



# *Port of Stockton*

## CALIFORNIA



## **Annual Comprehensive Financial Report**

**For the Year Ended June 30, 2021**

**Cover Photo:**

**The Fairchem Victory carries a shipment of liquid fertilizer to the Port of Stockton. 90% of the imported fertilizer used in California's Central Valley moves through the Port.**

# Annual Comprehensive Financial Report

For the Year Ended June 30, 2021



Port of Stockton

P.O. Box 2089  
Stockton, CA 95201

Prepared by  
The Finance Department

**Stockton Port District**  
**Annual Comprehensive Financial Report**  
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**For the Year Ended June 30, 2021**

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# Introductory Section



Port of Stockton  
Stockton, California

# PORT OF STOCKTON

Phone: (209) 946-0246



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December 13, 2021

Mr. Kirk DeJesus  
Port Director  
Stockton Port District  
P.O. Box 2089  
Stockton, CA 95201

To Mr. DeJesus, Port Director, Port Commissioners, and Citizens of the Port District:

The Annual Comprehensive Financial Report for the Stockton Port District (District), for the year ended June 30, 2021, as prepared by the Finance Department is hereby submitted for your review. Responsibility for both the accuracy of the presented data, the completeness and fairness of the presentation, including all disclosures, rests with the District's management. To the best of our knowledge and belief the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and changes in the financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Although the District is not legally required to prepare the Annual Comprehensive Financial Report, we do so to aid financial institutions and our community in their understanding of the District's activities and its financial composition.

The Management's Discussion & Analysis, in the financial section, will give readers an informative overview of District operations for the last year. To provide reasonable assurance that the financial statements are accurate, management has established an internal control framework to compile data for the preparation of the financial statements and to protect the District from fraud, misuse or loss. As with any system, the inherent limitations of the system make it essential that the District review this structure when opportunities are presented but the cost of a control should not exceed the benefits to be derived. The objective of internal controls is to provide reasonable, rather than absolute assurances, that the financial statements are free of any material misstatements. The District's internal controls include built-in checks and balances for purchasing and billing, contract approval and routine reporting and reconciliation procedures for accounts. To management's knowledge, this financial report is complete, accurate and reliable in all material respect.

The District is a self-supporting special district of the State of California. Its entire operations are accounted for on the accrual basis of accounting in a single proprietary enterprise fund and does not levy any taxes. The District has a comprehensive methodology of internal controls that encompasses the whole accounting process and its procedures to assure the most accurate distribution of its financial data. The financial audit was completed by independent auditors, Eide Bailly, LLP. The auditors provide reasonable assurance that the financial data is fairly stated and also review the accounting system and procedures.

## Government Profile

The District was established under the California Harbors and Navigation Code, Sections 6200 through 6372. It is governed by a seven-member Board of Commissioners (Board). Four commissioners are appointed by the Stockton City Council and three by the San Joaquin County Board of Supervisors. The day-to-day administration of District operations is under the direction of the Port Director who is selected by and serves at the will of the Board. A current organization chart of the District is included in this report. The District's geographical boundaries are the same as the City of Stockton's, with the exception of an eight-mile long strip extending one-half mile on either side of the Stockton Ship Channel.

The District is a deep-water seaport located seventy-five miles inland from San Francisco, in the agricultural heartland of California in San Joaquin County. The District owns and operates docks, transit sheds, and warehouses which are used to load and unload cargo from ships, barges, trucks, and railroads, and to store cargos. Cargos handled by the District include various dry and liquid bulk commodities, general cargos, and project cargos. Some of the commodities handled at the District include steel products, rice, cement and slag, sulfur, gypsum, fertilizers, molasses, coal, edible oils, and ammonia. The District also leases land and warehousing facilities to a number of diverse tenants. District operations are self-supporting and receive no direct tax subsidies.

## Budget Structure

The Board of Commissioners adopts a budget for each fiscal year. The District uses an informal system of budgetary accounting and control. The budgetary estimates are retained in memorandum form and used for comparative purposes only. As part of the budget presentation, the District utilizes a five-year forecast for capital projects to improve long range planning.

## **Economic Condition**

### Local Economy

San Joaquin County's (County) economic recovery is continuing, but at a slower pace than expected, due to emerging variants of the COVID-19 virus. The Employment Development Department of California states that the County has a labor force of 334,300 with a current unemployment rate of 8.5%, which is down from the June 2020 unemployment rate of 14.5%, down down from the peak rate in April 2020 of 17.9%. The College of Business Administration at Stanislaus State University (SSU) states that the complete recovery in the San Joaquin Valley, as measured by the region's return to full employment levels, is not expected to take place until the end of 2023. Leisure and hospitality services continued to be negatively affected in 2020, while trade, transportation and utilities employment posted a .48% growth, the only category to do so in 2020. Retail trade employment has suffered significant negative impacts, as consumers shifted to online shopping alternatives during the pandemic. Construction employment was quicker to recover in 2020. Per SSU, projections point to an average annual employment growth of 5.4% from the second half of 2021 to the first half of 2022 in the construction employment sector. SSU went on to state that since the San Joaquin Valley region's economy is mostly farm-related with significant numbers of essential workers, the region's employment continues to recover at a faster rate than the rest of the state. Despite increasing drought conditions, regional and national indicators point to a faster recovery with increased vaccinations rates and other implemented precautions against the pandemic.

The County has a population of approximately 779,233 people, which is expected to grow 6.4% by 2025. The current median annual household income is \$53,274.

San Joaquin County is one of the largest agricultural producers in the State. The total area in the county is 1,391 square miles with 772,762 acres of farmland, according to the 2017 Census. The gross value from the county's agricultural products in 2020 was approximately \$3.0 billion, an increase of 15.8% from 2019. The agricultural production in the county is the byproduct of a fertile land and temperate weather conditions. The County's top six leading crops are almonds, milk, grapes, walnuts, cherries, and eggs.

The County enjoys a highly educated workforce, with many coming from the local colleges in the area. The University of the Pacific, California State University, Stanislaus-Stockton Center, Humphreys College and Humphreys School of Law, National University and San Joaquin Delta Community College all offer a wide choice of educational opportunities within the community. There are also many adult educational programs available throughout the 15 school districts in the County.

The District plays an important role in providing local industry and shippers' access to the international export and import marketplace. Through the District's facilities, local products are shipped both economically and efficiently. Our modern facilities are designed to enhance the shipment of break bulk, general cargoes and bulk cargoes, such as steel products, rice, bulk cement, low-sulfur coal, fertilizers and liquid products. The District operates within Foreign Trade Zone #231 and offers its customer the flexibility and advantages of operating within those regulations.

#### Long-term Financial Planning

The District is a public entity that functions similar to a self-supporting business. Our long-term planning and financial goals are tied to our customer base and the needs of future customers/tenants. With the conveyance of the adjacent Rough & Ready Island Naval Base in 2000, the District started a development program for infrastructure improvements that includes the Port of Stockton Expressway Bridge, expanded rail infrastructure, dredging the docks and other amenities for customer usability. Any new developments or improvements will be customer driven as they expand their operations or as new businesses come to the District. The District refunded the 1997 bonds and issued \$29.7 million in new bonds in 2007. In 2013, the District refunded the 2001 Bonds with an installment loan with Compass Bank and secured capital leases for equipment for the terminal and warehouse operations. The District secured an \$8.2 million loan for rail infrastructure improvements in fiscal year 2016. In fiscal year 2017, the District refunded the 2007 series A (tax-exempt) Bonds and the I-Bank loan while issuing an additional \$5 million in bonded debt for infrastructure projects. The District has a total of \$35.3 million in outstanding bonds and loan obligations. The bonds and installment loans are secured by and payable from gross revenues derived from the operations of District facilities. The proceeds of these issues were used for capital improvements and refunding certain outstanding bond issues. The District has no general obligation bonds. The details of our debt structure can be reviewed in the Management's Discussion and Analysis and the Notes to the Financial Statements.

#### Relevant Financial Policies

The Board has established financial policies that affected the financial position in the current year and give guidelines on cash management and investments, purchasing, and capital expenditures that are followed by the management staff. Through the budget process each year, the Board reviews and approves the District's financial projections, goals, and business trends. In the budget, there is also a five-year forecast for capital improvements and new projects that present our future objectives. For all financial reporting and accounting procedures, the District uses the Governmental Accounting Standards Board (GASB) guidelines as our standard.

## Major Initiatives

The District received \$12.0 million this year in capital grant funds for infrastructure improvements, which included the Fyffe Avenue grade separation project, electric material handling equipment, a mobile harbor crane, and homeland security projects. These capital projects were funded by federal and state grants and district revenues. All of these improvements have added value to the District and the community in terms of business opportunities and new jobs. Subsequent to the close of the period the District signed a construction contract for the initial pollution remediation of the landfill area located at the West Complex in the amount of \$3.6 million. This project will be funded with the District's unrestricted cash. Additionally, subsequent to the close of the period the District signed a construction contract for road improvements on the West Complex in the amount of \$744 thousand. This project will be funded with the District's unrestricted cash as well.

## Awards & Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stockton Port District, for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the twenty-first consecutive year that the Stockton Port District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Accounting and Finance Department. Thanks and appreciation are also extended to the firm of Eide Bailly, LLP for their professional approach and high standards in the conduct of their independent audit of the report. We would also like to thank the current Port Director, Kirk DeJesus, former Port Director, Richard Aschieris, and the members of the Commission for their guidance and support throughout the year. We appreciate their interest and support in planning and conducting the financial operation of the District in a progressive and responsible manner.

Respectfully Submitted

  
Michelle Bowling  
Director of Finance

  
Esmeralda Correa  
Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Port of Stockton  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Board of Port Commissioners and Port Director



**R. Jay Allen**  
Chairman



**Elizabeth Blanchard**  
Vice Chairman



**Anthony Barkett**  
Commissioner



**Gary Christopherson**  
Commissioner



**Michael Patrick Duffy**  
Commissioner



**Stephen Griffen**  
Commissioner



**William R. Trezza**  
Commissioner

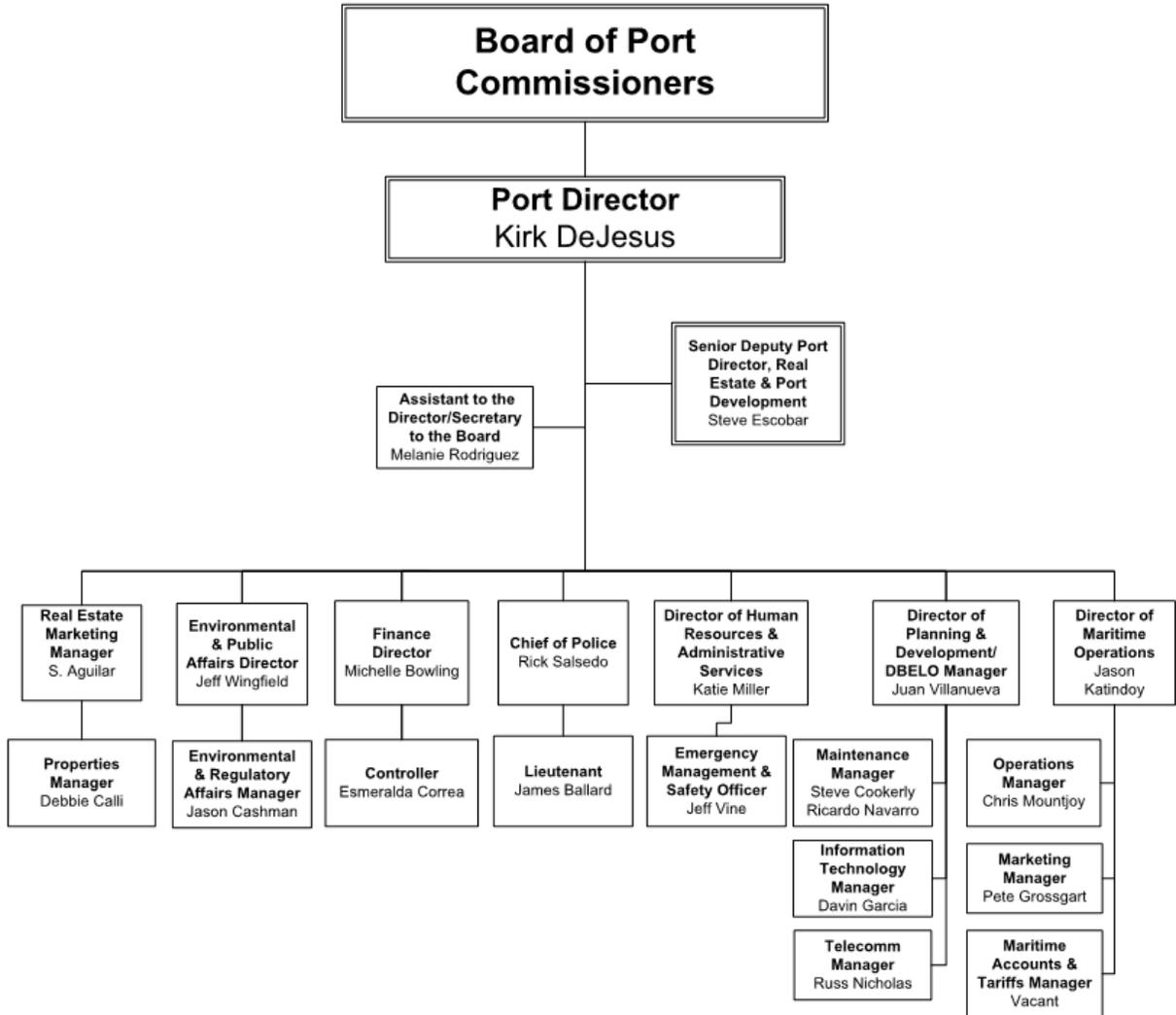


**Kirk DeJesus**  
Port Director

# Port of Stockton

## Organization Chart

June 30, 2021



# EAST



# COMPLEX

# WEST



# COMPLEX



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# Financial Section



Port of Stockton  
Stockton, California



## Independent Auditor's Report

To the Board of Commissioners  
Stockton Port District  
Stockton, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Stockton Port District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of changes in total other postemployment benefits (OPEB) liability and related ratios, as listed in the table of contents 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, outstanding construction in progress detail, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The outstanding construction in progress detail 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 outstanding construction in progress detail is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
December 13, 2021

# **STOCKTON PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

The management's discussion and analysis (MD&A) of the Stockton Port District's (District) financial performance provides an overview of the District's financial activities for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages i-iv of this report.

### **DISTRICT HIGHLIGHTS**

The District's unrestricted cash and investments increased by \$1.4 million from 2020 due to the receipt of grant funds earned in the prior period.

The District invested \$26.4 million in ongoing infrastructure improvement projects and other capital assets to enhance the resources available at the District's facilities. The District utilized federal and state grants, and District revenues to finance the capital expenditures.

Port waterborne tonnages increased 18.7% from last year. Most notable, cement/slag tonnages increased due to increased construction in the region as housing permits continued to rise, even during the pandemic.

The District utilized \$12 million in federal and state grant funds in the last fiscal year from previously awarded grant programs for capital projects including, the Fyffe Avenue grade separation project, electric material handling equipment, a mobile harbor crane, and homeland security projects.

### **Overview of the Financial Statements**

The District is a special municipal district created through the State of California Harbors & Navigation Code. The District is an enterprise fund. It has no other funds and receives no tax dollars. The District, for reference purposes, is described by two locations that are divided by water. The "East Complex" is the original District property and the "West Complex" is property on Rough and Ready Island located west of the initial District property.

The MD&A serves as an introduction to the District's basic financial statements. The District is responsible for its content and accuracy. It summarizes the financial data, key financial and operational activities and will aid in the reader's understanding of the District's financial position and performance. The District's basic financial statements consist of the financial statements and notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Accounting methods and financial statements used are similar to those in the private sector. The statement of net position feature assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position information. The statement of revenues, expenses, and changes in net position define the revenue and expense sources that fund the overall success of the District. The statement of cash flows present information on District activities and its effect on cash reserves. The notes to financial statements provide additional information that is essential to understanding the data provided in the basic financial statements. The information in the required supplementary information sections features additional details for the better understanding of certain financial data as listed in the table of contents. In addition to the vital financial statements and notes, this report also contains historical information about the District. This will give readers a broader understanding of the District's history. The following discussion and analysis provides an overview of the District's financial activities.

**STOCKTON PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Overall Financial Analysis**

**Statements of Net Position**

The statement of net position presents the financial position of the District at the end of the fiscal year. The statement includes all assets, deferred outflows of resources, liabilities, and the deferred inflows of resources of the District. Net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, and its changes are a reflection of the overall financial condition of the District. A summarized comparison of the District's assets, deferred outflows and inflows of resources, liabilities, and net position as of June 30, 2021 and 2020 are as follows:

| <b>Statements of Net Position<br/>(in thousands)</b> | <b>June 30,</b> |             |
|--|-----------------|-------------|
|  | <b>2021</b>     | <b>2020</b> |
| Current Assets                                       | \$ 51,414       | \$ 53,917   |
| Capital Assets, Net of Depreciation                  | 215,412         | 201,431     |
| Other Noncurrent Assets                              | 966             | 2,555       |
| Total Assets   | 267,792         | 257,903     |
| Deferred Outflows of Resources - Loss on Refunding   | 316             | 367         |
| Deferred Outflows of Resources - OPEB                | 599             | 234         |
| Total Deferred Outflows                              | 915             | 601         |
| Long-term Liabilities                                | 40,215          | 43,452      |
| Other Liabilities                                    | 16,266          | 12,890      |
| Total Liabilities                                    | 56,481          | 56,342      |
| Deferred Inflows of Resources - OPEB                 | 136             | 166         |
| Net Position   |                 |             |
| Net Investment in Capital Assets                     | 181,226         | 165,844     |
| Restricted   | 41              | 32          |
| Unrestricted   | 30,823          | 36,120      |
| Total Net Position                                   | \$ 212,090      | \$ 201,996  |

Comparing the statement of net position for the 2021 fiscal year to the 2020 fiscal year, current and other assets show a net decrease of \$2.5 million and net capital assets increased by \$12.4 million. The net increase in capital assets is due to several large construction projects, including the Fyffe Avenue Grade Separation, Electric Equipment and Infrastructure project, and other utility and infrastructure improvement projects. The increase in current and other assets is a net result of increases and decreases within the category. Unrestricted cash and restricted cash increased by \$1.4 million due to positive inflows from operating activities of \$13.6 million, grant funds received of \$11.1 million and \$.2 million in investment income. These positive inflows were offset by expenditures in capital asset expenditures of \$19.2 million, from unrestricted cash, and an additional \$4.3 million in debt service payments. Restricted cash and investments increased by \$.6 million as the District received electric utility deposit funds from the one of the District's high usage customers. Other receivables decreased by \$2.6 million as the balance of outstanding grant funds as of June 30, 2021 was less than in 2020. Deposits held by others decreased by \$1.7 million as equipment that the District has previously placed deposits down on for the zero-emissions cargo handling equipment were delivered. This equipment and infrastructure is part of a multi-port grant project with the California Air Resources Board (CARB).

# STOCKTON PORT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

At June 30, 2021, the District had a total of \$35.3 million in outstanding long-term debt, including commercial loans and bond obligations. That total includes the outstanding balance of the 2013 Compass Bank loan that refunded the 2001 CIEDB loan, the 2016 Western Alliance Bank loan, and the 2016 Refunding Revenue Bonds that refunded the 2007 A bonds and the 2002 CIEDB loan. For more information, see page 25 and note 8 in the notes to the financial statements. Additionally, the pollution remediation obligation related to the West and East Complex increased during the year by \$1.2 million as the result of a re-evaluation of costs needed to bring all remedial sites to closure. The balance of the obligation at year-end was \$5.1 million. Accounts payable balances increased due to increased capital expenditures related to construction projects.

The District had an increase in net position this year of \$10.1 million, which was from \$12.0 million in capital contribution from federal and state programs for construction projects, offset by a net loss before capital contributions of \$1.9 million.

The District is an operating port with the terminal operations playing a vital part in the overall revenues. Because the terminal cargo mix varies by tonnage and commodity type from year to year, the operating revenues reflect those diverse changes. The following is the statement of revenues, expenses, and changes in net position:

### Statements of Revenues, Expenses, and Changes in Net Position (in thousands)

|  | Year Ended June 30, |                   |
|--|---------------------|-------------------|
|  | 2021                | 2020              |
| <b>Operating Revenues</b>  |                     |                   |
| General Cargo  | \$ 6,748            | \$ 5,529          |
| Bulk Cargo   | 21,400              | 18,250            |
| Property Management  | 24,698              | 28,045            |
| Other  | 475                 | 356               |
| <b>Total Operating Revenues</b>  | <u>53,321</u>       | <u>52,180</u>     |
| <b>Operating Expenses:</b>   |                     |                   |
| Wages and Fringe Benefits  | 17,528              | 15,987            |
| Contracted Stevedoring   | 5,188               | 4,304             |
| Environmental Compliance   | 5,870               | 3,587             |
| Outside Services/Consultants   | 3,543               | 2,893             |
| Utilities  | 3,911               | 3,988             |
| Business Insurance   | 1,475               | 1,180             |
| Depreciation   | 12,053              | 11,689            |
| Other Operating Costs  | 4,561               | 4,825             |
| <b>Total Operating Expenses</b>  | <u>54,129</u>       | <u>48,453</u>     |
| <b>Operating Income (Loss)</b>   | <u>(808)</u>        | <u>3,726</u>      |
| Non-Operating Revenue (Expense):   |                     |                   |
| Interest Revenue and Other   | 324                 | 763               |
| Interest Expense and Other   | (1,460)             | (1,575)           |
| <b>Net Non-Operating Expense</b>   | <u>(1,136)</u>      | <u>(812)</u>      |
| <b>Increase or (Decrease) In Net Position Before Capital Contributions</b> | (1,944)             | 2,915             |
| Capital Contributions  | 12,038              | 7,010             |
| <b>Increase In Net Position</b>  | 10,094              | 9,925             |
| Net Position, Beginning of Year  | 201,996             | 192,071           |
| <b>Net Position, End of Year</b>   | <u>\$ 212,090</u>   | <u>\$ 201,996</u> |

# STOCKTON PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Revenues

The District's operating revenues for 2021 increased \$1.1 million due to increased general and bulk cargos revenues of \$4.4 million. These increases were offset by \$3.3 million in decreased property management revenue. Each year the commodity mix changes by type and volume as the commodity markets and customer's needs change. This has a direct effect on revenues and profitability since each of the commodities has different revenue rates and costs associated with handling the different products. In highlighting how major commodities change from year to year, the underlining change of revenues are shown. General cargo revenues were up 22.0% from last year as tonnages were 20.0% more than the previous year. While steel tonnages were down 41.4%, bagged rice and project cargo tonnages were up by 37.5% and 258.7% respectively. The project cargos were related to several renewable and green-energy projects underway in California and neighboring states.

Bulk cargo revenues were up 17.3% from 2020. Dry bulk revenues increased 22.7% with tonnage increasing 26.8% from 2020. Cement/Slag tonnages and revenues were higher, up 127.0% and 155.3% respectively, due to higher than expected demand as construction increased in the region. Liquid bulk revenues increased 7.5% with tonnages up 4.4%. Sulfuric acid and liquid fertilizer tonnages increased 32.8% and 10.9% respectively, but were offset by reductions of food grade oil and molasses tonnages of 9.4% and 22.2% respectively. Most changes in liquid bulk cargos are a result of timing of shipments rather than an indication of changing markets; however, sulfuric acid, a relatively new cargo for the district, increased due to higher demand in the market.

Property management revenues are down 11.9% from 2020. Lease revenues decreased 17.3% due to an adjustment to deferred lease revenues that were recorded in prior periods totaling \$3.9 million. A tenant who intended to construct a facility on their leasehold was unable to acquire the necessary permits after years of effort, resulting in the tenant exercising their walk away clause and the District reversing previously recorded lease revenue. Absent this significant adjustment, the District would have realized a 1.0% increase in lease revenues and a 2.0% increase in overall property management revenues. The property management staff continues to market the West Complex with the aid of outside real estate firms.

Other operating income was up 33.6% from 2020. The District received \$159 thousand in electrical rebates for the purchase of electric cargo handling equipment and infrastructure. Foreign-Trade Zone fees decreased by 5.6%, or \$2.5 thousand, and fuel sales decreased 4.5%, down \$12.5 thousand from 2020. Fuel sales are dependent on the cost of fuel and the demand District customers and employees have for purchasing fuel at the District. The District bills on a cost plus basis so there is no net loss on any of the sales.

Interest and other non-operating revenue, which include fees for the West Complex aeration project, was 57.5% less than 2020 due to decreasing interest rates that were partially offset by increased expenses related to the West Complex aeration project.

In 2021, the District utilized \$12.0 million in federal and state grants for security and capital improvements and equipment acquisition.

## Expenses

The District's operating expenses for 2021, excluding depreciation, increased by 14.4% compared to 2020.

There was a 18.7% increase in waterborne tonnages overall with increases in bulk and general cargos. The mix of the cargo types affects the overall cost of handling the commodities that are shipped at the District. Wage and benefit costs were up 9.6% due to wage and salary increases as well as the addition of staff and

## STOCKTON PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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the filling of some vacancies from the prior year. Contracted stevedoring expense were up 20.5% due to increased tonnages.

Environmental compliance expense was up 63.6% from 2020 as staff ramped up remediation efforts and re-evaluated the cost to complete the remediation of the West Complex and recorded an additional \$1.17 million in remediation liability. See note 12 in the notes to the financial statements. Each year those costs and potential liability are re-evaluated based on remediation and environmental requirements.

The outside services and consultants expense was 22.5% more than 2020. Outside services and consultants includes expenses to maintain the District's infrastructure, buildings and equipment, as well as engineering and a variety of consultant services.

Utilities expense was 1.9% lower than 2020. The District reduced its utility usage by \$159 thousand, which was offset by an increase of expenses related to the West Complex electric utility in the amount of \$86 thousand.

Business insurance expenses increased by 25.0% as premiums are rising in the insurance markets.

Other operating expenses a decreased 5.5% compared to 2020, as there were reduced cost in travel during the year due to COVID-19 safety measures. Other expenses were a mixture of higher and lower costs.

Depreciation expense increased by 3.1% from 2020. The increased expense is due to the capital assets added over the last couple of years.

Interest and other non-operating expenses decreased by 7.3% compared to 2020. Interest expense decreased by \$232.9 thousand due to the District paying off the remaining \$1.8 million balance of the pension withdrawal liability to the Distributors Association Warehousemen's Pension Trust. Offsetting this decrease was an increase in expenses related to the operation of the aeration facility at Dock 20, in the amount of \$119.5 thousand.

### Capital Assets

The District's net capital assets increased by \$14.0 million during the year ended June 30, 2021. The increase is the result of increases in capital project activity related to infrastructure and equipment projects in 2021. The following table summarizes the District's capital assets, net of depreciation as of June 30, 2021 and 2020 (in thousands):

| Capital Assets<br>(in thousands) | June 30,          |                   |
|----------------------------------|-------------------|-------------------|
|                                  | 2021              | 2020              |
| Land                             | \$ 28,540         | \$ 28,540         |
| Buildings & Facilities           | 137,000           | 109,870           |
| Furniture, Fixtures, & Equipment | 22,413            | 16,421            |
| Leasehold Improvements           | 2,724             | 3,148             |
| Intangible Assets                | 1,096             | 1,468             |
| Construction in Progress         | 23,639            | 41,984            |
|                                  | <u>\$ 215,412</u> | <u>\$ 201,431</u> |

**STOCKTON PORT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Major capital investments for 2021 include:

|                               |                |
|-------------------------------|----------------|
| Fyffe Avenue Grade Separation | \$10.3 million |
| Electric Equipment Fleet      | \$4.9 million  |
| Electric Utility Improvements | \$1.5 million  |
| Sewer System Improvements     | \$1.2 million  |

The District has authorized, or made commitments for the continuation of several infrastructure projects totaling \$4.2 million as of June 30, 2021. These projects are funded by a variety of Federal and State Grants, as well as District revenues. For additional information about the capital asset activity, see Note 5.

**Debt Administration**

The following is a summarized detail of the District's outstanding debt and capital lease obligations:

| <b>Debt<br/>(in thousands)</b>            | <b>June 30,</b>  |                  |
|---|------------------|------------------|
|   | <b>2021</b>      | <b>2020</b>      |
| 2013 Compass Bank Loan                    | \$ 4,012         | \$ 4,612         |
| 2016 Western Alliance Bank Loan           | 7,010            | 7,303            |
| 2016 Refunding Revenue Bonds              | 24,222           | 25,931           |
| Other Loans and Capital Lease Obligations | 38               | 486              |
|   | <u>\$ 35,282</u> | <u>\$ 38,332</u> |

The District maintains a BBB rating from Standard and Poor's and has an A3 rating from Moody's Investors Service for the revenue bonds. In 2002, the District issued \$20 million in bonds for infrastructure improvements at the West Complex (Rough & Ready Island). In 2007, the District issued \$30 million in bonds for infrastructure improvement and to refund previously outstanding bonds. In 2013, the District refunded the 2001 Bonds, which were issued for infrastructure improvements, with the Compass Bank Installment Sale Agreement. In 2014, the District added \$1.1 million in new commercial loans and capital lease obligations, which when netted with the \$3.6 million in debt payments during the year, accounts for the \$2.5 million decrease in long-term debt during 2014. In 2015, the District added \$961 thousand in new commercial loans, which when netted with the \$3.5 million in debt payments during the year, accounts for the \$2.5 million decrease in long-term debt during 2015. In 2016, the District added an \$8.2 million loan that is on par with the other loan agreements and bond debt and a \$602.9 thousand loan to purchase property adjacent to the District. In fiscal year 2017, the District refunded the balance of the 2007 series B bonds, the 2002 CIEDB Loan and added an additional \$5 million for capital projects. In fiscal year 2018, the District added a \$1.3 million loan for the Navy Drive widening project. More detailed information about the District's debt is presented in Note 8 to the financial statements.

# STOCKTON PORT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

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## **Economic Factors and Next Year's Budget**

The District entered fiscal year 2022 as the global economy emerges from the COVID-19 pandemic. Due to prudent policy, the District begins the period on healthy footing.

The District plans to continue improving the East and West Complex infrastructure by using grants, bond funds, and District revenues to upgrade its infrastructure, including rail. These enhancements will improve the access capabilities for current and future customers, and add to amenities already offered by the District. Additionally, the District is increasing its efforts to remediate significant areas of land on the West Complex to make the land ready for future development.

The budget for the upcoming year projects increased operating revenues of 12.0%. In the Terminal and Warehouse divisions, the District is expecting a 1.5% increase in tonnages, with increased tonnages of general cargo and liquid bulk commodities but with decreases in dry bulk commodities. Terminal and Warehouse revenues are expected to increase by 3.4% due to anticipated increases in general cargo commodities such as steel, and liquid bulk commodities such as fertilizer. Stevedoring expenses are expected to increase due to the change in the cargo. The Terminal division is pursuing other products, but has not included those commodities in the budget.

Property Management revenues are expected to increase by 21.4%. Lease revenue is anticipated to increase by 25.8%; however, this large increase is mainly due to the unusual and aforementioned deferred rent adjustment that was made in fiscal year 2021. Excluding that transaction, the true budgeted increase is 4.8%. The District's Property Management team is working to increase its occupancy rate at the West Complex. Additionally, electric utility retail sales are budgeted to increase by 31.9% as a large power-consuming tenant operation is expected to become fully operational during the coming year. The Property Management Division expects revenues to be up and continue to work toward increased occupancy for the District.

The expenses for the District are based on fixed and variable costs that are needed to run the operation. When preparing the budget, portions of some expenses are accounted for as placeholders for potential expenses (i.e. legal, some outside services, etc.) that will be determined as business and/or as challenges occur during the year. If those business activities or challenges do not occur, then the related expenses will not occur.

## **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest of the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at the Port of Stockton, P.O. Box 2089, Stockton, California 95201.

**STOCKTON PORT DISTRICT**

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**STOCKTON PORT DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

|   | <u>2021</u>           |
|---|-----------------------|
| <b>ASSETS</b>   |                       |
| Current Assets  |                       |
| Cash and investments  | \$ 34,516,969         |
| Cash and investments - restricted   | 1,405,865             |
| Accounts receivable, net of allowance for doubtful<br>accounts of \$604,474 | 10,269,987            |
| Other receivables   | 3,140,203             |
| Deposits held with others   | 825,350               |
| Prepaid expenses and other  | <u>1,255,185</u>      |
| Total current assets  | <u>51,413,559</u>     |
| Noncurrent Assets   |                       |
| Restricted cash and investments   | 779,932               |
| Nondepreciable capital assets   | 52,178,944            |
| Depreciable capital assets, net   | 163,232,971           |
| Other assets  | <u>186,316</u>        |
| Total noncurrent assets   | <u>216,378,163</u>    |
| Total assets  | <u>267,791,722</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                       |                       |
| Deferred loss on refunding  | 315,774               |
| Deferred outflows related to OPEB   | <u>599,699</u>        |
| Total deferred outflows of resources  | <u>915,473</u>        |
| <b>LIABILITIES</b>  |                       |
| Current Liabilities   |                       |
| Accounts payable  | 6,691,683             |
| Accrued liabilities   | 6,127,236             |
| Current portion of long-term debt   | 2,718,806             |
| Unearned revenue  | <u>728,853</u>        |
| Total current liabilities   | <u>16,266,578</u>     |
| Noncurrent Liabilities  |                       |
| Long-term debt, net of current portion                                      | 32,563,065            |
| Other long-term liabilities   |                       |
| Total OPEB liability  | 2,468,999             |
| Pollution remediation   | 3,023,500             |
| Public benefits program liability   | 316,357               |
| Self-insurance  | 503,315               |
| Compensated absences  | 843,477               |
| Customer power deposits   | <u>496,254</u>        |
| Total noncurrent liabilities  | <u>40,214,967</u>     |
| Total liabilities   | <u>56,481,545</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                       |
| Deferred inflows related to OPEB  | <u>135,803</u>        |
| <b>NET POSITION</b>   |                       |
| Net investment in capital assets  | 181,225,749           |
| Restricted for the oxygen aeration facility                                 | 41,044                |
| Unrestricted  | <u>30,823,054</u>     |
| Total Net Position  | <u>\$ 212,089,847</u> |

*See accompanying notes to the financial statements*

**STOCKTON PORT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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|  | 2021           |
|--|----------------|
| <b>OPERATING REVENUES</b>                  |                |
| General cargo                              | \$ 6,748,328   |
| Bulk cargo                                 | 21,399,602     |
| Property management                        | 24,697,710     |
| Other operating income                     | 475,464        |
| Total operating revenue                    | 53,321,104     |
| <b>OPERATING EXPENSES</b>                  |                |
| Wages and fringe benefits                  | 17,528,059     |
| Contracted stevedoring                     | 5,188,515      |
| Environmental compliance                   | 5,869,525      |
| Outside services and consultants           | 3,542,899      |
| Utilities                                  | 3,910,538      |
| Business insurance                         | 1,474,738      |
| Other operating expenses                   | 4,561,155      |
| Depreciation                               | 12,053,440     |
| Total operating expenses                   | 54,128,869     |
| Operating income (loss)                    | (807,765)      |
| <b>NON-OPERATING INCOME (EXPENSE)</b>      |                |
| Interest income and other                  | 310,547        |
| Interest expense                           | (1,285,862)    |
| Other expense                              | (174,568)      |
| Gain on sale of capital assets             | 14,110         |
| Total non-operating income/(expense)       | (1,135,773)    |
| Income (loss) before capital contributions | (1,943,538)    |
| Capital contributions                      | 12,037,768     |
| <b>INCREASE IN NET POSITION</b>            | 10,094,230     |
| NET POSITION, beginning of year            | 201,995,617    |
| NET POSITION, end of year                  | \$ 212,089,847 |

*See accompanying notes to the financial statements*

**STOCKTON PORT DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | <u>2021</u>                 |
|--|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                     |                             |
| Cash received from customers   | \$ 54,273,690               |
| Cash received from other sources   | 559,911                     |
| Cash paid to employees and related benefits and taxes                            | (18,401,595)                |
| Cash paid to suppliers   | (17,602,868)                |
| Payments on environmental clean up and compliance                                | (4,697,046)                 |
| Net cash provided by operating activities  | <u>14,132,092</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                     |                             |
| Interest on cash and investments   | 276,687                     |
| Net cash provided by investing activities  | <u>276,687</u>              |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                 |                             |
| Deposits paid to others  | 1,738,726                   |
| Purchase of capital assets   | (22,525,026)                |
| Capital contributions  | 11,105,296                  |
| Proceeds from sale of capital assets   | 14,110                      |
| Interest payments on long-term debt  | (1,270,166)                 |
| Principal repayment of long-term debt  | (3,050,329)                 |
| Net cash used for capital and related financing activities                       | <u>(13,987,389)</u>         |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH AND INVESTMENTS</b>                  | <b>421,390</b>              |
| <b>CASH AND INVESTMENTS, beginning of year</b>                                   | <b><u>36,281,376</u></b>    |
| <b>CASH AND INVESTMENTS, end of year</b>   | <b><u>\$ 36,702,766</u></b> |
| <b>RECONCILIATION OF CASH AND INVESTMENTS TO THE STATEMENTS OF NET POSITION:</b> |                             |
| <b>CURRENT ASSETS:</b>   |                             |
| Cash and investments   | \$ 34,516,969               |
| Cash and investments - restricted  | 1,405,865                   |
| <b>NONCURRENT ASSETS:</b>  |                             |
| Cash and investments - restricted  | <u>779,932</u>              |
| <b>TOTAL CASH AND INVESTMENTS</b>  | <b><u>\$ 36,702,766</u></b> |

*See accompanying notes to the financial statements*

**STOCKTON PORT DISTRICT**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | 2021          |
|---|---------------|
| RECONCILIATION OF OPERATING INCOME (LOSS)<br>TO NET CASH PROVIDED BY OPERATING ACTIVITIES:        |               |
| Operating income (loss)   | \$ (807,765)  |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by operating activities: |               |
| Depreciation  | 12,053,440    |
| Other income  | 115,707       |
| Other expense   | (174,568)     |
| OPEB expense  | (187,637)     |
| Other long-term liabilities   | (811,892)     |
| Change in assets and liabilities:   |               |
| Accounts receivable, net  | 325,564       |
| Other receivables   | (18,666)      |
| Prepaid expenses and other  | (178,298)     |
| Other assets  | (9,059)       |
| Accounts payable  | 1,680,969     |
| Accrued liabilities   | 1,792,367     |
| Unearned revenue  | 269,648       |
| Pollution remediation liability   | 54,000        |
| Public benefits program liability   | 28,282        |
| Net cash provided by operating activities   | \$ 14,132,092 |
| <br>SUPPLEMENTAL SCHEDULE OF NON-CASH<br>INVESTING AND FINANCING ACTIVITIES:                      |               |
| Amortization of deferred loss on refunding  | \$ 50,977     |
| Amortization of bond premium  | 83,561        |

*See accompanying notes to the financial statements*

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS**

The Stockton Port District (District) is a public corporation of the State of California, organized pursuant to the State of California Harbors and Navigation Code. The District owns and operates an international deep-water port located in the City of Stockton (City) and San Joaquin County (County). Transoceanic water-borne trade began on February 2, 1933, after the initial dredging of the channel and completion of port facilities. The District handles liquid, dry and break-bulk commodities and provides seven million square feet for manufacturing and storage of finished or bulk products.

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

**Reporting entity** – The District is independent from the City and the County governments and is administered by a seven-member board (Commission) appointed by both the City and the County. The Commission delegates administrative authority to a Port Director and administrative staff to conduct operations of the District. The City and the County provide no funding to the District, do not hold title to any of the District’s assets, nor do they have any right to the District’s surpluses. Also, there are no potential component units that would be required to be included in the District’s financial statements.

**Basis of accounting** – The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to proprietary funds of governmental units, as established by the Governmental Accounting Standards Board (GASB).

For financial reporting purposes, the District is considered a special-purpose government engaged in business-only type activities. Accordingly, the District’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and services are performed and expenses are recorded when an obligation has been incurred.

Operating revenues and expenses are generated and incurred through bulk and general cargo activities and property management services. Operating expenses also include the maintenance of facilities, infrastructure, and security and safety related expenses. Administration and depreciation are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

During the 2020-21 fiscal year, the District implemented the following GASB Statements. There were no material impacts on the District as a result of implementing these Statements:

GASB Statement No. 84, *Fiduciary Activities* (GASB 84). This Statement’s principal objective is to enhance the consistency and comparability of the fiduciary activity reporting by state and local governments.

GASB Statement No. 90, *Majority Equity Interests* (GASB 90). This Statement’s principal objective is to improve consistency in the measurement and comparability of the financial statement presentation of the majority equity interest in legally separate organizations and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement’s principal objectives are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform;

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

GASB Statement No. 98 (GASB 98), *The Annual Comprehensive Financial Report*. This Statement's principal objective is to address references in authoritative literature to the term comprehensive annual financial report.

**Cash and cash equivalents** – Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

**Investments** – Investments are stated at fair value. Fair value is determined by using quoted market prices for all investments. The change in fair value is included in interest income and other in the statements of revenues, expenses and changes in net position. The District is restricted by State law and the Commission's investment policy in the types of investments that can be made. Permissible investments per California Government Code Section 53601 and the District's investment policy include the State Local Agency Investment Fund (LAIF), federally insured deposits, bankers' acceptances, commercial paper (rated in the highest tier by a nationally recognized rating agency), money market mutual funds regulated by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, investment grade obligations of state, provincial, local governments and public authorities, U.S. government agencies, and U.S. Treasury obligations. The proportion of investments in each of the permissible categories is restricted as defined in the California Government Code and further limited by the District's investment policy. The Government Code allows medium term corporate notes, mortgage obligations, and repurchase and reverse repurchase agreements and maturities of up to five years, which are not permitted by the District. The maximum average maturity of investments is two years or less. The District's investment policy established safety of principal as the primary investment objective. The District's investment strategy is to realize a reasonable interest yield, and investment decisions are executed with the intent that fixed income securities will be held to maturity.

**Allowance for doubtful accounts** – The District provides an allowance for receivables if it believes it may not collect in full. It evaluates the collectability of its accounts based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations (i.e., bankruptcy filings or substantial down-grading of credit ratings), it records a specific allowance. For all other customers, the District recognizes allowances for doubtful accounts based on its historical collection experience. If circumstances dictate (i.e., higher than expected defaults or an unexpected material adverse change in a major customer's ability to meet its financial obligations), the District's estimates of the recoverability of amounts due may change in the near term. The allowance for doubtful accounts totaled \$604,474 at June 30, 2021.

**Deposits held with others** – Deposits held with others includes amount held by third-parties for down payment for delivery of capital assets.

**Prepaid expenses** – The District incurred expenses that will benefit future periods. These expenses will be amortized over the time period of the expected benefit.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted cash and investments** – Assets whose use is restricted to specific purposes by bond indenture or other sources and related liabilities are segregated on the statements of net position. These assets are primarily restricted for construction and debt service.

**Capital assets** – The District’s policy is to capitalize all asset additions greater than \$1,000 and with an estimated life of more than one year. Capital assets are stated at historical value. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Depreciation is computed using the straight-line method over estimated useful lives of 10 to 75 years for buildings, operating facilities, and land improvements and 3 to 20 years for equipment and fixtures. Amortization of leasehold improvements is for the useful life of the asset or the term of the lease, whichever is shorter. The District depreciates intangible assets over their estimated useful life of ten years. The estimated economic lives used to determine annual rates of depreciation are subject to periodic review and revision to assure that the cost of the respective assets will be written off over their economic lives.

**Deferred loss on refunding of debt** – The difference between reacquisition price of refunded debt and net carrying amount of refunded debt is deferred and amortized as a component of interest expense over the remaining life of the refunded debt or the life of the refunding debt, whichever is shorter. The unamortized deferred loss balances of \$315,774 at June 30, 2021 are reported as deferred outflows of resources.

**Deferred outflows and inflows of resources** – Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period and deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. A deferred outflows of resources has a positive effect on net position, similar to assets, and a deferred inflows of resources has a negative effect on net position, similar to liabilities.

**Unearned revenue** – A portion of storage and rental revenue is considered unearned until the related goods are shipped or rents have been earned in order to match revenues and expenses.

**Net position** – The District’s equity is classified as follows:

*Net Investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**Self-insurance** – The District is generally self-insured up to certain limits for losses and liabilities related primarily to workers’ compensation, health and welfare claims, physical damage to property, business interruption resulting from certain events, and comprehensive general liability. Losses on claims are charged to expense in the period in which the amount of the loss can be reasonably estimated. The District’s risk management programs are further discussed in Note 15 to the financial statements.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Concentrations of Risk** – For the year ended June 30, 2021, the District earned revenues from the District’s top five customers of approximately \$15,037,837. This represents approximately 28.2% of total operating revenues.

**Use of estimates in the preparation of financial statements** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Revenue recognition** – The District recognizes revenue from bulk and general cargo as the services are provided. The District recognizes property management income as the lease periods mature. Any assets, liabilities, expenses and revenues created as a result of non-exchange transactions are recognized when all the significant eligibility requirements have been met. A non-exchange transaction occurs when a government receives (or gives) value without directly giving (or receiving) equal value in return.

**Use of resources** – When both restricted and unrestricted resources are available for use, it is the District’s practice to use restricted resources first, then unrestricted resources as they are needed.

**NOTE 3 – CASH AND INVESTMENTS**

A summary of cash and cash and investment by type is as follows:

|                            | 2021          |
|----------------------------|---------------|
| Cash                       | \$ 1,167,494  |
| Investments                | 35,535,272    |
| Total cash and investments | \$ 36,702,766 |

*Deposit and Investment Risk*

The following deposit and investment risk information is presented for the year ended June 30, 2021. As of June 30, 2021, the District had the following investments:

| Investment                   | Fair Value    | Investment Maturities |            |
|------------------------------|---------------|-----------------------|------------|
|                              |               | Less than 3 mos       | 4-12 mos   |
| Certificates of Deposit      | \$ 200,000    | \$ -                  | \$ 200,000 |
| Money Market Mutual Funds    | 92            | 92                    | -          |
| Local Agency Investment Fund | 35,335,180    | 35,335,180            | -          |
| Total Investments            | \$ 35,535,272 | \$ 35,335,272         | \$ 200,000 |

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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 value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury’s portion in the pool. Withdrawals from LAIF are done on a dollar for dollar basis.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

*Interest Rate Risk*

Interest rate risk is the risk of exposure to fair value losses resulting from rising interest rates. The District's formal investment policy limits investment maturities to two years on its regular operating funds as a means of managing its exposure to fair value losses from changes in interest rates. Government Code 53601 allows some select investments to have a maturity term of up to five years. The District has minimal interest rate risks because the majority of its fixed income investments are non-negotiable certificates of deposit which are held to maturity. As of June 30, 2021 the non-negotiable certificates of deposit have interest rates equal to 0.30%. The District's bond funds are invested in money market accounts, money market mutual funds,

LAIF, negotiable certificates of deposit, and interest-bearing contracts to assure the availability of reimbursement funds for projects in accordance with Government Code 53601.5.

*Custodial Credit Risk*

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 collateral securities that are in the possession of an outside party.

Deposits that potentially subject the District to custodial credit risk consist of demand deposits, non-negotiable certificates of deposit, and money market accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). It is the practice of the District to place its demand deposits, non-negotiable certificates of deposit, and money market accounts with a number of high-credit, quality financial institutions to limit the exposure to loss by any one institution. The District had deposits of \$1,636,165 at June 30, 2021 which were not covered by the FDIC insurance. However, these amounts are secured in accordance with the California Government Code, which requires that financial institutions secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Collateral is considered held in the District's name.

*Credit Risk*

As described in Note 2, the permissible investments include the State Local Agency Investment Fund (LAIF), federally insured deposits, banker's acceptances, commercial paper (rated in the highest tier by a nationally recognized rating agency), money market mutual funds regulated by the SEC, investment grade obligations of state, provincial, local governments and public authorities, U.S. government agencies, and U.S. Treasury obligations.

As of June 30, 2021, the District's investment in money market mutual funds were rated AAAM and Aaa by Standard & Poor's and Moody's Investors Service, respectively. The investment in Local Agency Investment Fund was not rated.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These inputs and techniques used for valuing securities are not necessarily an indication of the risk associated with investing those securities. As of June 30, 2021, the District's investments in certificates of deposit and

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

money market mutual funds is classified in Level 2. Deposits and withdrawals in government investment pools, such as LAIF, are made on the basis of \$1 and not fair value. Accordingly, the District’s proportionate share of these types of investments is uncategorized input not defined as Level 1, Level 2 or Level 3 input.

Investment securities classified in level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for the securities. The District’s investments at the State of California Local Agency Investment Fund are exempt from fair value measurement disclosures.

**NOTE 4 – RESTRICTED ASSETS**

The restricted assets as of June 30 are as follows:

|   | 2021         |
|---|--------------|
| Disolved oxygen aeration facility funds           | \$ 35,801    |
| Healthcare reimbursement account                  | 358,698      |
| Public benefits program                           | 391,357      |
| Customer power deposits                           | 620,009      |
| Total current restricted cash and investments     | 1,405,865    |
| Debt service reserves fund                        | 83           |
| Loan reserve fund                                 | 779,843      |
| Loan construction fund                            | 6            |
| Total non-current restricted cash and investments | 779,932      |
| Total restricted cash and investments             | \$ 2,185,797 |

The debt service reserve fund and loan construction fund represent proceeds from the issuance of the 2016 Series A & B bonds. These funds are restricted for future construction projects. These amounts are required by the bond and loan agreements to be reserved. The debt service reserve fund represents the required reserves and is in compliance with the reserve calculations. The loan reserve fund represents proceeds from the issuance of the 2013 Compass Bank installment sale agreement, which are invested to meet the reserve requirements.

The dissolved oxygen aeration facility funds represent contributions from external parties in accordance with an agreement for the funding and operation of the facility.

As part of the health care benefit, should the employee elect to utilize this benefit, the District will pay up to \$2,433 for family coverage, \$1,872 for a two-person family, and \$936 for single coverage per employee towards their healthcare premium. If the employee chooses a health care plan premium that is less per month, the differential amount is put into their Healthcare Reimbursement Account (HRA). Those funds can be used by that employee for other healthcare expenses. An outside agency monitors and approves those expenses to make sure they are compliant with government regulations. The balance of the HRA account as of June 30, 2021 was \$358,698.

The public benefits program is for District tenants that purchase electricity on the West Complex. Additional information on this program is disclosed in Note 12.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – RESTRICTED ASSETS (CONTINUED)**

The District provides electricity to its customers located on the West Complex and enters into three-year term contracts for wholesale power based upon District and customer projections. In order to mitigate risk, the District requires large load customers to deposit funds with the District to purchase future power supplies for the tenant.

**NOTE 5 – CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2021 are as follows:

|  | Balance,<br>Beginning | Additions            | Retirements         | Transfers<br>in (out) | Balance,<br>Ending    |
|--|-----------------------|----------------------|---------------------|-----------------------|-----------------------|
| Total capital assets,<br>not being depreciated           |                       |                      |                     |                       |                       |
| Land   | \$ 28,539,818         | \$ -                 | \$ -                | \$ -                  | \$ 28,539,818         |
| Construction in progress                                 | 41,984,407            | 20,149,631           | -                   | (38,494,912)          | 23,639,126            |
| Total capital assets,<br>not being depreciated           | 70,524,225            | 20,149,631           | -                   | (38,494,912)          | 52,178,944            |
| Total capital assets,<br>being depreciated               |                       |                      |                     |                       |                       |
| Buildings, operating facilities<br>and land improvements | 211,017,747           | 2,058,098            | (400,198)           | 33,621,670            | 246,297,317           |
| Leasehold improvements                                   | 11,687,439            | -                    | -                   | -                     | 11,687,439            |
| Intangible assets  | 4,575,113             | 1,647                | -                   | 42,409                | 4,619,169             |
| Equipment and fixtures                                   | 46,862,296            | 4,207,108            | (783,871)           | 4,830,833             | 55,116,366            |
| Total capital assets,<br>being depreciated               | 274,142,595           | 6,266,853            | (1,184,069)         | 38,494,912            | 317,720,291           |
| Less accumulated depreciation                            |                       |                      |                     |                       |                       |
| Buildings, operating facilities<br>and land improvements | 101,148,284           | 8,167,160            | (18,086)            | -                     | 109,297,358           |
| Leasehold improvements                                   | 8,539,500             | 423,784              | -                   | -                     | 8,963,284             |
| Intangible assets  | 3,106,925             | 416,218              | -                   | -                     | 3,523,143             |
| Equipment and fixtures                                   | 30,441,128            | 3,046,278            | (783,871)           | -                     | 32,703,535            |
| Total accumulated depreciation                           | 143,235,837           | 12,053,440           | (801,957)           | -                     | 154,487,320           |
| Total capital assets,<br>being depreciated, net          | 130,906,758           | (5,786,587)          | (382,112)           | 38,494,912            | 163,232,971           |
| Capital assets, net                                      | <u>\$ 201,430,983</u> | <u>\$ 14,363,044</u> | <u>\$ (382,112)</u> | <u>\$ -</u>           | <u>\$ 215,411,915</u> |

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

A significant portion of the District’s land, facilities and equipment are leased to tenants under operating leases. The book value of capital assets leased is \$13.5 million. Minimum future rental income on non-cancelable operating leases on District facilities is as follows:

| Year ending June 30: |                |
|----------------------|----------------|
| 2022                 | \$ 16,841,485  |
| 2023                 | 9,494,783      |
| 2024                 | 8,225,199      |
| 2025                 | 6,634,491      |
| 2026                 | 5,312,544      |
| Thereafter           | 66,166,374     |
|                      | \$ 112,674,876 |

The minimum future rental income does not include any adjustments for the unearned revenue for capital credits given for tenant paid improvements (see note 7). Rental income under these leases was \$17,593,087 for 2021. This does not include leases with contingency clauses related to waterborne tonnages shipped across the docks. The income for those was \$2,247,092 for 2021 and was included in the terminal revenue as part of wharfage for bulk cargo.

The District has recorded \$1,916,241 as of June 30, 2021 as equipment that has been capitalized under lease purchase agreements and the related accumulated amortization was \$1,613,366 as of June 30, 2021. Amortization of assets under capital leases is included in depreciation expense.

**NOTE 6 – ACCRUED LIABILITIES**

The components of current accrued liabilities are as follows as of June 30:

|  | 2021         |
|--|--------------|
| Compensated Absences - current portion (see note 14) | \$ 1,486,541 |
| Payroll Accrual                                      | 568,665      |
| Public benefits program                              | 75,000       |
| Healthcare reimbursement account                     | 358,698      |
| Self-insurance - current portion (see note 15)       | 173,486      |
| Pollution remediation liabilities                    | 2,136,500    |
| Accrued interest on long-term debt                   | 649,812      |
| Other  | 678,534      |
| Total current accrued liabilities                    | \$ 6,127,236 |

The long-term portion of self-insurance and vacation and sick leave liabilities are included in the other long-term liabilities on the statements of net position. The long-term portion of the public benefits program is included in the liabilities payable from restricted assets on the statement of net position.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 7 – UNEARNED REVENUE**

The components of unearned revenue are as follows at June 30, 2021:

|   | <u>Total</u>      |
|---|-------------------|
| Tenant paid improvements  | \$ 81,565         |
| Prepaid rent  | 441,432           |
| Contributions for the Stockton Deep Water<br>Ship Channel Aeration Facility | 82,101            |
| Customer power deposits   | <u>123,755</u>    |
| Total unearned revenue  | <u>\$ 728,853</u> |

The District has agreed to reduce certain tenants' rent by the improvements paid for by the tenants over the life of the lease in various operating lease agreements. The District has unearned lease revenue of \$81,565 of June 30, 2021, and is recognizing the revenue in a straight-line basis over the lease term. The liability is created when the related capital assets are recorded. The following is a schedule of future lease obligations related to tenant lease improvements:

| Year ending June 30: |                  |
|----------------------|------------------|
| 2022                 | \$ 39,191        |
| 2023                 | 18,833           |
| 2024                 | 18,833           |
| 2025                 | <u>4,708</u>     |
|                      | <u>\$ 81,565</u> |

Also, included in unearned revenue as of June 30, 2021, the District had \$441,432 in prepaid rent received for July 2021, funds totaling \$82,101 contributed from other parties towards the operation and maintenance of the Stockton Deep Water Ship Channel Aeration Facilities, and the current portion of customer power deposits in the amount of \$123,755.

**NOTE 8 – LONG-TERM LIABILITIES**

Revenue Bonds:

In November 2016, the District issued the 2016 Bonds to fully refund the 2002 California Infrastructure and Economic Development Bank Installment Sale Agreement and the 2007 series A & B Bonds for savings in future debt service, and issued \$5 million in new debt for infrastructure projects. The projects include paving, terminal upgrades and stormwater upgrades at the District. The bond debt service obligation for the 2021 fiscal year was \$2,469,648. The interest rate ranged from 1.62% to 4.0% with installments through 2037. The reacquisition price exceeded the net carrying amount of the old debt by \$476,676. This deferred loss is amortized over the term of the 2016 Bonds. The net revenues from the District are pledged for the 2016 Bonds. The 2016 Bonds are subject to the Internal Revenue Service arbitrage requirements. The bond indenture includes a provision that in the event of default, the outstanding principal and accrued interest may be declared due, in addition to other remedies available to the bond holders.

Notes from Direct Placements:

In February 2013, the District issued an installment sale agreement loan with Compass Bank in the amount of \$8,356,058 to refund the 2001 Revenue Bonds which funded electrical upgrades, dredging, terminal improvements, road construction and improvements to the Navy Drive Bridge. Principal and interest paid for the 2021 fiscal year was \$737,940. The interest rate is 3.1% with installments through 2027. The District's net revenues are pledged for the 2013 Installment Sale Agreement. The agreements for notes from direct borrowings include a provision that in the event of default, the lender may declare the outstanding loan principal and accrued interest due.

Notes from Direct Borrowings:

In June 2016, the District entered into a loan agreement with Western Alliance Bank in the amount of \$8,200,000 to fund a rail yard capital improvement project at the District. Principal and interest paid for the 2021 fiscal year was \$654,795. The interest rate is 4.99% with installments through 2037. The District's net revenues are pledged for the 2016 Loan Agreement. The agreements for notes from direct borrowings include a provision that in the event of default, the lender may declare the outstanding loan principal and accrued interest due.

A note payable with the San Joaquin Council of Government with a face value of \$1,297,100 is uncollateralized. The remaining interest and principal payments due in July 2021 totals \$38,220 with an interest rate of 3.69%. The note payable was used for the Navy Drive Widening Project and will mature on July 10, 2021.

Pledged Revenue:

The 2013 Compass Bank Installment Sales Agreement, the 2016 Western Alliance Bank Loan, and the 2016 Bonds are parity debt that have priority of payment for all of the District's annual revenue. The net pledged revenues were \$11,556,222 and the maximum total annual debt service was \$3,862,381 as of June 30, 2021, which resulted in debt ratio coverage of 299% for 2021. Net revenue is pledged for the remaining total debt service on the 2013 Installment Sales Agreement, the Western Alliance Bank loan and the 2016 Bonds of \$42,491,840 as of June 30, 2021.

Legal Debt Limit:

Per section number 6350 of the Harbors and Navigation code of the State of California, the Stockton Port District may also create an additional bonded debt up to but not in excess of 3 percent of the assessed value of all taxable real and personal property within the district. As of June 30, 2021 3% of the total assessed valuation is equal to \$978 million, resulting in a debt margin of \$943 million.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 – LONG-TERM LIABILITIES (CONTINUED)**

Debt service requirements on long-term debt at June 30, 2021, are as follows:

| Year Ending June 30: | Business-Type Activities |                     |  |                     |
|----------------------|--------------------------|---------------------|--|---------------------|
|                      | Bonds                    |                     | Notes from Direct Borrowings and Direct Placements |                     |
|                      | Principal                | Interest            | Principal  | Interest            |
| 2022                 | \$ 1,670,000             | \$ 801,505          | \$ 965,245   | \$ 465,709          |
| 2023                 | 1,710,000                | 743,338             | 962,061  | 430,673             |
| 2024                 | 1,780,000                | 673,538             | 998,372  | 394,362             |
| 2025                 | 1,850,000                | 600,938             | 1,036,133  | 356,601             |
| 2026                 | 1,935,000                | 525,237             | 1,075,406  | 317,328             |
| 2027-2031            | 10,860,000               | 1,425,312           | 2,906,717  | 1,105,194           |
| 2032-2036            | 2,880,000                | 175,469             | 2,796,373  | 477,600             |
| 2037                 | 280,000                  | 4,550               | 319,428  | 7,970               |
| Total                | <u>\$ 22,965,000</u>     | <u>\$ 4,949,887</u> | <u>\$ 11,059,735</u>                               | <u>\$ 3,555,437</u> |

Changes in the District's long-term liabilities for the year ended June 30, 2021 are as follows:

|   | Balances<br>June 30, 2020 | Additions   | Reductions          | Balance<br>June 30, 2021 | Current<br>Portion  |
|---|---------------------------|-------------|---------------------|--------------------------|---------------------|
| <b>Revenue Bonds:</b>                   |                           |             |                     |                          |                     |
| 2016 A Bonds                            | \$ 21,740,000             | \$ -        | \$ -                | \$ 21,740,000            | \$ 445,000          |
| 2016 A Bonds (premium)                  | 1,340,698                 | -           | 83,562              | 1,257,136                | 83,561              |
| 2016 B Bonds                            | 2,850,000                 | -           | 1,625,000           | 1,225,000                | 1,225,000           |
| Total Revenue Bonds                     | <u>\$ 25,930,698</u>      | <u>\$ -</u> | <u>\$ 1,708,562</u> | <u>\$ 24,222,136</u>     | <u>\$ 1,753,561</u> |
| <b>Notes from Direct Placements:</b>    |                           |             |                     |                          |                     |
| Installment Sale Agreement:             |                           |             |                     |                          |                     |
| 2013 Compass Bank Loan                  | 4,611,623                 | -           | 599,590             | 4,012,033                | 618,322             |
| Total Installment Sale Agreements       | <u>4,611,623</u>          | <u>-</u>    | <u>599,590</u>      | <u>4,012,033</u>         | <u>618,322</u>      |
| <b>Notes from Direct Borrowings:</b>    |                           |             |                     |                          |                     |
| Western Alliance Bank Loan              | 7,303,568                 | -           | 293,968             | 7,009,600                | 308,821             |
| San Joaquin Council of Gov't Loan 17/18 | 486,311                   | -           | 448,209             | 38,102                   | 38,102              |
| Total Notes Payable                     | <u>7,789,879</u>          | <u>-</u>    | <u>742,177</u>      | <u>7,047,702</u>         | <u>346,923</u>      |
| Total long-term debt                    | <u>\$ 38,332,200</u>      | <u>\$ -</u> | <u>\$ 3,050,329</u> | <u>\$ 35,281,871</u>     | <u>\$ 2,718,806</u> |

**NOTE 9 – PENSION BENEFITS**

**Defined Contribution Plan**

The District provides pension benefits for qualified administration, police, maintenance, and warehouse employees through the Stockton Port District Money Purchase Pension Plan (the Plan). Maintenance and Warehouse employees joined the Plan effective March 2016. The Plan is intended to be a qualified defined contribution retirement plan under Internal Revenue Code section 401(a). The Plan is administered by the Administrative Committee of the Stockton Port District Money Purchase Pension Plan. Through a Board Resolution in 1991, the District's Board of Commissioners granted the Port Director the authority to establish and maintain a pension program for those District employees. The plan does not issue a separate stand-alone report. Participants are required to contribute up to 5% of covered compensation in order to receive the District's 15% matching contribution of eligible employee compensation. Funds are deducted and submitted to the trust company on a monthly basis. Pension contributions made by the District were \$1,544,010 for the year ended June 30, 2021. Pension contributions made by Plan participants were \$514,608 the year ended June 30, 2021.

**Defined Benefit Plan**

**Plan Description**

Through February 2016, the District offered a separate pension benefits program to the maintenance and warehouse employees who are a part of the International Longshore Workers' Union (ILWU, Local 6) members' labor union. The Distributors Association Warehousemen's Pension Trust (the Plan) was established and is amended from time to time as a result of collective bargaining between the Industrial Employers and Distributors Association (IEDA) and ILWU, Local 6. It is a cost-sharing multi-employer defined benefit pension plan. The Plan is not a state or local government plan and consists of multiple private employers where the District is the only public agency that subscribes to the Plan. Any financial information the District receives relates to the cost-sharing Plan as a whole. The Plan is administered by IEDA. It does not issue a stand-alone financial report but is included in the report issued by the Trust and can be obtained from the IEDA, 2200 Powell Street, Emeryville, CA 94608, (510) 653-6770. As of June 30, 2015, the whole Plan included 1,075 covered active employees; 2,543 retirees and beneficiaries; and 1,012 terminated vested employees for a total of 4,630 total participants. Of the total, 39 covered active employees were current District employees.

In February 2016, the District withdrew from the ILWU, Local 6 pension plan. The Plan was underfunded and in critical status designation. If efforts to rehabilitate the Plan fail and it becomes insolvent, the administrators would apply to the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency, for a loan that would be sufficient to pay the benefits at a guaranteed level. To withdraw from the Plan, the District agreed to pay the plan the withdrawal liability amount of \$2,663,678. The District recorded this liability in long-term liabilities. The District agreed to pay the plan \$30,570 on a monthly basis for 123 payments to pay this liability and related interest. The District can pay, without penalty, the balance owed to be relinquished of this liability. In July 2020, the District paid the full balance owed on its pension withdrawal liability to the Distributors Association Warehousemen's Pension Trust in the amount of \$1,838,169.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The District provides medical benefits through the California Public Employees' Retirement System (CalPERS) Public Employees' Medical and Hospital Care Act (PEMHCA) program to retired full-time salaried administrative and security employees and their dependents that meet eligibility requirements, of 55 years of age or older and 5 years of service, through its plan. The plan is a single employee defined benefit healthcare program. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided

The District provides other postemployment benefits (OPEB) cash subsidy that is a percentage of the PEMHCA minimum amount. The subsidy is \$64 per month or 45% of the PEMHCA minimum amount of \$143 for the year ended June 30, 2021. The percentage increases 5% each year until it reaches 100% in 2032. The retirees are responsible for the balance of the PEMHCA minimum amount. The plan does not issue a separate stand-alone report. Benefits provided for the year ended June 30, 2021 was \$33,593.

Covered Employees

As of the June 30, 2020 measurement date, the following employees were covered under the plan:

|   |            |
|---|------------|
| Inactive currently receiving benefits               | 18         |
| Inactive entitled to but not yet receiving benefits | 15         |
| Active employees                                    | <u>76</u>  |
| Total   | <u>109</u> |

Total OPEB Liability

The District's total OPEB liability of \$2,468,999 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Actuarial Assumptions and Other Inputs*

The District's total OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|   |  |
|---|--|
| Valuation date  | June 30, 2019  |
| Actuarial assumptions:  |  |
| Discount rate   | 2.21%  |
| Inflation   | 2.75% per annum  |
| Mortality, retirement,<br>disability, termination                         | CalPERS 1997-2015 experience study   |
| Mortality improvement   | Mortality projected fully generational with Scale MP-2018  |
| Salary increases  | Aggregate 3% based on the CalPERS 1997-2015 experience study   |
| Healthcare cost trend rates   | Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years<br>Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years |
| Participation at retirement<br>of active employees &<br>surviving spouses | 60%  |

The discount rate was based on the Bond Buyer 20 year index

*Changes in the Total OPEB Liability*

|                                 | <b>Total OPEB<br/>Liability</b> |
|---------------------------------|---------------------------------|
| <b>Balance at June 30, 2020</b> | <u>\$ 1,864,348</u>             |
| Changes for the year:           |                                 |
| Service cost                    | 118,074                         |
| Interest                        | 68,946                          |
| Assumption changes              | 442,697                         |
| Benefit payments                | (25,066)                        |
| Net changes                     | <u>604,651</u>                  |
| <b>Balance at June 30, 2021</b> | <u><u>\$ 2,468,999</u></u>      |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.5 percent to 2.21 percent, measured as of June 30, 2019 and 2020, respectively.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the District, as well as what the District’s OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

|                      | <u>Discount Rate</u> |              |              |
|----------------------|----------------------|--------------|--------------|
|                      | 1% Decrease          | Current Rate | 1% Increase  |
|                      | 1.21%                | 2.21%        | 3.21%        |
| Total OPEB Liability | \$ 2,911,397         | \$ 2,468,999 | \$ 2,115,408 |

*Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the District, as well as what the District’s OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

|                      | <u>Healthcare Trend Cost Rate</u> |              |              |
|----------------------|-----------------------------------|--------------|--------------|
|                      | 1% Decrease                       | Current Rate | 1% Increase  |
| Total OPEB Liability | \$ 2,038,365                      | \$ 2,468,999 | \$ 3,031,450 |

*OPEB Expense, Deferred Outflows and Deferred Inflows of Resources related to OPEB*

For the year ended June 30, 2020, the District recognized OPEB expense of \$242,100 and reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred Outflows<br/>of resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 108,537                                | \$ -                                     |
| Change in assumptions   | 457,569                                   | 135,803                                  |
| Amounts paid by the employer for OPEB as benefits came due subsequent to the measurement date | 33,593                                    | -  |
|   | <u>\$ 599,699</u>                         | <u>\$ 135,803</u>                        |

The amount of \$33,593 reported as deferred outflows of resources related to the amounts paid by the employer for OPEB as the benefits came due subsequent to the measurement date will be recognized as reductions to the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

| <u>Fiscal Year Ended</u> |    |                |
|--------------------------|----|----------------|
| 2022                     | \$ | 54,704         |
| 2023                     |    | 54,704         |
| 2024                     |    | 54,704         |
| 2025                     |    | 54,704         |
| 2026                     |    | 72,704         |
| Thereafter               |    | 138,783        |
| Total                    | \$ | <u>430,303</u> |

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

The District is a defendant in various claims and legal actions that have resulted from the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

The District has authorized, or made commitments for, infrastructure projects, totaling \$4,221,363 as of June 30, 2021.

The District has a Public Benefits Program for tenants that purchase electricity on the West Complex. During the late 1990's the California Legislature restructured the state's electric utility industry with the goal of providing more competition in the industry. As part of that legislation, investor owned and publicly owned utilities were required to incentivize customers to 1) install demand side management, energy conservation and efficiency measures; 2) fund renewable energy equipment; 3) fund research and development; and 4) provide low income residential rate relief. The requirements were implemented through changes to the Public Utilities Code section 385 and require all California public benefit fees be charged through its retail electric rates of 2.85% of sales since 2008. The balance of this fund at June 30, 2021 was \$391,357 and was reported as current restricted cash and investments.

The District's Public Benefits Program (for energy efficient electric users) offers rebates for verifiable improvements in the energy use of lighting fixtures and electric motors. The Program is modeled after California's "Statewide Customized Offering Procedures Manual for Business" and focuses on verification of savings for the District's tenants as well as savings in the District's cost of power supply. The District offers cash incentives to its tenants for qualifying lighting and electric motor energy efficiency projects.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE 12 – POLLUTION REMEDIATION OBLIGATION**

In 2003, the Navy advanced the District \$23.7 million for the environmental remediation of Rough and Ready Island. The Navy has retained its financial responsibility for the environmental remediation of Rough and Ready Island with any liability associated with catastrophic conditions, such as: the discovery of military munitions; chemical, radiological or biological warfare agents; unexploded ordinance; natural resource damage and deep ground water contamination. The District has used all of the funds from the Navy’s restricted reserve. Each year the costs of remediation and potential liability are re-evaluated based on remediation and environmental requirements. The District has determined that the estimated cost to complete the West Complex remediation is \$5,074,000 as of June 30, 2021.

The District has also accrued an additional balance amount of \$86,000 as of June 30, 2021, as the potential cost of future environmental remediation on the East Complex. At the District’s bulk facility area, the Central Valley Regional Water Quality Board has required monitoring for contamination. The District has estimated those costs based on past actual expenses and the tenants that use those facilities share in those costs.

These obligation amounts are included as \$2,136,500 in current accrued liabilities, and \$3,023,500 in other long-term liabilities presented on the District’s statement of net position.

**NOTE 13 – COMPENSATED ABSENCES**

The changes in the District’s compensated absences liability, included in accrued liabilities and other long-term liabilities, for the year ended June 30, 2021 are as follows:

|                      | Balance              |                     |                   | Balance              | Current             |
|----------------------|----------------------|---------------------|-------------------|----------------------|---------------------|
|                      | <u>June 30, 2020</u> | <u>Additions</u>    | <u>Reductions</u> | <u>June 30, 2021</u> | <u>Portion</u>      |
| Compensated absences | <u>\$ 1,971,564</u>  | <u>\$ 1,270,417</u> | <u>\$ 911,963</u> | <u>\$ 2,330,018</u>  | <u>\$ 1,486,541</u> |

**NOTE 14 – RISK MANAGEMENT PROGRAMS**

The District is self-insured up to \$2,000,000 for each workers’ compensation claim for Police staff, and \$1,000,000 for all other staff members. The District self-insures for dental and vision claims and there is no excess of insurance. There is a limited maximum benefit per person of \$1,830 per year for the dental and vision coverage. Liabilities for self-insurance are reported based on GASB Statement No. 30. GASB Statement No. 30 requires that a liability for claims be based on the estimated ultimate cost of settling the claims and using past experience adjusted by current trends or other factors that would modify the past experience. The current portion of the liability is recorded as a component of accrued liabilities. The long-term portion of the liability is recorded as a component of the other long-term liabilities. The District recognizes allocated claim adjustment expenses as a provision charged to operations in the period incurred. The IBNR (incurred but not reported) estimated costs for the dental and vision program are calculated by the administrator, Combined Benefits Administrators LLC, using historical trends.

The District carries deductibles of \$100,000 for property damage, business interruption, loss of rental revenue, terminal operators and wharfinger’s liability, and general and property liability insurance. The District carries a deductible of \$1,000,000 for flood insurance, as a sublimit of its property insurance. The District carries a \$0 deductible for earthquake insurance.

There was no reduction in insurance coverage from the prior year. There have been no settlements in excess of insurance coverage in any of the past three years.

**STOCKTON PORT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14 – RISK MANAGEMENT PROGRAMS (CONTINUED)**

Changes in the liability for workers’ compensation and dental and vision are as follows for the years ended June 30, 2020 and 2021:

|                                     | <u>Compensation</u> | <u>Vision</u>    | <u>Total</u>      |
|-------------------------------------|---------------------|------------------|-------------------|
| Balance, July 1, 2019               | \$ 765,981          | \$ 112,734       | \$ 878,715        |
| Claims paid during the year         | (216,811)           | (81,682)         | (298,493)         |
| Net provision charged to operations | 22,131              | 49,960           | 72,091            |
| Balance, June 30, 2020              | <u>\$ 571,301</u>   | <u>\$ 81,012</u> | <u>\$ 652,313</u> |
| <br>                                |                     |                  |                   |
| Current portion                     | \$ 143,753          | \$ 81,012        | \$ 224,765        |
| Long-term portion                   | \$ 427,548          | \$ -             | \$ 427,548        |
| <br>                                |                     |                  |                   |
|                                     | <u>Compensation</u> | <u>Vision</u>    | <u>Total</u>      |
| Balance, July 1, 2020               | \$ 571,301          | \$ 81,012        | \$ 652,313        |
| Claims paid during the year         | (170,363)           | (112,621)        | (282,984)         |
| Net provision charged to operations | 213,481             | 93,991           | 307,472           |
| Balance, June 30, 2021              | <u>\$ 614,419</u>   | <u>\$ 62,382</u> | <u>\$ 676,801</u> |
| <br>                                |                     |                  |                   |
| Current portion                     | \$ 111,104          | \$ 62,382        | \$ 173,486        |
| Long-term portion                   | \$ 503,315          | \$ -             | \$ 503,315        |

**NOTE 15 – SUBSEQUENT EVENTS**

The District has been impacted by the continued effects of the world-wide coronavirus pandemic. The District continues to closely monitor its operations, liquidity, and capital resources and is actively working to minimize the current and future impacts of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the District’s financial position is not known.

**NOTE 16 – FUTURE GASB PRONOUNCEMENTS**

The GASB has issued the following pronouncements that have effective dates which may impact future financial statement presentation. The District has not determined the effect of the following Statements:

- GASB Statement No. 87 - *Leases*.
- GASB Statement No. 91 - *Conduit Debt Obligations*.
- GASB Statement No. 92 - *Omnibus 2020*.
- GASB Statement No. 93 - *Replacement of Interbank Offered Rates*.
- GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*.



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# Required Supplementary Information



Port of Stockton  
Stockton, California

**STOCKTON PORT DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN YEARS\***

|   | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Total OPEB Liability (beginning of year)</b>                         | \$ 1,864,348        | \$ 1,501,366        | \$ 1,446,604        | \$ 1,493,000        |
| Changes for the year:   |                     |                     |                     |                     |
| Service cost  | 118,074             | 89,269              | 92,729              | 107,000             |
| Interest  | 68,946              | 61,061              | 54,686              | 46,000              |
| Actual vs. Expected experience  | -                   | 144,717             | -                   | -                   |
| Assumption changes  | 442,697             | 93,611              | (69,075)            | (180,000)           |
| Benefit payments  | (25,066)            | (25,676)            | (23,578)            | (19,396)            |
| <b>Net Changes</b>  | <u>604,651</u>      | <u>362,982</u>      | <u>54,762</u>       | <u>(46,396)</u>     |
| <b>Total OPEB Liability (end of year)</b>                               | <u>\$ 2,468,999</u> | <u>\$ 1,864,348</u> | <u>\$ 1,501,366</u> | <u>\$ 1,446,604</u> |
| <b>Covered employee payroll</b>   | \$ 8,511,813        | \$ 8,186,503        | \$ 7,660,642        | \$ 6,849,000        |
| <b>Total OPEB Liability as a percentage of covered employee payroll</b> | 29.0%               | 22.8%               | 19.6%               | 21.1%               |
| <b>Measurement Date:</b>  | June 30, 2020       | June 30, 2019       | June 30, 2018       | June 30, 2017       |

Notes:

- 1) Funding Policy: The District funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.
- 2) \* Fiscal year 2018 was the first year of the implementation GASB 75; therefore, only four years are presented.



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# Supplementary Information



Port of Stockton  
Stockton, California

**Outstanding Construction in Progress Detail  
June 30, 2021**

| <u>Project Description</u>                                | <u>Balance</u>       |
|---|----------------------|
| Annual Maintenance Dredging                               | \$ 28,235            |
| Berth Improvements  | 79,851               |
| Cyber Security  | 6,974                |
| Dredge the Deep Water Channel to 40 FT                    | 4,363,900            |
| Dredging Docks 6-9  | 1,082                |
| Dredging Rough & Ready Island                             | 1,672                |
| ECM Software Platform                                     | 216,510              |
| Fiber Network Replacement                                 | 50,106               |
| Firefighting System Improvements                          | 150,969              |
| Fireline Upgrade  | 23,870               |
| Fyffe Avenue Grade Separation                             | 11,698,551           |
| Infrastructure Improvements - Rail/Sewer/Water            | 711,684              |
| Lindley House Improvements                                | 274,386              |
| McCloy/Hooper Road Improvements                           | 21,479               |
| Police Boat Launch  | 59,082               |
| RMS System Implementation                                 | 7,808                |
| Safe Drain  | 17,981               |
| San Joaquin River Rail Bridge Replacement                 | 302,479              |
| Sanitary Sewer System - West Complex                      | 1,237,988            |
| South Ditch Upgrade                                       | 357,586              |
| Storm Water Drain Vaults                                  | 219,942              |
| West Complex Utility Improvements                         | 1,009,216            |
| ZANZEFF Electric Equipment and Infrastructure             | 2,748,881            |
| Zero-Emission Cargo Handling Equipment and Infrastructure | 48,894               |
| Total Outstanding Construction in Progress                | <u>\$ 23,639,126</u> |



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# Statistical Section



Port of Stockton  
Stockton, California

# Stockton Port District

## Statistical Section

The Statistical Section provides detail information for prior year's information as a context for understanding the financial statements, note disclosures, and the required supplementary information. The information is presented in these categories:

|  | <b>Page</b>  |
|--|--------------|
| <b>Financial Trends</b>  | <b>37-40</b> |
| These schedules contain trend information to help the reader understand how the Port's financial performance and well being have changed over time.                                  |              |
| <b>Revenue Capacity</b>  | <b>41-43</b> |
| These schedules contain information to help the reader assess the factors affecting the Port's ability to generate revenue.  |              |
| <b>Debt Capacity</b>   | <b>44-47</b> |
| These schedules present information to help the reader to assess the affordability of the Port's current levels of outstanding debt and the Port's ability to issue additional debt. |              |
| <b>Demographics and Economic Information</b>   | <b>48-49</b> |
| These schedules offer demographic and economic information to help the reader understand the environment within which the Port operates.   |              |
| <b>Operating Information</b>   | <b>50-52</b> |
| These schedules present information to help the reader understand about the Port's operations and activities   |              |

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

**STOCKTON PORT DISTRICT**  
**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2012-2021**

| <b>Operating Revenues:</b>                           | <b>2021</b>        | <b>2020</b>       | <b>2019</b>       |
|--|--------------------|-------------------|-------------------|
| General Cargo  | \$6,748,328        | \$5,528,963       | \$6,853,621       |
| Bulk Cargo   | 21,399,602         | 18,250,123        | 19,907,891        |
| Property Management                                  | 24,697,710         | 28,044,806        | 27,903,036        |
| Other  | 475,464            | 355,837           | 332,699           |
| <b>Total Operating Income:</b>                       | <b>53,321,104</b>  | <b>52,179,729</b> | <b>54,997,247</b> |
| <b>Operating Expenses (5):</b>                       |                    |                   |                   |
| Wages and Fringe Benefits                            | 17,528,059         | 15,987,201        | 14,960,622        |
| Wages & Salaries                                     |                    |                   |                   |
| Fringe Benefits                                      |                    |                   |                   |
| Contracted Stevedoring                               | 5,188,515          | 4,304,656         | 4,826,440         |
| Environmental Compliance                             | 5,869,525          | 3,586,734         | 3,314,992         |
| Outside Services and Consultants                     | 3,542,899          | 2,892,779         | 2,875,604         |
| Utilities  | 3,910,538          | 3,987,773         | 3,603,157         |
| Business Insurance                                   | 1,474,738          | 1,179,889         | 1,154,783         |
| Other Operating Costs                                | 4,561,155          | 4,824,936         | 5,338,972         |
| Depreciation Expense                                 | 12,053,440         | 11,689,381        | 10,861,182        |
| <b>Total Operating Expenses</b>                      | <b>54,128,869</b>  | <b>48,453,349</b> | <b>46,935,752</b> |
| <b>Operating Income (Loss)</b>                       | <b>(807,765)</b>   | <b>3,726,380</b>  | <b>8,061,495</b>  |
| <b>Non-operating Income/(Expense) (5):</b>           |                    |                   |                   |
| Interest Income and Other Nonoperating Income        | 310,547            | 763,084           | 851,365           |
| Interest Expense                                     | (1,285,862)        | (1,518,769)       | (637,920)         |
| Other expense  | (174,568)          | (55,074)          | (87,099)          |
| Gain/(loss) on sale of capital assets                | 14,110             | (853)             | 662               |
| <b>Total Non-Operating Income/(Expense)</b>          | <b>(1,135,773)</b> | <b>(811,612)</b>  | <b>127,008</b>    |
| Income before capital contributions                  | (1,943,538)        | 2,914,768         | 8,188,503         |
| Net Contributed Capital/Grants (1)                   | 12,037,768         | 7,009,893         | 11,565,276        |
| Special Item - loss on disposal of capital asset (2) | -                  | -                 | (9,173,934)       |
| Extraordinary Item (3)                               | -                  | -                 | -                 |
| Change in Net Position                               | 10,094,230         | 9,924,661         | 10,579,845        |

(1) Property received from the Navy (GASB 33), TSA Security Grants, & DOT, and other agencies.

(2) Transfer equipment to The United States Maritime Administration.

(3) Transfer property to the State of California as part of a cooperative agreement.

(4) For years ending June 30, 2013 and 2012, figures have been restated for the implementation of GASB No. 65.

(5) Beginning with year ended June 30, 2018, the presentation of several revenue and expense categories are presented to be in line with the presentation of the Statement of Revenues, Expense, and Changes in Net Position found in the Financial Section. The presentation changes are as follows:

1. Wages, salaries and fringe benefit expense have been consolidated.
2. Other Operating Costs have been broken out into various categories for more transparency. These categories include; contracted stevedoring, environmental compliance, outside services and consultants, utilities, and business insurance.
3. Interest expense has been separated from other non-operating expenses.

**STOCKTON PORT DISTRICT**  
**SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2012-2021**

| <b>2018</b>       | <b>2017</b>        | <b>2016</b>       | <b>2015</b>        | <b>2014</b>        | <b>2013 (4)</b>    | <b>2012 (4)</b>    |
|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| \$7,939,378       | \$10,120,217       | \$11,448,484      | \$10,087,982       | \$8,843,812        | \$4,449,401        | \$5,141,314        |
| 22,022,538        | 16,921,173         | 16,135,872        | 19,126,590         | 14,818,538         | 11,903,058         | 12,740,124         |
| 25,804,740        | 24,492,674         | 25,028,624        | 23,482,150         | 21,304,283         | 19,094,503         | 17,371,325         |
| <u>283,538</u>    | <u>238,205</u>     | <u>200,416</u>    | <u>255,605</u>     | <u>272,452</u>     | <u>405,354</u>     | <u>281,861</u>     |
| <u>56,050,194</u> | <u>51,772,269</u>  | <u>52,813,396</u> | <u>52,952,327</u>  | <u>45,239,085</u>  | <u>35,852,316</u>  | <u>35,534,624</u>  |
| 14,558,412        |                    |                   |                    |                    |                    |                    |
|                   | 9,046,433          | 9,099,440         | 8,537,158          | 8,126,540          | 7,776,478          | 7,276,773          |
|                   | 4,815,596          | 7,370,723         | 4,302,521          | 4,315,615          | 4,410,806          | 3,857,047          |
| 5,528,628         |                    |                   |                    |                    |                    |                    |
| 1,869,650         |                    |                   |                    |                    |                    |                    |
| 2,713,029         |                    |                   |                    |                    |                    |                    |
| 3,906,296         |                    |                   |                    |                    |                    |                    |
| 1,112,813         |                    |                   |                    |                    |                    |                    |
| 5,614,788         | 21,160,161         | 22,685,348        | 19,354,337         | 26,211,766         | 14,903,101         | 12,814,719         |
| <u>10,832,224</u> | <u>10,722,572</u>  | <u>9,718,388</u>  | <u>8,779,800</u>   | <u>7,296,119</u>   | <u>5,809,644</u>   | <u>5,245,878</u>   |
| <u>46,135,840</u> | <u>45,744,762</u>  | <u>48,873,899</u> | <u>40,973,816</u>  | <u>45,950,040</u>  | <u>32,900,029</u>  | <u>29,194,417</u>  |
| <u>9,914,354</u>  | <u>6,027,507</u>   | <u>3,939,497</u>  | <u>11,978,511</u>  | <u>(710,955)</u>   | <u>2,952,287</u>   | <u>6,340,207</u>   |
| 442,911           | 240,192            | 147,250           | 128,660            | 60,797             | 239,228            | 117,333            |
| (1,059,587)       | (1,373,031)        | (941,859)         | (1,538,276)        | (1,395,914)        | (1,638,407)        | (2,174,516)        |
| (32,208)          | -                  | -                 | -                  | -                  | -                  | -                  |
| <u>7,919</u>      | <u>-</u>           | <u>-</u>          | <u>-</u>           | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <u>(640,965)</u>  | <u>(1,132,839)</u> | <u>(794,609)</u>  | <u>(1,409,616)</u> | <u>(1,335,117)</u> | <u>(1,399,179)</u> | <u>(2,057,183)</u> |
| <u>9,273,389</u>  | <u>4,894,668</u>   | <u>3,144,888</u>  | <u>10,568,895</u>  | <u>(2,046,072)</u> | <u>1,553,108</u>   | <u>4,283,024</u>   |
| 14,925,472        | 2,905,067          | 7,168,892         | 5,927,608          | 4,544,860          | 7,365,696          | 30,883,716         |
| -                 | -                  | -                 | -                  | -                  | -                  | -                  |
| <u>-</u>          | <u>-</u>           | <u>-</u>          | <u>(2,027,755)</u> | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <u>24,198,861</u> | <u>7,799,736</u>   | <u>10,313,780</u> | <u>14,468,748</u>  | <u>2,498,788</u>   | <u>8,918,804</u>   | <u>35,166,740</u>  |

**STOCKTON PORT DISTRICT**  
**NET POSITION BY COMPONENT**  
**JUNE 30, 2012-2021**

|                                  | <b>2021</b>          | <b>2020</b>          | <b>2019</b>          | <b>2018</b>          |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Port Enterprise Activity:</b> |                      |                      |                      |                      |
| Net investment in capital assets | \$181,225,749        | \$165,843,344        | \$158,088,406        | \$149,733,514        |
| Restricted                       | 41,044               | 32,219               | 83,016               | 44,634               |
| Unrestricted                     | 30,823,054           | 36,120,054           | 33,899,534           | 31,712,963           |
| <br>                             |                      |                      |                      |                      |
| Total Port Net Position          | <u>\$212,089,847</u> | <u>\$201,995,617</u> | <u>\$192,070,956</u> | <u>\$181,491,111</u> |

(1) For years ended June 30, 2013 and 2012 the Port net position categories have been restated for the implementation of GASB No. 65.

**STOCKTON PORT DISTRICT**  
**NET POSITION BY COMPONENT (CONTINUED)**  
**JUNE 30, 2012-2021**

| 2017          | 2016          | 2015          | 2014          | 2013 (1)      | 2012 (1)      |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$133,915,418 | \$135,125,010 | \$125,605,810 | \$121,518,585 | \$116,014,163 | \$109,293,784 |
| 54,963        | 85,046        | 108,409       | 151,928       | 97,626        | 63,657        |
| 23,951,997    | 14,912,586    | 14,094,644    | 3,669,602     | 6,729,538     | 4,565,082     |
| \$157,922,378 | \$150,122,642 | \$139,808,863 | \$125,340,115 | \$122,841,327 | \$113,922,523 |



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**STOCKTON PORT DISTRICT**  
**PRINCIPAL CUSTOMERS**  
**FOR THE YEAR ENDED JUNE 30, 2021 AND 2012**

| <b>2021</b>   |                     | <b>2012</b>              |                     |
|---|---------------------|--------------------------|---------------------|
| <b>Customer Name</b>  | <b>Revenue</b>      | <b>Customer Name</b>     | <b>Revenue</b>      |
| General Steamship Corp  | \$3,768,948         | Metropolitan Stevedoring | \$3,284,540         |
| Metropolitan Stevedoring  | 3,278,865           | Ferguson Enterprises     | 2,401,994           |
| Calaveras/Lehigh Southwest Cement                                 | 3,177,596           | General Steamship        | 2,342,458           |
| SQM North America   | 2,679,665           | SQM North America        | 1,759,611           |
| Yara North America  | 2,132,762           | Transmarine Navigation   | 1,491,386           |
| Ferguson Enterprises  | 2,047,570           | Yara North America       | 1,402,625           |
| MHX LLC   | 1,986,242           | California Ammonia       | 1,100,541           |
| Transmarine Navigation  | 1,838,369           | Best Logistics           | 985,872             |
| American River Ag, Inc.   | 1,733,856           | Westway Trading          | 791,220             |
| Best Logistics  | 1,658,638           | Lowes                    | 743,333             |
| <b>Total</b>  | <b>\$24,302,511</b> | <b>Total</b>             | <b>\$16,303,580</b> |
| <b>Total of the ten principal customers</b>                       | <b>\$24,302,511</b> |                          | <b>\$16,303,580</b> |
| <b>Nonoperating income and capital contributions</b>              | <b>12,362,425</b>   |                          | <b>\$31,001,049</b> |
| <b>Total operating revenue</b>                                    | <b>\$53,321,104</b> |                          | <b>\$35,534,624</b> |
| <b>Percent of total revenue (for the ten principal customers)</b> | <b>37.0%</b>        |                          | <b>24.5%</b>        |
| <b>Percent of total revenue (for the nonoperating revenue)</b>    | <b>18.8%</b>        |                          | <b>46.6%</b>        |
| <b>Percent of total revenue (for all other customers)</b>         | <b>44.2%</b>        |                          | <b>28.9%</b>        |

Source: Port of Stockton Finance Department

# STOCKTON PORT DISTRICT

## SUMMARY OF REVENUES AND REVENUE TONNAGE TRENDS FOR THE YEAR ENDED JUNE 30, 2012-2021

| <b>Operating Revenues:</b>            | <b>2021</b>         | <b>2020</b>         | <b>2019</b>         | <b>2018</b>         |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Cargo                         | \$6,748,328         | \$5,528,963         | \$6,853,621         | \$7,939,378         |
| Bulk Cargo                            | 21,399,602          | 18,250,123          | 19,907,891          | 22,022,538          |
| Property Management                   | 24,697,710          | 28,044,806          | 27,903,036          | 25,804,740          |
| Other                                 | <u>475,464</u>      | <u>355,837</u>      | <u>332,699</u>      | <u>283,538</u>      |
| <b>Total Operating Revenue</b>        | <b>\$53,321,104</b> | <b>\$52,179,729</b> | <b>\$54,997,247</b> | <b>\$56,050,194</b> |
| <br>                                  |                     |                     |                     |                     |
| <b>Metric Revenue Tonnages:</b>       |                     |                     |                     |                     |
| General Cargo                         | 258,527             | 215,285             | 305,115             | 336,356             |
| Bulk Cargo                            | <u>3,974,380</u>    | <u>3,351,753</u>    | <u>3,916,805</u>    | <u>4,250,347</u>    |
| <b>Total Waterborne Tonnages:</b>     | <b>4,232,907</b>    | <b>3,567,038</b>    | <b>4,221,920</b>    | <b>4,586,703</b>    |
| Total Non-vessel Cargo                | 2,468,511           | 2,462,194           | 2,566,912           | 2,482,015           |
| Harbor Cargos, etc.                   | <u>411,570</u>      | <u>372,209</u>      | <u>411,693</u>      | <u>360,554</u>      |
| <b>Total Metric Revenue Tonnages:</b> | <b>7,112,988</b>    | <b>6,401,441</b>    | <b>7,200,525</b>    | <b>7,429,272</b>    |
| <br>                                  |                     |                     |                     |                     |
| <b>Barge Traffic Marine Highway</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |

Source: Port of Stockton Finance Department

**STOCKTON PORT DISTRICT**  
**SUMMARY OF REVENUES AND REVENUE TONNAGE TRENDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2012-2021**

| 2017                | 2016                | 2015                | 2014                | 2013                | 2012                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$10,120,217        | \$11,448,484        | \$10,087,982        | \$8,843,812         | \$4,449,401         | \$5,141,314         |
| 16,921,173          | 16,135,872          | 19,126,590          | 14,818,538          | 11,903,058          | 12,740,124          |
| 24,492,674          | 25,028,624          | 23,482,150          | 21,304,283          | 19,094,503          | 17,371,325          |
| <u>238,205</u>      | <u>200,416</u>      | <u>255,605</u>      | <u>272,452</u>      | <u>405,354</u>      | <u>281,861</u>      |
| <u>\$51,772,269</u> | <u>\$52,813,396</u> | <u>\$52,952,327</u> | <u>\$45,239,085</u> | <u>\$35,852,316</u> | <u>\$35,534,624</u> |
| 466,396             | 542,313             | 345,769             | 240,955             | 143,835             | 184,386             |
| <u>3,262,218</u>    | <u>2,747,720</u>    | <u>3,602,330</u>    | <u>2,610,778</u>    | <u>1,950,935</u>    | <u>2,467,767</u>    |
| 3,728,614           | 3,290,033           | 3,948,099           | 2,851,733           | 2,094,770           | 2,652,153           |
| 2,461,639           | 2,584,914           | 2,449,912           | 2,341,115           | 2,166,766           | 2,099,213           |
| 413,068             | 378,373             | 547,716             | 688,672             | 616,102             | 340,667             |
| <u>6,603,321</u>    | <u>6,253,320</u>    | <u>6,945,727</u>    | <u>5,881,520</u>    | <u>4,877,638</u>    | <u>5,092,033</u>    |
| -                   | -                   | 1,214               | 5,175               | 156                 | -                   |

**STOCKTON PORT DISTRICT**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN YEARS**

|  | 2021             | 2020             | 2019             | 2018             |
|--|------------------|------------------|------------------|------------------|
| Total Assessed Valuation (1)                       | \$32,613,801,255 | \$30,941,987,574 | \$29,316,119,510 | \$28,239,330,561 |
| Debt Limit 3% of Assessed Value (2)                | 978,414,038      | 928,259,627      | 879,483,585      | 847,179,917      |
| Amount of Applicable to Debt Limit:                |                  |                  |                  |                  |
| Total Bond Debt                                    | 35,281,871       | 37,845,889       | 40,380,708       | 42,854,456       |
| less: Restricted Funds for<br>Service Requirements | -                | -                | -                | -                |
| Total Debt Applicable to Debt Limit                | 35,281,871       | 37,845,889       | 40,380,708       | 42,854,456       |
| Legal Debt Margin                                  | \$943,132,167    | \$890,413,738    | \$839,102,877    | \$804,325,461    |

Sources:

- (1) San Joaquin County Auditor/Controller's Office
- (2) Harbor and Navigation Code, State of California, Section no. 6350.

**STOCKTON PORT DISTRICT**  
**COMPUTATION OF LEGAL DEBT MARGIN (CONTINUED)**  
**LAST TEN YEARS**

| <b>2017</b>      | <b>2016</b>      | <b>2015</b>      | <b>2014</b>      | <b>2013</b>      | <b>2012</b>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$26,982,451,650 | \$25,602,688,763 | \$25,715,265,481 | \$21,742,926,946 | \$19,308,640,511 | \$18,243,512,468 |
| 809,473,550      | 768,080,663      | 771,457,964      | 652,287,808      | 579,259,215      | 547,305,374      |
| 45,933,312       | 43,968,104       | 37,764,101       | 39,679,357       | 41,535,876       | 42,499,818       |
| 1,050,000        | 1,215,000        | 1,155,000        | 1,100,000        | 1,040,000        | 1,225,000        |
| 44,883,312       | 42,753,104       | 36,609,101       | 38,579,357       | 40,495,876       | 41,274,818       |
| \$764,590,238    | \$725,327,559    | \$734,848,863    | \$613,708,451    | \$538,763,339    | \$506,030,556    |

**STOCKTON PORT DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**JUNE 30, 2012 THROUGH 2021**

| Year     | Revenue Bonds &<br>Installment Agreements | Notes<br>Payable | Total Debt<br>Obligations | Percent of<br>Personal<br>Income (1) | Debt Per<br>Capita (1) |
|----------|---|------------------|---------------------------|--------------------------------------|------------------------|
| 2012     | \$42,499,818                              | \$2,960,028      | \$45,459,846              | 0.2%                                 | 64                     |
| 2013 (2) | 41,535,876                                | 3,344,696        | 44,880,572                | 0.2%                                 | 63                     |
| 2014     | 39,679,357                                | 2,724,860        | 42,404,217                | 0.2%                                 | 60                     |
| 2015     | 37,764,101                                | 2,098,062        | 39,862,163                | 0.1%                                 | 55                     |
| 2016 (3) | 35,766,104                                | 9,590,749        | 45,356,853                | 0.2%                                 | 61                     |
| 2017 (4) | 37,829,977                                | 8,666,438        | 46,496,415                | 0.2%                                 | 63                     |
| 2018     | 35,004,683                                | 9,218,272        | 44,222,955                | 0.1%                                 | 58                     |
| 2019     | 32,797,309                                | 8,501,688        | 41,298,997                | 0.1%                                 | 54                     |
| 2020     | 30,542,321                                | 7,789,879        | 38,332,200                | 0.1%                                 | 50                     |
| 2021     | 28,234,169                                | 7,047,702        | 35,281,871                | n/a                                  | n/a                    |

Notes:

- (1) See page 49 for personal income and population data. 2021 information not available at time of financial statement issuance.
- (2) The Port refunded the 2001 Bonds and have an installment loan with Compass Bank. The 2001 Bonds (\$8.3 million) were redeemed on March 25, 2013.
- (3) The Port secured a \$8.2 million loan with Western Alliance Bank for infrastructure improvements in June 2016.
- (4) The District issued the 2016 bonds to refund the 2002 CIEDB loan agreement, the 2007 B bonds and secure an additional \$5.0 million for capital projects..

**STOCKTON PORT DISTRICT**  
**REVENUE BOND COVERAGE**  
**FOR THE YEARS ENDED JUNE 30, 2012 THROUGH 2021**

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(Amounts expressed in thousands)

| Year                  | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements (3) |          |          | Coverage |
|-----------------------|--------------------|------------------------|--|-------------------------------|----------|----------|----------|
|                       |                    |                        |  | Principal                     | Interest | Total    |          |
| 2012, restated (5)    | \$ 35,625          | \$ 23,950              | \$ 11,675                              | \$ 1,453                      | \$ 1,906 | \$ 3,359 | 3.48     |
| 2013, restated (4)(5) | 35,927             | 27,011                 | 8,916                                  | 1,225                         | 2,254    | 3,479    | 2.56     |
| 2014                  | 45,273             | 38,677                 | 6,596                                  | 1,857                         | 1,595    | 3,452    | 1.91     |
| 2015                  | 52,994             | 32,336                 | 20,658                                 | 1,915                         | 1,512    | 3,427    | 6.03     |
| 2016 (6)              | 52,894             | 39,279                 | 13,615                                 | 1,996                         | 1,501    | 3,497    | 3.89     |
| 2017                  | 52,012             | 34,935                 | 17,077                                 | 2,179                         | 1,648    | 3,827    | 4.46     |
| 2018                  | 56,495             | 35,304                 | 21,191                                 | 2,995                         | 1,555    | 4,550    | 4.66     |
| 2019                  | 55,794             | 36,075                 | 19,719                                 | 2,390                         | 1,473    | 3,863    | 5.10     |
| 2020                  | 52,908             | 36,764                 | 16,144                                 | 2,451                         | 1,412    | 3,863    | 4.18     |
| 2021                  | 53,631             | 42,075                 | 11,556                                 | 2,518                         | 1,344    | 3,862    | 2.99     |

Notes:

- (1) Gross revenues include interest but excludes the contributed capital, sale of capital assets, and grant funds that were generated by donated property (GASB 33).
- (2) Operating expenses exclusive of depreciation and bond-related costs.
- (3) Includes principal and interest of revenue bonds and installment sales agreement only.
- (4) The Port refunded the 2001 Bonds and have an installment loan with Compass Bank. The 2001 Bonds ( \$8.3 million ) were redeemed on March 25, 2013.
- (5) Figures have been restated for the implementation of GASB No. 65
- (6) The District issued the 2016 bonds to refund the 2002 CIEDB loan agreement, the 2007 B bonds and secure \$5.0 million for capital projects.

**STOCKTON PORT DISTRICT**  
**DEMOGRAPHIC STATISTICS**  
**SAN JOAQUIN COUNTY**  
**LAST TEN YEARS**

| Year Ended | Population (1) | Personal Income (in millions)(1) | Per Capita Personal Income (1) | Labor Force (2) | Unemployment Rate (2) | School Enrollment (3) |
|------------|----------------|----------------------------------|--------------------------------|-----------------|-----------------------|-----------------------|
| 2012       | 706,000        | \$23,400                         | \$33,144                       | 308,300         | 14.8%                 | 137,058               |
| 2013       | 709,700        | 22,900                           | 32,300                         | 308,900         | 12.0%                 | 139,146               |
| 2014       | 709,300        | 24,700                           | 34,800                         | 300,100         | 10.5%                 | 141,720               |
| 2015       | 725,400        | 26,800                           | 37,000                         | 312,800         | 8.8%                  | 143,949               |
| 2016       | 738,700        | 28,700                           | 38,900                         | 323,200         | 8.3%                  | 145,760               |
| 2017       | 743,900        | 30,400                           | 40,800                         | 316,200         | 7.3%                  | 147,555               |
| 2018       | 756,800        | 32,400                           | 42,900                         | 327,400         | 6.0%                  | 148,948               |
| 2019       | 767,500        | 35,000                           | 45,600                         | 321,800         | 6.3%                  | 151,023               |
| 2020       | 773,600        | 38,400                           | 49,639                         | 323,800         | 14.7%                 | 152,350               |
| 2021       | n/a            | n/a                              | n/a                            | 332,400         | 9.0%                  | 151,179               |

Sources:

(1) University of the Pacific Business Forecasting Center. 2021 information not available at time of financial statement issuance.

(2) State of California - Department of Employment Development

(3) State of California - Department of Education

**STOCKTON PORT DISTRICT**  
**PORT OF STOCKTON EMPLOYEES**  
**BY DEPARTMENT**  
**LAST TEN YEARS**

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| Year<br>Ended | <u>Number of Employees by Department</u> |        |             |           | Total |
|---------------|--|--------|-------------|-----------|-------|
|               | Administration                           | Police | Maintenance | Warehouse |       |
| 2012          | 47                                       | 19     | 18          | 9         | 93    |
| 2013          | 48                                       | 18     | 20          | 10        | 96    |
| 2014          | 49                                       | 21     | 20          | 14        | 104   |
| 2015          | 57                                       | 21     | 19          | 18        | 115   |
| 2016          | 56                                       | 21     | 17          | 16        | 110   |
| 2017          | 52                                       | 21     | 17          | 17        | 107   |
| 2018          | 51                                       | 21     | 19          | 15        | 106   |
| 2019          | 53                                       | 24     | 20          | 16        | 113   |
| 2020          | 60                                       | 21     | 20          | 15        | 116   |
| 2021          | 60                                       | 20     | 18          | 16        | 114   |

Source: Port of Stockton Finance Department

**STOCKTON PORT DISTRICT**

## REVENUE TONNAGES

FOR THE YEARS ENDED JUNE 30, 2021 THROUGH 2012

| <b>Commodities</b>            | <b>2021</b>      | <b>2020</b>      | <b>2019</b>      | <b>2018</b>      |
|-------------------------------|------------------|------------------|------------------|------------------|
| <b>General Cargo:</b>         |                  |                  |                  |                  |
| Steel                         | 53,836           | 91,806           | 208,445          | 244,524          |
| Bagged Rice                   | 138,863          | 101,013          | 76,010           | 73,022           |
| Miscellaneous                 | 65,828           | 22,466           | 20,660           | 18,810           |
| <b>Total General Cargo</b>    | <b>258,527</b>   | <b>215,285</b>   | <b>305,115</b>   | <b>336,356</b>   |
| <b>Dry Bulk:</b>              |                  |                  |                  |                  |
| Sulfur                        | 121,435          | 223,968          | 229,085          | 270,244          |
| Fertilizer                    | 104,065          | 135,970          | 125,157          | 122,890          |
| Urea                          | 17,535           | 42,642           | 41,754           | 41,453           |
| Cement/Slag                   | 1,482,065        | 652,862          | 704,561          | 901,229          |
| Iron Ore                      | -                | -                | -                | -                |
| Low-Sulfur Coal               | 947,336          | 1,052,010        | 1,584,111        | 1,636,116        |
| Miscellaneous                 | 15,398           | 12,345           | 106,554          | 180,339          |
| <b>Liquid Bulk:</b>           |                  |                  |                  |                  |
| Ammonia                       | 122,793          | 124,928          | 158,314          | 133,412          |
| Fertilizer                    | 672,970          | 607,024          | 615,338          | 649,860          |
| Molasses                      | 111,149          | 142,875          | 171,216          | 138,653          |
| Food Grade Oil                | 202,810          | 223,855          | 179,810          | 175,205          |
| Sulfuric Acid                 | 176,089          | 132,554          | -                | -                |
| Bunker Fuel                   | 735              | 720              | 905              | 946              |
| <b>Total Bulk Cargo</b>       | <b>3,974,380</b> | <b>3,351,753</b> | <b>3,916,805</b> | <b>4,250,347</b> |
| <b>Total Vessel Tons</b>      | <b>4,232,907</b> | <b>3,567,038</b> | <b>4,221,920</b> | <b>4,586,703</b> |
| <b>Overland Cargo:</b>        |                  |                  |                  |                  |
| General Cargo                 | 9,008            | 16,569           | 10,597           | -                |
| Liquid Bulk                   | 2,459,503        | 2,445,625        | 2,556,315        | 2,482,015        |
| <b>Total Non-vessel Cargo</b> | <b>2,468,511</b> | <b>2,462,194</b> | <b>2,566,912</b> | <b>2,482,015</b> |
| <b>Harbor Cargos, etc.</b>    | <b>411,570</b>   | <b>372,209</b>   | <b>411,693</b>   | <b>360,554</b>   |
| <b>Grand Total</b>            | <b>7,112,988</b> | <b>6,401,441</b> | <b>7,200,525</b> | <b>7,429,272</b> |
| <b>Barged Containers (1)</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         |

(1) The District began the Marine Highway barge service in June 2013 and was suspended August 2015

**STOCKTON PORT DISTRICT**  
**REVENUE TONNAGES (CONTINUED)**  
**FOR THE YEARS ENDED JUNE 30, 2021 THROUGH 2012**

| <b>2017</b>      | <b>2016</b>      | <b>2015</b>      | <b>2014</b>      | <b>2013</b>      | <b>2012</b>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 323,142          | 274,286          | 259,142          | 152,198          | 57,374           | 47,222           |
| 126,995          | 230,288          | 52,911           | 71,289           | 58,986           | 89,353           |
| 16,259           | 37,739           | 33,716           | 17,468           | 27,474           | 47,811           |
| <u>466,396</u>   | <u>542,313</u>   | <u>345,769</u>   | <u>240,955</u>   | <u>143,834</u>   | <u>184,386</u>   |
| 208,167          | 181,711          | 202,269          | 260,021          | 186,827          | 245,683          |
| 79,963           | 108,100          | 114,965          | 80,672           | 104,370          | 114,027          |
| 41,250           | 56,768           | 72,646           | 72,872           | 99,888           | 55,440           |
| 651,858          | 457,136          | 206,451          | 91,000           | 76,000           | 94,050           |
| -                | -                | -                | -                | 237,098          | 1,024,877        |
| 1,044,805        | 642,253          | 1,821,796        | 1,258,616        | 238,468          | 60,695           |
| 192,140          | 222,102          | 179,362          | 97,843           | 57,603           | 42,976           |
| 133,528          | 154,712          | 172,592          | 146,135          | 187,147          | 181,212          |
| 603,093          | 572,514          | 541,706          | 345,180          | 516,362          | 435,495          |
| 117,254          | 207,586          | 195,650          | 203,529          | 246,170          | 212,112          |
| 189,567          | 143,645          | 93,301           | 53,936           | -                | -                |
| -                | -                | -                | -                | -                | -                |
| 593              | 1,193            | 1,592            | 974              | 1,003            | 1,200            |
| <u>3,262,218</u> | <u>2,747,720</u> | <u>3,602,330</u> | <u>2,610,778</u> | <u>1,950,935</u> | <u>2,467,767</u> |
| <u>3,728,614</u> | <u>3,290,033</u> | <u>3,948,099</u> | <u>2,851,733</u> | <u>2,094,769</u> | <u>2,652,153</u> |
| -                | -                | -                | -                | -                | -                |
| <u>2,461,639</u> | <u>2,584,914</u> | <u>2,449,912</u> | <u>2,341,115</u> | <u>2,169,282</u> | <u>2,099,213</u> |
| <u>2,461,639</u> | <u>2,584,914</u> | <u>2,449,912</u> | <u>2,341,115</u> | <u>2,169,282</u> | <u>2,099,213</u> |
| <u>413,068</u>   | <u>378,373</u>   | <u>547,716</u>   | <u>688,672</u>   | <u>616,102</u>   | <u>340,667</u>   |
| <u>6,603,321</u> | <u>6,253,320</u> | <u>6,945,727</u> | <u>5,881,520</u> | <u>4,880,153</u> | <u>5,092,033</u> |
| -                | -                | 1,214            | 5,175            | 156              | -                |

**STOCKTON PORT DISTRICT**  
**PORT OF STOCKTON CAPITAL ASSETS**  
**BY ASSET TYPE**  
**LAST TEN YEARS**

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| Year Ended | Office Buildings | Warehouses & Transit Sheds | Other Buildings (1) | Emergency Vehicles | Other Vehicles | Heavy Equipment |
|------------|------------------|----------------------------|---------------------|--------------------|----------------|-----------------|
| 2012       | 14               | 56                         | 47                  | 14                 | 58             | 87              |
| 2013       | 14               | 56                         | 48                  | 13                 | 66             | 97              |
| 2014       | 14               | 56                         | 58                  | 20                 | 73             | 98              |
| 2015       | 14               | 56                         | 58                  | 13                 | 67             | 99              |
| 2016       | 14               | 57                         | 58                  | 13                 | 68             | 101             |
| 2017       | 14               | 57                         | 60                  | 13                 | 71             | 101             |
| 2018       | 14               | 58                         | 60                  | 13                 | 80             | 102             |
| 2019       | 14               | 58                         | 60                  | 13                 | 83             | 98              |
| 2020       | 14               | 58                         | 61                  | 17                 | 86             | 103             |
| 2021       | 15               | 58                         | 61                  | 13                 | 75             | 122             |

Source: Stockton Port District Finance Department

(1) Includes manufactured buildings



## Port of Stockton

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