



The Port OF Hueneme

Oxnard Harbor District
Port Hueneme, California

Annual Comprehensive Financial Report

For the Years Ended
June 30, 2024 and 2023

Prepared By Accounting and Finance Department



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 \$16.1 billion in cargo, generates a \$2.8 billion economic impact, and provides more than 25,000 direct, indirect, induced and influenced jobs regionally. Trade through the Port of Hueneme generates more than \$236 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 2024, the Port handled over 2.2 million revenue 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, 2024

Name	Title	Elected/Appointed	Current Term
Celina Zacarias	President	Elected	1/2021 – 1/2025
Jess Ramirez	Vice President	Elected	1/2021 – 1/2025
Jason T. Hodge	Secretary	Elected	1/2023 – 1/2027
Mary Anne Rooney	Commissioner	Elected	1/2023 – 1/2027
Jess Herrera	Commissioner	Elected	1/2023 – 1/2027

Prepared by:

Kristin Decas – CEO & Port Director

Austin Yang – Chief Financial and Administrative Officer

Oxnard Harbor District

333 Ponoma Street · Port Hueneme, California 93041

(805) 488-3677 · www.portofH.org



COMMISSIONERS as of June 30, 2024

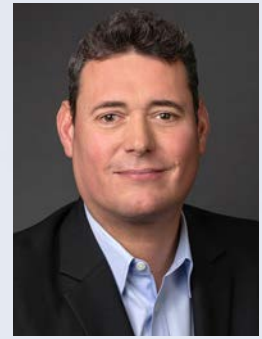
COMMISSIONERS & SENIOR STAFF



Celina Zacarias
PRESIDENT



Jess Ramirez
VICE PRESIDENT



Jason T. Hodge
SECRETARY



Mary Anne Rooney
COMMISSIONER



Jess Herrera
COMMISSIONER

Senior Staff



Kristin Decas
CEO & PORT
DIRECTOR



Austin Yang
CHIEF FINANCIAL AND
ADMINISTRATIVE OFFICER



Christina Birdsey
CHIEF OPERATING
OFFICER



Stacy Lange
CHIEF COMMERCIAL &
PUBLIC AFFAIRS OFFICER





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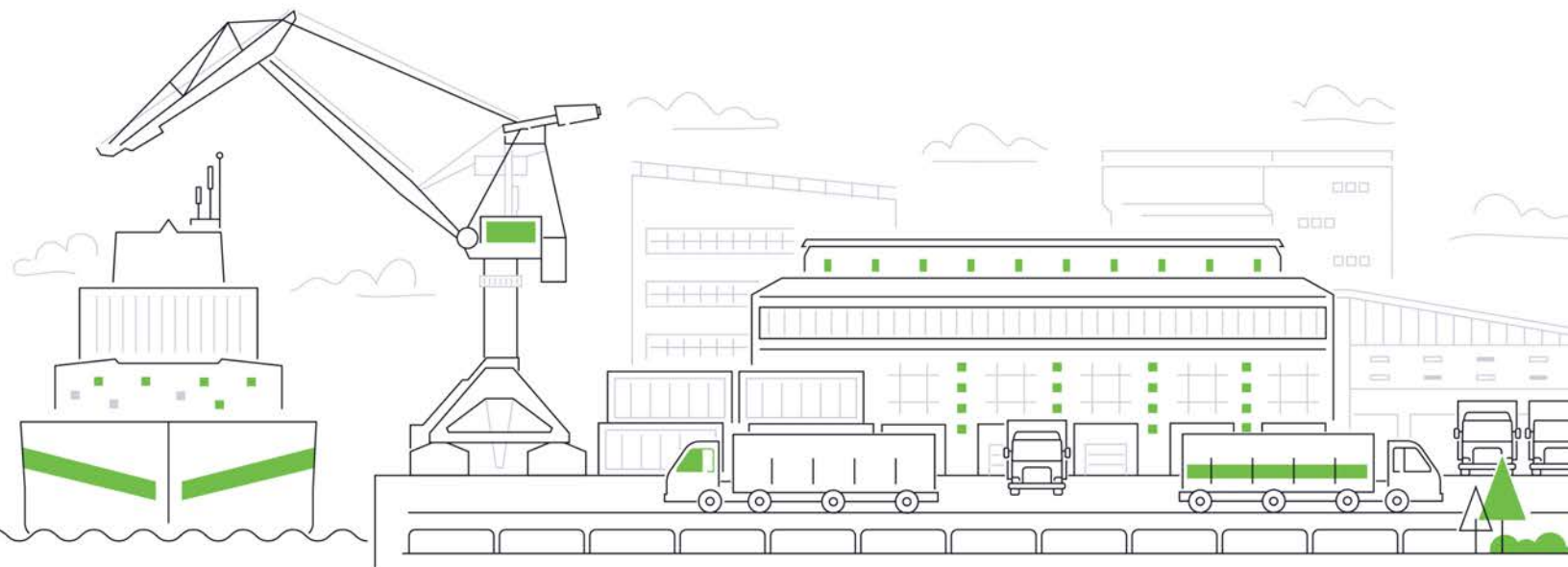
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Introductory Section





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ECONOMIC
VITALITY



INFRASTRUCTURE



ENVIRONMENT



INNOVATION &
TECHNOLOGY



SOCIAL EQUITY
COMMUNITY &
PARTNERS

Introductory Section

FY 2024 Port Performance Analysis

The following report provides a comprehensive review of the Port's performance for Fiscal Year 2024.

The information provided supports the conclusions outlined in the Fiscal Year 2024 Audit.



BOARD OF HARBOR COMMISSIONERS

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

PORT MANAGEMENT

Kristin Decas CEO & Port Director

Foreign Trade Zone #205



December 27, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Oxnard Harbor District- Port of Hueneme. 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, 2024, and 2023.

The Chief Executive Officer and Port 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, 2024, and 2023. The independent auditor's report is located at the front of the financial section of this report.

A comprehensive FY 2024 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

Austin Yang
CFO/CAO



Introductory Section

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 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 and social 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.





Introductory Section

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, and 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. Approximately 3 million jobs are tied to international trade in California. This includes a broad range of occupations related to the movement of goods, such as logistics, transportation, manufacturing, retail, and services. 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 4th largest economy in the world.

The Port of Hueneme, the 4th largest container port in California is strategically located in Ventura County and lies approximately 60 miles north of Los Angeles. The Port specializes in the markets of fresh fruit, project cargo, automotive, general store merchandise 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.

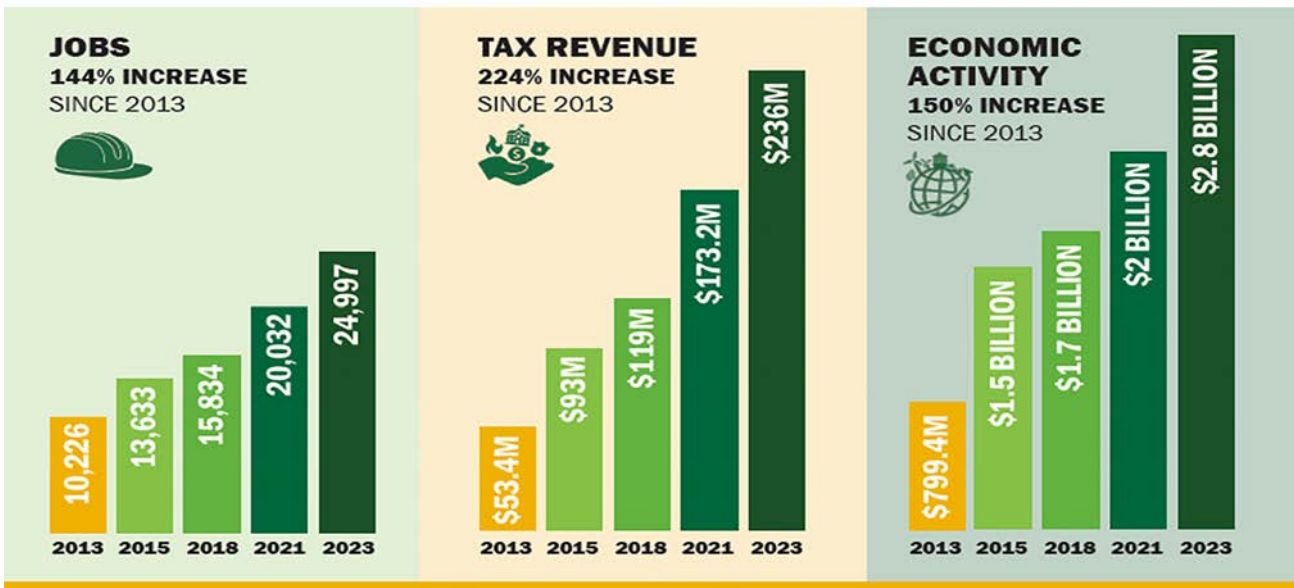
The Port moves \$16.1 billion in goods each year and consistently ranks among the top ten U.S. ports for automobiles and fresh produce.

Port operations support the community by bringing \$2.8 billion in economic activity and creating 25,000 trade-related jobs of which approximately 3,500 are direct jobs. Trade through the Port of Hueneme generates more than \$236 million in direct and related state and local taxes, which fund vital community services.

MUNICIPALITIES	PERCENT	DIRECT JOBS
Port Hueneme	11.73%	405
Oxnard	52.92%	1,826
Ventura	13.35%	461
Camarillo	7.43%	257
Thousand Oaks	1.53%	53
Moorpark	1.36%	47
Simi Valley	1.28%	44
Santa Paula	2.38%	82
Ojai	1.36%	47
Other Ventura County	1.82%	63
County of Los Angeles	3.46%	119
Other California	1.28%	44
Other US	0.10%	3
TOTAL	100%	3,451

The 2023 State of the Region Report published by the Ventura County Civic Alliance recognizes the Port as a major economic driver, showcasing the Port's profound economic impact in the Economy section.

The major Port customers that connect our county to world markets include Del Monte, Chiquita, Maersk, Wallenius Wilhelmsen, GLOVIS, NYK, BMW, Subaru, Mitsubishi, Volvo, Driscoll's, Naturipe, Mission Produce, Yara among many others. These companies have chosen to make the Port of Hueneme their home, where they operate, and provide our residents with good-paying jobs and opportunities for growth.





Port of Hueneme Customers and Services

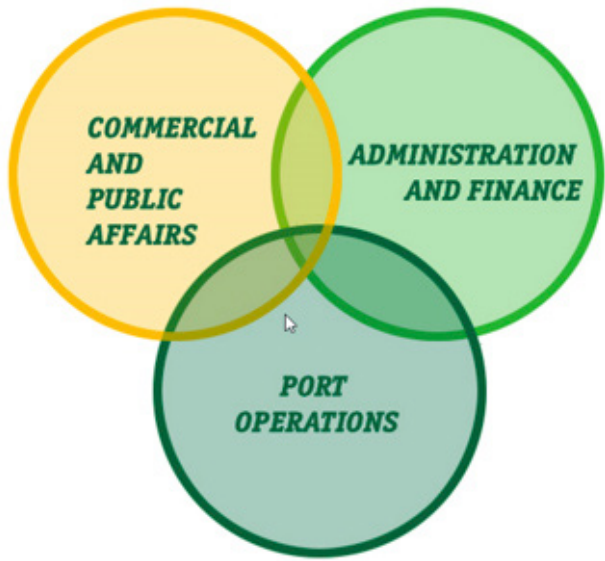
<p>Vehicle Processing Centers WWS (Wallenius- Wilhemsen Services), GLOVIS America, BMW North America</p>	<p>Cold Storages Arctic Cold, Channel Islands Logistics, Lineage Logistics, Del Norte, Freska, Mission, Seaboard, Western Precool, Anacapa Fresh Logistics</p>
<p>Vehicle Brands BMW, MINI, Rolls Royce, Hyundai, Kia, Volvo, Jaguar, Land Rover, Maserati, Aston Martin, Mitsubishi, General Motors, Honda, Toyota, Nissan, Tesla, Subaru, Ford, Polestar</p>	<p>Shipping Lines Eukor, Glovis, K-Line, MOL, NYK, Wallenius Wilhelmsen, Del Monte/Network Shipping, ZIM, Chiquita/Great White Fleet, Maersk</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, DCOR</p>
<p>Agricultural and Fresh Fruit Customers Chiquita, Del Monte Fresh, Mission Produce, Five Diamond Cold Storage, Sun Fresh International, Allied Potato, Driscoll's, Naturipe, Wonderful, and Yara among others</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>

Institutional Overview

The Port's three key departments include Port Operations, Administration and Finance, and Commercial and Public Affairs.

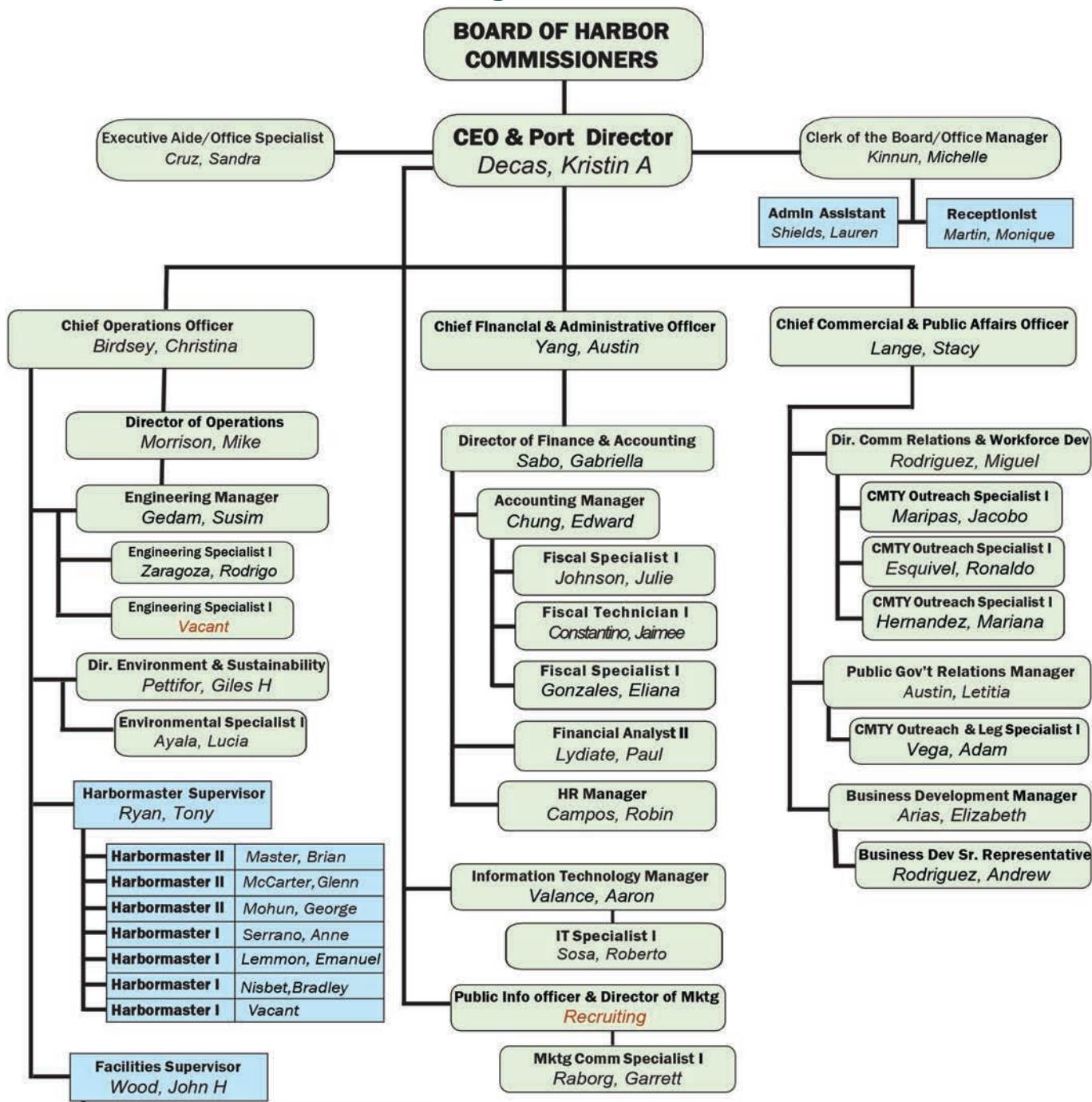
A Chief Officer heads up each department and develops an annual business plan and strategy. Department staff help create the visioning documents and perform the day-to-day functions of their department. Weekly check-in meetings are held with the CEO & Port Director to ensure strong communication across departments, teams are supporting one another, and the port is functioning at optimal efficiency.

The Port of Hueneme currently has 50 Full Time Equivalent (FTE) and 5 Apprentice/Interns. FTE consist of 20 Service Employees International Union (SEIU) members, with the balance being non-represented staff.





Introductory Section FY 2024 Organizational Chart



 Salaried Exempt
 Hourly Non-Exempt SEIU-721 Members





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, shore power connections, 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-monthly (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 and/or property availability for upcoming events and any anticipated 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 included:

- Executing the Port's Traffic Improvement Plan
- Implementing successful port infrastructure and modernization projects while minimizing operational impacts
- Strategic planning to augment or enhance 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 the Port's tariff, rules, leased space, and cargo and berthing assignments are in check.



Introductory Section

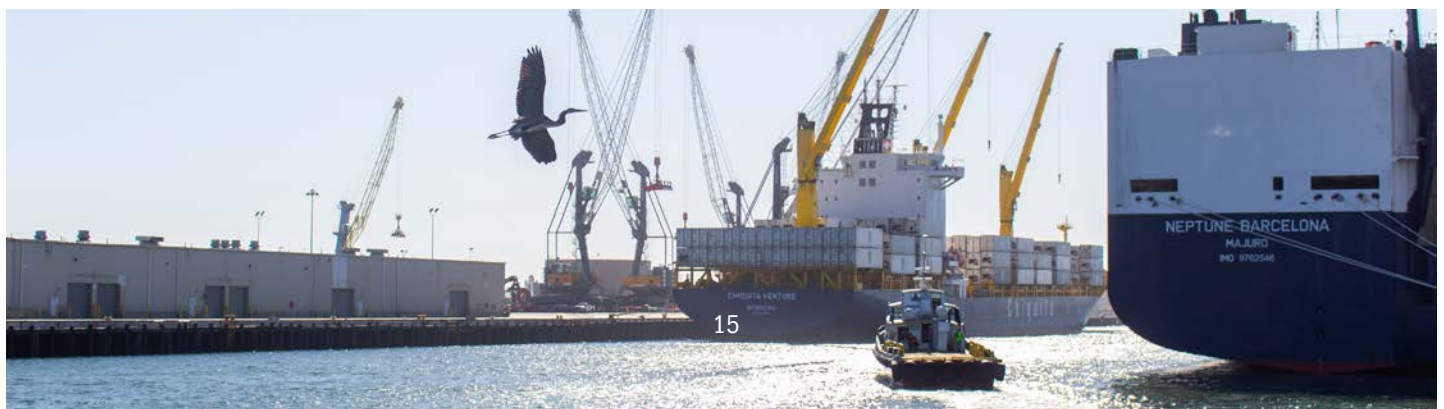
Facilities, Maintenance & Capital Improvement Projects

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 FY2024, priority maintenance and capital improvement projects included:

Cargo Operations and Enhancement Projects

- Warehouse 1A Electrical refeed completed 100%
- Warehouse 1A Phase 2 Construction completed 50%
- Port wide perimeter landscaping completed 100%
- Utility dock phase 2 Completed 100%
- Project #34 Phase 1 Temporary parking completed 100%
- Project #34 Phase 2 Landscaping project completed 70%
- JOSC Building #105 Renovation Construction completed 50%
- JOSC Building #105 Slurry Seal Completed 100%
- Ring Road Phase 2 Asphalt repair Completed 100%
- Renovation upgrades JOSC Building #333 Engineering, Final Design, Construction completed 100%
- JOSC Building #333 Roofing repair shovel ready
- NCEL Building Asbestos abatement completed 100%
- NCEL building demolition and pavement Engineering, Final Design completed 80%
- Wharf #5 and #6 High Mast lights completed 100%



Environment

The Operations Department's Environmental Team ensures the forward progress of the Port's sustainability goals. This work encompasses both programs and projects for required environmental compliance as well as discretionary work of the Port's own initiative.

Overarching all of its sustainability work, the Port initially utilized its Environmental Management Framework (EMF) to track progress across the breadth of eco programs. The EMF was adopted by the Board in 2012. In 2016, the Port of Hueneme became the first port in California to become Green Marine certified. Green Marine is the preeminent international sustainability verification entity for maritime facilities. Green Marine establishes a comprehensive set of performance categories which applicants must meet in order to be graded on a score of 1-5 with all scores beyond 1 being predicated on going above and beyond compliance with environmental legal requirements. The Green Marine requirements are increased every calendar year and participants are audited by an in-person verification every other year. In 2024 the Port achieved its highest scores to date for calendar year 2023, with a score of 5 in 6 out of the 7 eligible categories.

A top priority for the Port is to decarbonize cargo operations and provide the infrastructure and alternative fuels to achieve its goal of zero emissions operations by 2030, for all equipment (with the exception of drayage trucks and commercial harbor craft). Decarbonization projects include the Port's umbrella clean air campaign called Port of Hueneme Reducing Emissions Supporting Health (PHRESH), which includes projects like the monitoring of community diesel particulate matter levels as well as implementing air quality improving infrastructure initiatives on Port.

On November 15, 2022, the Board of Harbor Commissioners proactively and unanimously approved a Resolution committing the Port to the decarbonization of its operations. In this Resolution a goal was set for all Port trucking to be zero emission by at least 2035 for short haul/drayage and at least 2045 for long haul in alignment with State of California trucking goals. To achieve the Board's Resolution, in FY23 the Port completed a Zero Emission Blueprint Project that maps out the Port's pathway to decarbonization with sustainable fuels, a project funded with a \$200,000 California Energy Commission grant. The ZE Blueprint conclusions and outputs will be integrated into future infrastructure work with additional resiliency and sea level rise modeling being conducted in FY24. Also, FY24 environmental work will focus on facilitating the initial project engineering, permitting and deployment to prepare to spend the significant amount of infrastructure grant money won by the Port in FY's 23-24. This spectrum of capital spending, in excess of \$100 million, will largely be comprised of modernizing Port facilities and building out electrification infrastructure whose need and system capacities were calculated through the Port's ZE Blueprint completed in FY23.

In FY25 the Port's decarbonization efforts will ramp up with further engineering and significant construction of zero emission infrastructure on-Port including shorepower and cargo handling equipment infrastructure. These projects are in part due to the Port's focus on California Air Resources Board (CARB) regulations of zero emission regulations for vessels at berth and cargo handling equipment. This includes work continuing to engineer and begin construction on both the north terminal shore-power system as well as the replacement south terminal shorepower system which was destroyed in a severe storm in FY2023. The Port will also continue its proactive community outreach and engagement with the planned deployment of a regional air quality monitoring network in partnership with the local air quality regulatory agency, the Ventura County Air Pollution Control District (VCAPCD), community partners and the Environmental Protection Agency.

Other important FY2024 Environmental Stewardship projects and highlights included:

- Recognition: Receiving the American Association of Port Authorities coveted annual Lighthouse Award for Environmental Planning for the Port's ZE Blueprint plan project.
- Decarbonization: Receiving an award notice from EPA for over \$40 million in grant funding from the Clean Ports Program which will fund 44 pieces of new electric cargo handling equipment and chargers as well as funds for incentivizing deployment of new ZE drayage trucks.
- Stormwater Management: Implementing state grant funds for additional stormwater filter systems and a dedicated ZE port street sweeper to help continue to comply with stormwater requirements.
- Air Quality: The launching of the Port's community clean air website www.portcaresaboutair.org where current data from the Port's air monitor network is available to the public.
- Green Marine: The Port has consistently scored amongst the top, highest scoring ports for all of green marine internationally. The Port has continually scored some of the highest scores among Ports for its environmental leadership and community relations programs.
- Enforcement & Compliance: Ensured compliance with Port environmental requirements for hazardous waste, water quality and spills, etc.



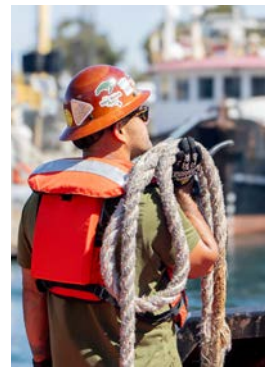
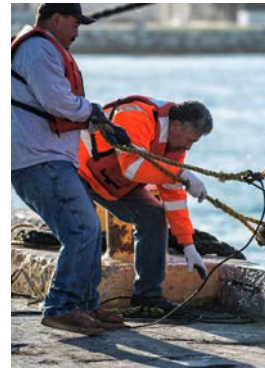
Introductory Section

Port Safety & Security

Priorities include assisting in the development of safety and security protocols, maintaining proper training, and overseeing key committees. 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.

In FY2024 the Port implemented safety, security and emergency objectives. Working as a cohesive group, the Port's departments completed General Security Awareness training, introduced Incident Command Systems, earthquake and tsunami preparedness as well as conducted its annual security exercise. In conjunction with Port operators, the Port hosted and implemented many terminal wide improvements including speed limit signage, paving, striping and improved traffic flows at pivotal intersections. Throughout the FY24, the Port hosted Ventura County Fire agencies, law enforcement and federal agencies for onsite port trainings with a focus on firefighting, vessel awareness tours, as well as port and cargo familiarization.

The Port conducted its annual security exercise in September, with over 40 participants, this exercise focused on maritime security level (MARSEC) increases and the ability to meet those requirements within the mandatory time frame. Significant focus was spent on identifying communication methods for internal and external partners and the testing of the Port's mass notification software. Throughout the year, bi-monthly meetings were held with CBP and container operators to ensure coverage and timing of needs between parties. The Port also held quarterly security drills ranging from suspicious packages and persons to cybersecurity threats. Reviewing the results of the drills and exercise allows for continuous improvement opportunities and the evolution of techniques to manage Port and terminal security programs.



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, the Ventura County Investment Pool, California Cooperative Liquid Assets Securities system, Federal 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.



OHD Major Capital Projects & Grant Awards 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
	Economic Development Administration	\$-	\$1,472,625			
	Project Sub Total	\$2,825,350	\$1,472,625			
Federal Security Grant Programs	OHD	\$301,345	\$904,035	\$1,205,380	Visual Port & Landside Detection Enhance/Port Security EQ, Gear and JOSCE 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, 2021
	OHD	\$241,634	\$966,536	\$1,208,170	Security Equipment/Contract	Aug, 2024
EV Charging	OHD	\$38,464	\$14,000	\$52,464	EV Charging Stations (333 and 105 location)	Feb, 2018
High mast 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 station	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
	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	Jun, 2022
	US Army Corps	\$-	\$5,992,303			
	Project Sub Total	\$3,349,702	\$5,992,303			
Crane Electrification Project	OHD	\$600,000	\$-	\$7,200,000	Mobile crane plug-in infrastructure project	Jan, 2023
	ARPA Funding	\$-	\$1,600,000			
	ZANZEFF GRANT	\$-	\$4,500,000			
	CARL MOYER GRANT	\$-	\$500,000			
	Project Sub Total	\$600,000	\$6,600,000			
Zero Emission Street Sweeper	Federal Earmark	\$-	\$850,000	\$850,000	Zero Emission Street Sweeper	June 2025 (In Progress)
North Terminal Shoreside Power Project	VW Mitigation Grant	\$-	\$5,000,000	\$16,969,949	North Terminal Shoreside Power Project	June 2027 (In Progress)
	CMAQ Grant (VCTC)	\$-	\$11,969,949			
	Project Sub Total	\$-	\$16,969,949			
Port-wide Electrification Project	State Earmark Funding	\$-	\$5,000,000	\$5,000,000	Port-wide Electrification Project	June 2028 (In progress)
Vehicle Parking Facility Planning	Port Infrastructure Development Program (PIDP) Grant	\$400,000	\$2,000,000	\$2,400,000	Vehicle Parking Facility Planning	June 2028 (In progress)
Port & Freight Infrastructure Program	Port & Freight Infrastructure Program (PFIP) Grant	\$-	\$79,820,475	\$79,820,475	13 sub projects under the PFIP Grant	June, 2028 (In progress)
California Containerized Ports Interoperability Project	The Governor's Office of Business and Economic Development (Go-Biz) Grant	\$-	\$3,935,000	\$3,935,000	California Containerized Ports Interoperability Project	June 2028 (In progress)
Total		\$24,460,439	\$150,585,469	\$175,045,908		



Introductory Section

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 over \$150M in grant revenue. (see page xx)

Information Technology

The Information Technology (IT) team at the Port of Hueneme is dedicated to supporting the port's mission and goals by ensuring smooth daily operations and fostering collaboration across departments and with partners. Their efforts focus on advancing technology and information systems to meet the port's needs effectively.

The IT department prioritizes robust data and cybersecurity measures, using top-tier tools like encryption, access controls, and regular audits to protect sensitive information.

Currently, the port is leading a major technological initiative to improve data collection and enhance collaboration with partners and stakeholders. This "Smart Port" project involves replacing the outdated in-house database and reporting systems with a modern, integrated solution.

By embracing this digital transformation, the Port of Hueneme aims to increase efficiency, improve cooperation, and establish itself as a leader in smart port operations within the maritime industry.

Human Resources

HR Mission Statement

"To provide a quality and efficient partnership with all Employees, maintaining the 'Humanity' in Human Resources. Recruit and retain qualified valued employees through development, and education for promotion of individual success and the success of the Port of Hueneme. Inspire and encourage morale through recognition, communication, and fun!"

In FY2024, priority HR projects included:

- **Successful recruitment of 3 Full-Time Employees.** Our team has successfully attracted and onboarded top talent, ensuring the Port continues to grow with skilled professionals. We expanded our recruitment strategies, to reach a wider pool of candidates to fill the open positions.
- **Successful recruitment of 8 apprenticeships.** This year we modified our apprentice/intern program to provide for 6 months service as an intern or apprentice. By modifying the program, we were able to give more applicants the opportunity to participate in the program.
- **Updated Employment Procedure and Policy Manuals.** In keeping with best practices and legal requirements, we have made updates to our policies and procedures. We feel the updates ensure compliance and provide clarity for all employees. These updates will continue into the new fiscal year.
- **Education and Training.** We have expanded our employee training and professional growth opportunities by taking advantage of LinkedIn Learning. This new tool has allowed for training to happen in real time as necessary especially for legal requirements at onboarding.
- **Employee Relations.** This year, we had and will continue to have an emphasis on recognizing and celebrating the hard work and achievements of our employees. This is done through recognition programs, hire anniversary celebrations, and events that highlight individual and team successes as well as involve families as we continue to provide a culture of family and appreciation.



Introductory Section

Administration

The Administration team 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 FY2024 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
- Conflict of Interest Code & Form 700 Regulations Compliance
- California Public Records Act Compliance
- Building 333 Expansion Project

COMMERCIAL AND PUBLIC AFFAIRS

Commercial and Public Relations Strategy

The Port of Hueneme plays a crucial role in the intermodal logistics supply chain, significantly boosting the economic vitality of Ventura County and Southern California. Its Commercial and Public Relations Strategy aims to strengthen its competitive edge, cultivate robust relationships with stakeholders, and highlight its commitment to environmental sustainability.

The Port is dedicated to remaining competitive and socially responsible while cultivating positive community relationships focused on growth, sustainability, and engagement. Through transparent and effective communication, the Port aims to build trust, ensuring its continued success and valuable contributions to both the local economy and the environment. Sustained growth, future expansion, and operational transparency are all closely tied to fostering strong partnerships with the community, government agencies, social and environmental justice groups, the U.S. Navy, and other key stakeholders.

Commercial Business Development

Driven by the Port’s unique operating model and strategic partnerships, its remarkable 80% cargo growth over the past decade has firmly established it as the premier, uncongested West Coast hub for autos and container business. The business development team regularly analyzes market conditions, identifies new opportunities, and refines its marketing strategy to drive growth. The Port also takes an active role in global trade events showcasing its offerings and conducts comprehensive media and marketing campaigns targeting current and potential commercial customers. Fostering relationships through Trade missions and Sister Port agreements, expanding our presence through our World Trade Center license, and optimizing opportunities with our Free Trade Zone are key aspects of our commercial strategy.

Community and Strategic Partners

The Port’s Community Outreach Department is actively engaging local stakeholders through intentional listening campaigns, such as food distributions through Port customer donations for local farmworkers and underserved communities. To establish a meaningful presence, the Port is building strong relationships with nonprofit organizations and individuals to foster impactful partnerships for community-driven equity. As a social enterprise that gives back to the community and creates maximum community benefits, the Port has been recognized as a national leader for their Community Outreach. Some of their key activities include:

- Event sponsorships (96+ sponsored events/organizations)
- Educational investments (Partnership with local K-16 schools)
- Resource mobilization (Over 105 food distributions since 2019)
- Workforce development initiatives (Internships and apprenticeships to local students)
- Neighborhood-focused programming (School cafeteria listening workshops for Port Equity & Strategic Plans)



Introductory Section

This helps identify and determine projects for the Community Outreach Department and informs the overall strategic direction of the Port. To further advance strategic community equity, the Community Outreach and Environmental Departments have formed a powerful partnership, combining efforts to enhance community engagement and promote environmental sustainability through collaborative and impactful initiatives. As a result, community-based air quality monitoring has become a staple of the Port’s environmental framework.

Government Relations

In addition to its strong local and state governmental agency partnerships, the Port has been strategic in cultivating robust relationships with a diverse array of government partners and stakeholders. The Public and Government Relations team plays a crucial role in fostering and maintaining effective, cooperative connections with the community, government officials, educational institutions, media, customers, stakeholder organizations, and other key groups. The team also takes a proactive leadership role on critical policy issues impacting the community and the maritime industry. In addition, the team guides and supports legislative and public policy initiatives, responds to priority legislation, and actively participates on local, state, and federal legislative committees, boards, and advisory councils.

Press and Marketing

The Port of Hueneme connects with commercial, government, and community audiences through various printed and digital media to highlight its achievements and goals. The Port’s media efforts include social media platforms, advertisements, billboards, email newsletters, PowerPoint presentations, and radio. The Port proudly sponsors many local organizations to boost brand awareness within the community. Participation in commercial and government events, along with sponsorships and printed materials, helps share the Port’s story and build partnerships. Transparency and community engagement are crucial for the Port as it strives to go green and create jobs to benefit the community. By staying connected with the community, the Port can better understand how to uplift them and celebrate successes together.

Import/Export Trade and Cargo Performance Fiscal Year 2024

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	Key commodities include bananas, grapes, apples, pears, pineapples, melons, mangos, avocados, onions, green peas, etc.
Heavy Equipment	Self-propelled Roll-on/Roll-off (Ro-Ro) agricultural/industrial/mining/ construction equipment or vehicles. Examples are tractors, scrapers, loaders, etc.
General Cargo	Break-bulk includes non-self-propelled cargo. Examples are boats, yachts, and specialized/project cargo, etc. Dry containerized cargo includes commodities such as electronics, garments, apparel, furniture, toys, bicycles, medical devices, general department store merchandise, 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 FY2024

Coming off a record year in FY2023, the Port saw a 7.8% decrease in revenue tonnage in FY2024. The port experienced record growth in the auto segment. The gains from autos on Ro-Ro were partially offset by the reduction in High and Heavy shipments which were down due to capacity and demand. Over half of the cargo tonnage that comes through the Port annually consists of fresh fruit imports and exports. There was a 1.5% decrease over FY2023, mainly because of: (1) extreme weather conditions that impacted growers in Latin America; and (2) increased pressure on rates for exports.



Introductory Section

Overall Performance and Cargo Trends for FY2024

The Port of Hueneme strives to continue to strengthen resilience within the supply chain for California shippers.

Port of Hueneme has continued to be the hub of resiliency into their supply chains for more time sensitive commodities. These opportunities required increased capacity from customers at sites off-port and importers are doing their best to optimize their existing facilities to stage increased volumes.

The Port of Hueneme served as a priority solution-oriented hub to address supply chain congestion.



Year-end Cargo Comparison

Import Activity

Fiscal Year 2024 to 2023

Auto Imports	▲ 12.3%	405,521
Heavy Equipment Imports	▼ 24.6%	95,390
Fruit & Vegetables Imports	▼ 6.3%	532,029
Banana Imports	▲ 7.8%	668,168
Fertilizer Imports	▲ 43.0%	119,651
General Cargo Imports	▼ 51.3%	154,313

Export Activity

Auto Exports	▼ 73.6%	4,121
Heavy Equipment Exports	▼ 45.3%	2,781
Fruit & Vegetables Exports	▼ 43.1%	41,110
General Cargo Exports	▼ 19.7%	149,912

Shallow Draft Cargo

Fish, Lube Oil, and Vessel Fuel	▲ 1.2%	4,049
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Domestic

Offshore Oil Domestic	▼ 3.6%	35,220
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Grand Total	▼ 7.8%	2,212,267
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Some segments saw dips in volumes, but this is explained by the Port's pillar business segments of automotive and banana trade realizing growth.



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 3rd for banana imports in the nation, and first on the West Coast.

Unfavorable weather conditions negatively impacted blueberry in Latin America, our key markets for refrigerated imports. Fresh fruit import trade volumes decreased 1.5 % over FY2023. Revenues for agriculture products in FY2024 reached \$9.7m, a 13% revenue decrease over FY2023. Customers also moved their shipments through the port more efficiently. While this had a positive impact on capacity and flow, the revenue from plugging in containers declined as customers use their own infrastructure at private facilities outside the Port terminal. FY2023 saw particularly favorable weather for crops. When evaluating 10-year performance, the refrigerated trade has seen consistent year-on-year growth.

When there are disruptions in the supply chain, importers and exporters view the Port as a reliable solution for the Latin America trade as well. As service improved in other California ports, we have seen export freight decrease due to cost and transit time. Our top ocean carriers focus on speed to market for the profitable import trades, which often extends the transit time for export routes.

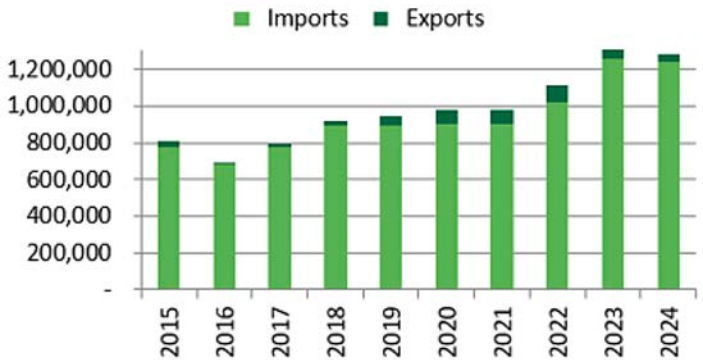
Automobile Import/Export Trade Market Analysis

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 California, Ohio Louisiana, and Michigan. In FY2024, the Port achieved a historic milestone, handling a record-breaking volume of automotive cargo—the highest in its history.

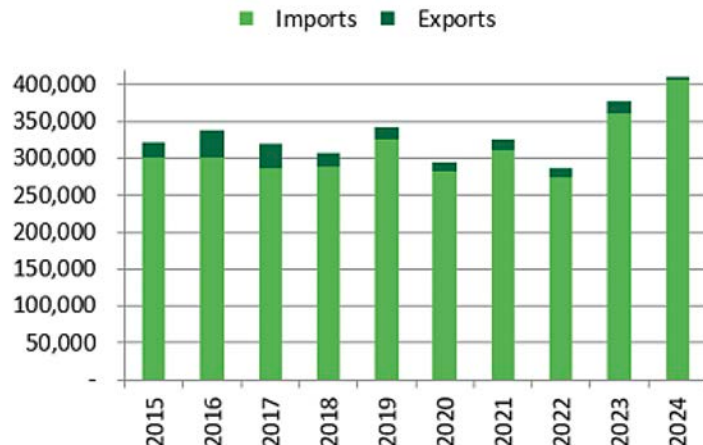
Approximately half of the Port’s revenue is generated from the Port contracts with three world-class vehicle distribution and manufacturing companies for the handling of vehicles. These companies and their partners process vehicles prior to delivery to dealerships as well as coordinate inland transportation. The two vehicle distributors include Wallenius-Wilhelmsen Services (WWS) 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.

Demand for new vehicles remained strong in FY2024, driven in part by pent-up demand. Some OEMs reported that 4 out of 5 vehicles imported through the Port of Hueneme were sold to customers even before the vessels arrived. With demand continuing to outpace supply, this trend is expected to persist into the next fiscal year. The Port serves as a key gateway for electric vehicles (EVs), with approximately 23% of the vehicles passing through the Port being EVs, well above the national average of 7%. The Port continues to be a vital hub and strategic entry point for major automakers, including BMW, Subaru, Kia, Hyundai, Volvo, Mitsubishi, JLR, GM, and Tesla. Total operating revenues from automobile imports and exports reached \$13.9 million in FY2024, a 5% increase over FY2023. Growth is expected to continue into FY2025 as retailers work to restock inventories.

FRESH FRUITS TONNAGE 2015-2024



AUTO TONNAGE 2015-2024

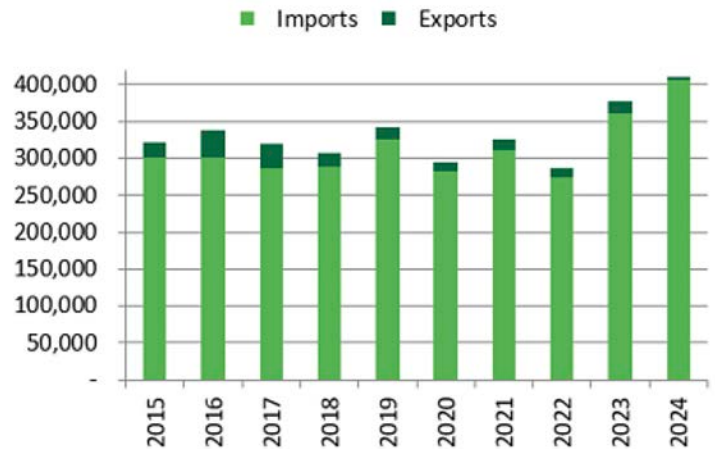


Introductory Section

High & Heavy Import/Export Trade Market Analysis

High and heavy imports decreased by 24% in FY2024. With the strong rebound of autos, high and heavy volumes have declined due to capacity on the Ro-Ro vessels. The demand of heavy equipment has also leveled off, so imports have declined to allow for the market to sell off the surplus supplies in the market.

HIGH & HEAVY TONNAGE 2015-2024

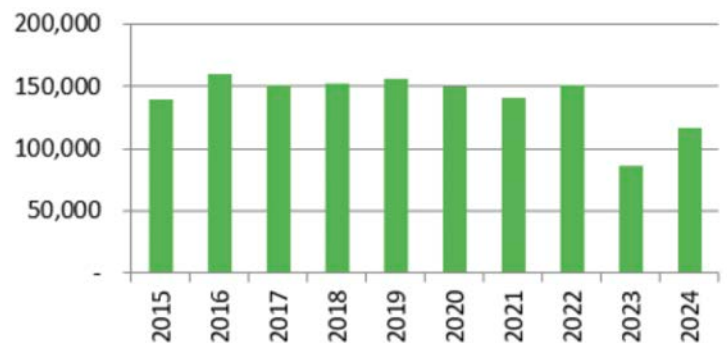


Fertilizer Import Trade Market Analysis

Yara North America (Yara), a customer of the Port of Hueneme since 1998, is one of the world's largest fertilizer suppliers, operating a terminal on a 3.05-acre footprint within the Port. In FY2024, Yara experienced a 43% increase in volume, marking a strong recovery from the decline in FY2023 caused by a maintenance issue that took a tank out of service.

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 as needed. The company's on-port storage capabilities allowed customer deliveries to continue at a high and steady rate, with an average of about 137 shipments from the Port per week via trucks. The majority of the Port's revenue from Yara comes from its lease agreement to house its tanks on Port property.

LIQUID FERTILIZER TONNAGE 2015-2024



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 success will be driven by economics that have not been realized to date.

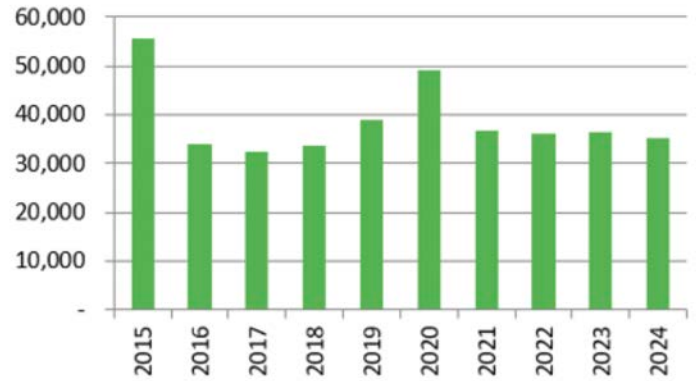
We Make Cargo Move

Introductory Section

Domestic Trade Offshore Oil Support

The Port of Hueneme, through its customers Freeport McMoran and DCOR, provide support services for the offshore oil industry in the Santa Barbara Channel. The Port realized slight decline in revenue from this business segment of 3% in FY2024. Due to industry challenges from a major oil spill in 2016, 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.

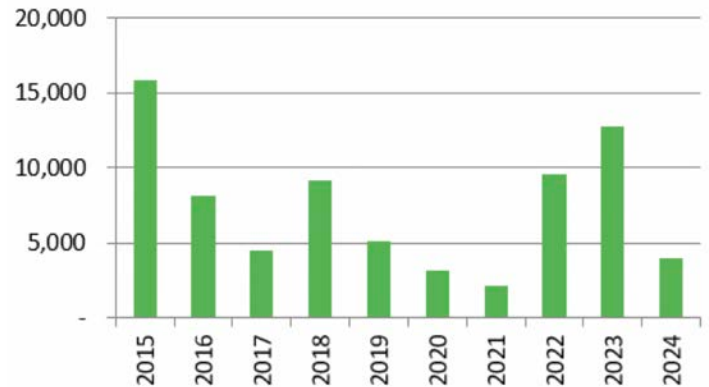
OFFSHORE OIL TONNAGE 2015-2024



Offshore Wind

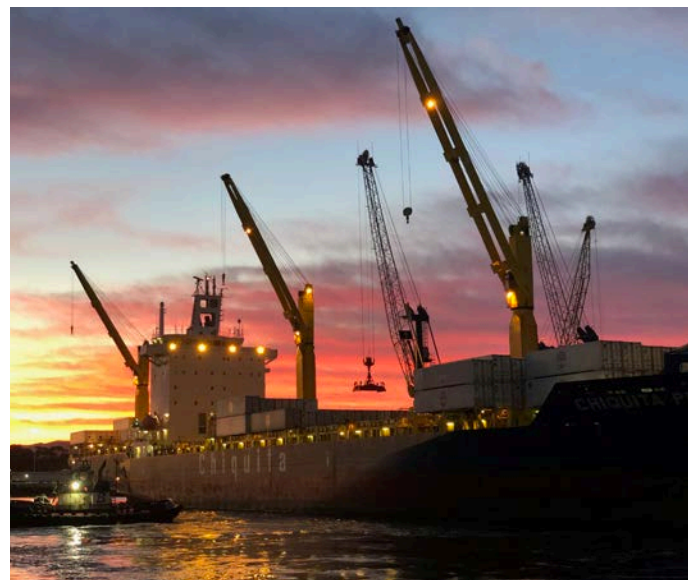
The Port is working closely with the state on opportunities to support the emerging offshore wind energy developments. The Port has the potential to serve as operating and maintenance hub for offshore wind. Light manufacturing of certain components such as anchors and moorings could be supported by the Port as well. Currently, platform vessels are using Port of Hueneme as a host port for the surveys of the offshore wind development sites.

FISH TONNAGE 2015-2024



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. In FY2024, the tonnage of fish through the Port was a total of 4,049 tons down from 6,788 tons in FY2023. 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 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.





Introductory Section

Real Estate Investment Strategy and Market Analysis

The Port's total Real Estate operating revenue was approximately \$3.2M in FY2024, compared to \$3.0M in FY2023. The Port also owns a 100 percent membership in Ventura County Railway Company, LLC, which derives its revenue from property leases from an investment property it owns on Market Street, as well as, from the lease of the VCRC tracks to the railroad operator, Genesee & Wyoming. This yields approximately \$350,000 in investment revenue annually.

In October 2022, the Ventura County Railway Company, LLC, a company owned by the District, purchased a 13 acres light industrial site with a cold storage and rail service in Oxnard, CA. The \$20M investment was initiated with existing tenant and turned into a real estate portfolio investment with tenancy of long-term lease of 3 years with options to extend beyond. As the owner of the VCRC, the Port saw this property as a future potential for further business development opportunities and modernization of the site for new and existing customers and loaned the Railway the capital to make the purchase.

The Port's business strategy calls for a balanced approach in the diversification of its port related property portfolio to address port and port client current and future land needs, and for the management team to lease and use the properties in a balanced approach to produce the highest synergies between tenants, cargo throughput and velocity, and port revenues.

Industrial land in Ventura County is in short supply and the vacancy factor for industrial space is one of the lowest in the nation. For the last decade or so, the industrial sector, within the real estate industry, has been the most active, experiencing significant demand, appreciation, and rental rate growth. A representative case in point is Southern California, which is experiencing an overall vacancy rate 1.5 percent. Ventura County is an even tighter market experiencing a vacancy rate of less than one percent at 0.9 percent.

One of the greatest challenges to industrial (and in fact, any kind) property development in Ventura County is that most of the developed and developable land is concentrated in only approximately 33 percent of its land area, with most of the balance being a protected agricultural zone known as 'SOAR' (Save our Agricultural Resources), where no industrial development can take place without voters' approval with a 2/3rd vote. Today, 100,000 acres of agricultural land is in production currently in Ventura County.

To ensure the Port's continued operational and financial growth, which affords its being able to meet its numerous stakeholders and community goals and objectives, it needs to continue its ongoing diversification of its port related property portfolio to better serve clients, attract new ones, and to generate revenue for port maintenance, infrastructure, and modernization.

In this regard, the Port is in discussions with the City of Port Hueneme to acquire a property on Market Street, adjacent to its main gate, to support operations and allow for extra harbor expansion and optimization. The Port has also secured City of Oxnard approval to develop a 34-acre parcel approximately one mile from its central gate or main entrance. The parcel, located on East Hueneme Road, will be used for temporary automotive parking for new vehicles. The temporary 3 to 5-year use of the site for this purpose will result in less truck traffic, improved air quality and reduced congestion on city streets and will allow for increased capacity for the auto segment of the port's cargo mix. Another area of focus for the Port is a 250-acre site located just 2.4 miles east of the Central Gate on East Hueneme Road. The vision for this site is to develop an enterprise zone to support global trade and create thousands of jobs for the local community.

Strategic investment opportunities of this type will allow for both the Port's economic development goal as well as significantly enhance its ability to meet and exceed its stakeholder mission goals and environmental stewardship by generating family sustaining jobs, creating educational opportunities for local students, allowing for investment in zero emission and clean technologies, and building revenue streams for potential mitigation projects such as environmental restoration, workforce development, and/or housing.

All port related projects and initiatives will go through the thoroughness of open and transparent planning, community outreach and input, and through the rigorous CEQA process.

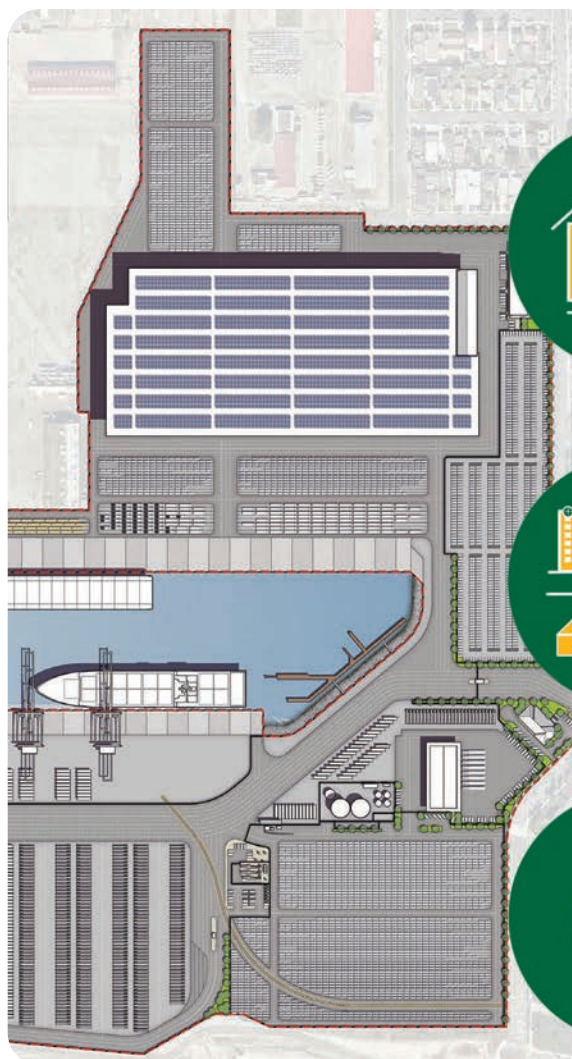
Introductory Section

10 Year Strategic Plan

Background

The Port has continued the process of creating a 10-year Plan. 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 also involved 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, a 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 containerized 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 sister port relationships, networking with foreign trade representatives through our World Trade Center license, and trade missions remain part of that strategy.



Five Key Pillars

- ECONOMIC VITALITY**
Our Goal: Contribute towards a vibrant and healthy economy by supporting businesses, job growth, and foreign commerce, while also ensuring a sustainable port organization.
- INFRASTRUCTURE**
Our 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**
Our Goal: Be a leader in tackling climate change and clean energy transition while pursuing decarbonized, zero emission port operations and reducing or avoiding environmental impacts from port operations and development.
- INNOVATION & TECHNOLOGY**
Our Goal: Foster ideas, innovation, and leading edge technologies for the advancement of ports, the maritime environment, community and entrepreneurs.
- SOCIAL EQUITY, COMMUNITY, AND PARTNERS**
Our 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.



Introductory Section

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, Oxnard and 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.

Open Transparent Planning Process

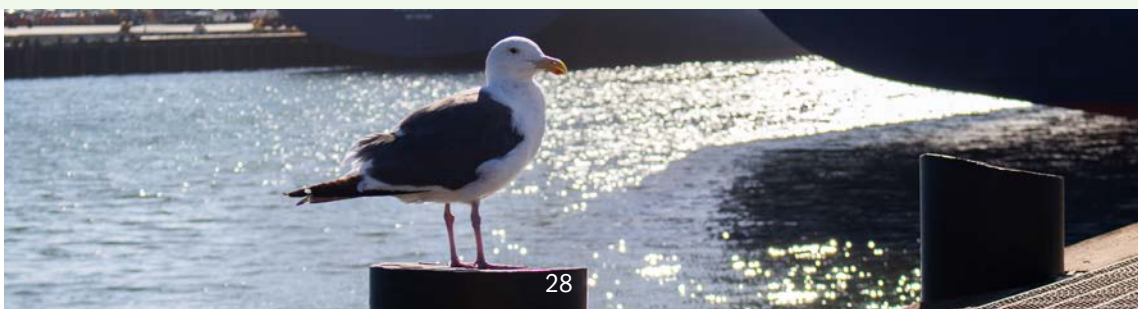
The Strategic Plan is in development and expected to be complete by the mid-year FY2025. To ensure an open and transparent process, the Port held public workshops around the pillars in 3 languages – English, Spanish and Mixteco. The Port also is informing the Plan with over 500 individual surveys collected during the process.

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 or enhance the efficiency of existing land are preferable to those which require large amounts of land.
- 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. Investments by the Port in shoreside cargo handling equipment may be required for some projects and may help assist customers/port users in moving toward decarbonizing cargo handling.
- 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 kinds.
- Public access to the Port's facilities should be provided that are practically and economically feasible and consistent with regulations, 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 14th Award of Excellence in Financial Reporting (2024)

Government Finance Officers Association - 14th Award of Excellence in Financial Reporting (2024)
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 2023 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 fifteenth 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 2024. 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 2023)

In May 2017, the Port became the first Port in California to receive a Green Marine Certification for its CY2016 efforts in sustainability. 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 recertifies its membership in Green Marine every spring, and this last certification which included an in person third party audit and verification, the Port achieved its highest scores ever, with a nearly perfect score, achieving the highest possible score in six of the seven performance indicators.



Blue Whales Blue Skies Program – Port Ambassador

Protecting Blue Whales and Blue Skies is a voluntary Vessel Speed Reduction (VSR) Program along the coast of California which incentivizes shipping companies to slow the speeds of their vessels in our local ocean backyard. The Port of Hueneme is California's only Port Ambassador for the Protecting Blue Whales and Blue Skies (BWBS) Vessel Speed Reduction Program. Slower vessels produce less pollution, are safer for ocean creatures like whales, and importantly produce much less underwater noise. The Port is proud to work with its partner shipping companies which participate in BWBS, with their demonstrated commitments to clean air, whale conservation and sustainable shipping. In doing so, the Port of Hueneme encourages them to maintain a high level of cooperation in the program in the years to come.



Introductory Section

Awards and Acknowledgments

Environment



2024 AAPA Lighthouse Award for Excellence in Environmental Practices Large Port Category: The Port of Hueneme

The Port of Hueneme was recognized with this prestigious award for its multi-year Zero Emissions Blueprint Project SPARC (Sustainable Power Advancement & Resiliency for Our Community) which identified the timelines and milestones needed to implement medium- and heavy-duty (MD/HD) zero-emission vehicles (ZEVs), equipment, and their related electric charging and/or hydrogen refueling infrastructure. The goal of developing the SPARC Blueprint Project was to accelerate deployment of ZE MD/HD equipment at the Port of Hueneme using a holistic view of transportation and logistics planning. The SPARC Blueprint Project represents an integral step for the Port of Hueneme to obtaining zero emissions throughout the goods movement supply chain and will bring significant air quality improvements to the disadvantaged communities of Oxnard, California and Port Hueneme, California where the Port is located. Through this project the Port has set a goal of inside the gate decarbonization of cargo operations by 2030 for cargo handling equipment, light duty fleets, and vessel shorepower.

Community



Pacific Coast Business Times 40 Under 40 Award Miguel Rodriguez, Community Relations and Workforce Development Director

Awarded for leadership and positive influence pertaining to youth development, community outreach, and crafting impactful initiatives for the Ventura County region.



Oxnard Union High School District- 2023 Business Champion Award

The Oxnard Union High School District Career and Work-Based Learning Department recognizes deserving partners who help mentor, manage and develop youth interested in career pathways.

Operations



Ventura Chamber of Commerce- 2024 Poinsettia Award

The Port of Hueneme and Ventura Port District received the Ventura Chamber's 2024 "Innovation Award" for the Commercial Fish Landing Modernization Project. This collaborative project is part of the \$80 million dollars awarded to the Port of Hueneme for its PACED Project (known as the Port Action, Climate, and Environmental Development project) through the state's Port and Freight Infrastructure Program that provides funding to improve goods movement through California's maritime ports. The project covers the cost for the design, permitting, and construction of a 1.8-acre squid offloading replacement facility within the Ventura Port District.

Awards and Acknowledgments



Government Finance Officers Association

**Certificate of
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Reporting**

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

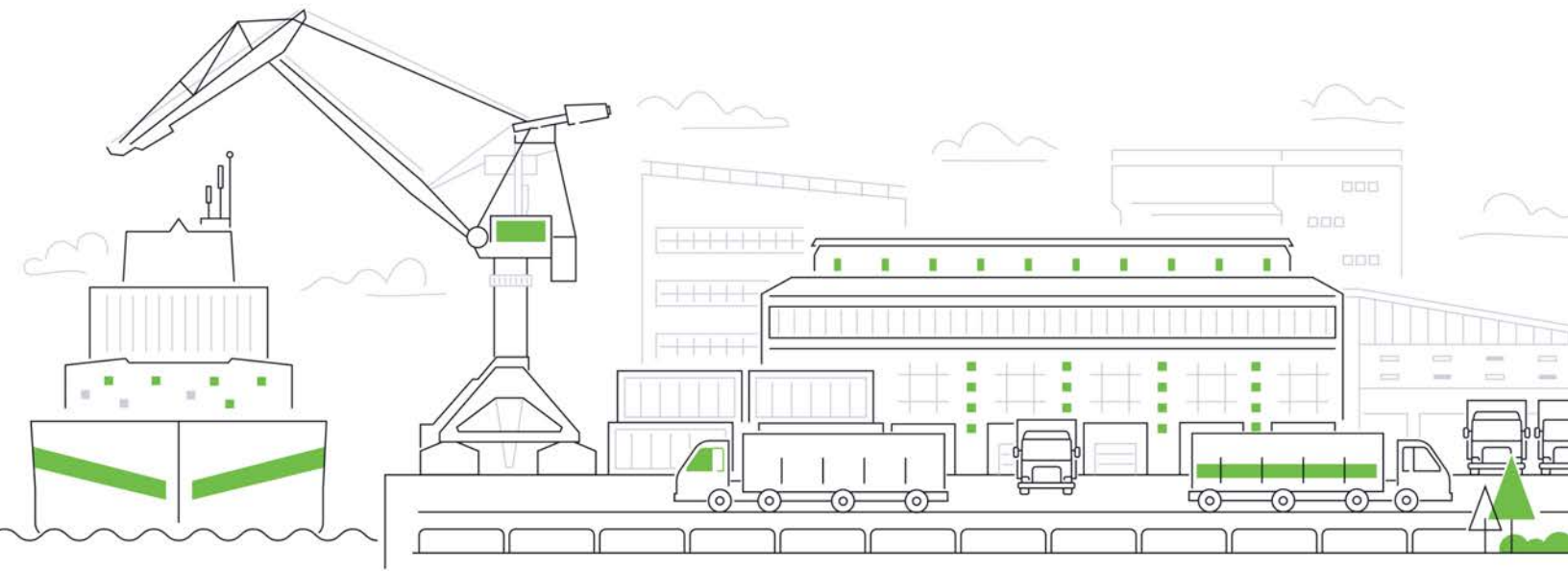
June 30, 2023

Christopher P. Morrill

Executive Director/CEO



Financial Section





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**OXNARD HARBOR DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2024 and 2023**

NIGRO & NIGRO^{PC}

OXNARD HARBOR DISTRICT

For the Fiscal Years Ended June 30, 2024 and 2023

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Financial Section



NIGRO & NIGRO^{PC}

A PROFESSIONAL ACCOUNTANCY CORPORATION



NIGRO & NIGRO^{PC}

A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Harbor Commissioners
Oxnard Harbor District
Port Hueneme, California

Opinion

We have audited the accompanying financial statements of the Oxnard Harbor District (District), which comprise the balance sheets as of June 30, 2024 and 2023, and related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024 and 2023, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Plan's Net Pension Liability, Schedule of the Agency's Contributions to the Pension Plan, Schedule of Changes in the Agency's Net OPEB Liability and Related Ratios, and Schedule of the Agency's Contributions to the OPEB Plan 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 Balance Sheets – Combined – Internal Funds and Schedule of Revenues, Expenses and Changes in Net Position – Combined – Internal Funds 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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated December 16, 2024, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Nigro" followed by a colon and "Nigro, PC".

Murrieta, California
December 16, 2024

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 and 2023

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, 2024 and 2023. 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 2024, the District's net position increased 5.06%, or \$6,023,150 from the prior year's net position of \$119,046,594 to \$125,069,744, as a result of the year's operations.
- In fiscal year 2023, the District's net position increased 15.47%, or \$15,948,951 from the prior year's net position of \$103,097,643 to 119,046,594, as a result of the year's operations.
- In fiscal year 2024, operating revenues decreased by 3.37%, or \$965,034 from \$28,649,319 to \$27,684,285 from the prior year, primarily due to a \$743,290 increase in auto cargo revenue.
- In fiscal year 2023, operating revenues increased by 13.5%, or \$3,404,714 from \$25,244,605 to \$28,649,319 from the prior year, primarily due to a \$4,040,450 increase in auto cargo revenue.
- In fiscal year 2024, operating expenses before depreciation expense increased by 24.8% or \$3,716,925 from \$14,958,303 to \$18,675,228, from the prior year, primarily due to a \$2,166,523 increase in salaries and benefits expenses as a result of the revaluation of the District's net OPEB and pension liabilities, as well as increases in port promotion expenses.
- In fiscal year 2023, operating expenses before depreciation expense decreased by 5.5% or \$868,666 from \$15,826,969 to \$14,958,303, from the prior year, primarily due to a \$2,450,426 decrease in salaries and benefits expenses as a result of the revaluation of the District's net OPEB and pension liabilities.

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, 2024 and 2023

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, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>Change</u>
Assets:					
Current assets	\$ 31,245,163	\$ 27,716,575	\$ 3,528,588	\$ 39,578,665	\$ (11,862,090)
Noncurrent	35,250,255	35,621,270	(371,015)	11,671,818	23,949,452
Capital assets, net	86,313,056	85,211,421	1,101,635	80,811,988	4,399,433
Total assets	<u>152,808,474</u>	<u>148,549,266</u>	<u>4,259,208</u>	<u>132,062,471</u>	<u>16,486,795</u>
Deferred outflows of resources	<u>5,543,449</u>	<u>4,260,580</u>	<u>1,282,869</u>	<u>2,440,195</u>	<u>1,820,385</u>
Total assets and deferred outflows of resources	<u>\$ 158,351,923</u>	<u>\$ 152,809,846</u>	<u>\$ 5,542,077</u>	<u>\$ 134,502,666</u>	<u>\$ 18,307,180</u>
Liabilities:					
Current liabilities	\$ 13,265,790	\$ 11,434,282	\$ 1,831,508	\$ 10,584,517	\$ 849,765
Noncurrent liabilities	14,849,720	14,678,229	171,491	12,860,015	1,818,214
Total liabilities	<u>28,115,510</u>	<u>26,112,511</u>	<u>2,002,999</u>	<u>23,444,532</u>	<u>2,667,979</u>
Deferred inflows of resources	<u>5,166,669</u>	<u>7,650,741</u>	<u>(2,484,072)</u>	<u>7,960,491</u>	<u>(309,750)</u>
Net position:					
Net investment in capital assets	84,550,342	81,776,147	2,774,195	75,779,154	5,996,993
Restricted	1,987,580	2,336,737	(349,157)	1,913,297	423,440
Unrestricted	38,531,822	34,933,710	3,598,112	25,405,192	9,528,518
Total net position	<u>125,069,744</u>	<u>119,046,594</u>	<u>6,023,150</u>	<u>103,097,643</u>	<u>15,948,951</u>
Total liabilities, deferred inflows and net position	<u>\$ 158,351,923</u>	<u>\$ 152,809,846</u>	<u>\$ 5,542,077</u>	<u>\$ 134,502,666</u>	<u>\$ 18,307,180</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 \$125,069,744 and \$119,046,594 as of June 30, 2024 and 2023, respectively.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 and 2023

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)

By far the largest portion of the District's net position (68% as of June 30, 2024 and 69% as of June 30, 2023) 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 2024 and 2023, the District showed a positive balance in its unrestricted net position of \$38,531,822 and \$34,933,710, respectively, which may be utilized in future years.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Change</u>	<u>June 30, 2022</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 27,684,285	\$ 28,649,319	\$ (965,034)	\$ 25,244,605	\$ 3,404,714
Non-operating revenues	2,731,292	2,877,868	(146,576)	2,499,976	377,892
Total revenues	<u>30,415,577</u>	<u>31,527,187</u>	<u>(1,111,610)</u>	<u>27,744,581</u>	<u>3,782,606</u>
Expenses:					
Operating expenses	18,675,228	14,958,303	3,716,925	15,826,969	(868,666)
Depreciation	5,794,849	6,596,114	(801,265)	4,525,356	2,070,758
Non-operating expenses	218,998	207,334	11,664	161,476	45,858
Total expenses	<u>24,689,075</u>	<u>21,761,751</u>	<u>2,927,324</u>	<u>20,513,801</u>	<u>1,247,950</u>
Capital contributions	<u>296,648</u>	<u>6,183,515</u>	<u>(5,886,867)</u>	<u>826,568</u>	<u>5,356,947</u>
Change in net position	<u>6,023,150</u>	<u>15,948,951</u>	<u>(9,925,801)</u>	<u>8,057,348</u>	<u>7,891,603</u>
Net position:					
Beginning of year	<u>119,046,594</u>	<u>103,097,643</u>	<u>15,948,951</u>	<u>95,040,295</u>	<u>8,057,348</u>
End of year	<u>\$ 125,069,744</u>	<u>\$ 119,046,594</u>	<u>\$ 6,023,150</u>	<u>\$ 103,097,643</u>	<u>\$ 15,948,951</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 \$6,023,150 and \$15,948,951 for the years ended June 30, 2024 and 2023 respectively.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 and 2023

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

Operating revenues:	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Auto cargo	\$ 14,191,085	\$ 13,447,795	\$ 743,290	\$ 9,407,345	\$ 4,040,450
Fresh produce cargo	7,785,424	8,512,054	(726,630)	8,164,780	347,274
Offshore oil	501,147	586,213	(85,066)	312,036	274,177
Property management	3,190,545	3,026,114	164,431	2,611,273	414,841
Other operating income	2,016,084	3,077,143	(1,061,059)	4,749,171	(1,672,028)
Total operating revenues	27,684,285	28,649,319	(965,034)	25,244,605	3,404,714
Non-operating revenues:					
Investment earnings	1,002,244	842,002	160,242	(363,075)	1,205,077
Ventura County Railway Co., LLC	1,423,194	864,544	558,650	77,174	787,370
Purchase credit revenue	261,778	-	261,778	68,173	(68,173)
Harbor maintenance tax revenue	-	220,000	(220,000)	139,590	80,410
Gain from sale of capital assets	3,500	713,313	(709,813)	-	713,313
Covid fiscal recovery funds	-	-	-	2,544,287	(2,544,287)
Other non-operating revenues	40,576	238,009	(197,433)	33,827	204,182
Total non-operating revenues	2,731,292	2,877,868	(146,576)	2,499,976	377,892
Total revenue	\$ 30,415,577	\$ 31,527,187	\$ (1,111,610)	\$ 27,744,581	\$ 3,782,606

In fiscal year 2024, operating revenues decreased by 3.37%, or \$965,034 from \$28,649,319 to \$27,684,285 from the prior year, primarily due to a \$743,290 increase in auto cargo revenue.

In fiscal year 2023, operating revenues increased by 13.5%, or \$3,404,714 from \$25,244,605 to \$28,649,319 from the prior year, primarily due to a \$4,040,450 increase in auto cargo revenue.

OXNARD HARBOR DISTRICT*Management's Discussion and Analysis (Unaudited)**For the Years Ended June 30, 2024 and 2023***FINANCIAL ANALYSIS OF THE DISTRICT (continued)****Total Expenses**

Operating expenses:	June 30, 2024	June 30, 2023	Change	June 30, 2022	Change
Salaries and benefits	\$ 8,214,238	\$ 6,047,715	\$ 2,166,523	\$ 8,498,141	\$ (2,450,426)
Governmental contractual agreements	3,013,324	2,606,626	406,698	2,050,571	556,055
Security	373,706	356,713	16,993	298,639	58,074
Facilities and maintenance	2,688,392	2,511,803	176,589	2,254,914	256,889
Professional and legal	1,563,157	1,161,507	401,650	1,167,847	(6,340)
Materials and services	471,782	564,059	(92,277)	326,564	237,495
Port promotion	1,812,533	1,179,049	633,484	775,073	403,976
Insurance	538,096	530,831	7,265	455,220	75,611
Total operating expenses	18,675,228	14,958,303	3,716,925	15,826,969	(868,666)
Depreciation	5,794,849	6,596,114	(801,265)	4,525,356	2,070,758
Non-operating expenses:					
Interest expense - long-term debt	106,865	108,268	(1,403)	124,690	(16,422)
Other non-operating expenses	112,133	99,066	13,067	36,786	62,280
Total non-operating expenses	218,998	207,334	11,664	161,476	45,858
Total expenses	\$ 24,689,075	\$ 21,761,751	\$ 2,927,324	\$ 20,513,801	\$ 1,247,950

In fiscal year 2024, operating expenses before depreciation expense increased by 24.8% or \$3,716,925 from \$14,958,303 to \$18,675,228, from the prior year, primarily due to a \$2,166,523 increase in salaries and benefits expenses as a result of the revaluation of the District's net OPEB and pension liabilities, as well as increases in port promotion expenses.

In fiscal year 2023, operating expenses before depreciation expense decreased by 5.5% or \$868,666 from \$15,826,969 to \$14,958,303, from the prior year, primarily due to a \$2,450,426 decrease in salaries and benefits expenses as a result of the revaluation of the District's net OPEB and pension liabilities.

Capital Assets

Description	June 30, 2024	June 30, 2023	June 30, 2022
Non-depreciable assets	\$ 23,019,016	\$ 26,991,518	\$ 17,240,172
Depreciable assets	140,685,876	129,816,890	129,286,002
Accumulated depreciation	(77,391,836)	(71,596,987)	(65,714,186)
Total capital assets, net	\$ 86,313,056	\$ 85,211,421	\$ 80,811,988

At the end of years 2024, 2023 and 2022, the District's investment in capital assets amounted to \$86,313,056, \$85,211,421, and \$80,811,988 (net of accumulated depreciation), respectively. Capital asset additions amounted to \$6,896,484 and \$10,995,547 for various projects and equipment for the years ended June 30, 2024 and 2023, respectively. See Note 7 for further information.

OXNARD HARBOR DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Years Ended June 30, 2024 and 2023

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Debt Administration

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

<u>Description</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenue bonds payable, net	<u>\$ 1,764,110</u>	<u>\$ 3,453,430</u>	<u>\$ 5,067,750</u>

Long-term debt decreased by \$1,689,320 and \$1,614,320 for the years ended June 30, 2024 and 2023, 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 Ponomo Street, Port Hueneme, CA 93041.

OXNARD HARBOR DISTRICT

Balance Sheets

June 30, 2024 and 2023

ASSETS	2024	2023
Current assets:		
Cash and investments (Note 2)	\$ 25,082,115	\$ 17,031,675
Accrued interest receivable	51,195	109,377
Accounts receivable – customers, net (Note 3)	3,674,271	3,447,799
Grants and other receivables	143,386	4,884,535
Lease receivable (Note 4)	1,672,481	1,813,858
Prepaid items	621,715	429,331
Total current assets	31,245,163	27,716,575
Non-current assets:		
Restricted – cash and cash equivalents (Note 2 and 13)	5,901,745	6,023,473
Lease receivable (Note 4)	2,749,275	4,421,756
World Trade Center license (Note 5)	51,000	51,000
Investment in Ventura County Railway Co., LLC (Note 6)	26,548,235	25,125,041
Capital assets – not being depreciated (Note 7)	23,019,016	26,991,518
Capital assets – being depreciated, net (Note 7)	63,294,040	58,219,903
Total non-current assets	121,563,311	120,832,691
Total assets	152,808,474	148,549,266
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on refunding of revenue bonds, net (Note 9)	1,396	18,156
Deferred outflows of resources related to pensions (Note 10)	3,208,444	3,168,715
Deferred outflows of resources related to OPEB (Note 11)	2,333,609	1,073,709
Total deferred outflows of resources	5,543,449	4,260,580
Total assets and deferred outflows of resources	\$ 158,351,923	\$ 152,809,846
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,178,473	\$ 3,789,243
Accrued revenue sharing payables (Note 16)	6,736,626	5,431,213
Customer deposits and unearned revenue	286,193	189,794
Accrued interest payable	39,713	77,963
Long-term liabilities – due within one year:		
Compensated absences (Note 8)	260,675	246,069
Revenue bonds payable, net (Note 9)	1,764,110	1,700,000
Total current liabilities	13,265,790	11,434,282
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 8)	782,025	738,106
Net OPEB liability (Note 11)	6,220,613	4,862,188
Net pension liability (Note 10)	7,847,082	7,324,505
Revenue bonds payable, net (Note 9)	-	1,753,430
Total non-current liabilities	14,849,720	14,678,229
Total liabilities	28,115,510	26,112,511
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to leases (Note 4)	4,111,245	5,897,824
Deferred inflows of resources related to pensions (Note 10)	413,640	688,828
Deferred inflows of resources related to OPEB (Note 11)	641,784	1,064,089
Total deferred inflows of resources	5,166,669	7,650,741
NET POSITION		
Net investment in capital assets (Note 12)	84,550,342	81,776,147
Restricted for debt service (Note 13)	1,987,580	2,336,737
Unrestricted	38,531,822	34,933,710
Total net position	125,069,744	119,046,594
Total liabilities, deferred inflows of resources and net position	\$ 158,351,923	\$ 152,809,846

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, 2024 and 2023*

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Auto cargo	\$ 14,191,085	\$ 13,447,795
Fresh produce cargo	7,785,424	8,512,054
Offshore oil	501,147	586,213
Property management:		
Land	2,428,878	2,002,852
Buildings	761,667	1,023,262
Other operating revenue:		
Liquid fertilizer	235,215	170,162
Reefer receptacles	1,432,091	1,781,306
Water hose rentals	1,569	1,772
Wharfage – fish and water	3,395	21,346
Other – moorings, permits and fees	343,814	1,102,557
Total operating revenues	<u>27,684,285</u>	<u>28,649,319</u>
OPERATING EXPENSES		
Salaries and benefits	8,214,238	6,047,715
Governmental contractual agreements	3,013,324	2,606,626
Security	373,706	356,713
Facilities and maintenance	2,688,392	2,511,803
Professional and legal services	1,563,157	1,161,507
Materials and services	471,782	564,059
Port promotion	1,812,533	1,179,049
Insurance	538,096	530,831
Total operating expenses before depreciation	<u>18,675,228</u>	<u>14,958,303</u>
Operating income before depreciation	9,009,057	13,691,016
Depreciation expense	<u>(5,794,849)</u>	<u>(6,596,114)</u>
Operating income	<u>3,214,208</u>	<u>7,094,902</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	1,002,244	842,002
Interest expense – long-term debt	(106,865)	(108,268)
Change in investment in Ventura County Railway Co., LLC, net (Note 6)	1,423,194	864,544
Purchase credit revenue	261,778	-
Harbor maintenance tax revenue	-	220,000
Sale of capital assets	3,500	713,313
Other non-operating revenues	40,576	238,009
Other non-operating expenses	<u>(112,133)</u>	<u>(99,066)</u>
Total non-operating revenue(expense), net	<u>2,512,294</u>	<u>2,670,534</u>
Net income before capital contributions	<u>5,726,502</u>	<u>9,765,436</u>
CAPITAL CONTRIBUTIONS		
Federal capital grants	268,014	878,727
State capital grants	28,634	4,773,038
Local capital grants and capital contributions	-	531,750
Total capital contributions	<u>296,648</u>	<u>6,183,515</u>
Change in net position	6,023,150	15,948,951
Net position:		
Beginning of year	<u>119,046,594</u>	<u>103,097,643</u>
End of year	<u>\$ 125,069,744</u>	<u>\$ 119,046,594</u>

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

OXNARD HARBOR DISTRICT*Statements of Cash Flows**For the Fiscal Years Ended June 30, 2024 and 2023*

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Cash receipts from customers and others	\$ 32,432,610	\$ 26,104,809
Cash paid to employees for salaries and benefits	(8,271,833)	(7,711,972)
Cash paid to vendors and suppliers for materials and services	(8,878,480)	(8,049,886)
Net cash provided by operating activities	<u>15,282,297</u>	<u>10,342,951</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,896,484)	(10,995,547)
Proceeds from capital grants	296,648	6,183,515
Proceeds from the sale of capital assets	3,500	713,313
Principal paid on revenue bonds	(1,700,000)	(1,625,000)
Interest paid on revenue bonds	(117,675)	(192,487)
Net cash used in capital and related financing activities	<u>(8,414,011)</u>	<u>(5,916,206)</u>
Cash flows from investing activities:		
Additional investment in VCRC	-	(20,000,000)
Change in fair-value of investments	74,199	447,784
Investment earnings	986,227	334,395
Net cash used in investing activities	<u>1,060,426</u>	<u>(19,217,821)</u>
Net increase(decrease) in cash and cash equivalents	7,928,712	(14,791,076)
Cash and cash equivalents:		
Beginning of year	<u>23,055,148</u>	<u>37,846,224</u>
End of year	<u>\$ 30,983,860</u>	<u>\$ 23,055,148</u>
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and investments	\$ 25,082,115	\$ 17,031,675
Restricted assets – cash and cash equivalents	5,901,745	6,023,473
Total cash and cash equivalents	<u>\$ 30,983,860</u>	<u>\$ 23,055,148</u>

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

OXNARD HARBOR DISTRICT*Statements of Cash Flows (continued)**For the Fiscal Years Ended June 30, 2024 and 2023*

	<u>2024</u>	<u>2023</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,214,208	\$ 7,094,902
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,794,849	6,596,114
Purchase credit revenue	261,778	-
Harbor maintenance tax revenue	-	220,000
Other non-operating revenues	40,576	238,009
Other non-operating expenses	(112,133)	(99,066)
Change in assets - (increase)decrease:		
Accounts receivable - customers, net	(226,472)	1,325,376
Other receivables	4,741,149	(3,885,382)
Lease receivable	1,813,858	(3,216,776)
Prepaid items	(192,384)	(177,289)
Change in deferred outflows of resources - (increase)decrease		
Deferred outflows of resources related to pensions	(39,729)	(1,788,409)
Deferred outflows of resources related to OPEB	(1,259,900)	(48,736)
Change in liabilities - increase(decrease):		
Accounts payable and accrued expenses	389,230	628,333
Accrued revenue sharing payables	1,305,413	331,435
Customer deposits and unearned revenue	96,399	(87,169)
Compensated absences	58,525	55,100
Net OPEB liability	1,358,425	273,385
Net pension liability	522,577	3,192,874
Change in deferred inflows of resources - increase(decrease)		
Deferred inflows of resources related to leases	(1,786,579)	3,038,721
Deferred inflows of resources related to pensions	(275,188)	(3,070,631)
Deferred inflows of resources related to OPEB	(422,305)	(277,840)
Total adjustments	<u>12,068,089</u>	<u>3,248,049</u>
Net cash provided by operating activities	<u>\$ 15,282,297</u>	<u>\$ 10,342,951</u>
Non-cash investing, capital and financing transactions:		
Change in fair-value of investments	<u>\$ 74,199</u>	<u>\$ 447,784</u>
Amortization of bond premium(discount), net	<u>\$ (10,680)</u>	<u>\$ (10,680)</u>
Amortization of deferred loss on refunding of revenue bonds	<u>\$ (16,760)</u>	<u>\$ (16,760)</u>

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

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023

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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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)

4. Lease Receivable and Deferred Inflows of Resources

The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

5. Prepaids

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

6. 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

7. 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 assets 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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

8. 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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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. 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, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

10. 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, 2022

Measurement Date June 30, 2023

Measurement Period July 1, 2022 to June 30, 2023

11. 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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

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.

F. Capital Contributions

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

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 2 – CASH AND INVESTMENTS

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

Description	June 30, 2024	June 30, 2023
Cash and investments	\$ 25,082,115	\$ 17,031,675
Restricted – cash and cash equivalents	5,901,745	6,023,473
Total	<u>\$ 30,983,860</u>	<u>\$ 23,055,148</u>

Cash and investments consisted of the following:

Description	June 30, 2024	June 30, 2023
Cash on hand	\$ 500	\$ 500
Deposits held with financial institutions	13,366,074	10,539,409
Deposits held with investment pools	10,215,551	7,472,634
Investments	7,401,735	5,042,605
Total	<u>\$ 30,983,860</u>	<u>\$ 23,055,148</u>

Demand Deposits

At June 30, 2024 and 2023, the carrying amount of the District’s demand deposits was \$13,366,074 and \$10,539,409, respectively, and the financial institution balance was \$14,087,331 and \$11,510,422, respectively. The \$721,257 and \$971,013 respective net difference as of June 30, 2024 and 2023 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, 2024 and 2023

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, 2024, \$13.1 million of District deposits was exposed to custodial credit risk.

Investments

The District's investments as of June 30, 2024 were as follows:

Type of Investments	Measurement Input	Credit Rating	Maturity	
			June 30, 2024 Fair Value	12 Months or Less
U.S. treasury obligations	Level 1	AA+	\$ 7,401,179	\$ 7,401,179
California Local Agency Investment Fund (LAIF)	Level 1	N/A	2,769,703	2,769,703
Ventura County Pooled Investment Fund (VCPIF)	Level 1	AAAf/S-1+	233,090	233,090
California Cooperative Liquid Assets Securities System (CLASS)	Level 1	AAAf/S-1+	7,212,758	7,212,758
Money-market mutual funds	N/A	N/A	556	556
Total investments			\$ 17,617,286	\$ 17,617,286

The District's investments as of June 30, 2023 were as follows:

Type of Investments	Measurement Input	Credit Rating	Maturity	
			June 30, 2023 Fair Value	12 Months or Less
U.S. treasury obligations	Level 1	AA+	\$ 5,040,598	\$ 5,040,598
California Local Agency Investment Fund (LAIF)	Level 1	N/A	2,637,209	2,637,209
Ventura County Pooled Investment Fund (VCPIF)	Level 1	AAAf/S-1+	4,835,425	4,835,425
Money-market mutual funds	N/A	N/A	2,007	2,007
Total investments			\$ 12,515,239	\$ 12,515,239

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023, 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 \$2,769,703 and \$2,637,209 invested in LAIF, as of June 30, 2024 and June 30, 2023, respectively. The LAIF fair value factor of 0.996316042 and 0.984828499 was used to calculate the fair value of the investments in LAIF as of June 30, 2024 and 2023, respectively.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024 and 2023 that the value of the County's portfolio was approximately \$4.3 billion and \$4.1 billion, respectively. As of June 30, 2024 and 2023, the District has investment in the VCPIF \$233,090 and \$4,835,425, respectively. The VCPIF fair value factor of 1.003497097 and 0.990764736 was used to calculate the fair value of the investments in VCPIF as of June 30, 2024 and 2023, respectively.

California Cooperative Liquid Assets Securities System (California CLASS)

The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of power entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian.

The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAM (S&P Global Ratings) and AA Af/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2024, the District held \$7,212,758 in California CLASS.

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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 2 – CASH AND INVESTMENTS (continued)

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, 2024 and 2023, the District's investment in LAIF was not rated as noted in the previous table, and the District's investments in VCPIF and CLASS were rated AA Af/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.

NOTE 3 – ACCOUNTS RECEIVABLE

The balance at June 30, consists of the following:

Description	June 30, 2024	June 30, 2023
Accounts receivable - customers	\$ 3,699,271	\$ 3,472,799
Allowance for uncollectible accounts	(25,000)	(25,000)
Accounts receivable - customers, net	<u>\$ 3,674,271</u>	<u>\$ 3,447,799</u>

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District's lease receivable for the year ended June 30, 2024 was as follows:

Description	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Brusco Tug and Barge	\$ 1,430	\$ -	\$ (1,430)	\$ -
Tesoro Refining and Marketing	8,534	-	(8,534)	-
Pacific Maritime Association	63,075	-	(50,334)	12,741
Chiquita Fresh North America	210,140	-	(193,776)	16,364
WWL VSA Oxnard	1,536,406	-	(305,407)	1,230,999
YARA North America	3,062,061	-	(583,711)	2,478,350
Channel Islands Urchin Co.	182,390	-	(50,816)	131,574
Ports America Corp.	1,271,578	-	(619,850)	651,728
Total lease receivable	<u>\$ 6,335,614</u>	<u>\$ -</u>	<u>\$ (1,813,858)</u>	<u>\$ 4,521,756</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Changes in the District's lease receivable for the year ended June 30, 2023 was as follows:

Description	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Brusco Tug and Barge	\$ 9,582	\$ -	\$ (8,152)	\$ 1,430
Tesoro Refining and Marketing	25,349	-	(16,815)	8,534
Port of Hueneme Ice, LLC	50,625	-	(50,625)	-
Pacific Maritime Association	112,413	-	(49,338)	63,075
Chiquita Fresh North America	394,429	-	(184,289)	210,140
WWL VSA Oxnard	1,723,163	-	(186,757)	1,536,406
YARA North America	471,076	3,201,534	(610,549)	3,062,061
Channel Islands Urchin Co.	232,201	-	(49,811)	182,390
Ports America Corp.	-	1,645,052	(373,474)	1,271,578
Total lease receivable	\$ 3,018,838	\$ 4,846,586	\$ (1,529,810)	\$ 6,335,614

The District is reporting a total lease receivable of \$4,521,756 and \$6,235,614 and a total related deferred inflows of resources of \$4,111,245 and \$5,897,824 for the years ending June 30, 2024 and 2023, respectively. Also, the District is reporting total lease revenue of \$1,786,579 and \$1,807,866 and interest revenue of \$108,119 and \$90,430 related to lease payments received for the years ending June 30, 2024 and 2023, respectively.

The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate of 2.00% to discount the lease revenue to the net present value. In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. The District's lease is summarized as follows:

Brusco Tug and Barge

The District, on July 1, 2020, renewed a continuous lease for 38 months as lessor for the use of 507 square feet of office space. An initial lease receivable was recorded in the amount of \$24,507. As of June 30, 2024, the value of the lease receivable was \$0. The lease is required to make monthly fixed payments of \$639 for the first 12-month period, then increases approximately 4.0% per year. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$0 as of June 30, 2024. The District recognized lease revenue of \$1,290 and interest revenue of \$4 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Tesoro Refining and Marketing Company LLC

The District, on July 1, 2020, renewed a continuous lease for 42 months as lessor for the use of 1,073 square feet of improved land. An initial lease receivable was recorded in the amount of \$48,777. As of June 30, 2024, the value of the lease receivable was \$0. The lease is required to make monthly fixed payments of \$805 for the first 12-month period, then increases annually based on an agreed upon schedule. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$0 as of June 30, 2024. The District recognized lease revenue of \$6,968 and interest revenue of \$50 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Pacific Maritime Association

The District, on July 1, 2020, renewed a continuous lease for 51 months as lessor for the use of a building and 7,400 square feet of improved land. An initial lease receivable was recorded in the amount of \$205,531. As of June 30, 2024, the value of the lease receivable was \$12,741. The lease is required to make monthly fixed payments of \$3,540 for the first 12-month period, then increases annually based on agreed upon schedule. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$12,090 as of June 30, 2024. The District recognized lease revenue of \$48,360 and interest revenue of \$802 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Chiquita Fresh North America

The District, on July 1, 2020, renewed a continuous lease for 49 months as lessor for the use of 100 chassis spots. An initial lease receivable was recorded in the amount of \$736,379. As of June 30, 2024, the value of the lease receivable was \$16,364. The lease is required to make monthly fixed payments of \$15,000 for the first 12-month period, then increases annually based on an agreed upon schedule. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$15,028 as of June 30, 2024. The District recognized lease revenue of \$180,338 and interest revenue of \$2,437 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

WWL VSA Oxnard

The District, on July 1, 2020, renewed a continuous lease for 87 months as lessor for the use of 5.04 acres of land. An initial lease receivable was recorded in the amount of \$2,244,729. As of June 30, 2024, the value of the lease receivable was \$1,230,999. The lease is required to make monthly fixed payments of \$24,296 for the first 12-month period, then increases annually based on an agreed upon schedule. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$1,006,258 as of June 30, 2024. The District recognized lease revenue of \$309,618 and interest revenue of \$25,963 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

YARA North America, INC

The District, on April 1, 2023, renewed a continuous lease for 60 months as lessor for the use of 2,600 square feet of office space and 130,680 square feet of land. An initial lease receivable was recorded in the amount of \$3,201,534. As of June 30, 2024, the value of the lease receivable was \$2,478,350. The lease is required to make monthly fixed payments of \$51,749 for the first 12-month period, then increases annually based on an agreed upon schedule. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$2,401,150 as of June 30, 2024. The District recognized lease revenue of \$640,307 and interest revenue of \$55,910 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2024 and 2023***NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)*****Chanel Islands Urchin Co.***

The District, on January 1, 2022, entered into a lease agreement for 60 months as lessor for the use of a 5,896 square feet tent structure as well as the surrounding unused space. An initial lease receivable was recorded in the amount of \$256,736. As of June 30, 2024, the value of the lease receivable was \$131,574. The lease is required to make monthly fixed payments of \$4,500 over the course of the agreement. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$128,368 as of June 30, 2024. The District recognized lease revenue of \$51,347 and interest revenue of \$3,184 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Ports America Corp.

The District, on July 1, 2022, entered into a lease agreement for 36 months as lessor for the use of 35,281 square feet of building space as well as the surrounding unused space. An initial lease receivable was recorded in the amount of \$1,645,052. As of June 30, 2024, the value of the lease receivable was \$651,728. The lease is required to make monthly fixed payments of \$29,255 for the first 12-month period, then increase 4% annually. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was \$548,351 as of June 30, 2024. The District recognized lease revenue of \$548,351 and interest revenue of \$19,770 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period. Since this is considered a volatile lease only this lease period has been recognized.

Minimum future lease receipts for the next five fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 1,672,481	\$ 72,938	\$ 1,745,419
2026	1,045,521	45,462	1,090,983
2027	1,074,524	24,153	1,098,677
2028	629,230	4,785	634,015
Total	4,421,756	\$ 147,338	\$ 4,569,094
Current	(1,672,481)		
Long-term	\$ 2,749,275		

Changes in the District's deferred inflows of resources related to leases for June 30, 2024 is as follows:

Description	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Brusco Tug and Barge	\$ 1,290	\$ -	\$ (1,290)	\$ -
Tesoro Refining and Marketing	6,968	-	(6,968)	-
Pacific Maritime Association	60,450	-	(48,360)	12,090
Chiquita Fresh North America	195,366	-	(180,338)	15,028
WWL VSA Oxnard	1,315,876	-	(309,618)	1,006,258
YARA North America	3,041,457	-	(640,307)	2,401,150
Channel Islands Urchin Co.	179,715	-	(51,347)	128,368
Ports America Corp.	1,096,702	-	(548,351)	548,351
Total deferred inflows	\$ 5,897,824	\$ -	\$ (1,786,579)	\$ 4,111,245

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2024 and 2023***NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)**

Changes in the District’s deferred inflows of resources related to leases for June 30, 2023 is as follows:

Description	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Brusco Tug and Barge	\$ 9,029	\$ -	\$ (7,739)	\$ 1,290
Tesoro Refining and Marketing	20,904	-	(13,936)	6,968
Port of Hueneme Ice, LLC	47,770	-	(47,770)	-
Pacific Maritime Association	108,810	-	(48,360)	60,450
Chiquita Fresh North America	375,704	-	(180,338)	195,366
WWL VSA Oxnard	1,625,494	-	(309,618)	1,315,876
YARA North America	440,330	3,201,534	(600,407)	3,041,457
Channel Islands Urchin Co.	231,062	-	(51,347)	179,715
Ports America Corp.	-	1,645,053	(548,351)	1,096,702
Total deferred inflows	\$ 2,859,103	\$ 4,846,587	\$ (1,807,866)	\$ 5,897,824

The amounts reported as deferred inflows of resources related to leases for the year ended June 30, 2024, will be amortized in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Inflows of Resources
2025	\$ 1,576,741
2026	1,001,272
2027	975,598
2028	557,634
Total	\$ 4,111,245

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.

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2024 and 2023***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. In fiscal year 2024, the District made an additional investment of \$20,000,000 in the Railway.

The District’s total investment in the Railway amounted to \$26,548,235 and \$25,125,041 as of June 30, 2024 and 2023, respectively. Audited financial information for the Ventura County Railway Company, LLC for the years ended June 30, 2024 and 2023 were as follows:

Balance Sheet	June 30, 2024	June 30, 2023
Assets:		
Current assets	\$ 10,762,422	\$ 11,076,748
Property and equipment, net	21,939,269	22,171,652
Total assets	\$ 32,701,691	\$ 33,248,400
Liabilities	\$ 6,153,456	\$ 8,123,359
Equity	26,548,235	25,125,041
Total liabilities and equity	\$ 32,701,691	\$ 33,248,400
Income Statement	June 30, 2023	June 30, 2023
Revenues	\$ 2,405,175	\$ 1,666,661
Expenses	(981,981)	(802,117)
Net income	1,423,194	864,544
Equity:		
Beginning of year	25,125,041	4,260,497
Paid-in-capital	-	20,000,000
End of year	\$ 26,548,235	\$ 25,125,041

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended June 30, 2024, were as follows:

Description	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Non-depreciable assets:				
Land	\$ 13,793,927	\$ -	\$ -	\$ 13,793,927
Construction-in-process	13,197,591	7,276,713	(11,249,215)	9,225,089
Total non-depreciable assets	26,991,518	7,276,713	(11,249,215)	23,019,016
Depreciable assets:				
Wharves and docks	40,596,313	-	-	40,596,313
Warehouses	24,921,953	-	-	24,921,953
Land improvements	33,537,610	8,167,109	-	41,704,719
Buildings	4,644,648	-	-	4,644,648
Buildings and improvements	4,212,218	915,153	-	5,127,371
Vehicles and equipment	21,904,148	1,786,724	-	23,690,872
Total depreciable assets	129,816,890	10,868,986	-	140,685,876
Accumulated depreciation:				
Wharves and docks	(21,271,709)	(2,363,269)	-	(23,634,978)
Warehouses	(21,494,754)	(705,350)	-	(22,200,104)
Land improvements	(15,406,468)	(1,268,240)	-	(16,674,708)
Buildings	(2,684,703)	(121,291)	-	(2,805,994)
Buildings and improvements	(2,384,396)	(209,220)	-	(2,593,616)
Vehicles and equipment	(8,354,957)	(1,127,479)	-	(9,482,436)
Total accumulated depreciation	(71,596,987)	(5,794,849)	-	(77,391,836)
Total depreciable assets, net	58,219,903	5,074,137	-	63,294,040
Total capital assets, net	\$ 85,211,421	\$ 12,350,850	\$ (11,249,215)	\$ 86,313,056

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION (continued)

Changes in capital assets for the fiscal year ended June 30, 2023, were as follows:

Description	Balance July 1, 2022	Additions	Deletions/ Transfers	Balance June 30, 2023
Non-depreciable assets:				
Land	\$ 13,793,927	\$ -	\$ -	\$ 13,793,927
Construction-in-process	3,446,245	10,583,577	(832,231)	13,197,591
Total non-depreciable assets	17,240,172	10,583,577	(832,231)	26,991,518
Depreciable assets:				
Wharves and docks	41,148,125	161,501	(713,313)	40,596,313
Warehouses	24,921,953	-	-	24,921,953
Land improvements	33,117,382	420,228	-	33,537,610
Buildings	4,644,648	-	-	4,644,648
Buildings and improvements	3,982,094	230,124	-	4,212,218
Vehicles and equipment	21,471,800	432,348	-	21,904,148
Total depreciable assets	129,286,002	1,244,201	(713,313)	129,816,890
Accumulated depreciation:				
Wharves and docks	(18,917,876)	(3,067,146)	713,313	(21,271,709)
Warehouses	(20,655,011)	(839,743)	-	(21,494,754)
Land improvements	(14,169,534)	(1,236,934)	-	(15,406,468)
Buildings	(2,563,412)	(121,291)	-	(2,684,703)
Buildings and improvements	(2,191,215)	(193,181)	-	(2,384,396)
Vehicles and equipment	(7,217,138)	(1,137,819)	-	(8,354,957)
Total accumulated depreciation	(65,714,186)	(6,596,114)	713,313	(71,596,987)
Total depreciable assets, net	63,571,816	(5,351,913)	-	58,219,903
Total capital assets, net	\$ 80,811,988	\$ 5,231,664	\$ (832,231)	\$ 85,211,421

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 8 – COMPENSATED ABSENCES

Summary changes to compensated absences balances for the year ended June 30, 2024, were as follows:

<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 984,174	\$ 292,889	\$ (234,363)	\$ 1,042,700	\$ 260,675	\$ 782,025

Summary changes to compensated absences balances for the year ended June 30, 2023, were as follows:

<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>	<u>Due in More</u> <u>Than One Year</u>
\$ 929,075	\$ 267,770	\$ (212,671)	\$ 984,174	\$ 246,069	\$ 738,106

NOTE 9 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2024, were as follows:

<u>Long-Term Debt</u>	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Payments/</u> <u>Amortization</u>	<u>Balance</u> <u>June 30, 2024</u>
Revenue bonds – Series 2011B	\$ 3,465,000	\$ -	\$ (1,700,000)	\$ 1,765,000
Revenue bonds – Series 2011B – discount	(11,570)	-	10,680	(890)
Total long-term debt	3,453,430	\$ -	\$ (1,689,320)	1,764,110
Less current portion	(1,625,000)			(1,764,110)
Non-current portion	\$ 1,828,430			\$ -

Changes in long-term debt for the year ended June 30, 2023, were as follows:

<u>Long-Term Debt</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Payments/</u> <u>Amortization</u>	<u>Balance</u> <u>June 30, 2023</u>
Revenue bonds – Series 2011B	\$ 5,090,000	\$ -	\$ (1,625,000)	\$ 3,465,000
Revenue bonds – Series 2011B – discount	(22,250)	-	10,680	(11,570)
Total long-term debt	5,067,750	\$ -	\$ (1,614,320)	3,453,430
Less current portion	(1,625,000)			(1,700,000)
Non-current portion	\$ 3,442,750			\$ 1,753,430

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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 \$11,628,216 and \$16,434,168 for the years ended June 30, 2024 and 2023, respectively. The actual debt service coverage ratio was 647% and 954% for the years ended June 30, 2024 and 2023, 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, 2024, was as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance</u> <u>June 30, 2024</u>
Deferred amount on refunding, net	\$ 18,156	\$ -	\$ (16,760)	\$ 1,396

Changes in deferred amount on refunding of revenue bonds, net for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance</u> <u>June 30, 2023</u>
Deferred amount on refunding, net	\$ 34,916	\$ -	\$ (16,760)	\$ 18,156

Series 2011B (Non-AMT)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,765,000	\$ 39,713	\$ 1,804,713
Total	\$ 1,765,000	\$ 39,713	\$ 1,804,713

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

NOTE 10 – PENSION PLAN

Summary

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

<u>Description</u>	<u>2024</u>	<u>2023</u>
Pension related deferred outflows	\$ 3,208,444	\$ 3,168,715
Net pension liability	7,847,082	7,324,505
Pension related deferred inflows	413,640	688,828

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>
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
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 2024	13.340%	7.680%
Required employer contribution rates – FY 2023	11.590%	7.470%

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2023 and 2022 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, 2023, (Measurement Date) the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	12	27	39
Transferred and terminated members	4	9	13
Retired members and beneficiaries	32	-	32
Total plan members	48	36	84

At June 30, 2022, (Measurement Date) the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	12	23	35
Transferred and terminated members	4	6	10
Retired members and beneficiaries	32	-	32
Total plan members	48	29	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, 2024 and 2023

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, 2024, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 697,910	\$ 216,234	\$ 914,144
Contributions – members	109,280	218,205	327,485
Total contributions	\$ 807,190	\$ 434,439	\$ 1,241,629

Contributions for the fiscal year ended June 30, 2023, were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 700,548	\$ 198,967	\$ 899,515
Contributions – members	119,565	173,310	292,875
Total contributions	\$ 820,113	\$ 372,277	\$ 1,192,390

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, 2023 and 2022, and the total pension liability for each Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022, rolled forward to June 30, 2023, and as of June 30, 2020, rolled forward to June 30, 2022, 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, 2024 and 2023

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, 2023 (MD):

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2022 (Measurement Date)	\$ 24,135,426	\$ 16,810,921	\$ 7,324,505
Balance as of June 30, 2023 (Measurement Date)	\$ 25,575,363	\$ 17,728,281	\$ 7,847,082
Change in Plan Net Pension Liability	\$ 1,439,937	\$ 917,360	\$ 522,577

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, 2022 (MD):

<u>Plan Type and Balance Descriptions</u>	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Change in Plan Net Pension Liability</u>
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2021 (Measurement Date)	\$ 22,679,779	\$ 18,548,148	\$ 4,131,631
Balance as of June 30, 2022 (Measurement Date)	\$ 24,135,426	\$ 16,810,921	\$ 7,324,505
Change in Plan Net Pension Liability	\$ 1,455,647	\$ (1,737,227)	\$ 3,192,874

The District’s proportionate share percentage of the net pension liability for the June 30, 2023, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2024</u>	<u>Fiscal Year Ending June 30, 2023</u>	
Measurement Date	June 30, 2023	June 30, 2022	
Percentage of Risk Pool Net Pension Liability	0.156929%	0.156532%	0.000397%
Percentage of Plan (PERF C) Net Pension Liability	0.062901%	0.063411%	-0.000510%

The District’s proportionate share percentage of the net pension liability for the June 30, 2022, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2023</u>	<u>Fiscal Year Ending June 30, 2022</u>	
Measurement Date	June 30, 2022	June 30, 2021	
Percentage of Risk Pool Net Pension Liability	0.156532%	0.217591%	-0.061059%
Percentage of Plan (PERF C) Net Pension Liability	0.063411%	0.076394%	-0.012983%

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2024 and 2023***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, 2024, the District recognized pension expense of \$1,121,804. At June 30, 2024, 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	\$ 914,144	\$ -
Difference between actual and proportionate share of employer contributions	119,752	(25,842)
Adjustment due to differences in proportions	29,400	(325,613)
Differences between expected and actual experience	400,871	(62,185)
Differences between projected and actual earnings on pension plan investments	1,270,513	-
Changes in assumptions	473,764	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 3,208,444</u>	<u>\$ (413,640)</u>

For the year ended June 30, 2023, the District recognized pension expense of \$766,650. At June 30, 2024, 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	\$ 899,516	\$ -
Difference between actual and proportionate share of employer contributions	-	(53,860)
Adjustment due to differences in proportions	29,906	(536,453)
Differences between expected and actual experience	147,090	(98,515)
Differences between projected and actual earnings on pension plan investments	1,341,655	-
Changes in assumptions	750,548	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 3,168,715</u>	<u>\$ (688,828)</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 10 – PENSION PLAN (continued)

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

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

An amount of \$914,144 and \$899,516 for 2024, and 2023, respectively, were 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, 2025, and 2024, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2025	\$ 487,467
2026	354,794
2027	1,001,944
2028	36,455
Total	<u>\$ 1,880,660</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized as a reduction to pension expense as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2024	\$ 349,371
2025	271,262
2026	139,137
2027	820,601
Total	<u>\$ 1,580,371</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2023 and 2022 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2022 and 2020, total pension liability. The June 30, 2023 and 2022, 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	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing

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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

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

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

¹ An expected inflation of 2.30% is used for this period.

² Figures are based on the 2022 Asset Liability Management study.

OXNARD HARBOR DISTRICT*Notes to Financial Statements**June 30, 2024 and 2023***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 6.90%. 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 presented 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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

For the year ended June 30, 2024, (Measurement Date June 30, 2023) were as follows:

Plan Type	Net Pension Liability at June 30, 2024		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 1,880,660	\$ 7,847,082	\$ 5,000,062

For the year ended June 30, 2023, (Measurement Date June 30, 2022) were as follows:

Plan Type	Net Pension Liability at June 30, 2023		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	5.90%	Rate 6.90%	7.90%
CalPERS – Miscellaneous Plan	\$ 10,614,598	\$ 7,324,505	\$ 4,617,574

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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary

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

<u>Description</u>	<u>2024</u>	<u>2023</u>
OPEB related deferred outflows	\$ 2,333,609	\$ 1,073,709
Net other post-employment benefits obligation	6,220,613	4,862,188
OPEB related deferred inflows	641,784	1,064,089

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.

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

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

Benefits provided

The District offers lifetime post-employment medical to employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Eligible retirees may enroll in any plan available through the CalPERS medical program. Each year the District establishes a maximum monthly premium that the District will pay for medical benefits; the maximum monthly premium that the District will pay for fiscal year 2024 and 2023 was \$1,350 and 1,350, respectively.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

A. General Information about the OPEB Plan (continued)

Benefits provided (continued)

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%

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:

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

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

A. General Information about the OPEB Plan (continued)

Employees covered by benefit terms

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

	2024	2023
Inactive plan members or beneficiaries currently receiving benefit payments	32	30
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	41	38
Total	73	68

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.

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2023, and 2022, 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, 2023, and 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
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	6.25%
Inflation	2.75%
Payroll increases	3.00%
Healthcare Trend Rates	Pre-65 - 6.00% trending down annually to 5.0% by 2029 and later Post-65 - 4.50% trending down annually to 4.0% by 2029 and later
Morbidity	CalPERS 2019 Study
Mortality	CalPERS 2019 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

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

B. Net OPEB Liability

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 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.

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

The changes in the total OPEB liability for June 30, 2024, were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2023	<u>\$ 7,586,678</u>	<u>\$ 2,724,490</u>	<u>\$ 4,862,188</u>
Changes for the year:			
Service cost	323,753	-	323,753
Interest	535,241	-	535,241
Changes in assumptions	356,571	-	356,571
Changes in experience	854,354	-	854,354
Employer contributions	-	537,342	(537,342)
Actual investment income	-	174,943	(174,943)
Administrative expense	-	(791)	791
Benefit payments	(537,342)	(537,342)	-
Net changes	<u>1,532,577</u>	<u>174,152</u>	<u>1,358,425</u>
Balance at June 30, 2024	<u>\$ 9,119,255</u>	<u>\$ 2,898,642</u>	<u>\$ 6,220,613</u>

OXNARD HARBOR DISTRICT
Notes to Financial Statements
June 30, 2024 and 2023

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

C. Changes in the Net OPEB Liability (continued)

The changes in the total OPEB liability for June 30, 2023, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2022	\$ 7,245,771	\$ 2,656,968	\$ 4,588,803
Changes for the year:			
Service cost	307,467	-	307,467
Interest	512,252	-	512,252
Employer contributions	-	978,812	(978,812)
Actual investment income	-	(431,733)	431,733
Administrative expense	-	(745)	745
Benefit payments	(478,812)	(478,812)	-
Net changes	340,907	67,522	273,385
Balance at June 30, 2023	<u>\$ 7,586,678</u>	<u>\$ 2,724,490</u>	<u>\$ 4,862,188</u>

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:

Sensitivity of the Net OPEB liability to changes in the discount rate for the fiscal year ended June 30, 2024:

	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
District Plan	<u>\$ 7,283,559</u>	<u>\$ 6,220,613</u>	<u>\$ 5,328,814</u>

Sensitivity of the Net OPEB liability to changes in the discount rate for the fiscal year ended June 30, 2023:

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
District Plan	<u>\$ 5,720,784</u>	<u>\$ 4,862,188</u>	<u>\$ 4,139,270</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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 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:

Sensitivity of the Net OPEB liability to changes in the healthcare trend rate for June 30, 2024:

	<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	\$ 5,252,937	\$ 6,220,613	\$ 7,406,768

Sensitivity of the Net OPEB liability to changes in the healthcare trend rate for June 30, 2023:

	<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	\$ 4,006,090	\$ 4,862,188	\$ 5,912,807

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, 2024 and 2023, the District recognized OPEB expense of \$696,039 and \$481,184, respectively. At June 30, 2024, 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	\$ 1,019,819	\$ -
Changes in assumptions	309,654	(154,873)
Differences between expected and actual experience	741,939	(486,911)
Differences between projected and actual earnings on OPEB plan investments	262,197	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 2,333,609</u>	<u>\$ (641,784)</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

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

At June 30, 2023, 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 of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 537,342	\$ -
Changes in assumptions	-	(208,691)
Differences between expected and actual experience	-	(638,701)
Differences between projected and actual earnings on OPEB plan investments	536,367	(216,697)
Total Deferred Outflows/(Inflows) of Resources	\$ 1,073,709	\$ (1,064,089)

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$1,019,819 and \$537,342 in 2024 and 2023, respectfully, 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, 2025 and 2024, respectfully.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in fiscal year 2024 as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 23,420
2026	12,287
2027	189,875
2028	62,229
2029	129,262
Thereafter	254,933
Total	\$ 672,006

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in fiscal year 2024 as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2024	\$ (135,540)
2025	(139,061)
2026	(150,194)
2027	27,394
2028	(100,251)
Thereafter	(30,070)
Total	<u>\$ (527,722)</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, 2024</u>	<u>June 30, 2023</u>
Net investment in capital assets:		
Capital assets – not being depreciated	\$ 23,019,016	\$ 26,991,518
Capital assets, net – being depreciated	63,294,040	58,219,903
Deferred loss on refunding of revenue bonds, net	1,396	18,156
Revenue bonds payable, net – current	(1,764,110)	(1,700,000)
Revenue bonds payable, net – non-current	-	(1,753,430)
Total net investment in capital assets	<u>\$ 84,550,342</u>	<u>\$ 81,776,147</u>

NOTE 13 – RESTRICTED NET POSITION

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

<u>Description</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Restricted – cash and cash equivalents	\$ 5,901,745	\$ 6,023,473
Total restricted – cash and investments	<u>5,901,745</u>	<u>6,023,473</u>
Accrued revenue sharing payables	(3,874,452)	(3,608,773)
Accrued interest payable	(39,713)	(77,963)
Total restricted net position for debt service	<u>\$ 1,987,580</u>	<u>\$ 2,336,737</u>

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024, 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.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 15 – RISK MANAGEMENT (continued)

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2024, 2023 and 2022. 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, 2024, 2023 and 2022.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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, 2024 and 2023 totaled \$847,094 and \$800,301, respectively.

Pursuant to an agreement dated March 18, 1987, the District compensates the City to mitigate the environmental impacts of the District's Wharf 2 project. Compensation is based on 1.67% of the District's gross operating revenues. Amounts allocated to the City for the fiscal years ended June 30, 2024 and 2023 totaled \$478,440 and \$421,584, respectively.

Additionally, the District compensates the City a cost per unit of \$3.50 for the first 50,000 automobiles and an additional \$0.93 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, 2024 and 2023 totaled \$594,995 and \$551,517, respectively.

OXNARD HARBOR DISTRICT

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Contracts with the City of Port Hueneme (continued)

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, 2024 and 2023 totaled \$939,064 and \$694,224, 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, 2024 and 2023 totaled \$127,784 and \$124,945, 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, 2024 and 2023, the amount payable to the Navy for long-term maintenance of Wharf 3 and associated real property is \$4,253,397 and \$3,847,886, respectively.

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of Port equipment and facilities. The financing of such construction contracts is being provided primarily from a combination of debt, capital grants, and the District's replacement reserves. The District has committed approximately \$8,638,953 to complete the open contracts as of June 30, 2024.

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 17 – SUBSEQUENT EVENTS

In accordance with the provisions surrounding subsequent events, the District's management has evaluated events and transactions for potential recognition or disclosure through December 16, 2024, the date the financial statements were available to be issued.

Required Supplementary Information

OXNARD HARBOR DISTRICT

*Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability
For the Year Ended June 30, 2024*

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%
June 30, 2021	0.076394%	4,131,631	3,360,761	122.94%	81.78%
June 30, 2022	0.063411%	7,324,505	3,930,663	186.34%	69.65%
June 30, 2023	0.062901%	7,847,082	4,158,156	188.72%	69.32%

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 significant 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 years June 30, 2018 to June 30, 2022:

There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90% and inflation from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:

There were no significant changes in assumptions.

OXNARD HARBOR DISTRICT

Schedule of the District's Contributions to the Pension Plan

For the Year Ended June 30, 2024 and 2023

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%
June 30, 2022	825,072	(825,072)	-	3,930,663	20.99%
June 30, 2023	899,516	(899,516)	-	4,158,156	21.63%
June 30, 2024	914,144	(914,144)	-	4,298,368	21.27%

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	Fair Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Fair Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
June 30, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
June 30, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%

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.

OXNARD HARBOR DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios For the Year Ended June 30, 2024 and 2023

Fiscal Year Ended Measurement Date	Last Ten Fiscal Years*				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability:					
Service cost	\$ 323,753	\$ 307,467	\$ 310,332	\$ 244,579	\$ 237,323
Interest	535,241	512,252	538,267	553,362	524,313
Changes in assumptions	356,571	-	(149,939)	(199,666)	-
Differences between expected and actual experience	854,354	-	(581,888)	(432,472)	-
Benefit payments	<u>(537,342)</u>	<u>(478,812)</u>	<u>(492,060)</u>	<u>(403,843)</u>	<u>(310,791)</u>
Net change in total OPEB liability	1,532,577	340,907	(375,288)	(238,040)	450,845
Total OPEB liability - beginning	<u>7,586,678</u>	<u>7,245,771</u>	<u>7,621,059</u>	<u>7,859,099</u>	<u>7,408,254</u>
Total OPEB liability - ending	<u>9,119,255</u>	<u>7,586,678</u>	<u>7,245,771</u>	<u>7,621,059</u>	<u>7,859,099</u>
Plan fiduciary net position:					
Contributions - employer	537,342	978,812	992,060	403,843	810,791
Net investment income	174,943	(431,733)	494,610	56,778	72,342
Administrative expense	(791)	(745)	(672)	(785)	(227)
Benefit payments	<u>(537,342)</u>	<u>(478,812)</u>	<u>(492,060)</u>	<u>(403,843)</u>	<u>(310,791)</u>
Net change in plan fiduciary net position	174,152	67,522	993,938	55,993	572,115
Plan fiduciary net position - beginning	<u>2,724,490</u>	<u>2,656,968</u>	<u>1,663,030</u>	<u>1,607,037</u>	<u>1,034,922</u>
Plan fiduciary net position - ending	<u>2,898,642</u>	<u>2,724,490</u>	<u>2,656,968</u>	<u>1,663,030</u>	<u>1,607,037</u>
District's net OPEB liability	<u>\$ 6,220,613</u>	<u>\$ 4,862,188</u>	<u>\$ 4,588,803</u>	<u>\$ 5,958,029</u>	<u>\$ 6,252,062</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>31.79%</u>	<u>35.91%</u>	<u>36.67%</u>	<u>21.82%</u>	<u>20.45%</u>
Covered payroll	<u>\$ 4,158,156</u>	<u>\$ 4,134,978</u>	<u>\$ 3,360,761</u>	<u>\$ 3,228,038</u>	<u>\$ 2,875,755</u>
District's net OPEB liability as a percentage of covered payroll	<u>149.60%</u>	<u>117.59%</u>	<u>136.54%</u>	<u>184.57%</u>	<u>217.41%</u>

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2019 – There were no changes of benefits terms.
Measurement Date June 30, 2020 – There were no changes of benefits terms.
Measurement Date June 30, 2021 – There were no changes of benefits terms.
Measurement Date June 30, 2022 – There were no changes of benefits terms.
Measurement Date June 30, 2023 – There were no changes of benefits terms.

Changes in Assumptions:

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.
Measurement Date June 30, 2021 – Inflation rate changed to 3.00%
Measurement Date June 30, 2022 – There were no changes in assumptions.
Measurement Date June 30, 2023 – The discount rate was reduced from 7.00% to 6.25% and inflation from 3.0% to 2.75%.

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

OXNARD HARBOR DISTRICT

Schedule of Changes in the District's Net OPEB Liability and Related Ratios (continued)

For the Year Ended June 30, 2024 and 2023

	Last Ten Fiscal Years*	
Fiscal Year Ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability:		
Service cost	\$ 244,464	\$ 237,921
Interest	397,916	377,672
Changes in assumptions	(1,728,734)	-
Differences between expected and actual experience	(607,247)	-
Changes of benefit terms	649,545	-
Benefit payments	<u>(291,593)</u>	<u>(297,416)</u>
Net change in total OPEB liability	<u>(1,335,649)</u>	<u>318,177</u>
Total OPEB liability - beginning	<u>8,743,903</u>	<u>8,425,726</u>
Total OPEB liability - ending	<u>7,408,254</u>	<u>8,743,903</u>
Plan fiduciary net position:		
Contributions - employer	791,593	797,416
Net investment income	38,554	(2,700)
Administrative expense	(931)	(1)
Benefit payments	<u>(291,593)</u>	<u>(297,416)</u>
Net change in plan fiduciary net position	<u>537,623</u>	<u>497,299</u>
Plan fiduciary net position - beginning	<u>497,299</u>	<u>-</u>
Plan fiduciary net position - ending	<u>1,034,922</u>	<u>497,299</u>
District's net OPEB liability	<u>\$ 6,373,332</u>	<u>\$ 8,246,604</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>13.97%</u>	<u>5.69%</u>
Covered payroll	<u>\$ 2,791,995</u>	<u>\$ 1,578,831</u>
District's net OPEB liability as a percentage of covered payroll	<u>228.27%</u>	<u>522.32%</u>

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.

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.

* Fiscal year 2018 was the first 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, 2024 and 2023

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially determined contribution* (Pay-as-you-go funding with No Plan Assets)	\$ 899,847	\$ 684,287	\$ 675,541	\$ 765,530	\$ 1,562,759
Contributions in relation to the actuarially determined contributions	<u>(1,014,807)</u>	<u>(978,812)</u>	<u>(992,060)</u>	<u>(903,843)</u>	<u>(810,791)</u>
Contribution deficiency (excess)	<u>\$ (114,960)</u>	<u>\$ (294,525)</u>	<u>\$ (316,519)</u>	<u>\$ (138,313)</u>	<u>\$ 751,968</u>
Covered payroll	<u>\$ 4,158,156</u>	<u>\$ 4,134,978</u>	<u>\$ 3,930,663</u>	<u>\$ 3,360,761</u>	<u>\$ 3,228,038</u>
Contributions as a percentage of covered payroll	<u>24.41%</u>	<u>23.67%</u>	<u>25.24%</u>	<u>26.89%</u>	<u>25.12%</u>

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2019
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Discount rate	7.00%	7.00%	7.00%	7.00%	7.00%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll increases	2.75%+Merit	2.75%+Merit	2.75%+Merit	2.75%+Merit	2.75%+Merit
Mortality	(2)	(2)	(2)	(2)	(2)
Morbidity	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Disability	Not Valued	Not Valued	Not Valued	Not Valued	Not Valued
Retirement	(3)	(3)	(3)	(3)	(3)
Percent Married - Spouse Support	80%	80%	80%	80%	80%
Healthcare trend rates	(4)	(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 - 6.00% trending down annually to 5.00% 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 seven years are shown.

OXNARD HARBOR DISTRICT

Schedule of the District's Contributions to the OPEB Plan (continued)

For the Year Ended June 30, 2024 and 2023

Last Ten Fiscal Years*

Fiscal Year Ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution* (Pay-as-you-go funding with No Plan Assets)	\$ 1,548,164	\$ 1,121,220
Contributions in relation to the actuarially determined contributions	<u>(791,593)</u>	<u>(797,416)</u>
Contribution deficiency (excess)	<u>\$ 756,571</u>	<u>\$ 323,804</u>
Covered payroll	<u>\$ 2,875,755</u>	<u>\$ 2,791,995</u>
Contributions as a percentage of covered payroll	<u>27.53%</u>	<u>28.56%</u>

Notes to Schedule:

Valuation Date

June 30, 2018 June 30, 2017

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal	Entry Age
Amortization method	Closed period, level percent of pay	(1)
Amortization period	20-years	20-years
Asset valuation method	Fair Value	Fair Value
Discount rate	7.00%	4.50%
Inflation	2.75%	2.75%
Payroll increases	2.75%+Merit	2.75%
Mortality	(2)	(2)
Morbidity	Not Valued	Not Valued
Disability	Not Valued	Not Valued
Retirement	(3)	(3)
Percent Married - Spouse Support	80%	80%
Healthcare trend rates	(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 - 6.00% trending down annually to 5.00% 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 seven years are shown.

Supplementary Information

OXNARD HARBOR DISTRICT
Schedule of Operating Expenses
For the Years Ended June 30, 2024 and 2023

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Salaries and benefits:		
Commissioner salaries	\$ 36,000	\$ 36,000
Administrative salaries	2,809,646	2,771,958
Maintenance salaries	715,416	812,979
Operations salaries	610,942	646,812
Temporary employee salaries	85,478	24,359
Sick and safety leave	188,823	195,849
Vacation	374,797	382,775
Payroll taxes	357,545	364,671
Workers' compensation	149,044	129,368
Insurance:		
Dental	57,681	56,854
HRA	264,912	184,254
Life	63,350	64,929
Medical	563,663	565,713
Vision	22,457	21,222
457 matching	73,286	70,321
CalPERS pension expense (credit)	1,234,252	(647,371)
Other post-employment benefits expense	606,946	367,022
Total salaries and benefits	<u>8,214,238</u>	<u>6,047,715</u>
Governmental contractual agreements:		
1983 Contract	847,094	800,301
1987 Contract	478,440	421,584
1995 Memorandum of understanding	939,064	694,224
Contracts - automobiles	594,995	551,517
Ventura County Fire District	10,000	2,000
Ventura County LAFCO	15,947	12,055
Community benefit fund contribution	127,784	124,945
Total governmental contractual agreements	<u>3,013,324</u>	<u>2,606,626</u>
Security:		
Guards and traffic control	355,071	336,946
Security training and exercises	792	-
Security plan and equipment	17,843	19,767
Total security	<u>373,706</u>	<u>356,713</u>

OXNARD HARBOR DISTRICT
Schedule of Operating Expenses (continued)
For the Years Ended June 30, 2024 and 2023

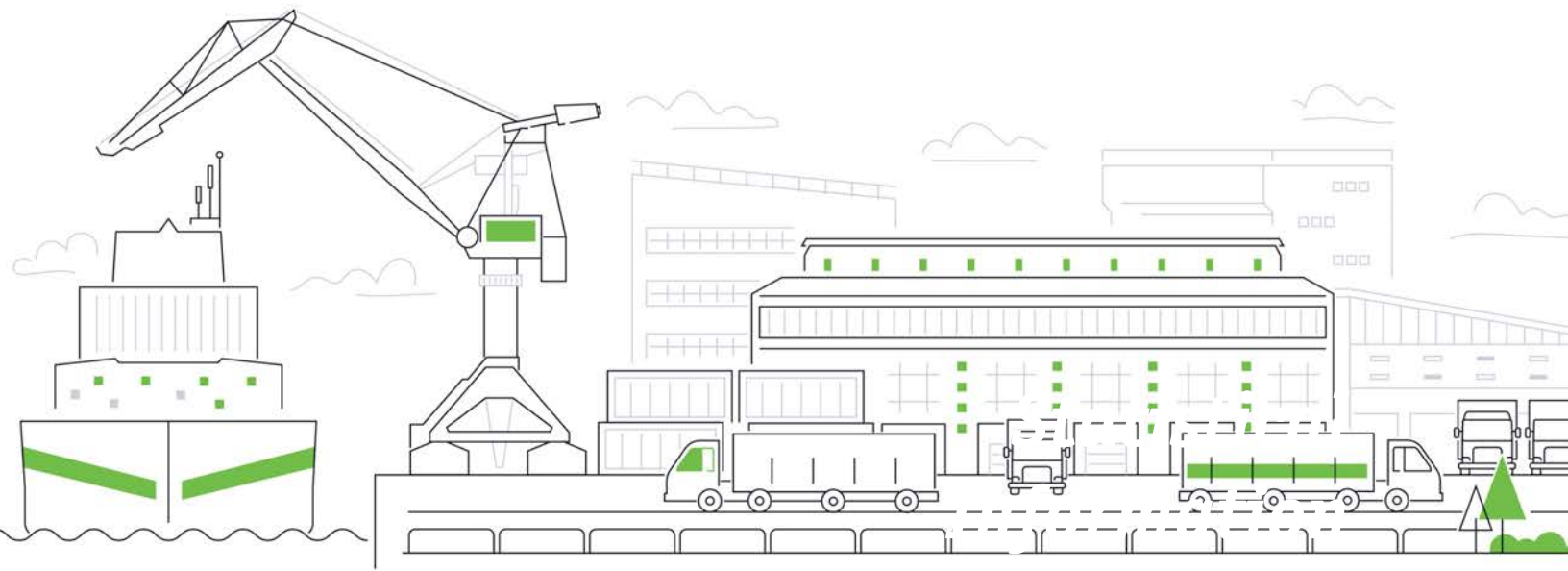
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Facilities and maintenance:		
Gas and oil	\$ 33,087	\$ 51,364
Repair and maintenance	657,677	677,172
Landscape services	9,225	11,283
Supplies	218,852	279,844
Supplies – computer	229,987	323,281
Internet connectivity	42,619	38,014
Safety supplies	40,746	21,421
Outside services	547,550	200,512
Miscellaneous	13,496	13,844
Utilities:		
Water and sewer	94,382	102,028
Electricity	686,414	711,259
Telephone	42,987	42,664
Natural gas	2,309	4,875
Trash disposal	47,726	31,123
Hazardous waste disposal	21,335	3,119
Total facilities and maintenance	<u>2,688,392</u>	<u>2,511,803</u>
Professional and legal:		
Professional fees	1,022,106	690,547
Legal services	541,051	470,960
Total professional and legal	<u>1,563,157</u>	<u>1,161,507</u>
Materials and services:		
Business meeting expense	107,468	137,712
Discounts	8	174
Miscellaneous	1,950	3,720
Publications and subscriptions	36,833	40,440
Publications – legal notices	350	-
Permits and licenses	114,641	113,291
Postage	4,182	3,903
Recruitment	6,534	16,074
Strategic plan	8,613	43,673
Temporary positions	46,698	35,369
Training	144,505	169,703
Total materials and services	<u>471,782</u>	<u>564,059</u>
Port promotions:		
Advertising	422,689	328,119
Trade relations	1,031,414	579,312
Memberships and dues	288,075	202,045
Travel	70,355	69,573
Total port promotions	<u>1,812,533</u>	<u>1,179,049</u>
Insurance:		
General liability	166,001	123,664
Property	369,487	404,147
Other	2,608	3,020
Total insurance	<u>538,096</u>	<u>530,831</u>
Total operating expenses	<u>\$ 18,675,228</u>	<u>\$ 14,958,303</u>

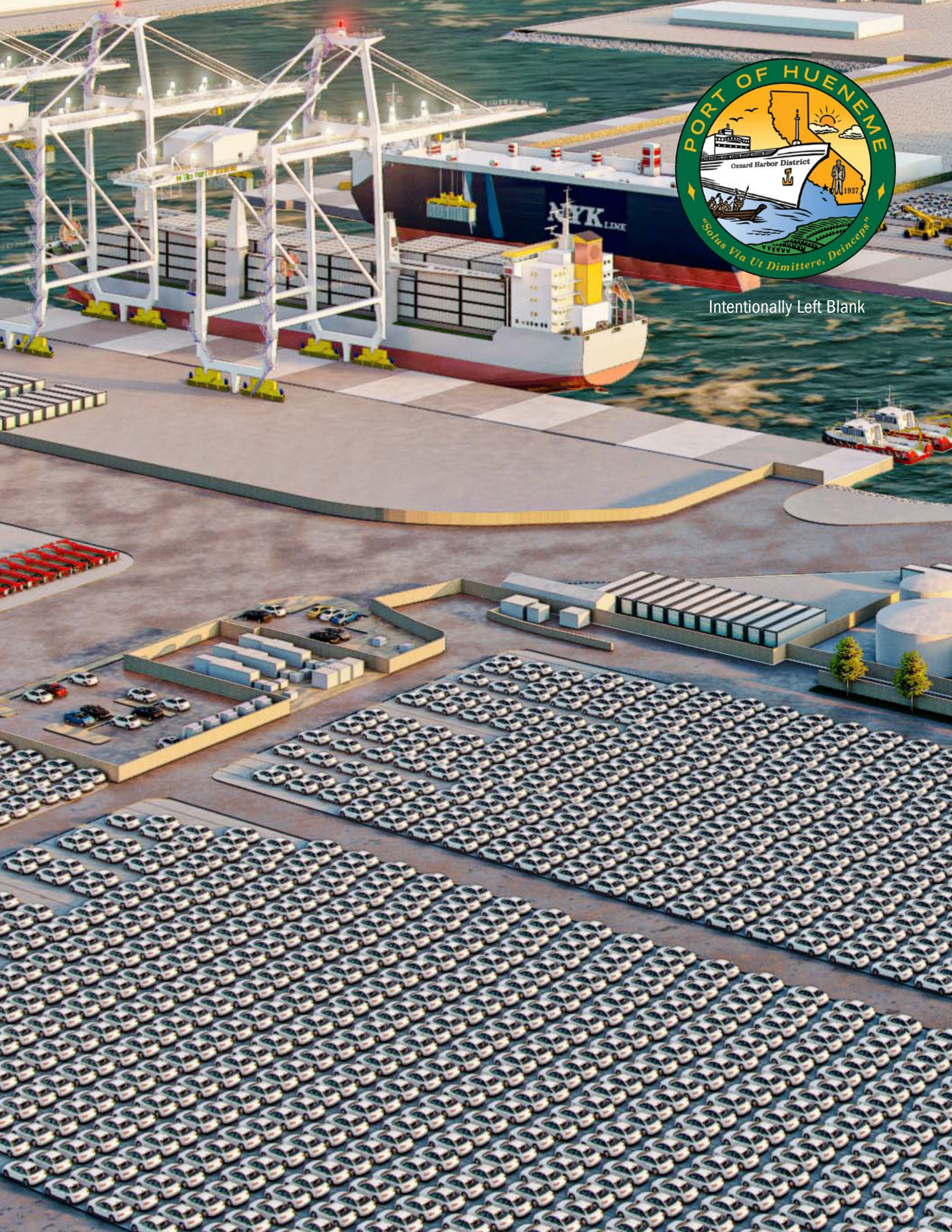
OXNARD HARBOR DISTRICT*Schedule of Non-Operating Revenues and Expenses**For the Years Ended June 30, 2024 and 2023*

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Non-operating revenue:		
Reimbursements	\$ 5,296	\$ 1,360
Ventura County Railway Co., LLC	7,000	7,000
FTZ Fee	10,000	10,000
Non-operating deferred revenue	-	214,261
Miscellaneous receipts	18,280	5,388
Total non-operating revenue	<u>40,576</u>	<u>238,009</u>
Non-operating expense:		
Special Event – Banana Festival – expenses	100,000	95,000
Prior year expenses	10,654	-
Election expense	-	450
Bank and trust fees	1,479	3,616
Total non-operating expense	<u>112,133</u>	<u>99,066</u>
Total non-operating revenue(expense), net	<u>\$ (71,557)</u>	<u>\$ 138,943</u>



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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:



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Financial Trends	103-105
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	106-107
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	108-109
These schedules present information to help the reader understand the District’s customers, operations and activities.	
Staffing and Demographic Information	110-111
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, 2015 through 2024

	2015	2016	2017	2018	2019
Net Investment in Capital Asset	\$52,428,819	\$56,408,302	\$56,078,201	\$59,588,353	\$70,607,900
Restricted	\$4,583,681	\$4,289,139	\$4,784,765	\$5,206,784	\$6,731,840
Unrestricted	\$10,267,730	\$9,967,418	\$10,233,336	\$6,479,610	\$3,251,197
Total Net Position	\$67,280,230	\$70,664,859	\$71,096,302	\$71,274,747	\$80,590,937

	2020	2021	2022	2023	2024
Net Investment in Capital Asset	\$78,242,850	\$75,232,393	\$75,779,153	\$81,776,147	\$84,550,342
Restricted	\$5,443,892	\$2,119,205	\$1,913,297	\$2,336,737	\$1,987,580
Unrestricted	\$2,300,113	\$17,688,697	\$25,405,193	\$34,933,710	\$38,531,822
Total Net Position	\$85,986,855	\$95,040,295	\$103,097,643	\$119,046,594	\$125,069,744



Port of Hueneme OXNARD HARBOR DISTRICT

Summary of Revenues, Expenses, and Change in Net Position
Fiscal Years Ended June 30, 2015 through 2024

FISCAL YEAR ENDED:	2015	2016	2017	2018	2019
Operating Revenues:					
Auto Cargo	\$8,858,545	\$9,428,157	\$8,287,701	\$8,602,727	\$9,876,137
Fresh Produce Cargo	3,365,727	2,913,365	3,308,916	4,164,692	3,953,248
Offshore Oil	715,990	390,292	313,126	278,982	410,715
Property Management	2,152,661	2,179,308	2,260,603	2,236,024	1,969,558
Other	774,735	769,498	1,305,676	1,946,039	2,202,835
Total	15,867,658	15,680,620	15,476,022	17,228,464	18,412,493
Operating Expenses:					
Salaries & Benefits	5,076,772	4,890,710	5,744,114	5,452,161	5,462,643
Governmental Contractual Agreements	1,491,856	1,668,846	1,663,439	1,688,017	1,893,023
Security	280,056	382,686	539,170	315,561	519,623
Facilities and Maintenance	866,147	1,119,343	1,109,273	1,153,636	1,448,525
Professional and Legal	1,134,145	1,065,889	1,035,257	1,044,717	1,299,932
Materials and Services	48,468	56,575	56,405	109,992	241,689
Port Promotion	514,776	579,344	631,323	675,558	649,839
Insurance	304,518	283,286	265,617	264,136	279,638
Total	9,716,738	10,046,679	11,044,598	10,703,778	11,794,912
Operating Profit (Loss) before depreciation:	6,150,920	5,633,941	4,431,424	6,524,686	6,617,581
Depreciation Expense	3,874,064	3,803,302	4,201,098	4,235,321	4,007,757
Net Operating Profit (Loss)	\$2,276,856	\$1,830,639	\$230,326	\$2,289,365	\$2,609,824
Nonoperating Income (Expense) and Capital Contributions:					
Investment earnings	\$129,080	\$162,769	\$205,245	\$343,901	\$347,288
Interest expense - long-term debt	(912,231)	(812,027)	(706,890)	(647,213)	(469,964)
Amortization of deferred charges	-	-	-	-	-
CalPERS side-fund	-	-	-	-	-
Change in membership in Ventura County Railway Co, LLC	230,225	208,967	257,480	180,057	72,158
Other revenue, net	(87,978)	(46,391)	(82,626)	(58,457)	704,282
Net Contributed Capital/Grants	1,515,942		527,908	1,219,518	6,052,602
Net Nonoperating Income (Expense) and Capital Contributions	875,038	(1,586,682)	201,117	1,037,806	6,706,366
Change in Net Position	\$3,151,894	\$243,957	\$431,443	\$3,327,171	\$9,316,190
Net investment in capital assets	\$53,756,783	\$56,408,302	\$56,078,201	\$59,588,353	\$70,607,900
Restricted for construction projects and debt service	4,191,747	4,289,139	4,784,765	5,206,784	6,731,840
Unrestricted	9,007,627	9,967,418	10,233,336	6,479,610	\$3,251,197
Net Position, end of year	\$66,956,157	\$70,664,859	\$71,096,302	\$71,274,747	\$80,590,937

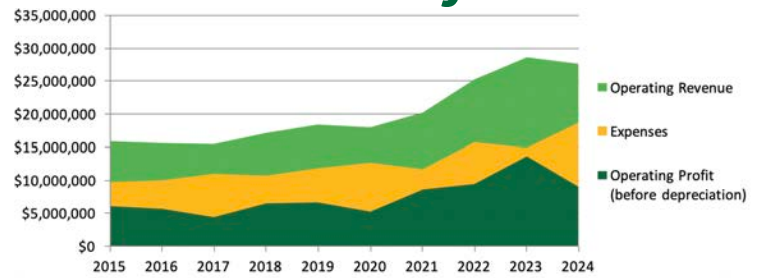
Statistical Information

Port of Hueneme

OXNARD HARBOR DISTRICT

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

Fiscal Years Ended June 30, 2015 through 2024



FISCAL YEAR ENDED:	2020	2021	2022	2023	2024
Operating Revenues:					
Auto Cargo	\$8,239,180	\$9,169,825	\$9,407,345	\$13,447,795	\$14,191,085
Fresh Produce Cargo	4,828,808	5,886,949	8,164,780	8,512,054	7,785,424
Offshore Oil	525,974	374,116	312,036	586,213	501,147
Property Management	2,121,954	2,240,679	2,611,273	3,026,114	3,190,545
Other	2,217,666	2,739,223	4,749,171	3,077,143	2,016,084
Total	17,933,582	20,410,792	25,244,605	28,649,319	27,684,285
Operating Expenses:					
Salaries & Benefits	6,246,630	5,930,179	8,498,141	6,047,715	8,214,238
Governmental Contractual Agreements	1,915,325	1,964,946	2,050,571	2,606,626	3,013,324
Security	419,783	289,793	298,639	356,713	373,706
Facilities and Maintenance	1,575,256	1,310,507	2,254,914	2,511,803	2,688,392
Professional and Legal	1,165,125	1,030,530	1,167,847	1,161,507	1,563,157
Materials and Services	451,367	328,271	326,564	564,059	471,782
Port Promotion	630,323	443,307	775,073	1,179,049	1,812,533
Insurance	309,312	366,700	455,220	530,831	538,096
Total	12,713,121	11,664,233	15,826,969	14,958,303	18,675,228
Operating Profit (Loss) before depreciation:	5,220,461	8,746,559	9,417,636	13,691,016	9,009,057
Depreciation Expense	4,552,974	4,168,301	4,525,356	6,596,114	5,794,849
Net Operating Profit (Loss)	\$667,487	\$4,578,258	\$4,892,280	\$7,094,902	\$3,214,208
Nonoperating Income (Expense) and Capital Contributions:					
Investment, Interest earnings	\$375,939	\$82,453	\$(363,075)	\$842,002	\$1,002,244
Interest expense - long-term debt	(316,007)	(560,437)	(124,690)	(108,268)	(106,865)
Amortization of deferred charges					
Covid Relief Fund			2,544,287		
Gain from Sale of Capital Asset		1,568,690		713,313	
Change in membership in Ventura County Railway Co, LLC	200,217	109,314	77,174	864,544	1,423,194
Other revenue, net	394,939	390,958	204,804	358,943	193,721
Net Contributed Capital/Grants					
Net Nonoperating Income (Expense) and Capital Contributions	655,088	1,590,978	2,338,500	2,670,534	2,512,294
Change in Net Position	\$1,322,575	\$6,169,236	\$7,230,780	\$9,765,436	\$5,726,502
Net investment in capital assets	\$78,242,850	\$75,232,393	\$75,779,153	\$81,776,147	\$84,550,342
Restricted for construction projects and debt service	5,443,892	2,119,205	1,913,297	2,336,737	1,987,580
Unrestricted	2,300,113	17,688,696	25,405,193	34,933,710	38,531,822
Net Position end of year	\$85,986,855	\$95,040,295	\$103,097,643	\$119,046,594	\$125,069,744

Port of Hueneme OXNARD HARBOR DISTRICT

Revenue Bond Coverage

Fiscal Years Ended June 30, 2015 through 2024

FISCAL YEAR ENDED:	2015	2016	2017	2018	2019
Gross Revenues ⁽¹⁾	\$16,363,576	\$16,134,133	\$16,014,135	\$17,781,016	\$18,412,493
Operating Expenses ⁽²⁾	\$9,941,329	\$11,274,847	\$11,202,612	\$10,790,829	\$11,794,912
Net Revenue Available for Debt Service	\$6,422,247	\$4,859,286	\$4,811,523	\$6,990,187	\$6,617,581
Debt Service Requirements: ⁽³⁾					
Principal	\$1,994,239	\$2,025,000	\$2,230,000	\$2,350,000	\$2,470,000
Interest	\$912,231	\$878,245	\$722,395	\$527,213	\$494,265
Totals:	\$2,906,470	\$2,903,245	\$2,952,395	\$2,877,213	\$2,964,265
Outstanding Debt	\$19,456,009	\$17,389,947	\$15,223,886	\$12,952,825	\$10,561,764
Debt Ratio Coverage	220.96%	167.37%	162.97%	242.95%	223.25%
Debt Covenant Requirement	125.00%	125.00%	125.00%	125.00%	125.00%
OVER (UNDER)	95.96%	42.37%	37.97%	117.95%	98.25%

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 \$9,009,057 and \$13,691,016 for the years ended June 30, 2023, and 2022, respectively. The actual debt service coverage ratios were 374% and 613% for the years ended June 30, 2024, and 2023, respectively.

The District is in compliance with its bond covenants for fiscal year 2024.

The Long-Term Debt principal balance on Revenue Bonds as of June 30, 2024:

- Series 2011(A) - Fully Retired on 8/1/2021.
- Series 2011(B) - \$1,765,000.

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

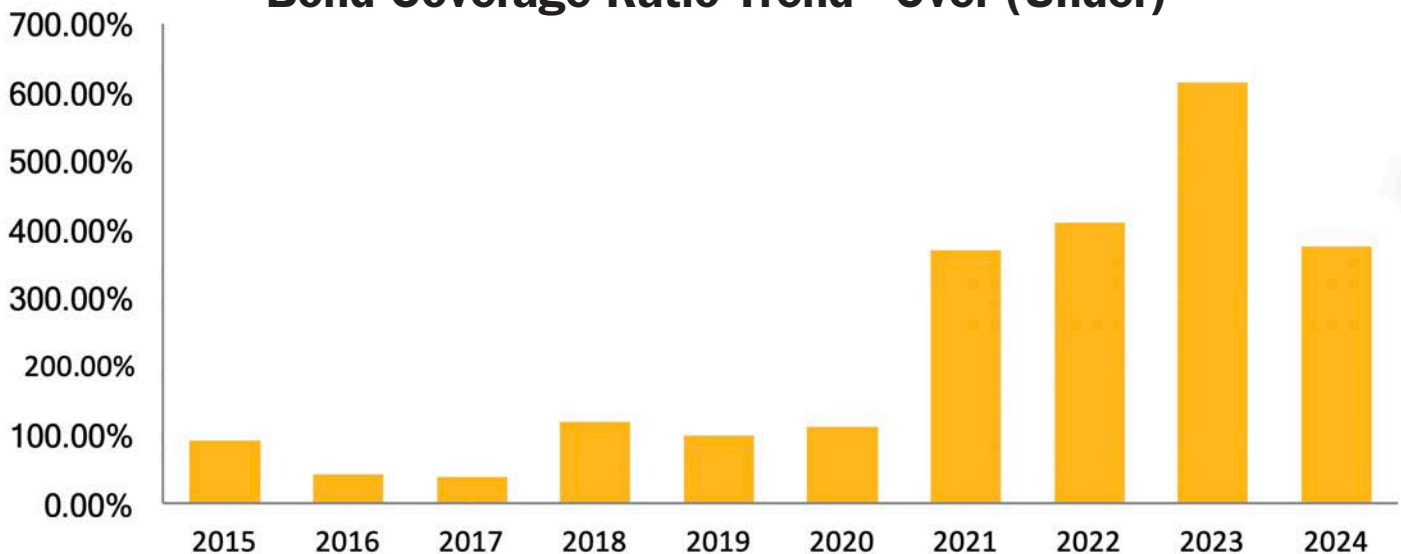
OXNARD HARBOR DISTRICT

Revenue Bond Coverage (Continued)

Fiscal Years Ended June 30, 2015 through 2024

FISCAL YEAR ENDED:	2020	2021	2022	2023	2024
Gross Revenues ⁽¹⁾	\$17,933,582	\$20,293,975	\$25,244,605	\$28,649,319	\$27,684,285
Operating Expenses ⁽²⁾	12,713,121	11,664,233	15,826,969	14,958,303	18,675,228
Net Revenue Available for Debt Service	\$5,220,461	\$8,629,742	\$9,417,636	\$13,691,016	\$9,009,057
Debt Service Requirements: ⁽³⁾					
Principal	\$1,445,000	\$1,445,000	\$1,555,000	\$1,700,000	\$1,765,000
Interest	\$768,115	\$301,235	\$209,725	\$154,238	\$39,713
Totals:	\$2,213,115	\$1,746,235	\$1,764,725	\$1,854,238	\$1,804,713
Outstanding Debt	\$8,050,702	\$6,612,071	\$5,067,750	\$3,453,430	\$3,453,430
Debt Ratio Coverage	235.89%	494.19%	533.66%	738.36%	499.20%
Debt Covenant Requirement	125.00%	125.00%	125.00%	125.00%	125.00%

Bond Coverage Ratio Trend - Over (Under)



Port of Hueneme

OXNARD HARBOR DISTRICT

Ten Year Trend – Cargo Revenue Tons (Continued)
 Fiscal Years Ended: June 30, 2015 through 2024

FISCAL YEAR ENDED:	2015	2016	2017	2018	2019
COMMODITY TYPE:					
AUTOMOBILES					
Imports	300,161	290,410	287,467	288,660	326,585
Exports	20,922	37,873	31,109	19,590	15,925
OTHER VEHICLES					
Imports/Exports	43,553	44,451	53,394	68,867	66,613
BANANAS					
Imports	655,643	571,842	599,601	630,283	633,201
FRESH FRUIT					
Imports	116,673	108,389	170,433	261,849	257,589
Exports	37,909	8,718	20,585	29,223	48,574
GENERAL CARGO					
Imports/Exports	176,133	133,129	131,540	107,320	103,741
FISH					
Coastwise	15,825	8,071	4,550	9,174	5,155
OFFSHORE OIL CARGO					
Coastwise	55,512	33,862	32,506	33,582	38,956
TOTAL	1,422,329	1,236,745	1,331,185	1,448,548	1,496,339
BULK LIQUID					
Import	140,000	160,145	150,845	152,209	156,284
VESSEL FUEL					
Coastwise	12,576	6,333	9,442	3,695	5,258
TOTAL	152,576	166,478	160,287	155,904	161,542
GRAND TOTAL	1,574,905	1,403,223	1,491,472	1,604,452	1,657,881

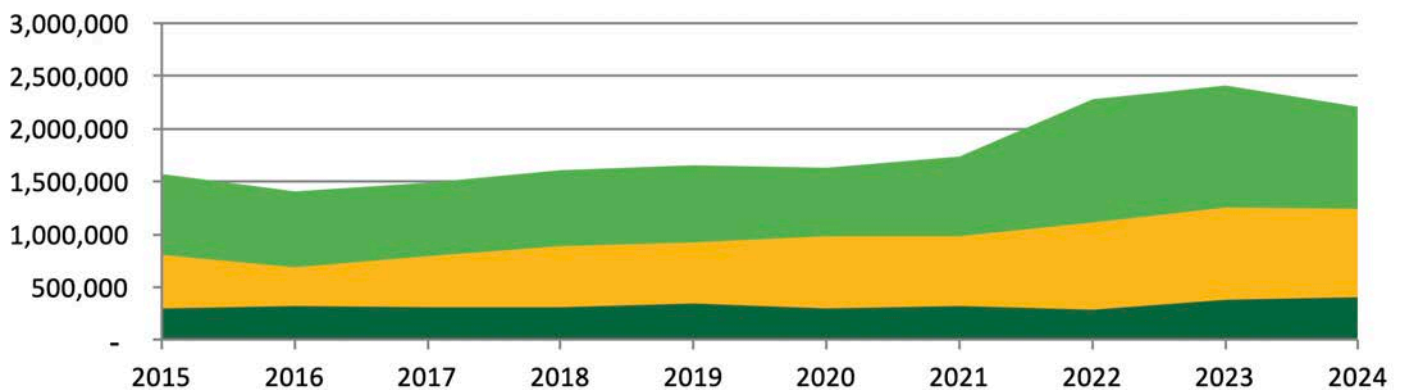
Port of Hueneme

OXNARD HARBOR DISTRICT

Ten Year Trend – Cargo Revenue Tons (Continued)
Fiscal Years Ended: June 30, 2015 through 2024

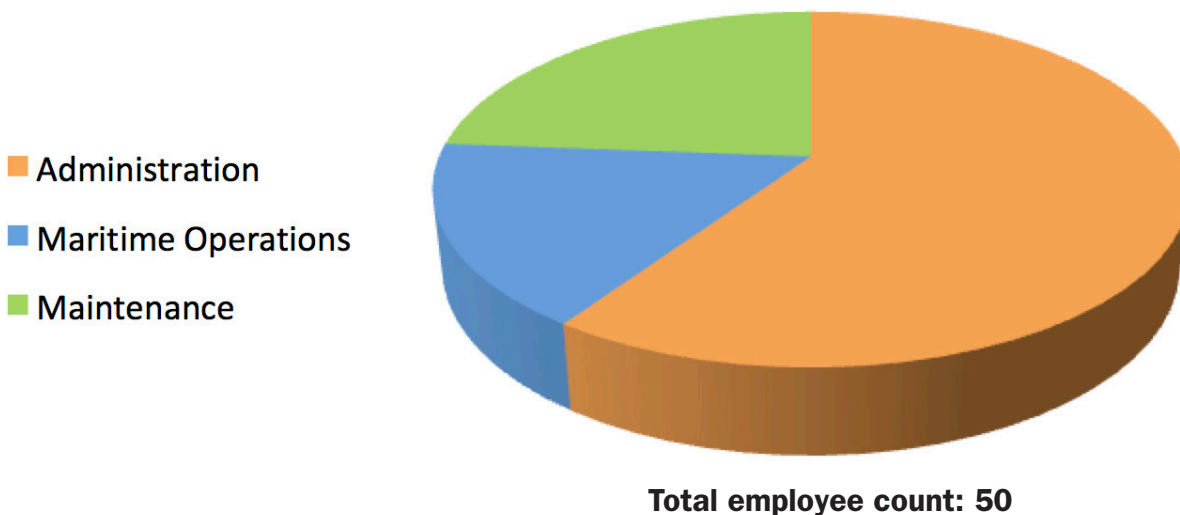
FISCAL YEAR ENDED:	2020	2021	2022	2023	2024
COMMODITY TYPE:					
AUTOMOBILES					
Imports	281,516	310,369	275,130	361,038	405,521
Exports	13,122	15,510	11,529	15,636	4,121
OTHER VEHICLES					
Imports/Exports	78,855	93,409	116,792	131,608	98,171
BANANAS					
Imports	575,658	567,970	634,302	619,814	668,168
FRESH FRUIT					
Imports	324,790	334,536	386,625	568,022	532,029
Exports	81,293	79,219	88,763	72,190	41,110
GENERAL CARGO					
Imports/Exports	66,413	154,299	562,515	503,410	304,225
FISH					
Coastwise	3,165	2,155	9,538	12,788	4,049
OFFSHORE OIL CARGO					
Coastwise	49,156	36,778	35,980	36,525	35,220
TOTAL	1,473,968	1,594,245	2,121,175	2,321,031	2,092,614
BULK LIQUID					
Import	149,079	140,540	151,064	81,697	116,801
VESSEL FUEL					
Coastwise	5,362	4,960	4,152	3,920	3,920
TOTAL	154,441	145,500	155,216	85,617	120,721
GRAND TOTAL	1,628,409	1,739,745	2,276,390	2,406,648	2,213,335

■ Total Cargo Revenue Tons ■ Bananas and Fresh Fruit (Tons) ■ Automobiles (Import and Export - Tons)

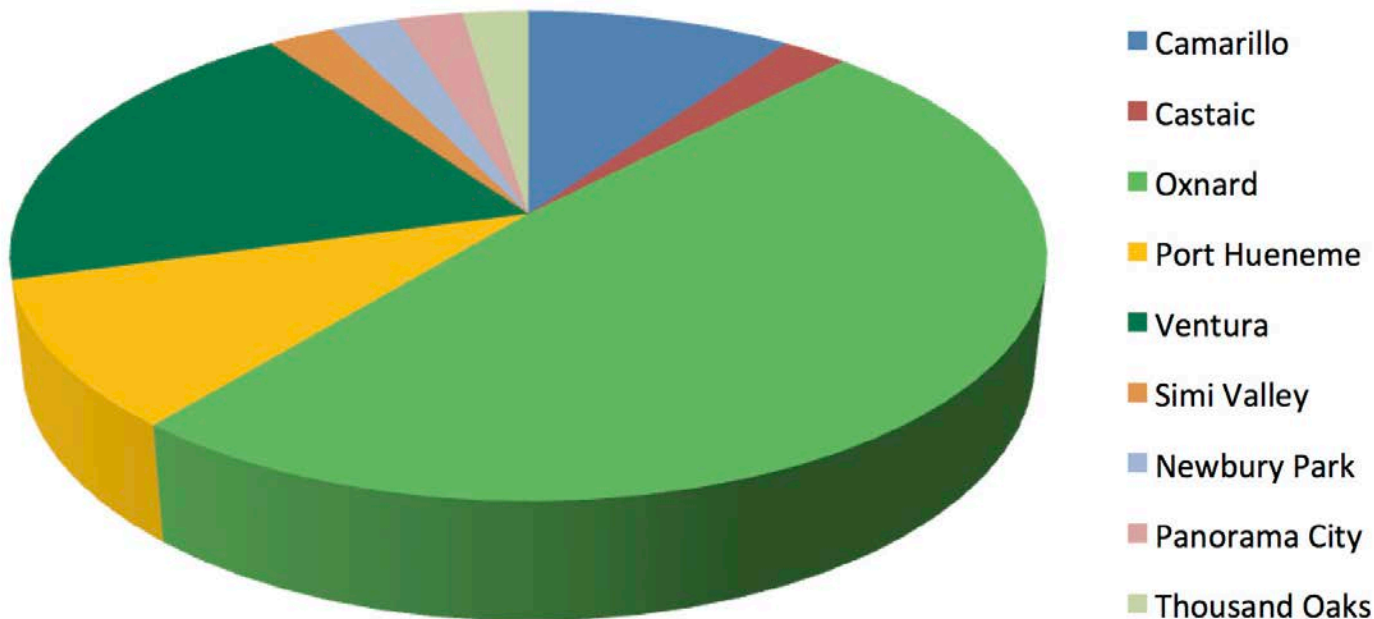


Port of Hueneme
OXNARD HARBOR DISTRICT
Employee Statistics - June 30, 2024

Staffing by Department - June 30, 2024



Staffing by City of Residence - June 30, 2024



96% of the District's employees live in cities within Ventura County.

Source: OXNARD HARBOR DISTRICT - Finance Department

Port of Hueneme

OXNARD HARBOR DISTRICT

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

Year	Population (a)	Per Capita Personal Income (b)	Unemployment Rate (c)
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)	63,833	3.60%
2020	843,843 (d)	68,647	11.90%
2021	839,784 (d)	74,252	6.20%
2022	832,605 (d)	73,994	3.70%
2023	829,590 (d)	78,091	4.20%

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 2022, 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

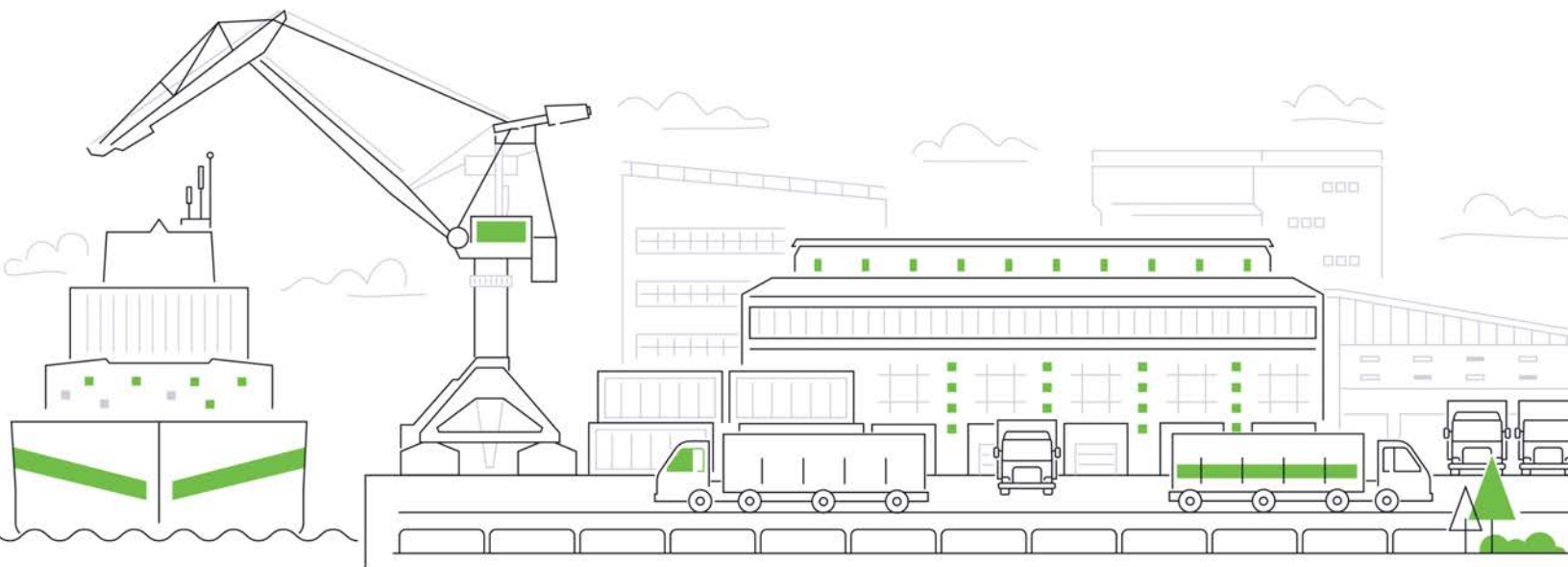
Employer	Location	Industry
Anthem Blue Cross of CA	Westlake Village	Healthcare
Baxter Healthcare	Westlake Village	Pharmaceutical
Boskovich Farms	Oxnard	Agriculture
Community Memorial Hospital	Ventura	Hospital
Farmers Insurance Group of Companies	Simi Valley	Insurance
Harbor Freight Tools	Camarillo	Hardware 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







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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Harbor Commissioners
Oxnard Harbor District
Port Hueneme, California

Report on Compliance for Each Major Federal Program

We have audited the Oxnard Harbor District's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Oxnard Harbor District's major federal programs for the year ended June 30, 2023. Tahoe Resource Conservation District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tahoe Resource Conservation District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Report on Internal Control Over Compliance

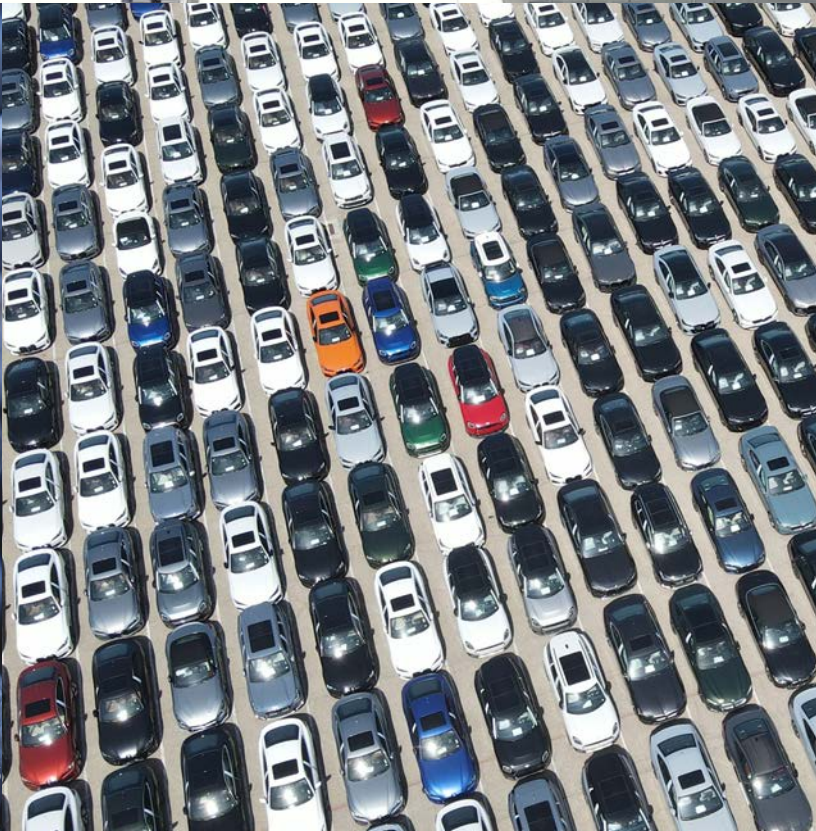
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

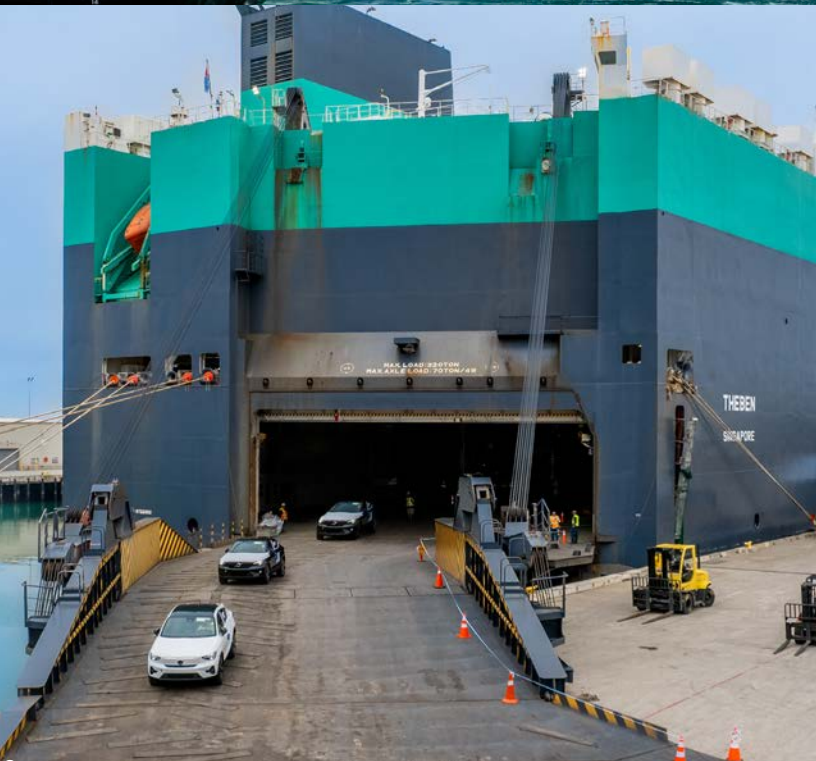
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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


Murrieta, California
December 18, 2023









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