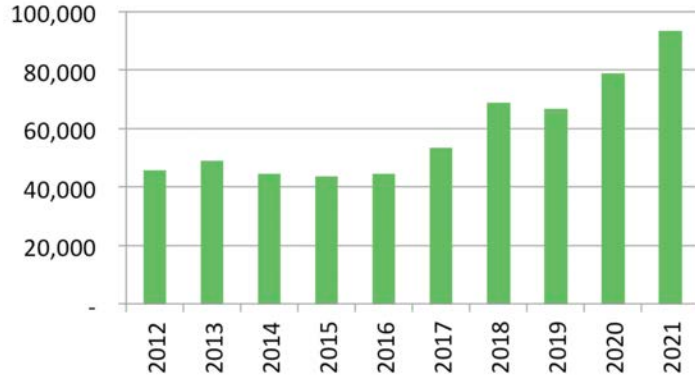
Total operating revenues from the automobile import/export trade reached \$9,583,212 in FY2021, a 5% increase over FY2020, but a 2% decrease compared to FY2019. The 5% increase represents the recovery from the turmoil in automobile manufacturing plants at the onset of the pandemic with all ten of the Port’s brands shutting down production for some period of time in the last quarter of FY2020.

High & Heavy Import/Export Trade Market Analysis

High and heavy imports increased by 19% in FY2021. As the economy rebounded stronger than anticipated and with bottlenecks at larger Ports, the Ro-Ro carriers saw different sizes and types of cargo get booked on their ships. As a result, the Port realized record imports of high and heavy and break-bulk commodities.

The specialized nature of 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 Port’s stevedores (SSA, Ceres, Ports America, and Pac-Ro) are competing for specialized moves such as military cargo and project cargo. This optimizes cost and efficiency and creates the competitive conditions for this segment to continue to realize robust growth. Given the Port’s competitive advantages and the continued expectation of cargo diversion from congested ports, the Port forecasts that high and heavy cargo could continue to climb as high as 25% in FY2022.

HIGH & HEAVY TONNAGE 2012-2021



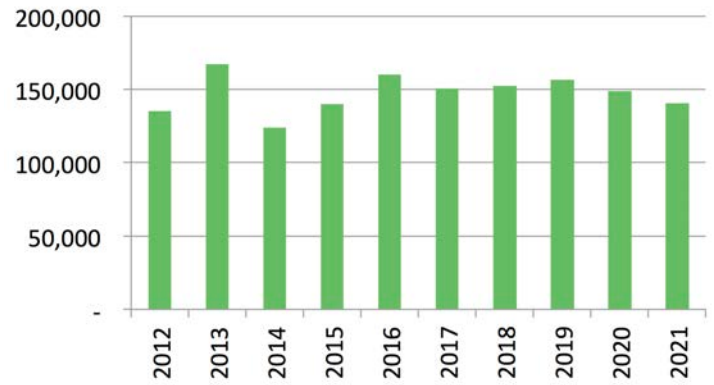
Fertilizer Import Trade Market Analysis

Yara North America (Yara) has been the Port of Hueneme's customer since 1998 and is one of the world's largest fertilizer suppliers operating a terminal inside the Port on a 3.05 acre footprint. Last year, Yara saw a decline in volume of 5.4%.

Yara is a significant benefactor of the infrastructure improvements completed in March of FY2021 including the deepening of the navigational channel to 40 feet. This positions 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 (FY2021 data). 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 (4% of the Port's total revenue) comes from its lease agreement to house its tanks on Port property.

The Port is working with Yara on potential expansion opportunities, including on-dock rail services. 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.

LIQUID FERTILIZER TONNAGE 2012-2021



American Marine Highway Domestic Shipping Market Analysis

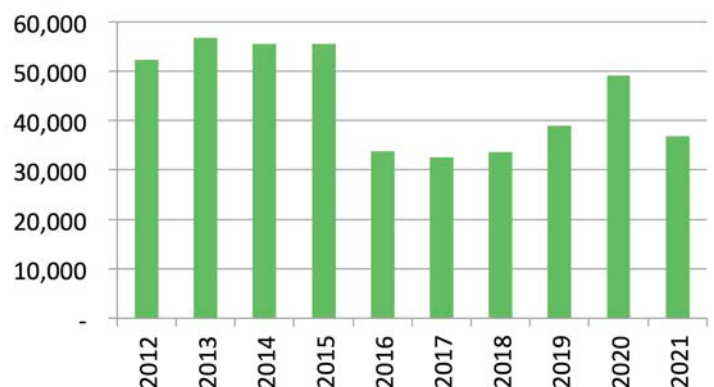
In January 2021 the Port's SEA LINC Project (Spurring Economic Advantages with Logistical Investments for New Connectivity) was awarded an official designation by the U.S. Department of Transportation, marking the first time a project has been designated in Southern California since the inception of the American Marine Highways Program in 2007.

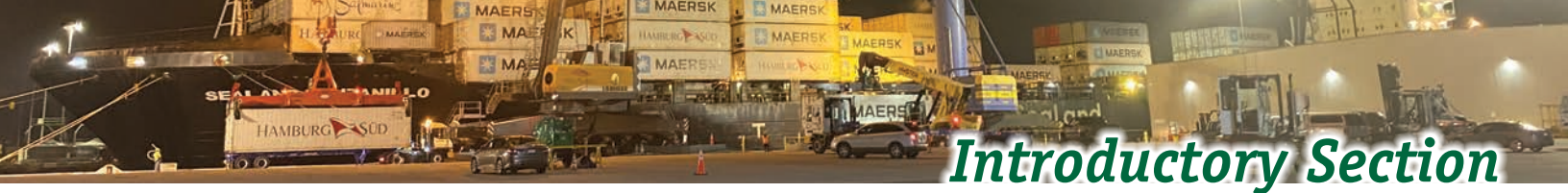
The SEA LINC Project aims to move cargo off federal and state highways by shifting the cargo to barge along Marine Highway 5 (M-5) instead. The cargo, currently being trucked from the Pacific Northwest to Southern California, could move on the water and reduce traffic and air emissions, improve safety, and eliminate wear and tear on the roadways spanning across three states. The designation was awarded in FY2021, but if successful, the service is scheduled to be developed in FY2022 or FY2023.

Domestic Trade Offshore Oil Support

The Port of Hueneme through its customers, Exxon, Freeport McMoran and DCOR, provide support services for the offshore oil industry in the Santa Barbara Channel. The Port saw another sharp decline in revenue from this business segment of 25.2% in FY2021. 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 several years to support the demobilization services. Companies are reaching out to the Port for lease agreements to ensure adequate staging for the decommissioning.

OFFSHORE OIL TONNAGE 2012-2021





Introductory Section

Squid Fishery

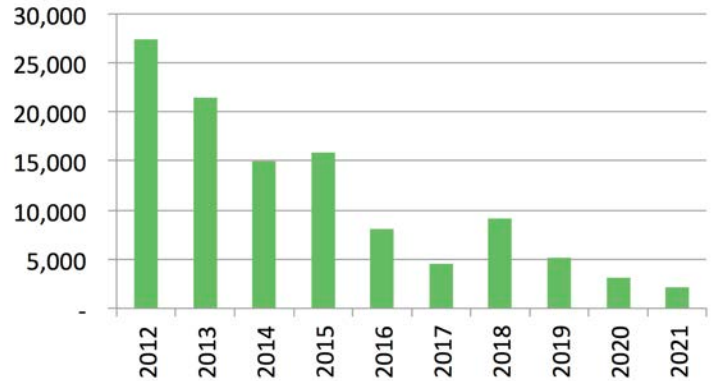
The Port also has a vibrant squid fishery, a seasonal business generally starting slow in the spring and peaking in the fall through the end of the year. Fishing boats work at night, delivering their catch in the early morning hours to the Oxnard Unloading Services LLC., a co-op that unloads and delivers 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. In FY2021, the tonnage of fish through the Port was a total of 2,155 tons down from 3,165 tons in FY2020.

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 impacts. 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. Catch is difficult to forecast in FY2022 for these reasons.

FISH TONNAGE 2012-2021



Other Business Segments and Market Analysis

The Port of Hueneme also opened its gates for filming activity. In November 2021 NCIS Los Angeles CBS used the Port's wharf and facilities to shoot its episode for three days. This type of filming activity was a great source of revenue generation for the Port outside of its core operational activities. The Port will continue to welcome filming in the future, where it doesn't affect operations and helps create marketing and economic activity opportunities for the Ventura County region.

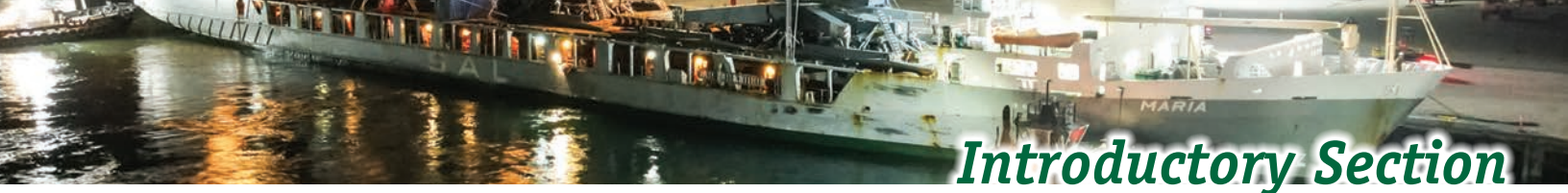
Real Estate Investment Strategy and Market Analysis

The Port's total Real Estate operating revenue was \$2,240,679 in FY2021, compared to \$2,121,954 in FY2021.

The Port generates revenue from a 5 acre parcel it owns off Port on Edison Road in Oxnard that nets \$311,650 in revenue from WW to support Subaru business coming through the Port.

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 would have generated \$57,360 in rent, but due to challenges COVID rents have been slower in payment, but all rents would have been received. Some tenants were able to attain stimulus grants from Ventura County to help with the rent payments.

The business strategy of the Port calls for the management team to lease and use the properties in a balanced manner to produce the best synergies for tenants, cargo throughput and port revenues. Industrial land in Ventura County is in short supply. It should be noted that nationally the industrial sector within the real estate industry has been the most active in the last several years, experiencing significant demand, growth, and appreciation and rental rate growth. A representative case in point is Ventura County, which is experiencing an overall vacancy rate 2.0% (inclusive of sub-rents) and a Direct Vacancy (space direct only form landlords) of 1.7%. One of the greatest challenges to industrial (and in fact, any kind) property development 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.



Introductory Section

Real Estate Investment Strategy and Market Analysis (Cont.)

The Port plans to continue with diversification of its investment portfolio to generate revenue. The Port remains 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.

The Port is also working on two additional land developments approximately 1-2 miles from the entrance of its terminal. One is a 34-acre parcel on Port Hueneme Road to be used for temporary auto parking which is currently undergoing the permitting process. This will result in less trucking, improved air quality and reduced congestion on city streets and will allow for increased capacity for the auto segment.

The second is in its infancy and in preliminary analysis for feasibility and includes a 250-acre development of a Port Enterprise Zone to support improvements scheduled for inside the terminal. Investment opportunities of this magnitude would allow for customer growth, significantly enhancing 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 revenue streams for environmental restoration projects such as that of Ormond Beach.

10 Year Strategic Plan

Background

The Port has continued the process of creating a 10-year Plan in FY2020. The updated plan focuses on five pillars -- jobs and economic impact, infrastructure, environment, innovation and technology, and community/social equity. The 10-year 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 and foreign trade representatives through our World Trade Center license umbrella and trade missions remains part of that strategy.

Strategic Pillars

The 10-Year Strategic Plan establishes a visioning tool for the Port administration, reinforces its mission statement, and establishes goals and strategies to guide Port operations, business retention and growth and potential future capital investments. By organizing, enabling, and managing efforts in-line with the five key pillars identified in this 10-Year Strategic Plan, the Port of Hueneme will contribute to the economic, environmental, and social betterment of the Cities of Port Hueneme and Oxnard, Ventura County, and citizens and industries across the State of California and beyond. In this role, the Port of Hueneme can bring forth generation-spanning economic and social benefits to communities throughout its basin of influence.





Introductory Section

Pillars 10-Year Plan

ECONOMIC VITALITY:

Goal:

Contribute towards a vibrant and healthy economy by supporting businesses, job growth, and foreign commerce, while also ensuring a sustainable port organization.

INFRASTRUCTURE:

Goal:

Develop and maintain fit for purpose the infrastructure that enhances productivity and efficiency in goods movement, reduces externalities, and strengthens the Port's competitive positioning.

ENVIRONMENT:

Goal:

Reduce or avoid harmful environmental impacts from port operations and development by improving efforts to enhance sustainability and resiliency.

INNOVATION:

Goal:

Fostering ideas, innovation, and leading-edge technologies for the advancement of ports and the maritime environment.

SOCIAL EQUITY:

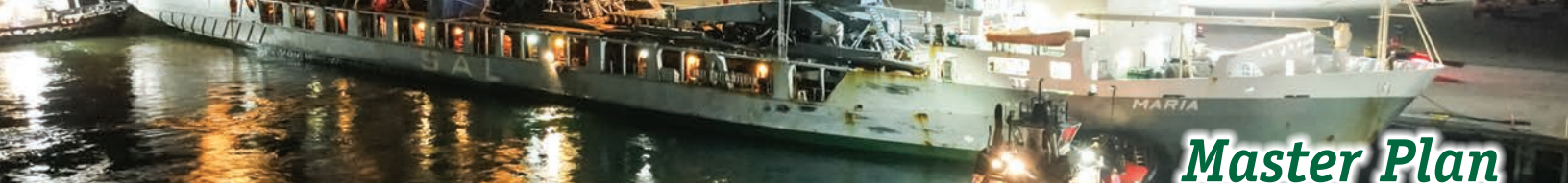
Goal:

Pursue policies and projects that address social inequity, strengthen the well being of the communities in which we operate and develop partnerships that further our mission and vision.

Open Transparent Planning Process

The Strategic Plan is in development and expected to be complete by the close of FY2022. In FY2021 to ensure an open and transparent process, the Port held 2 workshops around the pillars in 3 languages – English, Spanish and Mixteco. The Port also is informing the Plan with over 500 individual surveys collected in FY2021.





Port of Hueneme 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.





Introductory Section

Awards and Acknowledgments

Finance



Government Finance Officers Association - 11th Award of Excellence in Financial Reporting (2021)

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 2020 Annual Comprehensive Financial Report (ACFR). To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

This is the twelfth year that the Port is submitted its Annual Comprehensive Financial Report (ACFR) 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 ACFR meets the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for 2021. 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 (Annually Recertified 2021)

In May 2017, the Port became the first Port in California to receive a Green Marine Certification. Established in 2007, Green Marine is a voluntary, transparent and inclusive initiative that addresses key environmental issues through its 14 performance indicators focusing on the European and North American maritime transportation industry. The program stems from the maritime industry’s voluntary initiative to go above and beyond environmental regulatory requirements. The Green Marine program’s unique character derives from the support being earned from more than 150 participating maritime facilities and 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 2021.



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

Business



West Ventura County Business Alliance 2021 Chair's Awards of Excellence Kristin Decas, CEO and Port Director

Awarded "for exemplary leadership in the midst of a worldwide healthcare emergency; Kristin has been at the helm ensuring that businesses at the Port of Hueneme are following all COVID guidelines to ensure employee safety while keeping cargo moving."

Community



Community Treasure Award

The Port was recognized by Food Share of Ventura County with a Community Treasure Award for their efforts and display at the 10th Annual Food Share Can-Tree Event in 2021.



City of Oxnard 2021 Community Recognition Award

City of Oxnard and the Community Relations Commission recognizes deserving individuals and groups that have furthered human relations in the Oxnard community.

Innovation & Technology



Technology Innovation Award (Citizens Category)

The team at FATHOMWERX was selected by Government Technology as a Special Districts Award winner in 2021. FATHOMWERX, onsite at the Port, was recognized for efforts as an on-site makerspace and its outreach and work in STEM education. FATHOMWERX is a collaboration between the Port of Hueneme, Economic Development Collaborative, Matter Labs, and Naval Base Ventura County/NAVSEA).

Operations



AAPA Award of Merit, Facilities Engineering (2021)

The Port was recognized by American Association of Port Authorities (AAPA) with an Award of Merit for the Port's Deepening Project, which was completed in 2021.

Alliance of the Ports of Canada, the Caribbean,

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



*Financial
Section*

**OXNARD HARBOR DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2021 and 2020**



NIGRO & NIGRO^{PC}

A Professional Accountancy Corporation

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, 2021 and 2020, 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, 2021 and 2020, 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. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

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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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain 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.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 15, 2021, 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 the effectiveness of the District's 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
November 15, 2021

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

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, 2021 and 2020. 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 2021, the District's net position increased 10.3%, or \$8,936,623 from the prior year's net position of \$85,986,855 to \$94,923,478, as a result of the year's operations.
- 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 2021, operating revenues increased by 13.2%, or \$2,360,393 from \$17,933,582 to \$20,293,975, from the prior year, primarily due to a \$1,344,032 increase in auto cargo revenue and a \$644,754 increase in fresh produce cargo.
- 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 2021, operating expenses before depreciation expense decreased by 8.3% or \$1,048,888 from \$12,713,121 to \$11,664,233, from the prior year, primarily due to a \$316,451 decrease in salaries and benefits expenses and a \$264,749 decrease in facilities and maintenance expense.
- 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.

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, 2021 and 2020

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, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2019</u>	<u>Change</u>
Assets:					
Current assets	\$ 29,614,672	\$ 19,501,979	\$ 10,112,693	\$ 22,695,525	\$ (3,193,546)
Noncurrent	9,500,682	17,952,897	(8,452,215)	19,133,185	(1,180,288)
Capital assets, net	81,792,788	86,225,116	(4,432,328)	81,084,468	5,140,648
Total assets	<u>120,908,142</u>	<u>123,679,992</u>	<u>(2,771,850)</u>	<u>122,913,178</u>	<u>766,814</u>
Deferred outflows of resources	<u>2,419,858</u>	<u>1,995,687</u>	<u>424,171</u>	<u>2,481,840</u>	<u>(486,153)</u>
Total assets and deferred outflows of resources	<u>\$ 123,328,000</u>	<u>\$ 125,675,679</u>	<u>\$ (2,347,679)</u>	<u>\$ 125,395,018</u>	<u>\$ 280,661</u>
Liabilities:					
Current liabilities	\$ 9,749,261	\$ 9,306,946	\$ 442,315	\$ 12,216,501	\$ (2,909,555)
Noncurrent liabilities	17,956,816	29,167,321	(11,210,505)	30,557,988	(1,390,667)
Total liabilities	<u>27,706,077</u>	<u>38,474,267</u>	<u>(10,768,190)</u>	<u>42,774,489</u>	<u>(4,300,222)</u>
Deferred inflows of resources	<u>698,445</u>	<u>1,214,557</u>	<u>(516,112)</u>	<u>2,029,592</u>	<u>(815,035)</u>
Net position:					
Net investment in capital assets	75,232,393	78,242,850	(3,010,457)	70,607,900	7,634,950
Restricted	2,119,205	5,443,892	(3,324,687)	6,731,840	(1,287,948)
Unrestricted	17,571,880	2,300,113	15,271,767	3,251,197	(951,084)
Total net position	<u>94,923,478</u>	<u>85,986,855</u>	<u>8,936,623</u>	<u>80,590,937</u>	<u>5,395,918</u>
Total liabilities, deferred inflows and net position	<u>\$ 123,328,000</u>	<u>\$ 125,675,679</u>	<u>\$ (2,347,679)</u>	<u>\$ 125,395,018</u>	<u>\$ 280,661</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 \$94,923,478 and \$85,986,855 as of June 30, 2021 and 2020, respectively.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (79% as of June 30, 2021 and 90% as of June 30, 2020) 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 2021 and 2020, the District showed a positive balance in its unrestricted net position of \$17,571,880 and \$2,300,113, respectively, which may be utilized in future years.

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2019</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 20,293,975	\$ 17,933,582	\$ 2,360,393	\$ 18,412,493	\$ (478,911)
Non-operating revenues	2,239,742	1,040,524	1,199,218	1,263,526	(223,002)
Total revenues	<u>22,533,717</u>	<u>18,974,106</u>	<u>3,559,611</u>	<u>19,676,019</u>	<u>(701,913)</u>
Expenses:					
Operating expenses	11,664,233	12,713,121	(1,048,888)	11,794,912	918,209
Depreciation	4,168,301	4,552,974	(384,673)	4,007,757	545,217
Non-operating expenses	648,764	385,436	263,328	609,762	(224,326)
Total expenses	<u>16,481,298</u>	<u>17,651,531</u>	<u>(1,170,233)</u>	<u>16,412,431</u>	<u>1,239,100</u>
Capital contributions	<u>2,884,204</u>	<u>4,073,343</u>	<u>(1,189,139)</u>	<u>6,052,602</u>	<u>(1,979,259)</u>
Change in net position	<u>8,936,623</u>	<u>5,395,918</u>	<u>3,540,705</u>	<u>9,316,190</u>	<u>(3,920,272)</u>
Net position:					
Beginning of year	85,986,855	80,590,937	5,395,918	71,274,747	9,316,190
End of year	<u>\$ 94,923,478</u>	<u>\$ 85,986,855</u>	<u>\$ 8,936,623</u>	<u>\$ 80,590,937</u>	<u>\$ 5,395,918</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 \$8,936,623 and \$5,395,918 for the years ended June 30, 2021 and 2020 respectively.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

Operating revenues:	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>	<u>June 30, 2019</u>	<u>Change</u>
Auto cargo	\$ 9,583,212	\$ 8,239,180	\$ 1,344,032	\$ 9,876,137	\$ (1,636,957)
Fresh produce cargo	5,473,562	4,828,808	644,754	3,953,248	875,560
Offshore oil	374,116	525,974	(151,858)	410,715	115,259
Property management	2,240,679	2,121,954	118,725	1,969,558	152,396
Other operating income	2,622,406	2,217,666	404,740	2,202,835	14,831
Total operating revenues	<u>20,293,975</u>	<u>17,933,582</u>	<u>2,360,393</u>	<u>18,412,493</u>	<u>(478,911)</u>
Non-operating revenues:					
Investment earnings	35,127	275,719	(240,592)	347,288	(71,569)
Interest earnings – leveraged loan	47,326	100,220	(52,894)	100,220	-
Ventura County Railway Co., LLC	109,314	200,217	(90,903)	72,158	128,059
Purchase credit revenue	305,147	158,520	146,627	535,095	(376,575)
Harbor maintenance tax revenue	140,071	280,000	(139,929)	190,000	90,000
Gain from sale of capital assets	2,475,450	-	2,475,450	-	-
Loss on the disposal of capital assets	(906,760)	-	(906,760)	-	-
Other non-operating revenues	34,067	25,848	8,219	18,765	7,083
Total non-operating revenues	<u>2,239,742</u>	<u>1,040,524</u>	<u>1,199,218</u>	<u>1,263,526</u>	<u>(223,002)</u>
Total revenue	<u>\$ 22,533,717</u>	<u>\$ 18,974,106</u>	<u>\$ 3,559,611</u>	<u>\$ 19,676,019</u>	<u>\$ (701,913)</u>

In fiscal year 2021, operating revenues increased by 13.2%, or \$2,360,393 from \$17,933,582 to \$20,293,975, from the prior year, primarily due to a \$1,344,032 increase in auto cargo revenue and a \$644,754 increase in fresh produce cargo.

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.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Expenses

Operating expenses:	June 30, 2021	June 30, 2020	Change	June 30, 2019	Change
Salaries and benefits	\$ 5,930,179	\$ 6,246,630	\$ (316,451)	\$ 5,462,643	\$ 783,987
Governmental contractual agreements	1,964,946	1,915,325	49,621	1,893,023	22,302
Security	289,793	419,783	(129,990)	519,623	(99,840)
Facilities and maintenance	1,310,507	1,575,256	(264,749)	1,448,525	126,731
Professional and legal	1,030,530	1,165,125	(134,595)	1,299,932	(134,807)
Materials and services	328,271	451,367	(123,096)	241,689	209,678
Port promotion	443,307	630,323	(187,016)	649,839	(19,516)
Insurance	366,700	309,312	57,388	279,638	29,674
Total operating expenses	11,664,233	12,713,121	(1,048,888)	11,794,912	918,209
Depreciation	4,168,301	4,552,974	(384,673)	4,007,757	545,217
Non-operating expenses:					
Interest expense – long-term debt	560,437	316,007	244,430	469,964	(153,957)
Other non-operating expenses	88,327	69,429	18,898	139,798	(70,369)
Total non-operating expenses	648,764	385,436	263,328	609,762	(224,326)
Total expenses	\$ 16,481,298	\$ 17,651,531	\$ (1,170,233)	\$ 16,412,431	\$ 1,239,100

In fiscal year 2021, operating expenses before depreciation expense decreased by 8.3% or \$1,048,888 from \$12,713,121 to \$11,664,233, from the prior year, primarily due to a \$316,451 decrease in salaries and benefits expenses and a \$264,749 decrease in facilities and maintenance expenses.

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.

Capital Assets

Description	June 30, 2021	June 30, 2020	June 30, 2019
Non-depreciable assets	\$ 34,523,137	\$ 35,529,146	\$ 29,461,680
Depreciable assets	108,458,481	108,287,749	104,661,593
Accumulated depreciation	(61,188,830)	(57,591,779)	(53,038,805)
Total capital assets, net	<u>\$ 81,792,788</u>	<u>\$ 86,225,116</u>	<u>\$ 81,084,468</u>

At the end of year 2021, 2020 and 2019, the District's investment in capital assets amounted to \$81,792,788, \$86,225,116 and \$81,084,468 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$2,180,943 and \$9,693,622 for various projects and equipment for the years ended June 30, 2021 and 2020, respectively. See Note 7 for further information.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2021 and 2020

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

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

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenue bonds payable, net	<u>\$ 6,612,070</u>	<u>\$ 8,050,702</u>	<u>\$ 10,561,764</u>

Long-term debt decreased by \$1,438,632 and \$2,511,062 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020*

ASSETS	2021	2020
Current assets:		
Cash and investments (Note 2)	\$ 25,407,075	\$ 15,164,889
Accrued interest receivable	13,942	32,476
Accounts receivable – customers, net (Note 3)	3,607,085	2,748,002
Grants and other receivables	293,487	1,220,501
Prepaid items	293,083	336,111
Total current assets	29,614,672	19,501,979
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 13)	5,266,359	5,600,239
Restricted – investments (Note 2 and 13)	-	1,031,008
Shoreside Power/Arcturus Avenue leveraged loan (Note 4)	-	7,196,641
World Trade Center license (Note 5)	51,000	51,000
Investment in Ventura County Railway Co., LLC (Note 6)	4,183,323	4,074,009
Capital assets – not being depreciated (Note 7)	34,523,136	35,529,146
Capital assets – being depreciated, net (Note 7)	47,269,652	50,695,970
Total non-current assets	91,293,470	104,178,013
Total assets	120,908,142	123,679,992
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding of revenue bonds, net (Note 9)	51,676	68,436
Deferred outflows of resources related to pensions (Note 10)	1,379,384	1,437,246
Deferred outflows of resources related to OPEB (Note 11)	988,798	490,005
Total deferred outflows of resources	2,419,858	1,995,687
Total assets and deferred outflows of resources	\$ 123,328,000	\$ 125,675,679
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,181,362	\$ 3,454,895
Accrued revenue sharing payables (Note 17)	4,171,324	3,789,375
Customer deposits and unearned revenue	273,459	266,991
Accrued interest payable	356,635	154,685
Long-term liabilities – due within one year:		
Compensated absences (Note 8)	211,481	196,000
Revenue bonds payable (Note 9)	1,555,000	1,445,000
Total current liabilities	9,749,261	9,306,946
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 8)	634,344	612,600
Unearned revenue – ground and equipment lease (Note 4.A.)	-	7,196,641
Unearned revenue – Arcturus sale contract (Note 4.B.)	-	2,664,017
Net OPEB liability (Note 11)	5,958,029	6,252,062
Net pension liability (Note 10)	6,307,372	5,836,299
Revenue bonds payable, net (Note 9)	5,057,071	6,605,702
Total non-current liabilities	17,956,816	29,167,321
Total liabilities	27,706,077	38,474,267
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions (Note 10)	171,664	435,898
Deferred inflows of resources related to OPEB (Note 11)	526,781	778,659
Total deferred inflows of resources	698,445	1,214,557
NET POSITION		
Net investment in capital assets (Note 12)	75,232,393	78,242,850
Restricted for debt service (Note 13)	2,119,205	5,443,892
Unrestricted	17,571,880	2,300,113
Total net position	94,923,478	85,986,855
Total liabilities, deferred inflows of resources and net position	\$ 123,328,000	\$ 125,675,679

The notes to financial statements are an integral part of this statement.

OXNARD HARBOR DISTRICT

Statements of Revenues, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Auto cargo	\$ 9,583,212	\$ 8,239,180
Fresh produce cargo	5,473,562	4,828,808
Offshore oil	374,116	525,974
Property management:		
Land	1,414,070	1,232,396
Buildings	826,609	889,558
Other operating revenue:		
Liquid fertilizer	245,132	245,798
Reefer receptacles	1,331,429	831,572
Water hose rentals	742	231
Wharfage – fish and water	15,333	13,348
Other – moorings, permits and fees	1,029,770	1,126,717
Total operating revenues	<u>20,293,975</u>	<u>17,933,582</u>
OPERATING EXPENSES		
Salaries and benefits	5,930,179	6,246,630
Governmental contractual agreements	1,964,946	1,925,624
Security	289,793	419,782
Facilities and maintenance	1,310,507	1,250,556
Professional and legal services	1,030,530	1,441,923
Materials and services	328,271	488,970
Port promotion	443,307	630,324
Insurance	366,700	309,312
Total operating expenses before depreciation	<u>11,664,233</u>	<u>12,713,121</u>
Operating income before depreciation	8,629,742	5,220,461
Depreciation expense	<u>(4,168,301)</u>	<u>(4,552,974)</u>
Operating income	<u>4,461,441</u>	<u>667,487</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	35,127	275,719
Investment earnings – leveraged loan	47,326	100,220
Interest expense – long-term debt	(560,437)	(316,007)
Change in investment in Ventura County Railway Co., LLC, net (Note 6)	109,314	200,217
Purchase credit revenue	305,147	158,520
Harbor maintenance tax revenue	140,071	280,000
Gain from sale of capital assets	2,475,450	-
Loss on the disposal of capital assets	(906,760)	-
Other non-operating revenues	34,067	25,848
Other non-operating expenses	<u>(88,327)</u>	<u>(69,429)</u>
Total non-operating revenue(expense), net	<u>1,590,978</u>	<u>655,088</u>
Net income before capital contributions	<u>6,052,419</u>	<u>1,322,575</u>
CAPITAL CONTRIBUTIONS		
Federal capital grants	<u>2,884,204</u>	<u>4,073,343</u>
Total capital contributions	<u>2,884,204</u>	<u>4,073,343</u>
Change in net position	8,936,623	5,395,918
Net position:		
Beginning of year	<u>85,986,855</u>	<u>80,590,937</u>
End of year	<u>\$ 94,923,478</u>	<u>\$ 85,986,855</u>

OXNARD HARBOR DISTRICT*Statements of Cash Flows**For the Fiscal Years Ended June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 19,914,670	\$ 20,485,382
Cash paid to employees for salaries and benefits	(6,672,957)	(6,018,875)
Cash paid to vendors and suppliers for materials and services	(5,713,965)	(8,299,513)
Net cash provided by operating activities	<u>7,527,748</u>	<u>6,166,994</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,180,943)	(9,693,622)
Proceeds from capital grants	3,860,221	3,872,406
Principal paid on revenue bonds	(1,445,000)	(2,470,000)
Interest paid on revenue bonds	(335,359)	(223,559)
Net cash used in capital and related financing activities	<u>(101,081)</u>	<u>(8,514,775)</u>
Cash flows from investing activities:		
Proceeds from the maturity of investments	1,031,008	1,473,250
Proceeds from the sale of capital assets	1,349,644	-
Investment earnings	100,987	404,743
Net cash provided by investing activities	<u>2,481,639</u>	<u>1,877,993</u>
Net increase in cash and cash equivalents	9,908,306	(469,788)
Cash and cash equivalents:		
Beginning of year	<u>20,765,128</u>	<u>21,234,916</u>
End of year	<u>\$ 30,673,434</u>	<u>\$ 20,765,128</u>
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and investments	\$ 25,407,075	\$ 15,164,889
Restricted assets – cash and cash equivalents	5,266,359	5,600,239
Total cash and cash equivalents	<u>\$ 30,673,434</u>	<u>\$ 20,765,128</u>

OXNARD HARBOR DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Years Ended June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 4,461,441	\$ 667,487
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,168,301	4,552,974
Purchase credit revenue	305,147	158,520
Harbor maintenance tax revenue	140,071	280,000
Other non-operating revenues	34,067	25,848
Other non-operating expenses	(88,327)	(69,429)
Change in assets – (increase)decrease:		
Accounts receivable – customers, net	(859,083)	2,306,056
Other receivables	(49,003)	(65,301)
Prepaid items	43,028	(77,009)
Shoreside Power/Arcturus Avenue leveraged loan	7,196,641	430,202
Change in deferred outflows of resources – (increase)decrease		
Deferred outflows of resources related to pensions	57,862	(18,296)
Deferred outflows of resources related to OPEB	(498,793)	487,689
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	(273,533)	(1,623,316)
Accrued revenue sharing payables	381,949	(140,277)
Customer deposits and unearned revenue	6,468	(76,314)
Compensated absences	37,225	216,000
Unearned revenue – ground and equipment lease	(7,196,641)	(430,202)
Net OPEB liability	(294,033)	(121,270)
Net pension liability	471,073	478,667
Change in deferred inflows of resources – increase(decrease)		
Deferred inflows of resources related to pensions	(264,234)	(36,374)
Deferred inflows of resources related to OPEB	(251,878)	(778,661)
Total adjustments	<u>3,066,307</u>	<u>5,499,507</u>
Net cash provided by operating activities	<u>\$ 7,527,748</u>	<u>\$ 6,166,994</u>
Non-cash investing, capital and financing transactions:		
Change in fair-value of investments	\$ (64,409)	\$ 5,809
Amortization of bond premium(discount), net	\$ (6,368)	\$ 41,062
Amortization of deferred loss on refunding of revenue bonds	\$ (16,760)	\$ (16,760)

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 and 2020

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, 2021 and 2020

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.

The following timeframes are used for pension reporting:

- Valuation Date June 30, 2019
- Measurement Date June 30, 2020
- Measurement Period July 1, 2019 to June 30, 2020

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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. Post-employment 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.

Valuation Date June 30, 2021

Measurement Date June 30, 2020

Measurement Period July 1, 2019 to June 30, 2020

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 debt for those capital assets.
- **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, 2021 and 2020

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, 2021	June 30, 2020
Cash and investments	\$ 25,407,075	\$ 15,164,889
Restricted – cash and cash equivalents	5,266,359	5,600,239
Restricted – investments	-	1,031,008
Total	\$ 30,673,434	\$ 21,796,136

Cash and investments consisted of the following:

Description	June 30, 2021	June 30, 2020
Cash on hand	\$ 500	\$ 500
Deposits held with financial institutions	12,470,899	11,102,587
Deposits held with investment pools	18,202,035	10,693,049
Total	\$ 30,673,434	\$ 21,796,136

Demand Deposits

At June 30, 2021 and 2020, the carrying amount of the District's demand deposits was \$12,470,899 and \$11,102,587, respectively, and the financial institution balance was \$13,090,456 and \$12,054,453, respectively. The \$619,057 and \$951,866 respective net difference as of June 30, 2021 and 2020 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, 2021 and 2020

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, 2021, \$12.4 million of District deposits was exposed to custodial credit risk.

Investments

The District's investments as of June 30, 2021 were as follows:

Type of Investments	Measurement Input	Credit Rating	June 30, 2021 Fair Value	Maturity
				12 Months or Less
External investment pools:				
California Local Agency Investment Fund (LAIF)	Level 1	N/A	\$ 2,625,073	\$ 2,625,073
Ventura County Pooled Investment Fund (VCPIF)	Level 1	AAAf/S-1+	15,576,962	15,576,962
Total investments			\$ 18,202,035	\$ 18,202,035

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
External investment pools:				
California Local Agency Investment Fund (LAIF)	Level 1	N/A	\$ 2,615,595	\$ 2,615,595
Ventura County Pooled Investment Fund (VCPIF)	Level 1	AAAf/S-1+	7,046,446	7,046,446
Held by bond trustee:				
Negotiable certificates of deposit	Level 1	N/A	1,031,008	1,031,008
Total investments			\$ 10,693,049	\$ 10,693,049

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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/.

The District's investments with LAIF at June 30, 2021 and 2020, 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 \$2,625,075 and \$2,615,595 invested in LAIF, which had invested 2.31% and 3.37% of the pooled investment funds as of June 30, 2021 and June 30, 2020, respectively, in structured notes and medium-term asset-backed securities. The LAIF fair value factor of 1.00008297 and 1.00491 was used to calculate the fair value of the investments in LAIF as of June 30, 2021 and 2020, respectively.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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/

The County's Treasurer has indicated to the District that as of June 30, 2021 and 2020 that the value of the County's portfolio was approximately \$3.3 billion and \$2.8 billion, respectively. As of June 30, 2021 and 2020, the District has investment in the VCPIF \$15,576,962 and \$7,046,446, respectively. The VCPIF fair value factor of 0.99834125 and 1.00405717 was used to calculate the fair value of the investments in VCPIF as of June 30, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020

NOTE 3 – ACCOUNTS RECEIVABLE

The balance at June 30, consists of the following;

Description	June 30, 2021	June 30, 2020
Accounts receivable - customers	\$ 3,632,085	\$ 2,773,002
Allowance for uncollectible accounts	(25,000)	(25,000)
Accounts receivable – customers, net	\$ 3,607,085	\$ 2,748,002

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 NMTC program completed in 2021 for the District and the remaining balance of the leveraged loan was settled.

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. In 2021, the District completed the sale of the Arcturus Avenue to BMW of North America.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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 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 \$4,187,372 and \$4,074,009 as of June 30, 2021 and 2020, respectively. Audited financial information for the Ventura County Railway Company, LLC for the years ended June 30, 2021 and 2020 were as follows:

<u>Balance Sheet</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets:		
Current assets	\$ 1,716,577	\$ 1,560,091
Property and equipment, net	2,511,764	2,538,948
Total assets	<u>\$ 4,228,341</u>	<u>\$ 4,099,039</u>
Liabilities	\$ 40,969	\$ 25,030
Equity	4,187,372	4,074,009
Total liabilities and equity	<u>\$ 4,228,341</u>	<u>\$ 4,099,039</u>
<u>Income Statement</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Revenues	\$ 308,864	\$ 326,307
Expenses	(195,501)	(126,090)
Net income	113,363	200,217
Equity:		
Beginning of year	4,074,009	3,873,792
End of year	<u>\$ 4,187,372</u>	<u>\$ 4,074,009</u>

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 7 – CAPITAL ASSETS AND DEPRECIATION**

Changes in capital assets for the fiscal year ended June 30, 2021, were as follows:

Description	Balance July 1, 2020	Additions	Deletions/ Transfers	Balance June 30, 2021
Non-depreciable assets:				
Land	\$ 15,332,137	\$ -	\$ (1,538,210)	\$ 13,793,927
Construction-in-process	20,197,009	1,015,084	(482,883)	20,729,210
Total non-depreciable assets	35,529,146	1,015,084	(2,021,093)	34,523,137
Depreciable assets:				
Wharves and docks	21,548,759	-	-	21,548,759
Warehouses	24,921,953	-	-	24,921,953
Land improvements	34,099,845	49,982	(1,478,010)	32,671,817
Buildings	4,644,648	-	-	4,644,648
Buildings and improvements	3,831,929	116,189	-	3,948,118
Vehicles and equipment	19,240,615	1,482,571	-	20,723,186
Total depreciable assets	108,287,749	1,648,742	(1,478,010)	108,458,481
Accumulated depreciation:				
Wharves and docks	(17,511,089)	(573,182)	-	(18,084,271)
Warehouses	(18,975,438)	(839,786)	-	(19,815,224)
Land improvements	(12,119,786)	(1,336,119)	571,250	(12,884,655)
Buildings	(2,246,160)	(158,868)	-	(2,405,028)
Buildings and improvements	(1,696,233)	(244,540)	-	(1,940,773)
Vehicles and equipment	(5,043,073)	(1,015,806)	-	(6,058,879)
Total accumulated depreciation	(57,591,779)	(4,168,301)	571,250	(61,188,830)
Total depreciable assets, net	50,695,970	(2,519,559)	(906,760)	47,269,651
Total capital assets, net	\$ 86,225,116	\$ (1,504,475)	\$ (2,927,853)	\$ 81,792,788

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (continued)**

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
Non-depreciable assets:				
Land	\$ 15,332,137	\$ -	\$ -	\$ 15,332,137
Construction-in-process	14,129,543	10,024,287	(3,956,821)	20,197,009
Total non-depreciable assets	29,461,680	10,024,287	(3,956,821)	35,529,146
Depreciable assets:				
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
Total depreciable assets	104,661,593	3,626,156	-	108,287,749
Accumulated depreciation:				
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)
Total accumulated depreciation	(53,038,805)	(4,552,974)	-	(57,591,779)
Total depreciable assets, net	51,622,788	(926,818)	-	50,695,970
Total capital assets, net	\$ 81,084,468	\$ 9,097,469	\$ (3,956,821)	\$ 86,225,116

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 8 – COMPENSATED ABSENCES**

Summary changes to compensated absences balances for the year ended June 30, 2021, were as follows:

<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 808,600	\$ 301,323	\$ (264,098)	\$ 845,825	\$ 211,481	\$ 634,344

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

<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 592,600	\$ 317,063	\$ (101,063)	\$ 808,600	\$ 196,000	\$ 612,600

NOTE 9 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2021, were as follows:

<u>Long-Term Debt</u>	<u>Balance July 1, 2020</u>	<u>Additions/ Adjustments</u>	<u>Payments/ Amortization</u>	<u>Balance June 30, 2021</u>
Revenue bonds – Series 2011A	\$ 1,365,000	\$ -	\$ (1,365,000)	\$ -
Revenue bonds – Series 2011A – premium	4,312	-	(4,312)	-
Revenue bonds – Series 2011B	6,725,000	-	(80,000)	6,645,000
Revenue bonds – Series 2011B – discount	(43,610)	-	10,680	(32,930)
Total long-term debt	8,050,702	\$ -	\$ (1,438,632)	6,612,070
Less current portion	(2,470,000)			(1,555,000)
Non-current portion	\$ 5,580,702			\$ 5,057,070

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

<u>Long-Term Debt</u>	<u>Balance July 1, 2019</u>	<u>Additions/ Adjustments</u>	<u>Payments/ Amortization</u>	<u>Balance June 30, 2020</u>
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)
Total long-term debt	10,561,764	\$ -	\$ (2,511,062)	8,050,702
Less current portion	(2,350,000)			(2,470,000)
Non-current portion	\$ 8,211,764			\$ 5,580,702

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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 \$10,781,156 and \$6,191,556 for the years ended June 30, 2021 and 2020, respectively. The actual debt service coverage ratio was 356% and 222% for the years ended June 30, 2021 and 2020, 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, 2021, was as follows:

	Balance July 1, 2020	Additions	Amortization	Balance June 30, 2021
Deferred amount on refunding, net	\$ 68,436	\$ -	\$ (16,760)	\$ 51,676

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

Series 2011A (AMT)

The Series 2011A (AMT) bonds matured in fiscal year 2021.

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:

Fiscal Year	Principal	Interest	Total
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	\$ 6,645,000	\$ 997,663	\$ 7,642,663

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10 – PENSION PLAN

Summary

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

<u>Description</u>	<u>2021</u>	<u>2020</u>
Pension related deferred outflows	\$ 1,379,384	\$ 1,437,246
Net pension liability	6,307,372	5,836,299
Pension related deferred inflows	171,664	435,898

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".

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

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
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%	6.750%
Required employer contribution rates – FY 2020	10.823%	6.985%
Required employer contribution rates – FY 2019	10.022%	6.842%

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Plan Description

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, 2020 and 2019 Annual Actuarial Valuation Reports, respectively. 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, 2020, (Measurement Date) the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	13	21	34
Transferred and terminated members	4	7	11
Retired members and beneficiaries	32	-	32
Total plan members	49	28	77

At June 30, 2019, (Measurement Date) the following members were covered by the benefit terms:

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

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the fiscal year ended June 30, 2021, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 568,317	\$ 138,575	\$ 706,892
Contributions – members	115,008	117,445	232,453
Total contributions	\$ 683,325	\$ 256,020	\$ 939,345

Contributions for the fiscal 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
Total contributions	\$ 662,470	\$ 236,817	\$ 899,287

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

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020 and 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019, rolled forward to June 30, 2020, and as of June 30, 2018, rolled forward to June 30, 2019, respectively, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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 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 year ended June 30, 2020 (MD):

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2019 (Measurement Date)	\$ 21,922,725	\$ 16,086,426	\$ 5,836,299
Balance as of June 30, 2020 (Measurement Date)	\$ 21,987,440	\$ 15,680,068	\$ 6,307,372
Change in Plan Net Pension Liability	\$ 64,715	\$ (406,358)	\$ 471,073

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 year ended June 30, 2019 (MD):

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
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
Change in Plan Net Pension Liability	\$ 815,540	\$ 336,873	\$ 478,667

The District's proportionate share percentage of the net pension liability for the June 30, 2020, measurement date was as follows:

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	
Measurement Date	June 30, 2020	June 30, 2019	
Percentage of Risk Pool Net Pension Liability	0.149532%	0.145743%	0.003789%
Percentage of Plan (PERF C) Net Pension Liability	0.057970%	0.056956%	0.001014%

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

	Percentage Share of Risk Pool		Change Increase/ (Decrease)
	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	
Measurement Date	June 30, 2019	June 30, 2018	
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%

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 10 – PENSION PLAN (continued)****B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2021 and 2020, the District recognized pension expense of \$971,593 and \$1,125,791, respectively. At June 30, 2021, 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	\$ 706,892	\$ -
Difference between actual and proportionate share of employer contributions	-	(123,830)
Adjustment due to differences in proportions	160,084	(2,847)
Differences between expected and actual experience	325,038	-
Differences between projected and actual earnings on pension plan investments	187,370	-
Changes in assumptions	-	(44,987)
Total Deferred Outflows/(Inflows) of Resources	\$ 1,379,384	\$ (171,664)

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.

An amount of \$706,892 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 61,410
2023	193,481
2024	156,069
2025	89,868
Total	\$ 500,828

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 10 – PENSION PLAN (continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 and 2019 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2019 and 2018, total pension liability. The June 30, 2020 and 2019, 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	2.50%
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 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 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.

Investment Type ¹	New Strategic Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
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>		

¹ In the CalPERS's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation rate-of-return of 2.5% is used for years 1-10.

³ An expected inflation rate-of-return of 2.9% is used for years 11+.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

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:

For the year ended June 30, 2021, (Measurement Date June 30, 2020) were as follows:

Plan Type	Net Pension Liability at June 30, 2021		
	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
CalPERS – Miscellaneous Plan	\$ 9,233,364	\$ 6,307,372	\$ 3,889,717

For the year ended June 30, 2020, (Measurement Date June 30, 2019) were as follows:

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

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, 2021, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2021.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary

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

Description	2021	2020
OPEB related deferred outflows	\$ 988,798	\$ 490,005
Net other post-employment benefits obligation	5,958,029	6,252,062
OPEB related deferred inflows	526,781	778,659

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.

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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

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 2021 and 2020 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:

District Years of Service	Hired Prior to July 1, 2008 % of Maximum Benefit	Hired After July 1, 2008 % of Maximum Benefit
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, 2021 and 2020

NOTE 11 – OTHER POST-EMPLOYMENT 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, 2019. 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:

<u>District Years of Service</u>	<u>% of Maximum Benefit</u>
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, the following employees were covered by the benefit terms:

	<u>2021</u>	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefit payments	31	32
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	37	36
Total	<u>68</u>	<u>68</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 post-employment 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 post-employment benefits in accordance with the terms of the participating employers' plans.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020 and 2019, 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, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	7.00%
Inflation	2.75%
Payroll increases	2.75%
Healthcare Trend Rates	Pre-65 - 8.00% trending down 0.25% annually to 6.0% by 2029 and later Post-65 - 6.50% trending down 0.25% annually to 5.0% by 2029 and later
Morbidity	CalPERS 2013 Study
Mortality	CalPERS 2014 Study
Disability	Not valued
Retirement	2014 CalPERS Public Agency Miscellaneous experience study; 2.0% @55 and 2.0% @62
Percent Married	80% of future retirees would enroll a spouse

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, 2021 and 2020***NOTE 11 – OTHER POST-EMPLOYMENT 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>
Balance at July 1, 2020	\$ 7,859,099	\$ 1,607,037	\$ 6,252,062
Changes for the year:			
Service cost	244,579	-	244,579
Interest	553,362	-	553,362
Changes in assumptions	(199,666)	-	(199,666)
Changes in experience	(432,472)	-	(432,472)
Changes in benefit terms	-	-	-
Employer contributions	-	403,843	(403,843)
Actual investment income	-	56,778	(56,778)
Administrative expense	-	(785)	785
Benefit payments	(403,843)	(403,843)	-
Net changes	(238,040)	55,993	(294,033)
Balance at June 30, 2021	<u>\$ 7,621,059</u>	<u>\$ 1,663,030</u>	<u>\$ 5,958,029</u>

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 11 – OTHER POST-EMPLOYMENT 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>\$ 5,208,449</u>	<u>\$ 5,958,029</u>	<u>\$ 6,857,933</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>4.0%</u>	<u>Healthcare Cost</u> <u>Trend Rates</u> <u>5.0%</u>	<u>1% Increase</u> <u>6.0%</u>
District Plan	<u>\$ 5,179,319</u>	<u>\$ 5,958,029</u>	<u>\$ 6,903,944</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, 2021, the District recognized OPEB expense of \$116,502. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
OPEB contributions made after the measurement date	\$ 928,202	\$ -
Changes in assumptions	-	(166,388)
Differences between expected and actual experience	-	(360,393)
Differences between projected and actual earnings on OPEB plan investments	60,596	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 988,798</u>	<u>\$ (526,781)</u>

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2021 and 2020***NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)****D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$928,202 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ (87,955)
2023	(87,956)
2024	(90,700)
2025	(94,221)
2026	<u>(105,353)</u>
Total	<u>\$ (466,185)</u>

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, 2021</u>	<u>June 30, 2020</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 34,523,136	\$ 35,529,146
Capital assets, net – being depreciated	47,269,652	50,695,970
Deferred loss on refunding of revenue bonds, net	51,676	68,436
Revenue bonds payable – current	(1,555,000)	(1,445,000)
Revenue bonds payable, net – non-current	<u>(5,057,071)</u>	<u>(6,605,702)</u>
Total net investment in capital assets	<u>\$ 75,232,393</u>	<u>\$ 78,242,850</u>

NOTE 13 – RESTRICTED NET POSITION

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

<u>Description</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Restricted – cash and cash equivalents	\$ 5,266,359	\$ 5,600,239
Restricted – investments	<u>-</u>	<u>1,031,008</u>
Total restricted – cash and investments	<u>5,266,359</u>	<u>6,631,247</u>
Accrued revenue sharing payables	(2,790,519)	(1,032,670)
Accrued interest payable	<u>(356,635)</u>	<u>(154,685)</u>
Total restricted net position for debt service	<u>\$ 2,119,205</u>	<u>\$ 5,443,892</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

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.

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, 2021, 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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 15 - RISK MANAGEMENT(continued)

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, 2021, 2020 and 2019. 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, 2021, 2020 and 2019.

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, 2021 and 2020, the amount of District revenues derived from these various customers and stevedoring companies was approximately \$16,811,356 and \$14,925,093 respectively.

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, 2021, 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>
2022	\$ 1,271,574
2023	992,835
2024	979,573
2025	<u>1,008,960</u>
Total	<u>\$ 4,252,942</u>

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, 2021 and 2020 totaled \$607,145 and \$603,933, respectively.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 17 – COMMITMENTS AND CONTINGENCIES (continued)

Contracts with the City of Port Hueneme (continued)

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, 2021 and 2020 totaled \$304,158 and \$307,488, respectively.

Additionally, the District compensates the City a cost per unit of \$3.50 for the first 50,000 automobiles and an additional \$0.90 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, 2021 and 2020 totaled \$472,780 and \$422,419.

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, 2021 and 2020 totaled \$455,323 and \$460,308, 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, 2021 and 2020 totaled \$112,025 and \$111,177, respectively.

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, 2021 and 2020, the amount payable to the Navy for long-term maintenance of Wharf 3 and associated real property is \$2,952,780 and \$2,853,622, 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

A large blue and red industrial vessel, possibly a tugboat or barge, is shown in a harbor. The vessel has a large blue hull with a red bottom. A seal is resting on the red part of the hull in the foreground. In the background, another large white and blue vessel is visible, along with a yellow crane and other industrial structures. The water is blue and calm. The text "Required Supplementary Information" is overlaid on the right side of the image.

*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, 2021***Last Ten Fiscal Years*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.052552%	\$ 3,270,037	\$ 2,225,867	146.91%	80.36%
June 30, 2015	0.055024%	3,776,823	2,203,593	171.39%	78.63%
June 30, 2016	0.055128%	4,770,307	2,421,225	197.02%	74.54%
June 30, 2017	0.544820%	5,436,346	2,576,254	211.02%	73.45%
June 30, 2018	0.055600%	5,357,632	2,661,054	201.33%	74.62%
June 30, 2019	0.056956%	5,836,299	3,038,068	192.11%	73.38%
June 30, 2020	0.057970%	6,307,372	3,288,612	191.79%	71.31%

Notes to Schedule:**Benefit Changes:**

There were no changes in benefits.

Changes in Assumptions:**From fiscal year June 30, 2015 and June 30, 2016:**

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown.

OXNARD HARBOR DISTRICT*Schedule of the District's Contributions to the OPEB Plan**For the Year Ended June 30, 2021 and 2020***Last Ten Fiscal Years*****California Public Employees' Retirement System (CalPERS) Miscellaneous Plan**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 305,666	\$ (695,192)	\$ (389,526)	2,203,593	13.87%
June 30, 2016	446,756	(446,756)	-	2,421,225	18.45%
June 30, 2017	410,473	(410,473)	-	2,576,254	15.93%
June 30, 2018	452,473	(452,473)	-	2,661,054	17.00%
June 30, 2019	538,764	(538,764)	-	3,038,068	17.73%
June 30, 2020	656,794	(656,794)	-	3,288,612	19.97%
June 30, 2021	706,892	(706,892)	-	3,360,761	21.03%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

Amortization Method

Level percentage of payroll, closed

Salary Increases

Depending on age, service, and type of employment

Investment Rate of Return

Net of pension plan investment expense, including inflation

Retirement Age

50 years (2.0%@55), 52 years (2.0%@62)

Mortality

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first implementation year; therefore, only seven years are shown.

OXNARD HARBOR DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2021 and 2020

Fiscal Year Ended	Last Ten Fiscal Years*			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:				
Service cost	\$ 244,579	\$ 237,323	\$ 244,464	\$ 237,921
Interest	553,362	524,313	397,916	377,672
Changes in assumptions	(199,666)	-	(1,728,734)	-
Differences between expected and actual experience	(432,472)	-	(607,247)	-
Changes of benefit terms	-	-	649,545	-
Benefit payments	(403,843)	(310,791)	(291,593)	(297,416)
Net change in total OPEB liability	(238,040)	450,845	(1,335,649)	318,177
Total OPEB liability - beginning	7,859,099	7,408,254	8,743,903	8,425,726
Total OPEB liability - ending	7,621,059	7,859,099	7,408,254	8,743,903
Plan fiduciary net position:				
Contributions - employer	403,843	810,791	791,593	797,416
Net investment income	56,778	72,342	38,554	(2,700)
Administrative expense	(785)	(227)	(931)	(1)
Benefit payments	(403,843)	(310,791)	(291,593)	(297,416)
Net change in plan fiduciary net position	55,993	572,115	537,623	497,299
Plan fiduciary net position - beginning	1,607,037	1,034,922	497,299	-
Plan fiduciary net position - ending	1,663,030	1,607,037	1,034,922	497,299
District's net OPEB liability	\$ 5,958,029	\$ 6,252,062	\$ 6,373,332	\$ 8,246,604
Plan fiduciary net position as a percentage of the total OPEB liability	21.82%	20.45%	13.97%	5.69%
Covered-employee payroll	\$ 3,228,038	\$ 2,875,755	\$ 2,791,995	\$ 1,578,831
District's net OPEB liability as a percentage of covered-employee payroll	184.57%	217.41%	228.27%	522.32%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes of benefits terms.
 Measurement Date June 30, 2018 – There were no changes of benefits terms.
 Measurement Date June 30, 2019 – There were no changes of benefits terms.
 Measurement Date June 30, 2020 – There were no changes of benefits terms.

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions.
 Measurement Date June 30, 2018 – There were no changes in assumptions except change in discount rate.
 Measurement Date June 30, 2019 – There were no changes in assumptions.
 Measurement Date June 30, 2020 – Mortality tables and health care trend rates were updated and/or reset.

* Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.

OXNARD HARBOR DISTRICT

Schedule of the District's Contributions to the Pension Plan For the Year Ended June 30, 2021 and 2020

Fiscal Year Ended	Last Ten Fiscal Years*			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution* (Pay-as-you-go funding with No Plan Assets)	\$ 765,530	\$ 1,562,759	\$ 1,548,164	\$ 1,121,220
Contributions in relation to the actuarially determined contributions	(403,843)	(810,791)	(791,593)	(797,416)
Contribution deficiency (excess)	\$ 361,687	\$ 751,968	\$ 756,571	\$ 323,804
Covered payroll	\$ 3,228,038	\$ 2,875,755	\$ 2,791,995	\$ 1,578,831
Contributions as a percentage of covered payroll	12.51%	28.19%	28.35%	50.51%

Notes to Schedule:

Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial cost method Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method Closed period, level percent of pay	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Discount rate	7.00%	7.00%	7.00%	4.50%
Inflation	2.75%	2.75%	2.75%	2.75%
Payroll increases	2.75%+Merit	2.75%+Merit	2.75%+Merit	2.75%
Mortality	(2)	(2)	(2)	(2)
Morbidity	Not Valued	Not Valued	Not Valued	Not Valued
Disability	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(3)	(3)	(3)	(3)
Percent Married - Spouse Support	80%	80%	80%	80%
Healthcare trend rates	(4)	(4)	(4)	(4)

(1) Closed period, level percent of pay

(2) SOA Pub-2010 using Scale MP-2020 or MP-2018

(3) CalPERS Public Agency Miscellaneous 2.0% @55 and 2.0% @62

(4) Pre-65 - 8.00% trending down 0.25% annually to 6.00% in 2029 and later

Post-65 - 6.50% trending down 0.25% annually to 4.50% in 2029 and later

* Fiscal year 2018 was the first year of implementation; therefore, only four years are shown.



*Supplementary
Information*

OXNARD HARBOR DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Programs:			
U.S. Department of Transportation: National Infrastructure Investments - TIGER Discretionary Grant	20.933	N/A	2,578,192
U.S. Department of Homeland Security: Port Security Grant Program	97.056	N/A	<u>306,012</u>
Total Expenditures of Federal Awards			<u>\$ 2,884,204</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, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Salaries and benefits:		
Commissioner salaries	\$ 36,000	\$ 33,000
Administrative salaries	2,164,479	2,023,470
Maintenance salaries	652,668	599,280
Operations salaries	536,376	560,887
Temporary employee salaries	1,056	28,800
Sick and safety leave	222,864	390,947
Vacation	221,038	236,995
Payroll taxes	283,348	272,548
Workers' compensation	74,393	141,320
Insurance:		
Dental	43,948	51,458
HRA	149,763	136,183
Life	60,339	58,754
Medical	443,715	461,329
Vision	18,265	22,064
457 matching	56,199	26,455
CalPERS pension expense	1,104,958	1,208,690
Other post-employment benefits expense	<u>(139,230)</u>	<u>(5,550)</u>
Total salaries and benefits	<u>5,930,179</u>	<u>6,246,630</u>
Governmental contractual agreements:		
1983 Contract	607,145	603,933
1987 Contract	304,158	307,488
1995 Memorandum of understanding	455,323	460,308
Contracts – automobiles	472,780	422,419
Ventura County Fire District	2,000	10,000
Ventura County LAFCO	11,515	10,299
Community benefit fund contribution	<u>112,025</u>	<u>111,177</u>
Total governmental contractual agreements	<u>1,964,946</u>	<u>1,925,624</u>
Security:		
Guards and traffic control	257,604	380,446
Security training and exercises	7,689	16,000
Security plan and equipment	<u>24,500</u>	<u>23,336</u>
Total security	<u>289,793</u>	<u>419,782</u>

OXNARD HARBOR DISTRICT*Schedule of Operating Expenses (continued)**For the Years Ended June 30, 2021 and 2020*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Facilities and maintenance:		
Gas and oil	\$ 16,728	\$ 23,756
Repair and maintenance	219,900	143,096
Landscape services	1,505	33,015
Rent – facility and grounds	50,000	120,000
Supplies	142,750	186,885
Supplies – computer	138,420	117,410
Internet connectivity	27,699	26,013
Safety supplies	14,898	23,692
Outside services	112,280	21,938
Utilities:		
Water and sewer	89,067	110,217
Electricity	418,822	362,199
Telephone	47,947	55,723
Natural gas	1,883	2,031
Trash disposal	27,992	21,795
Hazardous waste disposal	616	2,786
Total facilities and maintenance	<u>1,310,507</u>	<u>1,250,556</u>
Professional and legal:		
Professional fees	787,501	1,077,279
Legal services	243,029	364,644
Total professional and legal	<u>1,030,530</u>	<u>1,441,923</u>
Materials and services:		
Business meeting expense	20,690	55,247
Discounts	185	22
Publications and subscriptions	30,469	37,047
Publications – legal notices	192	1,557
Permits and licenses	60,979	44,345
Postage	3,043	4,305
Recruitment	19,642	12,521
Port of Hueneme Job Fair	-	26,307
Strategic plan	106,401	111,149
Temporary positions	31,014	53,274
Training	55,656	143,196
Total materials and services	<u>328,271</u>	<u>488,970</u>
Port promotions:		
Advertising	144,141	164,172
Trade relations	184,280	221,770
Memberships and dues	112,115	190,869
Travel	2,771	53,513
Total port promotions	<u>443,307</u>	<u>630,324</u>
Insurance:		
General liability	95,001	84,760
Property	266,079	219,952
Other	5,620	4,600
Total insurance	<u>366,700</u>	<u>309,312</u>
Total operating expenses	<u>\$ 11,664,233</u>	<u>\$ 12,713,121</u>

OXNARD HARBOR DISTRICT*Schedule of Non-Operating Revenues and Expenses
For the Years Ended June 30, 2021 and 2020*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Non-operating revenue:		
Reimbursements	\$ 10,755	\$ 12,240
Ventura County Railway Co., LLC	7,000	7,000
FTZ Fee	15,000	-
Miscellaneous receipts	1,312	6,608
Total non-operating revenue	<u>34,067</u>	<u>25,848</u>
Non-operating expense:		
Special Event – Banana Festival – expenses	-	65,000
Prior year expenses	7,900	-
Election expense	45,017	-
Bank and trust fees	6,420	4,429
Miscellaneous expense	28,991	-
Total non-operating expense	<u>88,328</u>	<u>69,429</u>
Total non-operating revenue(expense), net	<u>\$ (54,261)</u>	<u>\$ (43,581)</u>

OXNARD HARBOR DISTRICT*Schedule of Debt Service Net Revenues Coverage**For the Years Ended June 30, 2021 and 2020*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total revenues:		
Operating revenues	\$ 20,293,975	\$ 17,933,582
Non-operating revenues	2,239,742	1,040,524
Total revenues	<u>22,533,717</u>	<u>18,974,106</u>
Total expenses:		
Operating expenses before depreciation expense	11,664,233	12,713,121
Non-operating expenses	648,764	385,436
Less debt service items:		
Interest expense – long-term debt	<u>(560,437)</u>	<u>(316,007)</u>
Total non-operating expenses adjusted for debt service items	<u>88,327</u>	<u>69,429</u>
Total expenses	<u>11,752,560</u>	<u>12,782,550</u>
Net revenues available for debt service	<u>\$ 10,781,157</u>	<u>\$ 6,191,556</u>
Debt service for the fiscal year	<u>\$ 3,030,437</u>	<u>\$ 2,786,007</u>
Debt service net revenues coverage ratio	<u>356%</u>	<u>222%</u>



*Statistical
Information*

Oxnard Harbor District
Statistical Section



The Statistical Section provides ten-year trends of detailed information as a context for understanding the financial statements, note disclosures, and the required supplementary information. The information is presented in these categories:

Table of Contents

Financial Trends

91-93

These schedules contain the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position trend information to help the reader understand how the District's financial performance has changed over time.

Debt Capacity

94-95

This schedule presents information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.

Operating Information

96-99

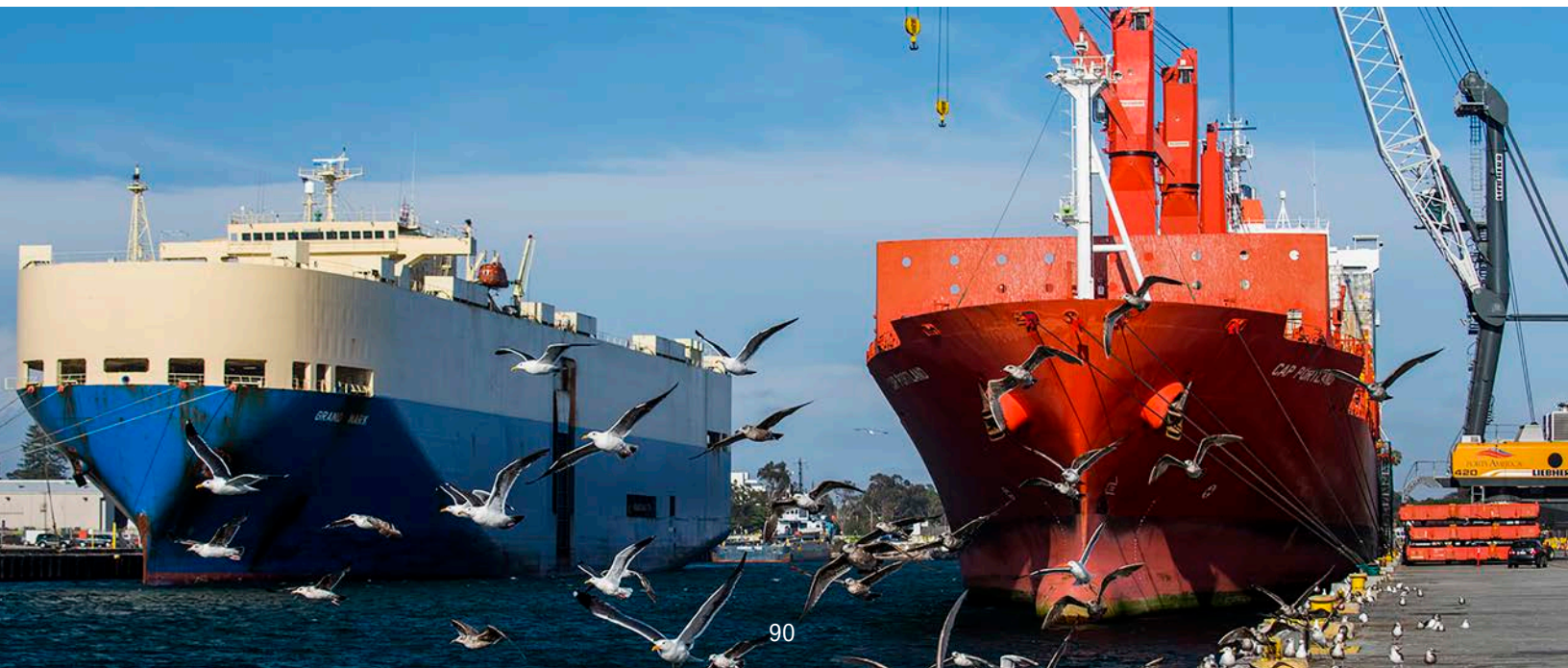
These schedules present information to help the reader understand the District's customers, operations and activities.

Staffing and Demographic Information

100-101

These schedules offer demographic information to help the reader understand the staffing structure and other data within which the District's operates.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.



Port of Hueneme OXNARD HARBOR DISTRICT

Net Position by Component - Fiscal Years Ended June 30, 2012 through 2021

	2012	2013	2014	2015	2016
Net Investment in Capital Asset	\$40,269,569	\$47,287,402	\$53,756,789	\$52,428,819	\$56,408,302
Restricted	\$6,144,964	\$5,491,584	\$5,248,654	\$4,583,681	\$4,289,139
Unrestricted	\$10,433,179	\$11,285,466	\$9,007,627	\$10,267,730	\$9,967,418
Total Net Position	\$56,847,712	\$64,064,452	\$68,013,070	\$67,280,230	\$70,664,859

	2017	2018	2019	2020	2021
Net Investment in Capital Asset	\$56,078,201	\$59,588,353	\$70,607,900	\$78,242,850	\$75,232,393
Restricted	\$4,784,765	\$5,206,784	\$6,731,840	\$5,443,892	\$2,119,205
Unrestricted	\$10,233,336	\$6,479,610	\$3,251,197	\$2,300,113	\$17,571,880
Total Net Position	\$71,096,302	\$71,274,747	\$80,590,937	\$85,986,855	\$94,923,478



Port of Hueneme

OXNARD HARBOR DISTRICT

Summary of Revenues, Expenses, and Change in Net Position
Fiscal Years Ended June 30, 2012 through 2021

FISCAL YEAR ENDED:	2012	2013	2014	2015	2016
Operating Revenues:					
Auto Cargo	\$6,589,395	\$7,323,391	\$8,030,334	\$8,858,545	\$9,428,157
Fresh Produce Cargo	2,909,571	3,148,189	3,149,246	3,365,727	2,913,365
Offshore Oil	651,839	634,909	735,383	715,990	390,292
Property Management	1,398,892	1,530,793	1,922,304	2,152,661	2,179,308
Other	500,781	671,486	472,662	774,735	769,498
Total	12,050,478	13,308,768	\$14,309,929	15,867,658	15,680,620
Operating Expenses:					
Salaries & Benefits	4,338,280	4,868,475	\$4,790,826	5,076,772	4,890,710
Governmental Contractual Agreements	1,039,909	1,213,579	1,344,943	1,491,856	1,668,846
Security	218,751	215,647	247,855	280,056	382,686
Facilities and Maintenance	465,959	655,090	625,315	866,147	1,119,343
Professional and Legal	374,219	660,163	931,653	1,134,145	1,065,889
Materials and Services	14,217	17,513	35,757	48,468	56,575
Port Promotion	234,410	324,347	411,942	514,776	579,344
Insurance	279,984	253,718	280,562	304,518	283,286
Total	6,965,729	8,208,532	\$8,668,853	9,716,738	10,046,679
Operating Profit (Loss) before depreciation:	5,084,749	5,100,236	\$5,641,076	6,150,920	5,633,941
Depreciation Expense	2,978,656	2,943,094	\$3,539,818	3,874,064	3,803,302
Net Operating Profit (Loss)	\$2,106,093	\$2,157,142	\$2,101,258	\$2,276,856	\$1,830,639
Nonoperating Income (Expense)					
and Capital Contributions:					
Investment earnings	\$24,500	\$16,799	\$71,252	\$129,080	\$162,769
Interest expense - long-term debt	(1,445,915)	(1,109,151)	(1,029,120)	(912,231)	(812,027)
Amortization of deferred charges	(50,853)	(644,609)	41,061	-	-
CalPERS side-fund	(540,935)	-	-	-	-
Change in membership in Ventura County Railway Co, LLC	133,256	204,873	216,002	230,225	208,967
Other revenue, net	-	57,446	-	(87,978)	(46,391)
Net Contributed Capital/Grants	(4,846)	-	(58,460)	1,515,942	-
Net Nonoperating Income (Expense)	(1,884,793)	(1,474,642)	\$(759,265)	875,038	(1,586,682)
Change in Net Position	\$2,121,052	\$682,500	\$1,341,993	\$3,151,894	\$243,957
Net investment in capital assets	\$4,227,145	\$47,287,402	\$53,756,783	\$53,756,783	\$56,408,302
Restricted for construction projects and debt service	40,269,569	5,491,584	5,248,654	4,191,747	4,289,139
Unrestricted	6,144,964	11,285,466	9,007,627	9,007,627	9,967,418
Net Position, end of year	\$10,433,179	\$64,064,452	\$68,013,064	\$66,956,157	\$70,664,859

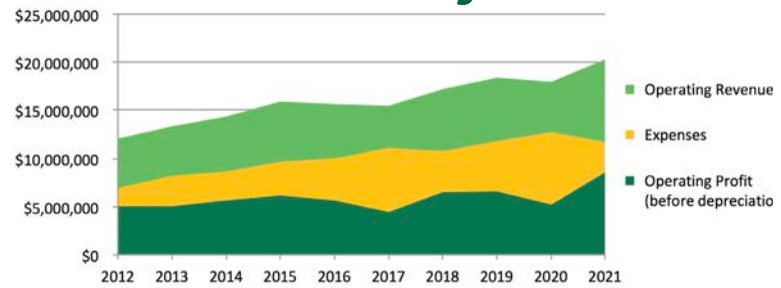
Statistical Information

Port of Hueneme

OXNARD HARBOR DISTRICT

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

Fiscal Years Ended June 30, 2012 through 2021



FISCAL YEAR ENDED:

	2017	2018	2019	2020	2021
Operating Revenues:					
Auto Cargo	\$8,287,701	\$8,602,727	\$9,876,137	\$8,239,180	\$9,583,212
Fresh Produce Cargo	3,308,916	4,164,692	3,953,248	4,828,808	5,476,562
Offshore Oil	313,126	278,982	410,715	525,974	374,116
Property Management	2,260,603	2,236,024	1,969,558	2,121,954	2,240,679
Other	1,305,676	1,946,039	2,202,835	2,217,666	2,619,406
Total	15,476,022	17,228,464	18,412,493	17,933,582	20,293,975

Operating Expenses:

Salaries & Benefits	5,744,114	5,452,161	5,462,643	6,246,630	5,930,179
Governmental Contractual Agreements	1,663,439	1,688,017	1,893,023	1,915,325	1,964,946
Security	539,170	315,561	519,623	419,783	289,793
Facilities and Maintenance	1,109,273	1,153,636	1,448,525	1,575,256	1,310,507
Professional and Legal	1,035,257	1,044,717	1,299,932	1,165,125	1,030,530
Materials and Services	56,405	109,992	241,689	451,367	328,271
Port Promotion	631,323	675,558	649,839	630,323	443,307
Insurance	265,617	264,136	279,638	309,312	366,700
Total	11,044,598	10,703,778	11,794,912	12,713,121	11,664,233
Operating Profit (Loss) before depreciation:	4,431,424	6,524,686	6,617,581	5,220,461	8,629,742

Depreciation Expense	4,201,098	4,235,321	4,007,757	4,552,974	4,168,301
Net Operating Profit (Loss)	\$230,326	\$2,289,365	\$2,609,824	\$667,487	\$4,461,441

Nonoperating Income (Expense) and Capital Contributions:

Investment, Interest earnings	\$205,245	\$343,901	\$347,288	\$375,939	\$82,453
Interest expense - long-term debt	(706,890)	(647,213)	(469,964)	(316,007)	(560,437)
Amortization of deferred charges					
CalPERS side-fund					
Gain from Sale of Capital Asset					1,568,690
Change in membership in Ventura County Railway Co, LLC	257,480	180,057	72,158	200,217	109,314
Property Settlement-City of Port Hueneme					
Other revenue, net	(82,626)	(58,457)	704,282	394,939	390,958
Net Contributed Capital/Grants	527,908	1,219,518	6,052,602		

Net Nonoperating Income (Expense) and Capital Contributions

	201,117	1,037,806	6,706,366	655,088	1,590,978
Change in Net Position	\$431,443	\$3,327,171	\$9,316,190	\$1,322,575	\$6,052,419

Net investment in capital assets	\$56,078,201	\$59,588,353	\$70,607,900	\$78,242,850	\$75,232,393
Restricted for construction projects and debt service	4,784,765	5,206,784	6,731,840	5,443,892	2,119,205
Unrestricted	10,233,336	6,479,610	3,251,197	2,300,113	17,571,880
Net Position end of year	\$71,096,302	\$71,274,747	\$80,590,937	\$85,986,855	\$94,923,478

Port of Hueneme OXNARD HARBOR DISTRICT

Revenue Bond Coverage

Fiscal Years Ended June 30, 2012 through 2021

FISCAL YEAR ENDED:	2012	2013	2014	2015	2016
Gross Revenues ⁽¹⁾	\$12,074,978	\$13,588,404	\$14,560,049	\$16,363,576	\$16,134,133
Operating Expenses ⁽²⁾	6,365,729	7,518,957	8,168,853	9,941,329	11,274,847
Net Revenue Available for Debt Service	\$5,709,249	\$6,069,447	\$6,391,196	\$6,422,247	\$4,859,286
Debt Service Requirements: ⁽³⁾					
Principal	\$1,600,000	\$1,740,280	\$1,893,625	\$1,994,239	\$2,025,000
Interest	1,249,431	1,109,151	\$1,029,120	912,231	878,245
Totals:	\$2,849,431	\$2,849,431	\$2,922,745	\$2,906,470	\$2,903,245
Debt Ratio Coverage	200.36%	213.01%	218.67%	220.96%	167.37%
Debt Covenant Requirement	125.00%	125.00%	125.00%	125.00%	125.00%
OVER (UNDER)	75.36%	88.01%	93.67%	95.96%	42.37%

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 \$8,629,742 and \$5,220,461 for the years ended June 30, 2021, and 2020, respectively. The actual debt service coverage ratios were 494% and 235% for the years ended June 30, 2021, and 2020, respectively.

The District is in compliance with its bond covenants for fiscal year 2021.

The Long-Term Debt balance on Revenue Bonds as of June 30, 2021:

- Series 2011(A) – Fully Retired on 8/1/2021.
- Series 2011(B) - \$6,645,000

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.

Port of Hueneme

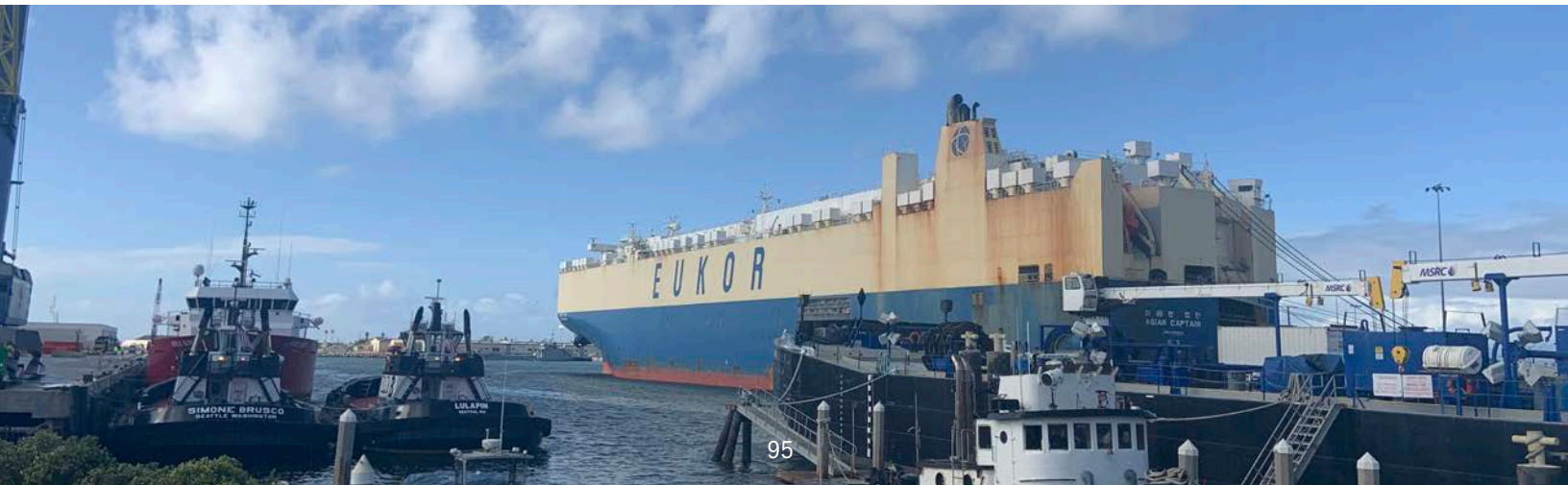
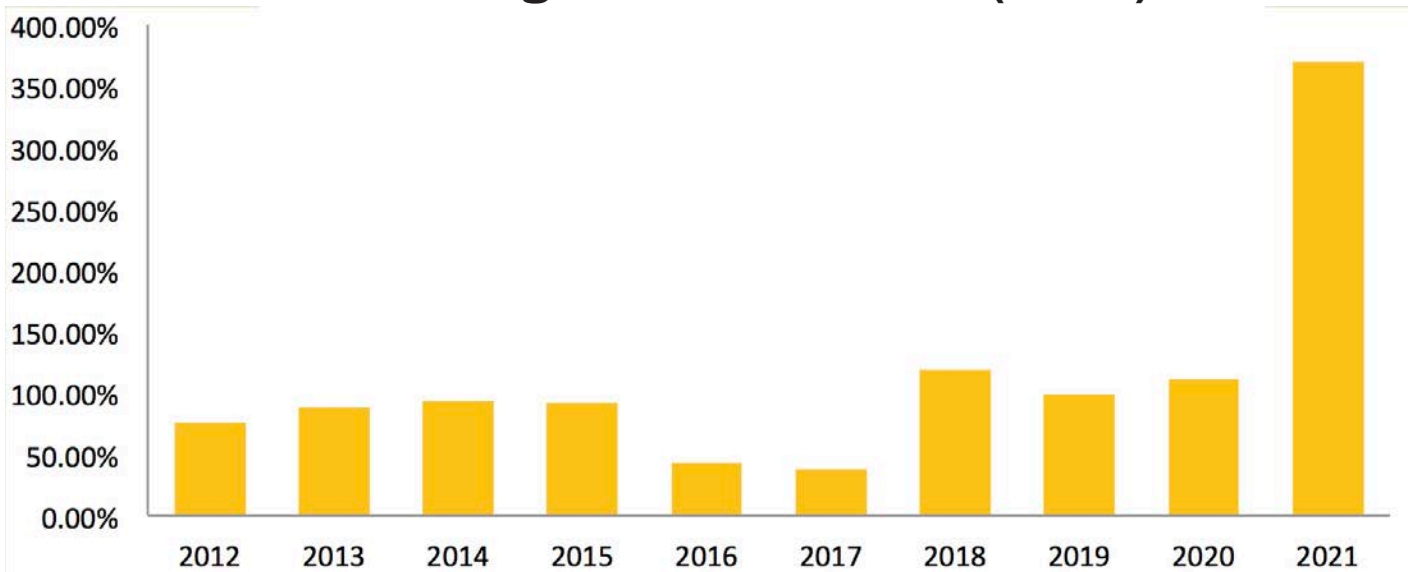
OXNARD HARBOR DISTRICT

Revenue Bond Coverage (Continued)

Fiscal Years Ended June 30, 2012 through 2021

FISCAL YEAR ENDED:	2017	2018	2019	2020	2021
Gross Revenues ⁽¹⁾	\$16,014,135	\$17,781,016	\$18,412,493	\$17,933,582	\$20,293,975
Operating Expenses ⁽²⁾	11,202,612	10,790,829	11,794,912	12,713,121	11,664,233
Net Revenue Available for Debt Service	\$4,811,523	\$6,990,187	\$6,617,581	\$5,220,461	\$8,629,742
Debt Service Requirements: ⁽³⁾					
Principal	\$2,230,000	\$2,350,000	\$2,470,000	\$1,445,000	\$1,445,000
Interest	722,395	527,213	494,265	768,115	301,235
Totals:	\$2,952,395	\$2,877,213	\$2,964,265	\$2,213,115	\$1,746,235
Debt Ratio Coverage	162.97%	242.95%	223.25%	235.89%	494.19%
Debt Covenant Requirement	125.00%	125.00%	125.00%	125.00%	125.00%
OVER (UNDER)	37.97%	117.95%	98.25%	110.89%	369.19%

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:		2012	
CUSTOMER			
1	Wallenius Wilhelmsen Logistics, Inc.	\$2,512,325	17.6%
2	BMW of North America, LLC	2,293,224	16.0%
3	Del Monte Fresh Produce W.A. Inc.	1,722,532	12.0%
4	Global Auto Processing Services, Inc.	1,718,335	12.0%
5	NYK Cool USA, Inc.	1,252,551	8.8%
6	YARA North America, Inc.	497,521	3.5%
7	EXXON Co. USA	357,966	2.5%
8	Marine Terminals Corp. (Ports America)	266,362	1.9%
9	Irwin Holdings Company	264,792	1.9%
10	Plains Exploration & Prod Co.	224,518	1.6%
Sub-total Top Ten		\$11,110,126	77.6%
All Other		940,352	6.6%
Total Revenue		\$12,050,478	100.0%

FISCAL YEAR ENDED:		2013	
CUSTOMER			
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%
Total Revenue		\$13,308,769	100.0%

FISCAL YEAR ENDED:		2014	
CUSTOMER			
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%
Total Revenue		\$14,309,929	100.0%

FISCAL YEAR ENDED:		2015	
CUSTOMER			
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%
Total Revenue		\$15,867,658	100.0%

FISCAL YEAR ENDED:		2016	
CUSTOMER			
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 McMorran	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%
Total Revenue		\$15,680,620	100.0%

FISCAL YEAR ENDED:		2017	
CUSTOMER			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,480,767	22.5%
2	Glovis America, Inc	2,546,598	16.5%
3	BMW of North America, LLC	2,117,657	13.7%
4	Del Monte Fresh Produce W.A. Inc.	1,671,805	10.8%
5	Cool Carriers Shipping USA, Inc.	1,515,977	9.8%
6	YARA North America, Inc.	689,738	4.5%
7	Sealand, Inc	495,453	3.2%
8	Channel Islands Logistics	369,330	2.4%
9	PORTS AMERICA	272,808	1.8%
10	Hamburg Sud North America	255,537	1.7%
Sub-total Top Ten		\$13,415,670	86.7%
All Other		2,060,352	13.3%
Total Revenue		\$15,476,022	100.0%

Port of Hueneme OXNARD HARBOR DISTRICT

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

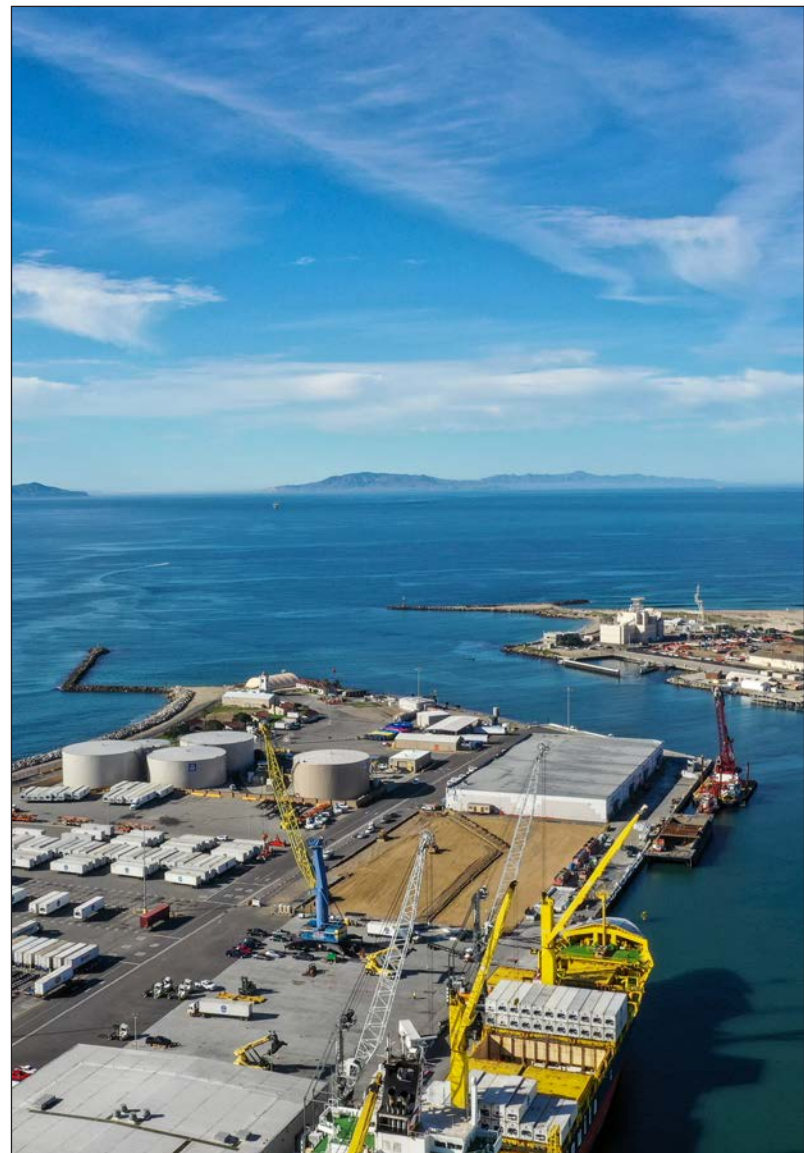
Last Ten Fiscal Years

FISCAL YEAR ENDED:		2018	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,830,309	22.2%
2	Glovis America, Inc	2,556,615	14.8%
3	Chiquitam Fresh/ Cool Carriers	2,497,150	14.5%
4	BMW of North America, LLC	2,476,465	14.4%
5	Del Monte Fresh Produce W.A. Inc.	1,967,994	11.4%
6	Sealand, Inc	1,018,044	5.9%
7	YARA North America, Inc.	732,839	4.3%
8	Ports America	466,792	2.7%
9	Stellar Biotech, Inc	106,068	0.6%
10	Freeport McMoran	90,770	0.5%
Sub-total Top Ten		\$15,743,043	87.8%
All Other		1,485,421	8.6%
Total Revenue		\$17,228,464	100.0%

FISCAL YEAR ENDED:		2021	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$4,010,503	19.8%
2	Glovis America, Inc	3,721,206	18.3%
3	Sealand, Inc	2,900,055	14.3%
4	Chiquita Fresh North America, LLC.	2,798,499	13.8%
5	BMW of North America, LLC	1,915,698	9.4%
6	Del Monte Fresh Produce W.A. Inc.	1,705,391	8.4%
7	YARA North America, Inc.	822,501	4.1%
8	Ports America	601,109	3.0%
9	NYK Lines	409,137	2.0%
10	DCOR, LLC.	238,591	1.2%
Sub-total Top Ten		\$19,122,690	94.2%
All Other		1,171,285	5.8%
Total Revenue		\$20,293,975	100.0%

FISCAL YEAR ENDED:		2019	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$4,108,519	23.8%
2	Glovis America, Inc	3,601,413	20.9%
3	Chiquita Fresh North America, LLC.	2,509,456	14.6%
4	BMW of North America, LLC	2,322,887	13.5%
5	Del Monte Fresh Produce W.A. Inc.	1,874,445	10.9%
6	Sealand, Inc	925,661	5.4%
7	YARA North America, Inc.	767,223	4.5%
8	Ports America	490,692	2.8%
9	SSA Marine, Inc.	137,850	0.8%
10	DCOR, LLC.	122,669	0.7%
Sub-total Top Ten		\$16,860,815	97.9%
All Other		1,551,678	9.0%
Total Revenue		\$18,412,493	106.9%

FISCAL YEAR ENDED:		2020	
<u>CUSTOMER</u>			
1	Wallenius Wilhelmsen Logistics, Inc.	\$3,533,213	20.5%
2	Glovis America, Inc	2,912,590	16.9%
3	Chiquita Fresh North America, LLC.	1,976,922	11.5%
4	Del Monte Fresh Produce W.A. Inc.	1,907,213	11.1%
5	BMW of North America, LLC	1,663,579	9.7%
6	Sealand, Inc	1,445,964	8.4%
7	YARA North America, Inc.	791,179	4.6%
8	NYK Lines	517,148	3.0%
9	Ports America	467,465	2.7%
10	DCOR, LLC.	238,202	1.4%
Sub-total Top Ten		\$15,453,475	89.7%
All Other		2,480,107	14.4%
Total Revenue		\$17,933,582	104.1%



Port of Hueneme

OXNARD HARBOR DISTRICT

Ten Year Trend – Cargo Revenue Tons

Fiscal Years Ended: June 30, 2012 through 2016

FISCAL YEAR ENDED:	2012	2013	2014	2015	2016
COMMODITY TYPE:					
AUTOMOBILES					
Imports	219,164	245,974	261,870	300,161	290,410
Exports	21,497	21,763	28,494	20,922	37,873
OTHER VEHICLES					
Imports/Exports	45,734	48,813	44,358	43,553	44,451
BANANAS					
Imports	615,588	650,608	655,589	655,643	571,842
FRESH FRUIT					
Imports	94,874	101,382	103,806	116,673	108,389
Exports	5,912	12,019	11,451	37,909	8,718
GENERAL CARGO					
Imports/Exports	82,196	90,924	111,616	176,133	133,129
FISH					
Coastwise	27,408	21,437	14,942	15,825	8,071
OFFSHORE OIL CARGO					
Coastwise	52,282	56,729	55,507	55,512	33,862
TOTAL	1,164,655	1,249,650	1,287,633	1,422,329	1,236,745
BULK LIQUID					
Import	134,939	167,253	123,947	140,000	160,145
VESSEL FUEL					
Coastwise	13,063	21,693	12,313	12,576	6,333
TOTAL	148,002	188,946	136,260	152,576	166,478
GRAND TOTAL	1,312,657	1,438,596	1,423,893	1,574,905	1,403,223

Source: OXNARD HARBOR DISTRICT – Maritime Operations Department

Measurements:

Metric Ton = 1000 kgs or Cubic Meter

Auto = One Unit

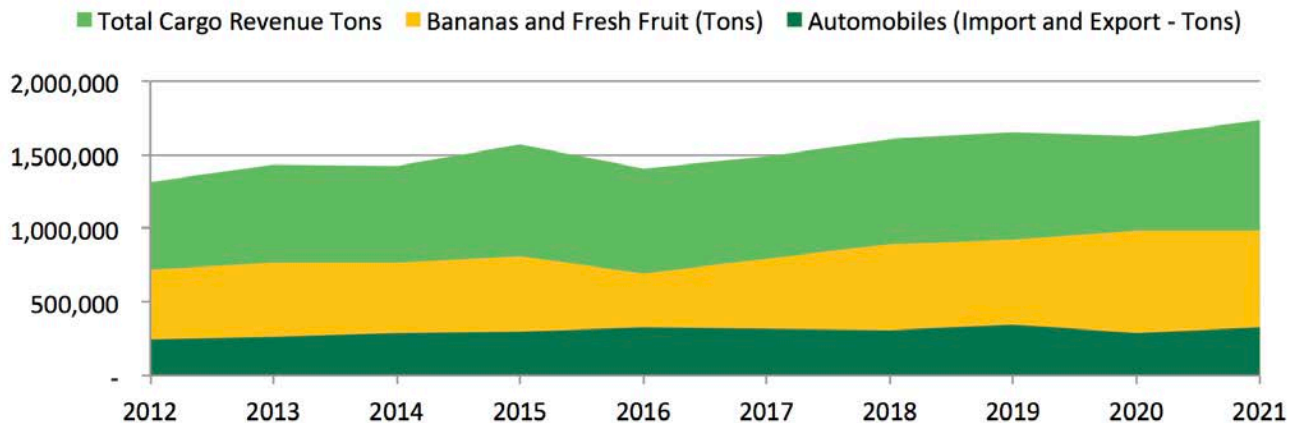
Port of Hueneme

OXNARD HARBOR DISTRICT

Ten Year Trend - Cargo Revenue Tons

Fiscal Years Ended: June 30, 2017 through 2021

FISCAL YEAR ENDED:	2017	2018	2019	2020	2021
COMMODITY TYPE:					
AUTOMOBILES					
Imports	287,467	288,660	326,585	281,516	310,369
Exports	31,109	19,590	15,925	13,122	15,510
OTHER VEHICLES					
Imports/Exports	53,394	68,867	66,613	78,855	93,409
BANANAS					
Imports	599,601	630,283	633,201	575,658	567,970
FRESH FRUIT					
Imports	170,433	261,849	257,589	324,790	334,536
Exports	20,585	29,223	48,574	81,293	79,219
GENERAL CARGO					
Imports/Exports	131,540	107,320	103,741	66,413	154,299
FISH					
Coastwise	4,550	9,174	5,155	3,165	2,155
OFFSHORE OIL CARGO					
Coastwise	32,506	33,582	38,956	49,156	36,778
TOTAL	1,331,185	1,448,548	1,496,339	1,473,968	1,594,245
BULK LIQUID					
Import	150,845	152,209	156,284	149,079	140,540
VESSEL FUEL					
Coastwise	9,442	3,695	5,258	5,362	4,960
TOTAL	160,287	155,904	161,542	154,441	145,500
GRAND TOTAL	1,491,472	1,604,452	1,657,881	1,628,409	1,739,745



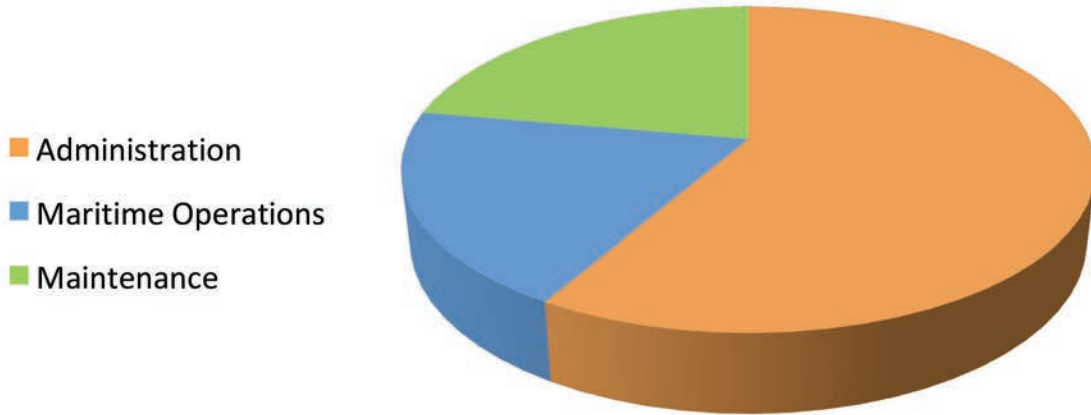


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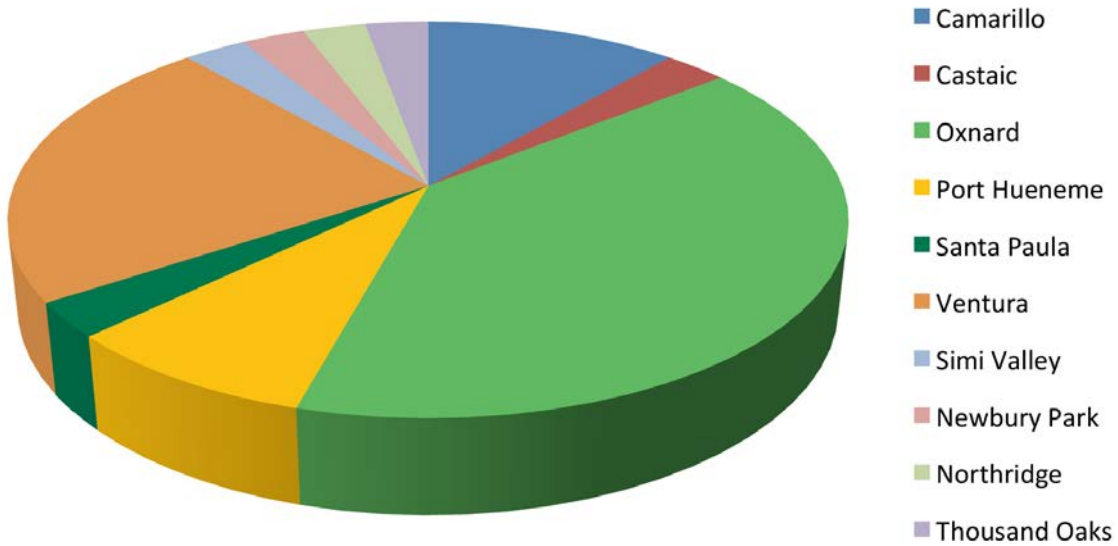
OXNARD HARBOR DISTRICT

Employee Statistics - June 30, 2021

Staffing by Department - June 30, 2021



Staffing by City of Residence - June 30, 2021



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	Unemployment Rate (c)
2011	827,874	45,055	10.10%
2012	832,970	48,345	9.30%
2013	839,620	48,683	7.00%
2014	846,178	50,545	6.70%
2015	850,536 (d)	55,594	5.50%
2016	849,738 (d)	57,136	5.60%
2017	854,223 (d)	58,761	4.40%
2018	850,967 (d)	60,238	3.80%
2019	846,006 (d)	63,190	3.60%
2020	843,843 (d)	67,422	11.90%

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 2020, 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, 2021, 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 November 15, 2021.

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) as a basis for designing audit procedures 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. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

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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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
November 15, 2021

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

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