Comprehensive Annual Financial Report

For the Years Ended June 30, 2017 and 2016

Port of Stockton
Stockton, California

Comprehensive Annual Financial Report

For the Years Ended June 30, 2017 and 2016

Port of Stockton
P.O. Box 2089
Stockton, CA 95201

Prepared by
The Finance and Administration Department

Stockton Port District
Comprehensive Annual Financial Report
Table of Contents
For the Years Ended June 30, 2017 and 2016

Introductory Section

Port of Stockton
Stockton, California

PORT OF STOCKTON

Phone: (209) 946-0246

Fax: (209) 465-7244

December 18, 2017

Mr. Richard Aschieris
Port Director
Stockton Port District
P.O. Box 2089
Stockton, CA 95201

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

The Comprehensive Annual Financial Report for the Stockton Port District (District), for the years ended June 30, 2017 and 2016, 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 Comprehensive Annual 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 enterprise, its entire operations are accounted for on an accrual basis in a single proprietary fund and receives no tax dollars. 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, Macias Gini & O'Connell LLP. The auditors provide reasonable assurance that the financial data is fairly stated and also review the accounting system and procedures.

Post Office Box 2089 ● Stockton, CA ● 95201-2089 ● E-mail: portmail@stocktonport.com
Administration Office: 2201 West Washington Street ● Stockton, CA ● 95203 ● Web Page: www.portofstockton.com

Government Profile

The District is a special governmental district 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, containers, and project cargos. Some of the commodities handled at the District include steel products, rice, cement and slag, sulfur, 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

The San Joaquin County (County) economic activity over the past several years had slowed with the decline in the construction and housing industry, but this year most sector indicators have started to show positive trends except the federal government sector. The County has a population of approximately 743,900 people, which is expected to grow 1.4% in 2017. The Employment Development Department of California states that the County has a labor force of 316,200 with a current unemployment rate of 7.3%. The Eberhardt School of Business Forecasting Center at the University of the Pacific (UOP) is predicting that unemployment will continue to range between 6.9% and 7.2% through 2020. UOP is anticipating job growth in the construction and mining sectors, trade, transportation, utilities, and the education and health services sectors with decreasing job numbers in the information sectors and federal government sectors. The change in the Informational and Federal sector job markets is anticipated to decrease 4.0% and 1.8%, respectively. The personal income growth is expected to increase at a rate of 4.9% for 2018.

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 787,015 acres of farmland in 2014. The gross value from the county's agricultural products in 2016 was approximately $2.3 billion. 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 grapes, milk, almonds, walnuts, cattle, and tomatoes.

The County does enjoy 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 shipper's 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, 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 hybrid of public entity and 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 bond debt for infrastructure projects. The District has a total of $46.5 million in outstanding bonds, loans and capital lease 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 Financial Notes from management.

Relevant Financial Policies

The Board has established financial policies that 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 utilized $2.9 million this year in grant funds for infrastructure improvements, which included the homeland security projects, dredging, and the Navy Drive Bridge and widening project. These capital projects were funded by federal and state grants. All of these improvements have added value to the District and the community in terms of business opportunities and new jobs.

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 comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the eleventh 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 comprehensive annual 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 comprehensive annual 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 Finance Department. Thanks and appreciation are also extended to the firm of Macias Gini & O'Connell LLP, CPAs, for their professional approach and high standards in the conduct of their independent audit of the report. We would also like to thank the 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,

Dianna L. Baker
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Stockton Port District

California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Back:
Gary Christopherson, Commissioner;
Sylvester C. Aguilar, Commissioner;
Stephen Griffen, Commissioner
Michael Patrick Duffy, Vice Chairman

Front:
R. Jay Allen, Commissioner;
Victor Mow, Commissioner;
Elizabeth Blanchard, Chairman;
Richard Aschieris, Port Director.

Board of Commissioners

Elizabeth Blanchard
Chairman

Michael Patrick Duffy
Vice Chairman

Sylvester C. Aguilar
Commissioner

R. Jay Allen
Commissioner

Gary Christopherson
Commissioner

Stephen Griffen
Commissioner

Victor Mow
Commissioner

Port Staff

Richard Aschieris
Port Director

Steven Escobar
Deputy Port Director of
Real Estate & Port Development

Dianna L. Baker
Director of Finance

Jason Katindoy
Director of Maritime Operations

George Lerner
Director of Homeland Security

Jeff Wingfield
Director of Environmental &
Regulatory Affairs

Michelle R. Bowling
Controller/Internal Audit
Manager

Debbie Calli
Properties Manager

Russ Nicholas
Telecomm Manager

Steve Cookerly
Maintenance Superintendent

Pete Grossgart
Marketing Manager

Katie Miller
Human Resources Manager

Chris Mountjoy
Operations Manager

Ricardo Navarro
Maintenance Superintendent

Melanie Rodriguez
Interim Assistant to the
Director/ Secretary to the
Board

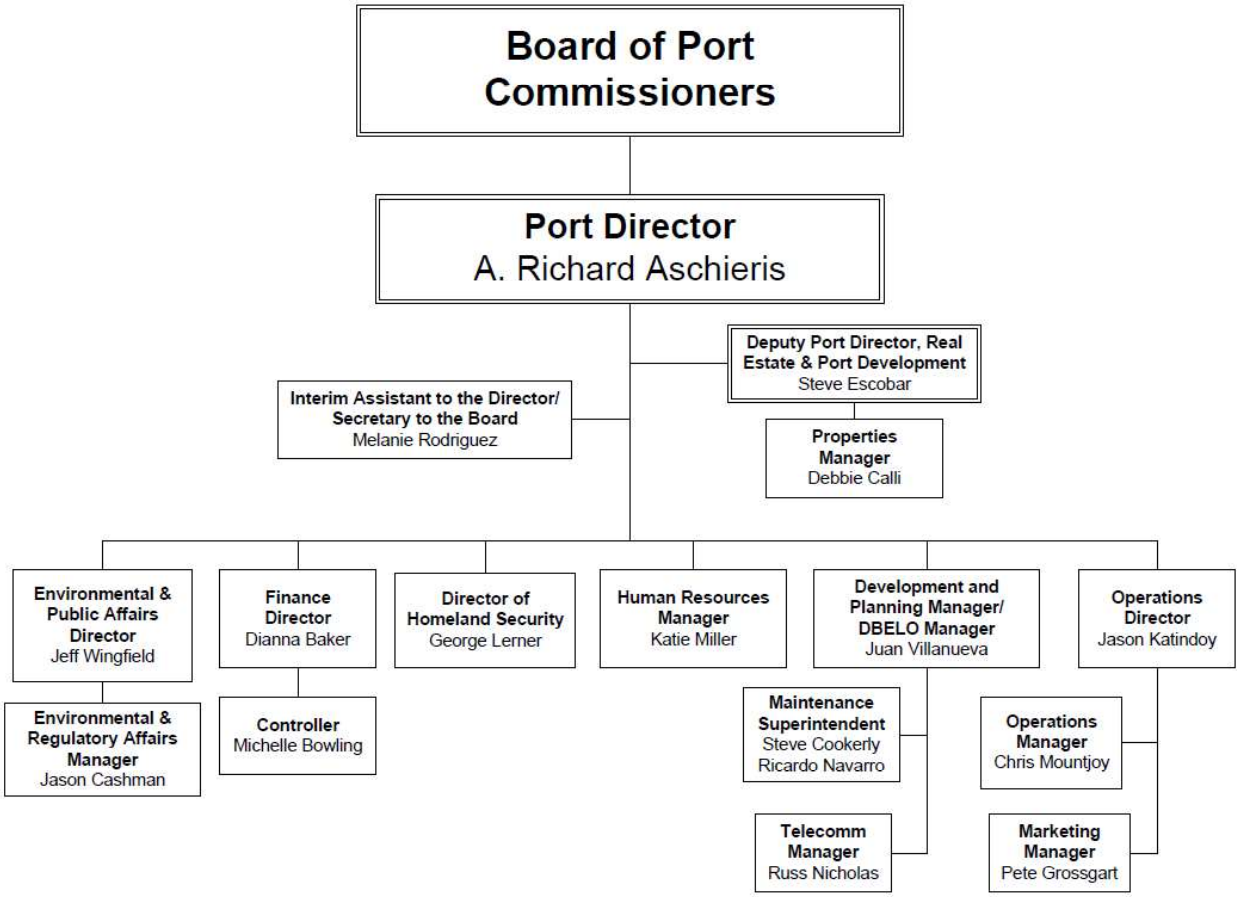
Juan Villanueva
Development & Planning
Manager/ DBELO Manager

Jason Cashman
Environmental & Regulatory
Affairs Manager

Port of Stockton

Organization Chart

June 30, 2017



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Financial Section

Port of Stockton
Stockton, California

MGO Certified Public Accountants

Independent Auditor's Report

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 years ended June 30, 2017 and 2016, 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 audits. We conducted our audits 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 financial position of the District as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the OPEB Plan Funding Progress and the Pension Plan Required Contributions 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, unrestricted cash and investment detail, 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 unrestricted cash and investment detail and outstanding construction in progress detail are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the unrestricted cash and investment detail and outstanding construction in progress detail are 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 18, 2017 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 18, 2017

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 years ended June 30, 2017 and 2016.

DISTRICT HIGHLIGHTS

The District's unrestricted cash and investment funds increased by $7.9 million from 2016 due to increased net revenues and federal and state grants for some capital projects.

The District invested $8.6 million in infrastructure improvements 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 13% over last year. There were significant increases in steel and cement/slag tonnages due to increase construction demands. Other bulk commodities increased as well.

The District utilized $2.9 million in federal and state grant funds in the last fiscal year from previously awarded grant programs for the dredging, the Navy Drive rail underpass, and other security projects.

Overview of the Financial Statements

The MD&A serves as an introduction to the financial statements and financial notes. 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 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. Accounting methods and financial statements used are similar to those in the private sector. The statements of net position feature assets, deferred outflows of resources, liabilities and net position information. The statements of revenues, expenses, and changes in net position define the revenue and expense sources that fund the overall success of the District. The statements 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.

Financial Analysis

Statements of Net Position

The statements of net position present the financial position of the District at the end of the fiscal year. The statements include all assets, deferred outflows of resources, and liabilities of the District. Net position, the difference between total assets and deferred outflows of resources and total liabilities, and its changes are a reflection of the overall health and future of the District. A summarized comparison of the District's assets, deferred outflows of resources, liabilities, and net position as of June 30, 2017, 2016, and 2015 are as follows:

Statements of Net Position (in thousands)	June 30, 2017	June 30, 2016	June 30, 2015
Current and Other Assets	$ 44,722	$ 33,587	$ 34,690
Capital Assets, Net of Depreciation	173,096	175,222	159,418
Total Assets	217,818	208,809	194,108
Deferred Outflows of Resources - Loss on Refunding	520	77	85
Long-term Liabilities	48,776	48,570	39,801
Other Liabilities	11,640	10,193	14,583
Total Liabilities	60,416	58,763	54,384
Net Position			
Net Investment in Capital Assets	133,915	135,125	125,606
Restricted	55	75	108
Unrestricted	23,952	14,923	14,095
Total Net Position	$ 157,922	$ 150,123	$ 139,809

Comparing the statement of net position for the 2017 fiscal year to the 2016 fiscal year, current and other assets show a net increase of $11.1 million and net capital assets decreasing by $2.1 million. The increase in current and other assets is primarily a result of the increase in unrestricted cash and investments of $7.9 million due to operating profits and capital contributions exceeding net non-operating expenses. The District refunded the 2007 series A bonds, the 2002 CIEDB Loan Agreement and added an additional $5 million revenue bonds for infrastructure project. This resulted in a $909 thousand increase in restricted funds by reducing the reserve accounts of the refunded bonds, the July 2016 payments and adding to the construction fund. Other receivables were up $1.3 million due to the increase grant activity. The net decrease in capital assets is from few projects this year with increased annual deprecation from prior projects. Some of the capital projects included the Navy Drive Bridge, various dredging projects, Navy Drive widening project, and multiple Homeland Security projects.

At June 30, 2017, the District had a total of $46.5 million in outstanding long-term debt, including commercial loan and bond obligations. That total includes the outstanding balance of the 2007 series B Bonds funding for additional infrastructure improvements, the 2013 Compass Bank loan that refunded the 2001 CIEDB loan, the 2016 Western Alliance Bank loan, and the 2016 Bonds that refunded the 2007 A bonds and the 2002 CIEDB loan. The refunding will save the District $3.5 million in future debt service with an economic gain of $3.2 million. Commercial loans and capital lease obligations are $563 thousand. For more information, see note 9 in the notes to the financial statements.

In addition, the pollution remediation liability related to the West and East Complex increased during the year as the result of a re-evaluation of costs needed to bring all remedial sites to closure. The balance of the liability at year end was $1,772,300.

The District had an increase in net position this year of $7.8 million, which was from a $4.9 million of net income and $2.9 million in capital contribution from federal and state programs for construction projects. The net position is divided into three categories: net investment in capital assets, restricted, and unrestricted funds. As a municipal entity, this classification gives readers a better understanding of the District's base value.

Comparing the statement of net position for the 2016 fiscal year to the 2015 fiscal year, current and other assets show a net decrease of $1.1 million and capital assets increased by $15.8 million. The decrease in current and other assets is primarily a result of the decrease in restricted cash and investments of $1.7 million due to annual principal payments on the bonds and loans and the remediation of the West Complex; the $1.3 million increase in accounts receivable due to increased terminal traffic in June/May 2016 compared to the previous year; and a $3.8 million decrease in other receivables for the collection of federal and state grant funds for District's construction projects in the 2015 fiscal year. The District's capital assets had a net increase of $15.8 million this year as a result of $25.7 million in new capital assets offset by $9.7 million in depreciation and $129 thousand in net retirements. Some of the projects included various dredging projects, the East Complex Rail Yard, Navy Drive underpass, and multiple Homeland Security projects.

At June 30, 2016, the District had a total of $45.4 million in outstanding long-term debt, including commercial loan and bond obligations. That total includes the outstanding balance of the 2007 Bonds funding for additional infrastructure improvements, California Infrastructure and Economic Development Bank loan agreement, the Compass Bank loan agreement that refunded the 2001 Bonds and a new loan agreement in 2016 with Western Alliance Bank. Commercial loans and capital lease obligations are $1.4 million.

Statements of Revenues, Expenses, and Changes in Net Position

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 a condensed statements of revenues, expenses, and changes in net position:

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

	Year Ended June 30,		
	2017	**2016**	**2015**
Operating Revenues			
General Cargo	$ 10,120	$ 11,448	$ 10,088
Bulk Cargo	16,921	16,136	19,126
Property Management	24,493	25,029	23,482
Other	238	200	256
Total Operating Revenues	51,772	52,813	52,952
Operating Expenses:			
Wages and Fringe Benefits	13,862	16,470	12,840
Contracted Stevedoring	5,861	7,322	6,515
Outside Services/Consultants	2,725	3,084	3,083
Utilities	3,823	3,704	3,298
Depreciation	10,723	9,718	8,780
Other Operating Costs	8,249	8,575	6,457
Total Operating Expenses	45,243	48,873	40,973
Operating Income (Loss)	6,529	3,940	11,979
Non-Operating Revenue (Expense):			
Interest Revenue and Other	240	147	129
Interest Expense and Other	(1,875)	(942)	(1,614)
Net Non-Operating Expense	(1,635)	(795)	(1,485)
Income (Loss) Before Capital Contributions	4,894	3,145	10,494
Capital Contributions	2,905	7,169	6,003
Special Item	-	-	(2,028)
Changes In Net Position	7,799	10,314	14,469
Net Position, Beginning of Year	150,123	139,809	125,340
Net Position, End of Year	$ 157,922	$ 150,123	$ 139,809

Revenues

The District's operating revenues for 2017 decreased $1.0 million due to reduced property management revenues and less general cargo revenues this year compared to 2016. Each year the commodity mix changes by type and volume as the 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 down 11.6% from last year. The general cargo tonnages were down 14% due to a 45% decrease in rice shipments from last year with less product exporting through the District. Steel cargo revenue was higher with a 14% increase in tonnage due to increased construction activity. The other general cargo tonnages are comprised of bagged fertilizer, bagged animal feed, and project cargo.

Bulk cargo revenues were up 4.9% from last year. Dry bulk revenues increased 9.1% with tonnage increasing 33% from last year. Cement/Slag tonnages and revenues were higher, up 43%, due to increased construction in the region. Sulfur tonnages and revenues increased due to higher market demands overseas. Coal tonnages increased 63% with an upturn in demand from customers. Fertilizer and urea tonnages were down 27% due to the switch in demand for liquid fertilizers because of the drought then the delay in need because of the increased rain this year. Liquid bulk revenues decreased 3% with tonnages down 3% also. Food Grade Oil tonnages and liquid fertilizer increased 32% and 5% respectively but with the other commodities lower. Ammonia tonnages decreased 14% because of the long rainy season. Molasses tonnages decreased 44% compared to last year with some of the product shipping through the Penny Newman facility.

Property management revenues are down 2.1% from last year. Lease revenues decreased 1.6% due to several tenants vacating in the first quarter but were replaced by other new tenants in the second quarter. Utility revenues, which include storm water and sewer fees, decreased 4.1% due to the vacancy of a tenant who a large electric consumer. Other property management revenues, such as beltline and rail infrastructure fees for rail services and storage, were down 8.8% due to the decrease in beltline usage. The property management staff continues to market the West Complex with the aid of outside real estate firms.

Other operating income was up 18.9% from last year. Fuel sales increased 28.8% up $41.2 thousand from last year. 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. The fees for Foreign Trade Zone (FTZ) income remained the same as last year.

Interest and other non-operating revenue, which include fees for the West Complex aeration project, was 54.7% higher than 2016 due to increased interest income from having additional funds to invest and the interest rates increasing.

This year the District utilized $2.9 million in federal and state grants for security and capital improvements.

In comparing 2016 revenues to 2015 revenues, The District's operating revenues decreased by 0.3% due to reduced dry bulk cargos. Each year the commodity mix changes from fluctuating markets. General cargo revenue and tonnages increased with more steel and rice shipments. Overall, Bulk cargos were down with less demand for agricultural use projects and coal. Cement and Slag shipments were up with increase construction activity. Property management revenues were up 6.6% due to increased revenue in leases, utility revenues but with a decrease in rail fee revenues with less coal.

Expenses

Operating expenses, excluding depreciation, decreased by 11.8% compared to last year. There was a 13% increase in waterborne tonnages overall with increases in dry bulk cargo but with decreases in general cargo and liquid cargo commodities. The mix of the cargo types affects the overall cost of handling the commodities that are shipped at the District. The most significant decreases were costs associated for the pension benefit change in the 2016 fiscal year. The District changed its pension benefits for maintenance and warehouse employees from a defined benefit plan to a defined contribution program. In doing so, the District recognized a $2.7 million liability to withdraw from the pension trust fund last year. This withdrawal liability will be paid to the pension trust over a ten-year period. Wage and benefit costs were down 15.8% due to last year's adjustment and some staff vacancies. Contracted stevedoring expense was down 20% due to decreased rice tonnages being shipped, which uses more labor.

Environmental compliance expense was down 27.2% from last year due to decreased stormwater costs and fewer remediation expenses for the West Complex. This year the District expended $857 thousand less in remediation costs and the future liability adjustment. Each year those costs and potential liability are re-evaluated based on remediation and environmental requirements.

The outside services and consultants expense was 11.6% less than last year. In fiscal year 2016, the District had some extraordinary expenses for hyacinth removal, computer maintenance, consultant support of the Union Pacific property development. This year there were higher expenses for the levee maintenance with the reclamation districts. Other categories less than last year.

Utilities expense was 3.2% higher than last year. Electricity billing and utility usage for electricity was down but the gas usage on the East Complex was higher compared to last year.

Other operating expenses increased 9.8% compared to last year. Legal and bad debt expenses were the cause of the increase. These other expenses (promotion, travel, etc.) were a mix of higher and lower costs.

Depreciation expense increased by 10.3% from the last fiscal year. The increased expense is due to the capital assets added over the last couple of years.

Interest and other non-operating expenses increased 129.8%. Bond issuance costs related to the 2016 Bonds accounted for the increase.

In comparing the 2016 and 2015 expenses, operating expenses, excluding depreciation, increased by 21.6%. The most significant increases were costs for the pension benefit change and the environmental remediation associated with the West Complex. The District changed its pension benefits for maintenance and warehouse employees from a defined benefit plan to a defined contribution program. In doing so, the District recognized a $2.7 million liability to withdraw from the pension trust fund. Contracted stevedoring expense was also up 12.4% due to increase steel and rice commodities that uses more labor. Environmental compliance expense was up 271.8% from last year due to increased stormwater costs from more storm events and remediation expenses for the West Complex. Utilities expense category was up 12.3% due to increased activity. Other operating expenses were down 3.4% with expenses being a mix of higher and lower costs.

Capital Assets

The District's net capital assets decreased by $2.1 million during the year ended June 30, 2017. The District had fewer improvement projects this year. The following table summarizes the District's capital assets, net of depreciation as of June 30, 2017, 2016, and 2015 (in thousands):

Capital Assets	June 30,		
(in thousands)	**2017**	**2016**	**2015**
Land	$ 28,522	$ 28,487	$ 27,694
Buildings & Facilities	94,650	76,312	76,393
Furniture, Fixtures, & Equipment	29,160	31,486	32,213
Leasehold Improvements	4,270	4,705	4,447
Intangible Assets	2,645	3,194	3,391
Construction in Progress	13,849	31,038	15,280
	$ 173,096	$ 175,222	$ 159,418

With the acquisition of Rough & Ready Island (the West Complex), the District has been in an expansion and development mode trying to modernize and maintain both the vintage naval properties and the original District facilities. Major capital investments for 2017 include:

Navy Drive Bridge	$2.1 million
Dredging	$2.1 million
Navy Drive Widening Project	$748 thousand
Warehouse Roof upgrades	$510 thousand
Homeland Security Projects	$451 thousand

Major capital investments for 2016 were:

East Complex Rail Yard	$7.9 million
Navy Drive Rail Underpass	$6.8 million
Dredging	$5.6 million
Homeland Security Projects	$1.1 million
Port Road Improvements	$942 thousand

These projects are being funded by Federal and State grant programs, loans and 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:

Debt	June 30,		
(in thousands)	2017	2016	2015
2002 CIEDB Loan	$ -	$ 6,914	$ 7,241
2007 Bonds	1,050	22,020	23,175
2013 Compass Bank Loan	6,304	6,834	7,348
Western Alliance Bank	8,103	8,200	-
2016 Bonds	30,476	-	-
Other Loans and Capital Lease Obligations	563	1,391	2,098
	$ 46,496	$ 45,359	$ 39,862

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. More detailed information about the District's debt is presented in Note 9 to the financial statements.

Economic Factors and Next Year's Budget

The District plans to continue improving the East and West Complex infrastructure by using grants and bond funds to upgrade the Navy Drive Bridge and road expansion, security upgrades, dock improvements and dredging. These enhancements will improve the access capabilities for current and future customers, and add to amenities already offered by the District.

The budget for the upcoming year has a net decrease of 2.2% in operating revenues. In the Terminal and Warehouse divisions, the District is expecting a 6.2% decrease in tonnages, with decreases in general cargo and dry bulk commodities but increases in liquid bulk. Terminal and Warehouse revenues are expected to decrease by 0.09% due to anticipated increases in bagged rice, cement/slag, liquid fertilizer, molasses and ammonia cargos. There are anticipated decreased tonnages in steel, coal and gypsum. Stevedoring expenses are expected to decrease 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 4.5%. Lease revenue is anticipated to increase 4.1% due to new tenants and current tenants increasing their footprint. The District's Property Management team is working to increase its occupancy rate at the West Complex. Rail infrastructure fees will decrease 11.4% due to the reduction of coal products being exported. Utilities revenue, which includes storm water and sewer fees, will increase by 8.6%. 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, CA 95201.

STOCKTON PORT DISTRICT

	JUNE 30, 2017	JUNE 30, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	$ 25,862,662	$ 17,947,008
Cash and cash equivalents - restricted	1,642,983	2,308,826
Accounts receivable, net of allowance for doubtful accounts of $448,312 in 2017 and $338,719 in 2016	8,788,162	8,105,305
Other receivable	1,686,995	364,992
Prepaid expenses and other	988,411	830,163
Total current assets	38,969,213	29,556,294
Noncurrent Assets		
Restricted Cash and Investments		
Cash and cash equivalents	5,746,236	3,969,706
Nondepreciable capital assets	42,370,811	59,524,692
Depreciable capital assets, net	130,725,104	115,696,993
Other assets	7,541	60,907
Total noncurrent assets	178,849,692	179,252,298
Total assets	217,818,905	208,808,592
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	519,683	77,470
LIABILITIES		
Current Liabilities		
Accounts payable	3,117,625	3,501,634
Accrued liabilities	3,916,012	2,355,605
Current portion of long-term debt	2,520,561	1,780,335
Current portion of unearned revenue	688,389	528,913
Current liabilities payable from current restricted assets:		
Accrued interest	28,613	493,967
Accounts payable	2,178	9,965
Accrued liabilities	207,432	156,419
Pollution remediation	-	1,199
Unearned revenue	109,547	150,185
Long-term debt	1,050,000	1,215,000
Total current liabilities	11,640,357	10,193,222
Noncurrent Liabilities		
Liabilities Payable from Restricted Assets		
Public benefits program liability	190,250	207,010
Unearned Revenue	324,165	471,130
Long-Term Debt	42,925,855	42,363,516
Other Long-Term Liabilities	5,335,583	5,528,542
Total noncurrent liabilities	48,775,853	48,570,198
Total liabilities	60,416,210	58,763,420
NET POSITION		
Net investment in capital assets	133,915,418	135,125,010
Restricted for the oxygen aeration facility	54,963	75,081
Unrestricted	23,951,997	14,922,551
Total Net Position	$ 157,922,378	$ 150,122,642

See accompanying notes

	JUNE 30, 2017	JUNE 30, 2016
OPERATING REVENUES		
General cargo	$ 10,120,217	$ 11,448,484
Bulk cargo	16,921,173	16,135,872
Property management	24,492,674	25,028,624
Other operating income	238,205	200,416
Total operating revenue	51,772,269	52,813,396
OPERATING EXPENSES		
Wages and fringe benefits	13,862,029	16,470,163
Contracted stevedoring	5,860,620	7,322,149
Environmental compliance	2,296,765	3,153,339
Outside services and consultants	2,725,378	3,083,778
Utilities	3,823,447	3,704,314
Other operating expenses	5,951,518	5,421,768
Total operating expenses	34,519,757	39,155,511
Income before depreciation	17,252,512	13,657,885
DEPRECIATION	(10,722,572)	(9,718,388)
Operating income	6,529,940	3,939,497
NON-OPERATING INCOME (EXPENSE)		
Interest income and other	227,778	147,250
Interest expense and other	(1,875,463)	(816,035)
Gain/(loss) on sale of capital assets	12,414	(125,825)
Net non-operating expense	(1,635,271)	(794,610)
Income before capital contributions	4,894,669	3,144,887
Capital contributions	2,905,067	7,168,892
INCREASE IN NET POSITION	7,799,736	10,313,779
NET POSITION, beginning of year	150,122,642	139,808,863
NET POSITION, end of year	$ 157,922,378	$ 150,122,642

See accompanying notes

	YEARS ENDED JUNE 30, 2017	YEARS ENDED JUNE 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 50,905,309	$ 51,677,896
Cash received from other sources	171,954	286,798
Cash paid to employees and related benefits and taxes	(13,970,940)	(14,004,555)
Cash paid to suppliers	(18,734,333)	(25,441,498)
Payments on environmental clean up and compliance	(1,395,734)	(201,710)
Net cash provided by operating activities	16,976,256	12,316,931
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on cash and investments	231,750	77,163
Net cash provided by investing activities	231,750	77,163
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of debt	2,825,284	-
Purchase of capital assets	(7,978,385)	(24,778,367)
Capital contributions	1,657,735	10,705,825
Payment of loan and debt issuance costs	(213,726)	-
Loan proceeds	585,212	9,578,788
Proceeds from sale of capital assets	12,414	3,062
Payments on capital leases	(309,372)	(298,745)
Interest payments on long-term obligations	(1,478,127)	(1,644,233)
Repayment of line of credit	-	(657,385)
Principal repayment of long-term obligations	(3,282,700)	(3,783,355)
Net cash used for capital and related financing activities	(8,181,665)	(10,874,410)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,026,341	1,519,684
CASH AND CASH EQUIVALENTS, beginning of year	24,225,540	22,705,856
CASH AND CASH EQUIVALENTS, end of year	$ 33,251,881	$ 24,225,540
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 25,862,662	$ 17,947,008
Cash and cash equivalents - restricted	1,642,983	2,308,826
NONCURRENT RESTRICTED CASH AND INVESTMENTS:		
Cash and cash equivalents	5,746,236	3,969,706
TOTAL CASH AND CASH EQUIVALENTS	$ 33,251,881	$ 24,225,540

See accompanying notes

	YEARS ENDED JUNE 30, 2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 6,529,940	$ 3,939,497
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	10,722,572	9,718,388
Other income	40,638	66,666
Other expense	(61,989)	(99,994)
Change in assets and liabilities:		
Accounts receivable, net	(682,857)	(1,294,669)
Other receivables	(115,748)	225,266
Prepaid expenses and other	36,882	79,628
Other assets	53,366	79,261
Accounts payable	(391,796)	(2,751,451)
Accrued liabilities	1,087,826	306,374
Unearned revenue	(28,127)	25,386
Pollution remediation liability	185,101	(370,372)
Public benefits program liability	(20,293)	(34,612)
Other long-term liabilities	(379,259)	2,427,563
Net cash provided by operating activities	$ 16,976,256	$ 12,316,931
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Capitalized interest	$ 618,417	$ 872,150
Amortization of deferred loss on refunding	34,463	7,263
Amortization of bond premium	51,994	-
Refunded bond proceeds deposited into refunding escrow	27,219,256	-
Long-term liabilities refunded	26,331,957	-
Accrued interest paid from refunding escrow	410,623	-
Cost of issuance paid from bond proceeds	483,836	-

See accompanying notes

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

The Stockton Port District (the 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 (the City) and San Joaquin County (the 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 the 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 2015-16 fiscal year, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. The Statement requires state and local governments to measure certain assets and liabilities at fair value based on an exit price to improve clarity in financial reporting. It defines the fair value as: the price that would be received to sell an asset, or paid to transfer a liability between market participants at the measurement date. Inputs used to determine fair value are categorizes into three levels, and are presented in a hierarchical matrix for each class of asset or liability. The District's assets, for the GASB No. 72 implementation, are presented in Note 3.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other than eliminating the pension plan funding progress and replacing it with the pension plan required contributions in the required supplementary information, this Statement had little impact on the District.

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 except for bond funds or environmental remediation funds, which have a maximum of ten years. 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 $448,312 at June 30, 2017 and $338,719 at June 30, 2016.

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

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, debt service, and environmental remediation purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 cost 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. The District capitalizes interest incurred on debt, net of interest earned on related debt proceeds, associated with new construction and other capital projects. The amount of capitalized interest recorded for the year ended June 30, 2017 was $618,417 and $872,150 for the year ended June 30, 2016.

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 $519,683 at June 30, 2017 and $77,470 at June 30, 2016 are reported as deferred outflows of resources in accordance with GASB Statement No. 65.

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. This represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. Debt proceeds that have been received for capital assets but not yet expended are not included within this component of net position.

Restricted. This represents assets that have externally-imposed restrictions reduced by liabilities related to those assets.

Unrestricted. Resources not included in other classifications are unrestricted.

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 14 to the financial statements.

Income taxes – The District is exempt from state and federal income taxes.

Significant customers – For the years ended June 30, 2017 and 2016, the District earned revenues from five customers that approximated 24% and 22%, respectively, of total 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Reclassification and Presentation – Certain reclassifications of prior year's balances have been made to conform with the current year presentation. Balances previously reported as investments have been reclassified as cash.

NOTE 3 – CASH AND INVESTMENTS

Total cash and cash equivalents as presented in the statements of net position are as follows:

	JUNE 30,	
	2017	2016
Current Assets:		
Cash and cash equivalents – unrestricted	$ 25,862,662	$ 17,947,008
Cash and cash equivalents – restricted	1,642,983	2,308,826
Noncurrent restricted cash and cash equivalents:		
Cash and cash equivalents – restricted	5,746,236	3,969,706
Total Cash and Cash Equivalents	$ 33,251,881	$ 24,225,540

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

	JUNE 30,	
	2017	2016
Cash	$ 1,493,828	$ 2,141,229
Investments considered cash equivalents	31,758,053	22,084,311
Total Cash and Cash Equivalents	$ 33,251,881	$ 24,225,540

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Deposit and Investment Risk

The following deposit and investment risk information is presented for the years ended June 30, 2017 and 2016 in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. As of June 30, 2017, the District had the following investments:

		Investment Maturities	
Investment	Fair Value	Less than 3 mos	4-12 mos
Money market mutual funds	$ 6,084,434	$ 6,084,434	$ -
Local Agency Investment Fund	25,673,619	-	25,673,619
Total Investments	$ 31,758,053	$ 6,084,434	$ 25,673,619

As of June 30, 2016, the District had the following investments:

		Investment Maturities	
Investment	Fair Value	Less than 3 mos	4-12 mos
Money market mutual funds	$ 2,455,509	$ 2,455,509	$ -
Local Agency Investment Fund	19,628,802	-	19,628,802
Total Investments	$ 22,084,311	$ 2,455,509	$ 19,628,802

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.

The total amount invested by all public agencies in LAIF at June 30, 2017 was $22.8 billion and at June 30, 2016 was $22.7 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2017 had a balance of $78.3 billion and at June 30, 2016 had a balance of $77.7 billion. Of the $78.3 billion at June 30, 2017, $0.8 billion was held in demand deposits and $77.5 billion was held in investments, and of the $77.5 billion, 2.89% was invested in structured notes and asset-backed securities. Of the $77.7 billion at June 30, 2016, $2.3 billion was held in demand deposits and $75.4 billion was held in investments, and of the $75.4 billion, 2.81% was invested in structured notes and asset-backed securities. PMIA is not SEC-registered, but is required to invest according to California Government Code. The average maturity of PMIA investments was 194 days as of June 30, 2017 and 167 days as of June 30, 2016.

The Local Investment Advisory Board has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72 and 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, 2017 and 2016, the District's investment in the money market mutual funds are measured using level 2 inputs. 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.

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 negotiable certificates of deposit which are held to maturity. The negotiable certificates of deposit have interest rates ranging from 0.25% to 0.90%. The District's bond, environment remediation, and grant 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 $609,316 at June 30, 2017 and $1,035,355 at June 30, 2016, 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 market 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.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

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.

The money market mutual funds currently maintain senior long term ratings of AAAm and Aaa by Standard and Poor's and Moody's Investors Service, respectively.

Concentration of Credit Risk

The District follows the State law limiting the amount that may be invested in any one issuer. As of June 30, 2017 and 2016, the District had no investments with any one issuer in excess of 5% except for money market mutual funds and investment pools.

NOTE 4 – RESTRICTED FUNDS

The restricted funds as of June 30 are as follows:

	2017	2016
Debt service reserve fund	$ 1,078,808	$ 4,365,817
Loan reserve fund	743,669	1,312,855
Loan construction fund	5,002,569	-
Total bonds and loan funds	6,825,046	5,678,672
Dissolved oxygen aeration facility funds	132,432	235,232
Healthcare Reimbursement Account	166,491	81,419
Public benefits program	265,250	282,010
Environmental remediation funds	-	1,199
Total Cash, Cash Equivalents, and Investments	$ 7,389,219	$ 6,278,532

Restricted funds are classified as follows as of June 30:

	2017	2016
Current restricted cash and cash equivalents	$ 1,642,983	$ 2,308,826
Non-current restricted cash and cash equivalents	5,746,236	3,969,706
Total Restricted Funds	$ 7,389,219	$ 6,278,532

The debt service reserve fund and loan construction fund represent proceeds from the issuance of the 2007B improvement and refunding bonds and the 2016 Series A & B bonds. These funds are restricted for the final payment of the 2007 series B bond and 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.

NOTE 4 – RESTRICTED FUNDS (CONTINUED)

As part of the health care benefit, should the employee elect to utilize this benefit, the District will pay up to $2,159 for family coverage, $1,661 for a two person family, and $830 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 account as of June 30, 2017 was $132,432 and $81,419 as of June 30, 2016.

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.

Restricted funds for environmental remediation represent proceeds received from the United States Navy (the Navy) less amounts disbursed by the District for the costs of environmental cleanup related to land and facilities conveyed to the District by the Navy.

NOTE 5 – CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2017 are as follows:

	Balance, Beginning	Additions	Retirements	Transfers in (out)	Balance, Ending
Total capital assets, not being depreciated					
Land	$ 28,486,593	$ 35,082	$ -	$ -	$ 28,521,675
Construction in progress	31,038,099	7,112,440	-	(24,301,403)	13,849,136
Total capital assets, not being depreciated	59,524,692	7,147,522	-	(24,301,403)	42,370,811
Total capital assets, being depreciated					
Buildings, operating facilities and land improvements	148,159,877	1,015,004	-	24,301,403	173,476,284
Leasehold improvements	11,301,465	107,355	-	-	11,408,820
Intangible assets	4,247,154	9,913	-	-	4,257,067
Equipment and fixtures	53,432,792	317,008	(28,196)	-	53,721,604
Total capital assets, being depreciated	217,141,288	1,449,280	(28,196)	24,301,403	242,863,775
Less accumulated depreciation:					
Buildings, operating facilities and land improvements	71,847,909	6,978,689	-	-	78,826,598
Leasehold improvements	6,596,060	542,405	-	-	7,138,465
Intangible assets	1,053,392	558,087	-	-	1,611,479
Equipment and fixtures	21,946,934	2,643,391	(28,196)	-	24,562,129
Total accumulated depreciation	101,444,295	10,722,572	(28,196)	-	112,138,671
Total capital assets, being depreciated, net	115,696,993	(9,273,292)	-	24,301,403	130,725,104
Capital assets, net	$ 175,221,685	$ (2,125,770)	$ -	$ -	$ 173,095,915

NOTE 5 – CAPITAL ASSETS (CONTINUED)

The changes in capital assets for the year ended June 30, 2016 are as follows:

	Balance, Beginning	Additions	Retirements	Transfers in (out)	Balance, Ending
Total capital assets, not being depreciated					
Land	$ 27,693,856	$ 792,737	$ -	$ -	$ 28,486,593
Construction in progress	15,280,310	22,854,548	-	(7,096,759)	31,038,099
Total capital assets, not being depreciated	42,974,166	23,647,285	-	(7,096,759)	59,524,692
Total capital assets, being depreciated					
Buildings, operating facilities and land improvements	143,948,212	889,656	(1,933,314)	5,255,323	148,159,877
Leasehold improvements	10,426,752	462,216	-	412,497	11,301,465
Intangible assets	3,973,464	-	-	273,690	4,247,154
Equipment and fixtures	51,633,393	651,360	(7,210)	1,155,249	53,432,792
Total capital assets, being depreciated	209,981,821	2,003,232	(1,940,524)	7,096,759	217,141,288
Less accumulated depreciation:					
Buildings, operating facilities and land improvements	67,554,277	6,098,059	(1,804,427)	-	71,847,909
Leasehold improvements	5,979,334	616,726	-	-	6,596,060
Intangible assets	582,162	471,230	-	-	1,053,392
Equipment and fixtures	19,421,771	2,532,373	(7,210)	-	21,946,934
Total accumulated depreciation	93,537,544	9,718,388	(1,811,637)	-	101,444,295
Total capital assets, being depreciated, net	116,444,277	(7,715,156)	(128,887)	7,096,759	115,696,993
Capital assets, net	$ 159,418,443	$ 15,932,129	$ (128,887)	$ -	$ 175,221,685

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 $16.9 million. Minimum future rental income on non-cancelable operating leases on District facilities is as follows:

Year ending June 30:	
2018	$ 13,718,223
2019	10,658,239
2020	7,659,135
2021	6,565,918
2022	5,681,369
Thereafter	97,900,076
	$ 142,182,960

NOTE 5 – CAPITAL ASSETS (CONTINUED)

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 $18,489,177 for 2017 and $18,788,663 for 2016. This does not include leases with contingency clauses related to waterborne tonnages shipped across the docks. The income for those was $1,798,387 for 2017 and $1,412,357 for 2016 and was included in the terminal revenue as part of wharfage for bulk cargo.

The District has recorded $1,944,437 as of June 30, 2017 and $1,944,437 as of June 30, 2016 as equipment that has been capitalized under lease purchase agreements and the related accumulated amortization was $980,653 as of June 30, 2017 and $808,863 as of June 30, 2016. Amortization of assets under capital leases is included in depreciation expense.

NOTE 6 – ACCRUED LIABILITIES

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

	2017	2016
Vacation and sick leave - current portion (see note 9)	$ 995,088	$ 819,061
Payroll accrual	394,361	392,449
Public benefits program	75,000	75,000
Healthcare Reimbursement Account	132,432	81,419
Self-insurance - current portion (see note 14)	225,335	170,861
Pollution remediation liabilities	1,016,500	266,500
Other	1,284,728	706,734
Total accrued liabilities	$ 4,123,444	$ 2,512,024

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.

NOTE 7 – UNEARNED REVENUE

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 $488,981 of June 30, 2017, and is amortizing the liability straight-line 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:	
2018	$ 164,816
2019	131,538
2020	131,538
2021	61,089
	$ 488,981

Also, included in unearned revenue as of June 30, 2017, the District had $523,573 in prepaid rent received for July 2017 and funds totaling $109,547 contributed from other parties towards the operation and maintenance of the Stockton Deep Water Ship Channel Aeration Facilities.

As of June 30, 2016, the District had $632,447 in unearned lease revenue, $367,596 in prepaid rent received for July 2016 and funds totaling $150,185 contributed from other parties towards the operation and maintenance of the Stockton Deep Water Ship Channel Aeration Facilities.

NOTE 8 – SHORT-TERM OBLIGATIONS

The District obtained an unsecured revolving line of credit of $2,000,000 on October 27, 2014, which expired on November 5, 2016, to provide interim financing of capital improvements projects. It carried an interest rate equal to the bank's commercial base rate, which at the time of entering the agreement was 3.25%, plus 0.0%, with a minimum rate of 3.25%. The District drew on the line of credit in June 2015.

Changes in the District's short-term obligations for the year ended June 30, 2017 and 2016 are as follows:

	Balance, July 1, 2016	Additions	Reductions	Balance, June 30, 2017
Grant Project – BAC line of credit	$ -	$ -	$ -	$ -

	Balance, July 1, 2015	Additions	Reductions	Balance, June 30, 2016
Grant Project – BAC line of credit	$ 657,385	$ -	$ 657,385	$ -

NOTE 9 – LONG-TERM LIABILITIES

Revenue Bonds:
In May 2007, the District issued the 2007 Revenue and Refunding Bonds (2007 Bonds) for $29,730,000. Projects funded by these bonds include electrical utility upgrades, road and paving improvements, sewer upgrades, railroad yard improvements, and bridge upgrades. In November 2016, the District refunded the 2007 series A Bonds. The bond debt service obligation for the 2017 fiscal year was $2,067,802. The interest rate ranged from 4.0% to 5.45% with installments through 2033. The net revenues from the District are pledged for the 2007 Bonds. The 2007 Bonds are subject to the Internal Revenue Service arbitrage requirements.

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 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 2017 fiscal year was $154,528. 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 refunding achieved $3.5 million in future debt service savings for an economic gain of $3.2 million. At June 30, 2017, the outstanding defeased 2007 series A Bonds were $19,755,000. The net revenues from the District are pledged for the 2016 Bonds. The 2016 Bonds are subject to the Internal Revenue Service arbitrage requirements.

Installment Sale Agreements:
The 2002 Installment Sale Agreement payable to the California Infrastructure and Economic Development Bank (CIEDB) was originally issued for $10,000,000. The funds were used to build the Port of Stockton Expressway Bridge (AKA the Daggett Road Bridge), upgrade McCloy Street, upgrade terminal facilities, and improve the sewer system at the West Complex. The CIEDB Installment Sale Agreement was refunded on November 16, 2016. The debt service obligation for the 2017 fiscal year was $549,498. The interest rate is 3.21% with installments through 2032. The District's net revenues are pledged for the 2002 Installment Sales Agreement. The 2002 Installment Sale Agreement is subject to the Internal Revenue Service arbitrage requirements.

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

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. The debt service obligation for the 2017 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.

In June 2016, the District issued a loan agreement with Western Alliance Bank in the amount of $8,200,000 to fund lawful expenditures of the District. The debt service obligation for the 2017 fiscal year was $317,308. The interest rate is 4.99% with installments through 2037. The District's net revenues are pledged for the 2016 Loan Agreement.

Pledged Revenue:
The agreements for the 2007 series B Bonds, the 2002 Installment Sales Agreement, the 2013 Compass Bank Installment Sales Agreement, the 2016 Western Alliance Bank Loan, and the 2016 Bonds provide for the maintenance of financial covenants of minimum debt ratio coverage of 120%. The net pledged revenues were $17,077,255 and the maximum total annual debt service was $3,827,076 as of June 30, 2017, which resulted in debt ratio coverage of 446% for 2017. The net pledged revenues were $13,614,948 and the maximum total annual debt service was $3,496,955 as of June 30, 2016, which resulted in debt ratio coverage of 389%. Net revenue is pledged for the remaining total debt service on the 2007 Bonds, the 2002 Installment Sales Agreement, the 2013 Installment Sales Agreement, the Western Alliance Bank loan and the 2016 Bonds of $58,301,336 as of June 30, 2017 and $60,446,490 as of June 30, 2016.

Notes Payable:
A note payable to the Bank of the West with an original face value of $890,885 is collateralized by railroad related equipment and fixtures. The interest and principal payments were due in monthly installments of $9,199 with an annual interest rate of 4.50%. The debt was used for railroad improvements and matured on August 1, 2015.

A note payable to the Triumph Premium Corporation with an original face value of $585,212 is uncollateralized. The interest and principal payments are due October 2016 through June 2017 in monthly payment installments of $65,703 with an annual interest rate of 2.5%. The debt was used to finance some of the annual insurance premiums for the 2016/2017 policy period.

A note payable to the IPFS Corporation with an original face value of $668,740 is uncollateralized. The interest and principal payments are due November 2014 through July 2015 in monthly payment installments of $75,081 with an annual interest rate of 2.5%. The debt was used to finance some of the annual insurance premiums for the 2014/2015 policy period.

A note payable to the IPFS Corporation with an original face value of $775,888 is uncollateralized. The interest and principal payments are due November 2015 through June 2016 in monthly payment installments of $97,897 with an annual interest rate of 2.5%. The debt was used to finance some of the annual insurance premiums for the 2015/2016 policy period.

A note payable the San Joaquin Council of Government with an original face value of $1,500,000 is uncollateralized. The interest and principal payments are due on July 1st of 2013, 2014 and 2015 in annual installments of $548,197 with an interest rate of 4.78%. The debt was used for barge improvements for the marine highway project and will mature on July 1, 2015.

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

A note payable the San Joaquin Council of Government with a face value of $624,163 is uncollateralized. The interest and principal payments are due August 2015 through July 2017 in monthly installments of $35,436 with an interest rate of 4.77%. The debt was used for engineering fees for the Navy Drive BNSF rail underpass and will mature on July 10, 2017.

A note payable the San Joaquin Council of Government with a face value of $602,900 is uncollateralized. The interest and principal payments are due November 2015 through October 2018 in monthly installments of $18,027 with an interest rate of 4.77%. The debt was used for the purchase of the Sanguinetti property and will mature on November 10, 2018.

Annual maturities of revenue bonds, installment sales agreements, and notes payable for years subsequent to June 30, 2017 are as follows:

Year ending June 30:	Principal	Interest
2018	$ 3,230,216	$ 1,520,157
2019	2,461,586	1,458,091
2020	2,451,257	1,395,444
2021	2,518,558	1,327,195
2022	2,597,143	1,249,808
2023-2027	14,468,227	4,667,557
2028-2032	12,996,008	1,969,966
2033-2037	3,925,256	380,801
	$ 44,648,251	$ 13,969,019

<u>Capital Leases</u>:
A capital lease with the NMHG Financial Services with an original face value of $169,449 is collateralized by six forklifts. The interest and principal payments are due in monthly installments of $3,083 with an annual interest rate of 3.50%. The capital lease was for equipment and will mature on January 7, 2018.

A capital lease with the NMHG Financial Services with an original face value of $657,954 is collateralized by a reach-stacker. The interest and principal payments are due in monthly installments of $11,969 with an annual interest rate of 3.50%. The capital lease was for equipment and will mature on February 26, 2018.

A capital lease with the NMHG Financial Services with an original face value of $657,954 is collateralized by a reach-stacker. The interest and principal payments are due in monthly installments of $11,969 with an annual interest rate of 3.50%. The capital lease was for equipment and will mature on July 1, 2018.

Annual maturities of capital leases for years subsequent to June 30, 2017 are as follows:

Year ending June 30:	Principal	Interest
2018	$ 256,783	$ 4,183
	$ 256,783	$ 4,183

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Changes in the District's long-term liabilities for the year ended June 30, 2017 are as follows:

	Balance, July 1, 2016	Additions	Reductions	Balance, June 30, 2017	Current Portion
Revenue Bonds:					
2007 A Bonds/tax exempt	$ 19,975,000	$ -	$ 19,975,000	$ -	$ -
2007 B Bonds/taxable	2,045,000		995,000	1,050,000	1,050,000
2016 A Bonds	-	21,740,000	-	21,740,000	-
2016 A Bonds (premium)	-	1,643,376	51,994	1,591,382	83,562
2016 B Bonds	-	7,145,000	-	7,145,000	1,145,000
Total Revenue Bonds	22,020,000	30,528,376	21,021,994	31,526,382	2,278,562
Installment Sale Agreement:					
2002 CIEDB Loan	6,914,339	-	6,914,339	-	-
2013 Compass Bank Loan	6,833,765	-	530,170	6,303,595	546,732
Western Alliance Bank Loan	8,200,000	-	96,665	8,103,335	253,562
Total Installment Sale Agreements	21,948,104	-	7,541,174	14,406,930	800,294
Notes Payable:					
Triumph Premium Corporation	-	585,212	585,212	-	-
San Joaquin Council of Gov't Loan 13/14	347,776		320,383	27,393	27,393
San Joaquin Council of Gov't Loan 15/16	476,816	-	197,888	278,928	207,529
Total Notes Payable	824,592	585,212	1,103,483	306,321	234,922
Capital Leases:					
NMHG/forklifts	56,895	-	35,566	21,329	21,329
NMHG/Reach Stacker I	232,210	-	137,701	94,509	94,509
NMHG/Reach Stacker II	277,050	-	136,105	140,945	140,945
Total Capital Lease Obligations	566,155	-	309,372	256,783	256,783
Total long-term debt	45,358,851	31,113,588	29,976,023	46,496,416	3,570,561
Other long-term liabilities:					
OPEB obligation (see note 11)	765,871	82,000	4,396	843,475	-
Pollution remediation (see note 13)	837,199	1,444,273	509,172	1,772,300	1,016,500
Self-Insurance (see note 14)	794,729	316,195	282,916	828,008	225,335
Vacation and sick leave	1,938,089	1,080,941	1,142,769	1,876,261	995,088
Public benefits program (see note 12)	282,010	66,817	83,577	265,250	75,000
Pension plan withdrawal liability (see note 10)	2,619,452	-	185,122	2,434,330	181,868
Total other long term liabilities	7,237,350	2,990,226	2,207,952	8,019,624	2,493,791
Total long term liabilities	$ 52,596,201	$ 34,103,814	$ 32,183,975	$ 54,516,040	$ 6,064,352

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Changes in the District's long-term liabilities for the year ended June 30, 2016 are as follows:

	Balance, July 1, 2015	Additions	Reductions	Balance, June 30, 2016	Current Portion
Revenue Bonds:					
2007 A Bonds/tax exempt	$ 20,190,000	$ -	$ 215,000	$ 19,975,000	$ 220,000
2007 B Bonds/taxable	2,985,000	-	940,000	2,045,000	995,000
Total Revenue Bonds	23,175,000	-	1,155,000	22,020,000	1,215,000
Installment Sale Agreement:					
2002 CIEDB Loan	7,241,227	-	326,888	6,914,339	337,382
2013 Compass Bank Loan	7,347,874	-	514,109	6,833,765	530,170
Western Alliance Bank Loan	-	8,200,000	-	8,200,000	96,665
Total Installment Sale Agreements	14,589,101	8,200,000	840,997	21,948,104	964,217
Notes Payable:					
Bank of the West	9,164	-	9,164	-	-
IPFS Insurance Premium Loan 14/15	74,925	-	74,925	-	-
IPFS Insurance Premium Loan 15/16	-	775,888	775,888	-	-
San Joaquin Council of Gov't Loan 11/12	524,910	-	524,910	-	-
San Joaquin Council of Gov't Loan 13/14	624,163	-	276,387	347,776	320,384
San Joaquin Council of Gov't Loan 15/16	-	602,900	126,084	476,816	197,889
Total Notes Payable	1,233,162	1,378,788	1,787,358	824,592	518,273
Capital Leases:					
NMHG/forklifts	91,240	-	34,345	56,895	35,565
NMHG/Reach Stacker I	365,180	-	132,970	232,210	137,700
NMHG/Reach Stacker II	408,480	-	131,430	277,050	124,580
Total Capital Lease Obligations	864,900	-	298,745	566,155	297,845
Total long-term debt	39,862,163	9,578,788	4,082,100	45,358,851	2,995,335
Other long-term liabilities:					
OPEB obligation (see note 11)	691,187	78,000	3,316	765,871	-
Pollution remediation (see note 13)	995,267	781,250	939,318	837,199	267,699
Self-Insurance (see note 14)	800,540	289,759	295,570	794,729	170,861
Vacation and sick leave	2,213,078	1,110,631	1,385,620	1,938,089	819,061
Public benefits program (see note 12)	268,622	74,218	60,830	282,010	75,000
Pension plan withdrawal liability (see note 10)	-	2,663,678	44,226	2,619,452	169,177
Total other long term liabilities	4,968,694	4,997,536	2,728,880	7,237,350	1,501,798
Total long term liabilities	$ 44,830,857	$ 14,576,324	$ 6,810,980	$ 52,596,201	$ 4,497,133

NOTE 10 – 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 $1,239,874 and $999,033 for the years ended June 30, 2017 and 2016, respectively. Pension contributions made by Plan participants were $412,020 and $332,622 for the years ended June 30, 2017 and 2016, respectively.

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 has agreed to pay the trust fund the withdrawal liability amount of $2,663,678. The District recorded this liability in long-term liabilities (see Note 9). The District is paying the trust fund $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. The withdrawal liability was $2,434,330 and $2,619,452 as of June 30, 2017 and 2016, respectively.

NOTE 10 – PENSION BENEFITS (CONTINUED)

Funding Policy
During the District's participation in the Plan, it was required to contribute the actuarially determined amounts necessary to fund the benefits for its current active employees. The present value of the accrued benefits for retired members, terminated vested members, and current active members is generally referred to as the actuarial accrued liability. The unfunded actuarial accrued liability is determined by deducting Plan assets from the actuarial accrued liability as of the valuation date.

Plan contributions made by the District for the year ended June 30, 2016 was $269,734. The employees do not contribute to the pension plan. The retirement benefit to be received by employees is a cumulative flat monthly amount based on hours worked, length of service, vesting, and age requirements, and not a percentage of wages. Assumptions for inflation rates, projected salary and other postemployment benefit increases to be received in retirement are not factors in determining future benefit or cost. The District monthly contribution rates per participant as determined by contract were $883.83 for months after June 2015 through February 2016.

NOTE 11 – 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 District also provides self-insured vision and dental coverage (see Note 14).

The District provides other postemployment benefits (OPEB) cash subsidy that is a percentage of the PEMHCA minimum amount. The subsidy is $32 per month or 25% of the PEMHCA minimum amount of $128 for the year ended June 30, 2017, and $25 per month or 20% of the PEMHCA minimum amount of $125 for the year ended June 30, 2016. The percentage increases 5% each year until it reaches 100% in 2032. The retirees are responsible for the balance of the PEMHCA minimum amount. As of June 30, 2017 and 2016, 13 and 12 retirees and their dependents, respectively, participate in the plan. The plan does not issue a separate stand-alone report.

Funding Policy
As of June 30, 2017 and 2016, the District has not established a separate irrevocable plan trust. The District's contribution is based on a pay-as-you-go funding method projected from the actuarial report. Retirees contribute to the plan based on the CalPERS historical costs as calculated by the human resource department. The District intends to re-evaluate and develop a plan to fund the annual required contribution (ARC) within the next five years.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost is calculated based on the ARC of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost, the amount contributed to the plan, and the changes in the District's net OPEB obligation for the years ended June 30, 2017 and 2016:

	2017	2016
Annual Required Contribution	$ 91,000	$ 84,000
Interest on beginning net OPEB obligation	30,000	28,000
Adjustment to annual required contribution	(39,000)	(34,000)
OPEB cost (expense)	82,000	78,000
Benefits payments made (contributions)	(4,396)	(3,316)
Increase in net OPEB obligation	77,604	74,684
Net OPEB obligation - beginning of year	765,871	691,187
Net OPEB obligation - end of year	$ 843,475	$ 765,871

The net OPEB obligation is included in the District's statements of net position in other long-term liabilities. The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016 and 2015 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2017	$ 82,000	5.4%	$ 843,475
6/30/2016	78,000	4.3%	765,871
6/30/2015	74,000	2.7%	691,187

Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was $800,000 and the actuarial value of plan assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $800,000. The covered payroll (annual payroll of active employees covered by the plan) was $6,180,000 and the ratio of the UAAL to the covered payroll was 12.9%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

For the year ended June 30, 2017 and 2016, the District's ARC were $91,000 and $84,000, respectively, as determined as part of the June 30, 2014 actuarial valuation using the entry age normal cost method. The actuarial assumptions for the June 30, 2014 actuarial valuation included a 4.0% rate of return (net of administrative expenses), inflation of 3%, payroll growth of 3.25%, and PEMHCA minimum amount increase of 4.5%. The annual blended healthcare cost trend rate is 7.8% initially and will be reduced by decrements to an ultimate rate of 5% by 2021. Mortality, termination, disability, merit pay increases, and service retirement were based on the CalPERS 1997-2011 Experience Study. The UAAL is being amortized over a 24-year closed period as a level percentage of payroll.

NOTE 12 – 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, the Navy Drive Bridge construction projects, totaling $16,371,358 as of June 30, 2017.

The District received grants for the funding of Homeland Security Projects through the Department of Homeland Security. Other funding sources for the other projects will be from loans, previous awarded grants, and District revenues.

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 publically 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 balances of these funds at June 30, 2017 and 2016 were $265,250 and $282,010, respectively and were reported as current restricted cash and cash equivalents.

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. The District is considering the development of a photovoltaic generating plant to assist it in meeting its renewable energy requirements under California's Renewable Portfolio Program. Development costs for this project were charged to the Public Benefits account.

NOTE 13 – POLLUTION REMEDIATION LIABILITY

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 the funds from the Navy's restricted reserve. The balance of the advanced restricted funds as of June 30, 2017 and 2016 was, $0 and $1,199 respectively, is presented on the District's statements of net position as pollution remediation liability payable from restricted assets. 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 $1,686,300 as of June 30, 2017 and $751,199 as of June 30, 2016.

The District has also accrued an additional amount of $86,000 as of June 30, 2017 and 2016, 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 liability amounts are included as $1,016,500 in current unrestricted accrued liabilities, and $755,800 in other long-term liabilities presented on the District's statements of net position.

NOTE 14 – RISK MANAGEMENT PROGRAMS

The District is self-insured up to $500,000 for each workers' compensation claim for the first year, $300,000 for the second year and $200,000 for the third year and $200,000 every year thereafter for that same claim. 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 $1,810 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 is self-insured for both flood and earthquake damage. 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.

NOTE 14 – RISK MANAGEMENT PROGRAMS (CONTINUED)

Changes in the liability for workers' compensation and dental and vision are as follows for the year ended June 30, 2017:

	Workers' Compensation	Dental and Vision	Total
Balance, July 1	$ 706,113	$ 88,616	$ 794,729
Claims paid during the year	(173,943)	(108,973)	(282,916)
Net provision charged to operations	170,542	145,653	316,195
Balance, June 30	$ 702,712	$ 125,296	$ 828,008
Current portion	$ 100,039	$ 125,296	$ 225,335
Long-term portion	602,673	-	602,673

Changes in the liability for workers' compensation and dental and vision are as follows for the year ended June 30, 2016:

	Workers' Compensation	Dental and Vision	Total
Balance, July 1	$ 757,399	$ 43,141	$ 800,540
Claims paid during the year	(185,834)	(109,736)	(295,570)
Net provision charged to operations	134,548	155,211	289,759
Balance, June 30	$ 706,113	$ 88,616	$ 794,729
Current portion	$ 82,245	$ 88,616	$ 170,861
Long-term portion	623,868	-	623,868

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS

Maintenance Assessment District 1999-1

The District, in conjunction with Contra Costa County Water Agency, created an assessment district on November 19, 1999. The purpose of the assessment district is to provide for local sponsorship via a benefit assessment on owners of real property fronting or otherwise benefiting from the operation and maintenance of the John F. Baldwin (Avon to New York Slough) and Stockton Deep Water Ship Channel. The governing body of the Maintenance Assessment District 1999-1 is a steering committee comprised of the Supervisor of District Five of the Board of Supervisors of the County and the Executive Director of the District. The Assessment District is currently being reviewed by the Contra Costa County Water Agency for its possible dissolution. Recently, some of the private companies in the area have begun to participate in the dredging program and there may not be a need in the future to have the special assessment district. Financial reports may be obtained from the Contra Costa Water Agency, 651 Pine Street, Fourth Floor, Martinez, California 94553.

NOTE 16 – SUBSEQUENT EVENTS

The District signed to infrastructure construction contracts for the Navy Drive Widening Project and the Fyffe & Embarcadero Road Improvement for $5,759,336 and $1,791,732, respectively. These projects will be funded by the California Transportation Corridor Improvement Funds, the Federal Economic Development Administration, a loan from the San Joaquin Partnership, the 2016 Bonds and District funds.

The District signed a loan agreement with Triumph Premium Finance to finance a portion of the District's insurance program. The loan is for $892,814 for nine months with a 2.9% interest rate. The District also acquired earthquake insurance this fiscal year as part of its insurance coverage program. This plan has a $25 million benefit with coverage dependent on the magnitude and scope of the earthquake within a 100-mile radius of the District.

Required Supplementary Information

Port of Stockton
Stockton, California

A – OPEB PLAN FUNDING PROGRESS

The District's schedule of funding progress for OPEB:

Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Payroll
6/30/2014	$ 800,000	$ -	$ 800,000	0.0%	$ 6,180,000	12.9%
6/30/2011	519,000	-	519,000	0.0%	5,464,000	9.5%
6/30/2008	2,166,000	-	2,166,000	0.0%	5,715,638	37.9%

The decrease in the Actuarial Accrued Liability for the OPEB between the June 30, 2008 and 2011 valuations is because the District changed from having a self-insured health care program to participating in the CalPERS Health Benefit Program (CalPERS) for both current and retired employees. CalPERS is a premium based health insurance in which the District has no liability for actual health care claims. The District pays only the minimum required employer contribution as directed by CalPERS for retiree costs. For 2017, the District paid $32 per month per retiree with a projected monthly cost to the District of $128 per month over 20 years.

B – PENSION PLAN REQUIRED CONTRIBUTIONS

The information presented below relates to the cost-sharing multi-employer defined benefit pension plan (Plan) with the Distributors Association Warehousemen's Pension Trust, as discussed in Note 10 to the financial statements, for which the most recent actuarial report is dated June 1, 2014.

The District's schedule of required contributions and the percentage contributed:

Year Ended	Required Contributions	Percentage Contributed
June 30, 2017	$ 0	N/A
June 30, 2016	269,734	100%
June 30, 2015	338,092	100
June 30, 2014	286,348	100
June 30, 2013	250,694	100
June 30, 2012	204,117	100
June 30, 2011	196,168	100
June 30. 2010	152,095	100
June 30, 2009	163,597	100
June 30, 2008	181,166	100

NOTE A – DEFINED BENEFIT PENSION PLAN

On June 1, 2010, the Plan was declared to be in critical status as defined by the Pension Protection Act of 2006 (PPA). As a result, the Plan implemented changes to the benefits for participants and rate increases for employers. The Rehabilitation Plan increased the employer rate by $1.05/hour on October 1, 2010 and an additional $0.30/hour on June 1, 2011 through 2014. In March 2012, the Plan made additional rehabilitation changes to participant benefits and employer contribution rate increases. Additional rate increases (which included the increases from the August 2010 Notice) were: $0.25/hour as of June 1, 2012, $0.30/hour on July 1, 2013 and July 1, 2014, and $0.15/hour on July 1, 2015 and July 1, 2016. The Plan is still in critical status as defined by the PPA.

In February 2016, the District withdrew from the ILWU, Local 6 pension plan.

Supplementary Information

Port of Stockton

Stockton, California

Unrestricted Cash and Investments Details
June 30, 2017

Investments	Book Value	Yield	Purchase Date	Maturity Date/ Average Life
Demand Deposits	$ 508,396			
Local Agency Investment Funds	24,501,266	0.92%		194 days
Non-negotiable certificates of deposit	853,000	0.25% - 0.90%	1/9/2015 - 1/9/2017	10/5/2017 - 6/18/2018
Total Unrestricted Cash and Investments	$ 25,862,662			

Outstanding Construction in Progress Detail
June 30, 2017

Project Description		Balance
Dredging Rough & Ready Island	$	36,667
Dredge the Deep Water Channel to 40 FT		3,854,225
Navy Drive Bridge - West Complex		5,479,871
Dredging docks 6-9		38,109
Fireline Upgrade		78,729
Infrastructure Improvements - Rail/Sewer/Water		568,335
Storm Water Vault Drains		209,263
South Ditch Upgrade		143,012
Safe Drains		17,346
Annual Maintenance Dredging		33,601
Sanitary Sewer System - West Complex		92,327
Lindley House Improvement		201,123
Cyber Security		529,191
Port fueling station		94,243
Navy Drive widening project		1,712,296
West Complex Electric Meter Upgrade		52,601
Telephone System Upgrade - Avaya		50,537
Warehouse 5 & 6 Roof Upgrade		525,010
Dock 23/13 Upgrade		61,227
Port Police Fusion Center		5,164
Fyffe & Embarcadero Paving Project		66,259
Total Outstanding Construction in Progress	$	13,849,136

Statistical Section

Port of Stockton
Stockton, California

Stockton Port District

Statistical Section

(Unaudited)

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:

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

Stockton Port District

Summary of Revenues, Expenses, and Changes in Net Positon
For the Years Ended June 30, 2008 through 2017

Operating Revenues:	**2017**	**2016**	**2015**	**2014**
General Cargo	$ 10,120,217	$ 11,448,484	$ 10,087,982	$ 8,843,812
Bulk Cargo	16,921,173	16,135,872	19,126,590	14,818,538
Property Management	24,492,674	25,028,624	23,482,150	21,304,283
Other	238,205	200,416	255,605	272,452
Total	51,772,269	52,813,396	52,952,327	45,239,085
Operating Expenses:				
Wages & Salaries	9,046,433	9,099,440	8,537,158	8,126,540
Fringe Benefits	4,815,596	7,370,723	4,302,521	4,315,615
Other Operating Costs	20,657,728	22,685,348	19,354,337	26,211,766
Total	34,519,757	39,155,511	32,194,016	38,653,921
Operating Profit before depreciation:	17,252,512	13,657,885	20,758,311	6,585,164
Depreciation Expense	10,722,572	9,718,388	8,779,800	7,296,119
Net Operating Profit (Loss)	6,529,940	3,939,497	11,978,511	(710,955)
Nonoperating Income (Expense) and Capital Contributions:				
Interest Income and Other	240,192	147,250	128,660	60,797
Interest Expense and Other	(1,875,463)	(941,860)	(1,538,276)	(1,395,914)
Net Contributed Capital/Grants (1)	2,905,067	7,168,892	5,927,607	4,544,860
Extraordinary Item (2)	-	-	(2,027,754)	-
Net Nonoperating Income (Expense) and Capital Contributions/Extraordinary Items	1,269,796	6,374,282	2,490,237	3,209,743
Change in Net Position	$ 7,799,736	$ 10,313,779	$ 14,468,748	$ 2,498,788

(1) Property received from the Navy (GASB 33), TSA Security Grants, & DOT
(2) Transfer property to the State of California as part of a cooperative agreement
(3) For years ending June 30, 2013 and 2012, figures have been restated for the implementation of GASB No. 65.

2013 (3)	2012 (3)	2011	2010	2009	2008
$ 4,449,401	$ 5,141,314	$ 6,055,764	$ 4,074,394	$ 6,085,660	$ 6,926,858
11,903,058	12,740,124	8,751,061	6,225,074	7,278,976	7,735,692
19,094,503	17,371,325	15,865,280	15,387,897	15,880,043	14,984,591
405,354	281,861	334,789	475,632	536,956	680,230
35,852,316	35,534,624	31,006,894	26,162,997	29,781,635	30,327,371
7,776,478	7,276,773	7,023,704	7,034,532	7,754,322	7,533,390
4,410,806	3,857,047	4,079,757	4,168,156	3,751,507	3,502,763
14,903,101	12,814,719	12,564,299	11,066,530	13,274,227	13,535,944
27,090,385	23,948,539	23,667,760	22,269,218	24,780,056	24,572,097
8,761,931	11,586,085	7,339,134	3,893,779	5,001,579	5,755,274
5,809,644	5,245,878	5,098,973	5,144,179	5,231,364	4,919,282
2,952,287	6,340,207	2,240,161	(1,250,400)	(229,785)	835,992
239,228	117,333	198,847	209,498	591,667	772,573
(1,638,407)	(2,174,516)	(1,816,664)	(2,878,138)	(1,990,253)	(3,461,935)
7,365,696	30,883,716	10,526,240	4,473,712	1,478,758	919,802
-	-	(2,049,173)	-	-	-
5,966,517	28,826,533	6,859,250	1,805,072	80,172	(1,769,560)
$ 8,918,804	$ 35,166,740	$ 9,099,411	$ 554,672	$ (149,613)	$ (933,568)

Stockton Port District

Net Position by Component
June 30, 2008 through 2017

	2017	2016	2015	2014
Port Enterprise Activity:				
Net investment in capital assets	$ 133,915,418	$ 135,125,010	$ 125,605,810	$ 121,518,585
Restricted	54,963	75,081	108,409	151,928
Unrestricted	23,951,997	14,922,551	14,094,644	3,669,602
Total Port Net Position	$ 157,922,378	$ 150,122,642	$ 139,808,863	$ 125,340,115

(1) The categories for 2008 have been reclassified.

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

2013 (2)	2012 (2)	2011	2010	2009	2008 (1)
$ 116,014,163	$ 109,293,784	$ 77,362,056	$ 69,951,990	$ 69,315,167	$ 68,270,561
97,626	63,657	-	-	-	-
6,729,538	4,565,082	3,286,530	1,597,185	1,679,336	2,873,555
$ 122,841,327	$ 113,922,523	$ 80,648,586	$ 71,549,175	$ 70,994,503	$ 71,144,116

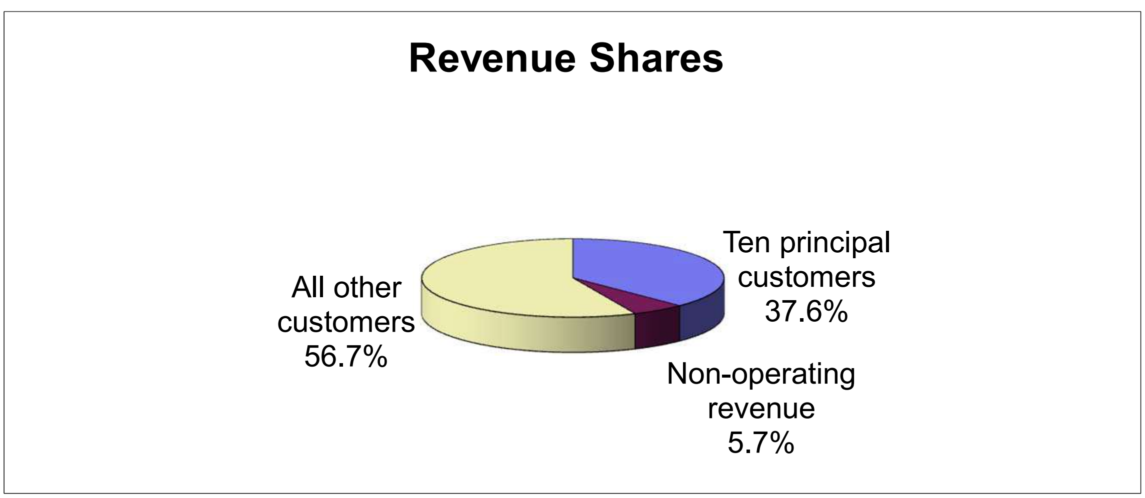
Stockton Port District

Principal Customers

For the Year Ended June 30, 2017

Customer Name	Type of Activity		Revenue Amount
Metropolitan Stevedore	Lease Tenant/Stevedore Company	$	3,579,252
Transmarine Navigation	Shipping Agent		3,073,340
Ferguson Enterprises	Lease Tenant/Steel Importer		2,235,092
General Steamship Corp	Lease Tenant/Agent		1,981,543
SQM North America	Warehousing and Fertilizer Operation		1,864,160
Keep On Trucking	Lease Tenant		1,749,871
Yara North America	Lease Tenant/Importer		1,749,742
Best Logistics	Lease Tenant		1,727,299
California Ammonia	Lease Tenant/Importer		1,405,587
M & L Commodities	Lease Tenant/Importer		1,258,751
		$	20,624,637

Total of the ten principal customers	**$**	**20,624,637**
Nonoperating income and capital contributions	**$**	**3,132,845**
Total operating revenue	**$**	**51,772,269**
Percent of Total Revenue (for the ten principal customers)		**37.6%**
Percent of Total Revenue (for the nonoperating revenue)		**5.7%**
Percent of Total Revenue (for all other customers)		**56.7%**



Stockton Port District

Principal Customers
For the Years Ended June 30, 2008 through 2017
dollars in thousands

2017		2016		2015	
Customer Name	**Revenue**	**Customer Name**	**Revenue**	**Customer Name**	**Revenue**
Transmarine Navigation	$ 3,579	Transmarine Navigation	$ 2,782	Metropolitan Stevedore	$ 5,590
Metropolitan Stevedore	3,073	Metropolitan Stevedore	2,484	General Steamship Corp	2,793
General Steamship Corp	2,235	General Steamship Corp	2,350	SQM North America	2,611
Ferguson Enterprises	1,982	Ferguson Enterprises	2,225	Transmarine Navigation	2,342
Yara North America	1,864	Yara North America	1,807	Ferguson Enterprises	2,204
SQM North America	1,750	SQM North America	1,732	Yara North America	1,720
Best Logistics	1,750	Best Logistics	1,635	Best Logistics	1,452
Keep On Trucking	1,727	Keep On Trucking	1,412	Capital Feed, Inc.	1,285
M & L Commodities	1,406	M & L Commodities	1,337	California Ammonia	1,245
California Ammonia	1,259	California Ammonia	1,283	Keep On Trucking	1,206
Total	$ 20,625	Total	$ 19,047		$ 22,448
Ten principal customers	**$ 20,625**		**$ 19,047**		**$ 22,448**
Nonoperating income/capital contributions	**$ 3,133**		**$ 7,316**		**$ 6,131**
Total Operating Revenues	**$ 51,772**		**$ 52,813**		**$ 52,952**
% of Revenue/Top Ten Customers	**37.6%**		**31.7%**		**38.0%**
% of Nonoperating Revenue	**5.7%**		**12.2%**		**10.4%**
% of Revenue/all other customers	**56.7%**		**56.1%**		**51.6%**

Source: Port of Stockton Finance Department

Note: Non-operating revenues are net of contributed property from the US Navy

Stockton Port District

Principal Customers
For the Years Ended June 30, 2008 through 2017 (continued)
dollars in thousands

2014		2013		2012	
Customer Name	**Revenue**	**Customer Name**	**Revenue**	**Customer Name**	**Revenue**
Metropolitan Stevedoring	$ 4,210	Ferguson Enterprises	$ 2,429	Metropolitan Stevedoring	$ 3,285
Ferguson Enterprises	2,245	Metropolitan Stevedoring	1,949	Ferguson Enterprises	2,402
Transmarine Navigation	2,171	SQM North America	1,898	General Steamship	2,342
General Steamship	1,768	Yara North America	1,604	SQM North America	1,760
SQM North America	1,746	Transmarine Navigation	1,568	Transmarine Navigation	1,491
Best Logistics	1,510	Best Logistics	1,347	Yara North America	1,403
Yara North America	1,348	California Ammonia	1,267	California Ammonia	1,101
Industrial Minerals, Inc.	1,222	Gavilon Fertilizer	1,221	Best Logistics	986
California Ammonia	1,124	Lowes	1,096	Westway Trading	791
Capital Feed, Inc.	1,098	General Steamship	1,085	Lowes	743
	$ 18,442		$ 15,464	**Total**	$ 16,304
Ten principal customers	**$ 18,442**		**$ 15,464**		**$ 16,304**
Nonoperating income/capital contributions	**$ 4,606**		**$ 7,605**		**$ 31,001**
Total Operating Revenues	**$ 45,239**		**$ 35,852**		**$ 35,535**
% of Revenue/Top Ten Customers	**37.0%**		**35.6%**		**24.5%**
% of Nonoperating Revenue	**9.2%**		**17.5%**		**46.6%**
% of Revenue/all other customers	**53.8%**		**46.9%**		**28.9%**

2011		2010		2009		2008	
Customer Name	**Revenue**	**Customer Name**	**Revenue**	**Customer Name**	**Revenue**	**Customer Name**	**Revenue**
Ferguson Enterprises	$ 2,152	Ferguson Enterprises	$ 2,243	Ferguson Enterprises	$ 1,980	General Steamship	$ 2,128
Transmarine Navigation	1,383	SQM North America	1,353	General Steamship	1,613	Ferguson Enterprises	1,849
Metropolitan Stevedoring	1,269	Yara North America	1,062	SQM North America	1,503	Yara North America	1,514
SQM North America	1,229	California Ammonia	1,018	Yara North America	1,119	Transmarine Navigation	1,268
General Steamship	1,111	Transmarine Navigation	934	Transmarine Navigation	1,089	SQM North America	1,215
Yara North America	1,057	Connell Rice & Sugar	857	Metropolitan Stevedoring	883	Connell Rice & Sugar	906
Best Logistics	937	Metropolitan Stevedoring	758	S.T. Services	839	California Ammonia	873
California Ammonia	879	General Steamship	736	California Ammonia	718	Marian Shipping	782
Connell Rice & Sugar	827	Best Logistics	677	Keep On Trucking	710	Metropolitan Stevedoring	763
Weyerhaeuser	637	Lowes	666	H.J. Baker	706	Best Logistics	705
Total	$ 11,481	**Total**	$ 10,304	Total	$ 11,158		$ 12,003
	$ 11,481		**$ 10,304**		**$ 11,158**		**$ 12,003**
	$ 10,725		**$ 4,683**		**$ 2,070**		**$ 1,692**
	$ 31,007		**$ 26,163**		**$ 29,782**		**$ 30,327**
	27.5%		**33.4%**		**35.0%**		**37.5%**
	25.7%		**15.2%**		**6.5%**		**5.3%**
	46.8%		**51.4%**		**58.5%**		**57.2%**

Stockton Port District

Summary of Revenues and Revenue Tonnage Trends
For the Years Ended June 30, 2008 Through 2017

Operating Revenues:	**2017**	**2016**	**2015**	**2014**
General Cargo	$ 10,120,217	$ 11,448,484	$ 10,087,982	$ 8,843,812
Bulk Cargo	16,921,173	16,135,872	19,126,590	14,818,538
Property Management	24,492,674	25,028,624	23,482,150	21,304,283
Other	238,205	200,416	255,605	272,452
Total Operating Revenue	$ 51,772,269	$ 52,813,396	$ 52,952,327	$ 45,239,085
Metric Revenue Tonnages:				
General Cargo	466,396	542,313	345,769	240,955
Bulk Cargo	3,262,218	2,747,720	3,602,330	2,610,778
Total Waterborne Tonnages:	3,728,614	3,290,033	3,948,099	2,851,733
Total Non-vessel Cargo	2,461,639	2,584,914	2,449,912	2,341,115
Harbor Cargos, etc.	413,068	378,373	547,716	688,672
Total Metric Revenue Tonnages:	6,603,321	6,253,320	6,945,727	5,881,520
Barge Traffic Marine Highway				
Containers shipped (1)	-	-	1,214	5,175

Source: Port of Stockton Finance Department

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

2013	2012	2011	2010	2009	2008
$ 4,449,401	$ 5,141,314	$ 6,055,764	$ 4,074,394	$ 6,085,660	$ 6,926,858
11,903,058	12,740,124	8,751,061	6,225,074	7,278,976	7,735,692
19,094,503	17,371,325	15,865,280	15,387,897	15,880,043	14,984,591
405,354	281,861	334,789	475,632	536,956	680,230
$ 35,852,316	$ 35,534,624	$ 31,006,894	$ 26,162,997	$ 29,781,635	$ 30,327,371
143,834	184,386	320,122	212,574	267,724	390,643
1,950,935	2,467,767	1,693,124	1,047,117	1,091,409	1,708,041
2,094,769	2,652,153	2,013,246	1,259,691	1,359,133	2,098,684
2,169,282	2,099,213	2,051,771	2,211,862	2,375,330	2,781,526
616,102	340,667	133,353	213,031	114,887	99,786
4,880,153	5,092,033	4,198,370	3,684,584	3,849,350	4,979,996
156	-	-	-	-	-

Stockton Port District

Computation of Legal Debt Margin
Last Ten Years

	2017	2016	2015	2014
Total Assessed Valuation [1]	$26,982,451,650	$25,602,688,763	$25,715,265,481	$21,742,926,946
Debt Limit 3% of Assessed Value [2]	809,473,550	768,080,663	771,457,964	652,287,808
Amount of Applicable to Debt Limit:				
Total Bond Debt	45,933,312	43,968,104	37,764,101	39,679,357
less: Restricted Funds for Service Requirements	1,050,000	1,215,000	1,155,000	1,100,000
Total Debt Applicable to Debt Limit	44,883,312	42,753,104	36,609,101	38,579,357
Legal Debt Margin	$ 764,590,238	$ 725,327,559	$ 734,848,863	$ 613,708,451

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

2013	2012	2011	2010	2009	2008
$19,308,640,511	$18,243,512,468	$18,423,999,731	$19,287,765,975	$19,849,546,532	$21,169,658,211
579,259,215	547,305,374	552,719,992	578,632,979	595,486,396	635,089,746
41,535,876	42,499,818	44,250,224	45,639,343	46,969,783	48,126,809
1,040,000	1,225,000	1,165,000	1,110,000	1,060,000	895,000
40,495,876	41,274,818	43,085,224	44,529,343	45,909,783	47,231,809
$ 538,763,339	$ 506,030,556	$ 509,634,768	$ 534,103,636	$ 549,576,613	$ 587,857,937

Stockton Port District

Ratios of Outstanding Debt by Type
June 30, 2008 Through 2017

Year	Revenue Bonds & Installment Agreements	Commerical Loans & Capital Leases	Total Debt Obligations	Percent of Personal Income (1)	Debt Per Capita (1)
2008	$ 48,126,809	$ 1,782,811	$ 49,909,620	0.3%	$ 73
2009	46,969,783	1,500,404	48,470,187	0.2%	70
2010	45,639,343	1,448,291	47,087,634	0.2%	68
2011	44,250,224	1,315,341	45,565,565	0.2%	66
2012	42,499,818	2,960,028	45,459,846	0.2%	62
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	0.2%	55
2016 (3)	43,968,104	1,390,747	45,358,851	1.6%	61
2017 (4)	45,933,312	563,104	46,496,416	1.5%	63

Notes:

(1) See "Demographic Statistics" for personal income and population data.

(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, 2008 Through 2017
(amounts expressed in thousands)

Year	Gross Revenues [1]	Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements [3] Principal	Interest	Total	Coverage
2008	$ 32,020	$ 25,790	$ 6,230	$ 439	$ 2,195	$ 2,634	2.37
2009	31,852	24,632	7,220	1,157	2,139	3,296	2.19
2010	26,235	22,100	4,135	1,330	2,051	3,381	1.22
2011	31,099	23,498	7,601	1,389	2,020	3,409	2.23
2012, restated [4]	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 [7]	52,012	34,935	17,077	2,179	1,648	3,827	4.46

Notes:

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

(2) Includes operating expenses and non-bond interest expenses, less bad debt, depreciation, and amortization expenses.

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

(4) Figures have been restated for the implementation of GASB No. 65

(5) 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.

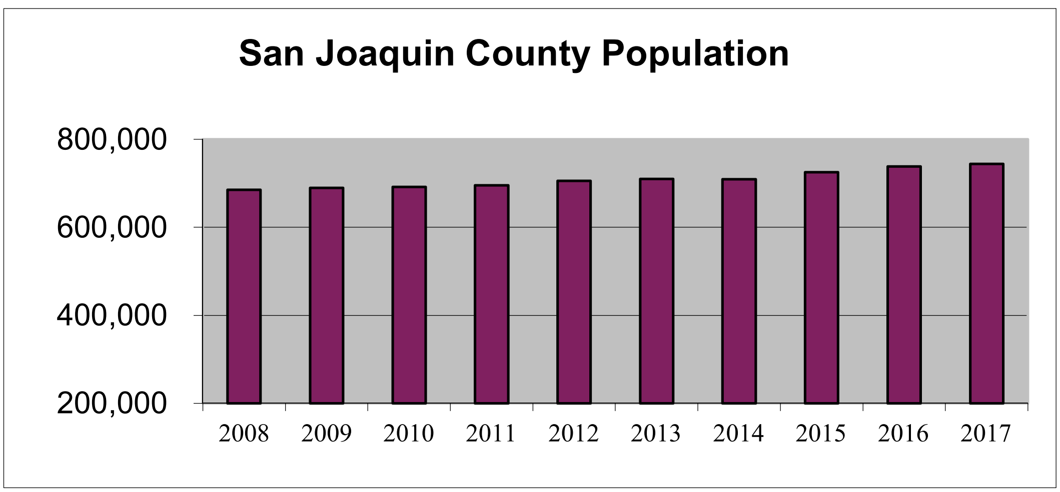
(6) The Port secured a $8.2 million loan with Western Alliance Bank in June 2016 but no principal payment was required in the 2016 fiscal year.

(7) 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 (in thousands)(1)	Labor Force (2)	Unemployment Rate (2)	School Enrollment(3)
2008	685,660	$ 19,700	$ 28,731	305,800	9.8%	136,694
2009	689,480	19,500	28,282	310,500	15.5%	135,098
2010	692,202	21,290	30,757	309,600	16.5%	135,788
2011	695,200	22,300	32,077	303,400	16.6%	136,304
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



Sources:
(1) University of the Pacific Business Forecasting Center
(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

Year	Number of Employees by Department				
Ended	Administration	Police	Maintenance	Warehouse	Total
2017	52	21	17	17	107
2016	56	21	17	16	110
2015	57	21	19	18	115
2014	49	21	20	14	104
2013	48	18	20	10	96
2012	47	19	18	9	93
2011	45	18	19	8	90
2010	47	19	18	12	96
2009	57	21	18	10	106
2008	54	22	19	8	103

Source: Port of Stockton Finance Department

Stockton Port District

Port of Stockton Capital Assets
By Asset Type
Last Ten Years

Year Ended	Office Buildings	Warehouses & Transit Sheds	Other Buildings (1)	Emergency Vehicles	Other Vehicles	Heavy Equipment
2017	14	57	60	13	71	101
2016	14	57	58	13	68	101
2015	14	56	58	13	67	99
2014	14	56	58	20	73	98
2013	14	56	48	13	66	97
2012	14	56	47	14	58	87
2011	14	58	47	12	57	86
2010	14	58	47	10	58	86
2009	14	58	47	10	73	90
2008	14	58	48	13	72	96

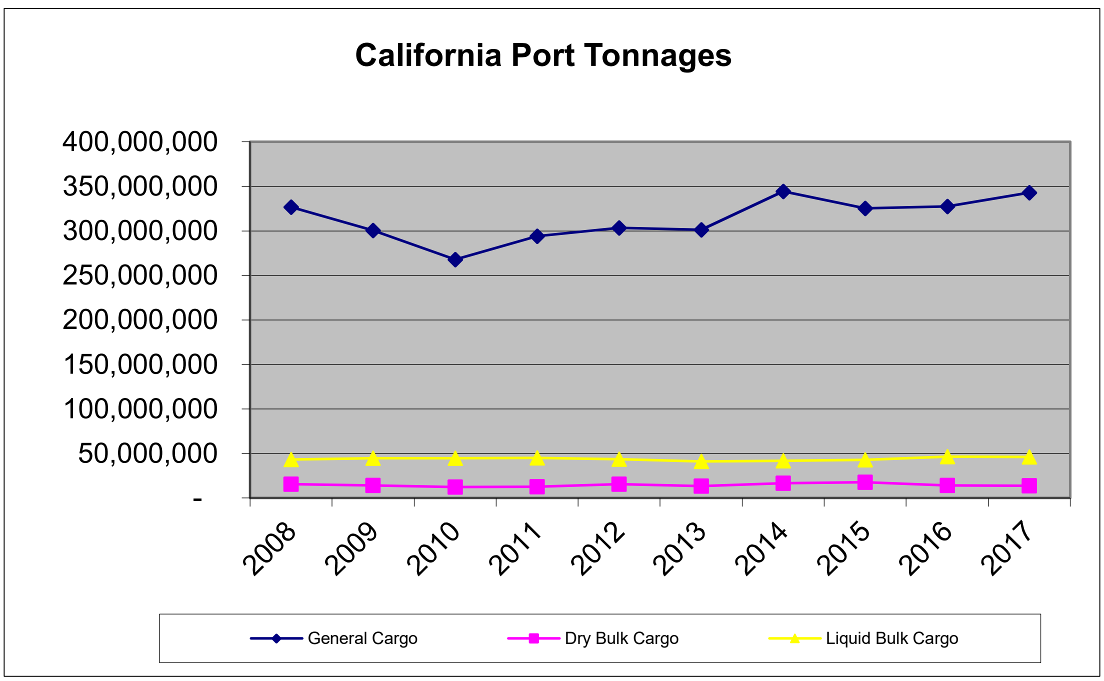
Source: Stockton Port District Finance Department

(1) Incudes portable buildings

Stockton Port District

Ten Year Trend in Waterborne Tonnages for California Ports
Revenue Tons
For the Years Ended June 30, 2008 Through 2017

Year Ended	General Cargo	Dry Bulk Cargo	Liquid Bulk Cargo	Total Tonnage
2008	326,674,840	15,714,821	43,382,047	385,771,708
2009	300,478,869	14,054,796	44,770,128	359,303,793
2010	267,988,161	12,257,955	44,778,813	325,024,929
2011	294,138,923	12,707,528	45,049,177	351,895,628
2012	303,606,826	15,771,301	43,543,921	362,922,048
2013	301,287,361	13,462,483	40,965,656	355,715,500
2014	344,340,844	16,748,735	41,716,159	402,805,738
2015	325,463,528	17,872,881	42,841,226	386,177,635
2016	327,602,092	14,266,755	46,501,284	388,370,131
2017	343,150,794	14,004,394	46,107,734	403,262,922



Source: California Association of Port Authorities

Note: These figures are for Member Ports of the California Association of Port Authorities

Stockton Port District

Revenue Tonnages
For the Years Ended June 30, 2017 through 2008

Commodities	2017	2016	2015	2014
General Cargo:				
Steel	323,142	274,286	259,142	152,198
Bagged Rice	126,995	230,288	52,911	71,289
Miscellaneous	16,259	37,739	33,716	17,468
Total General Cargo	466,396	542,313	345,769	240,955
Dry Bulk:				
Sulfur	208,167	181,711	202,269	260,021
Fertilizer	79,963	108,100	114,965	80,672
Urea	41,250	56,768	72,646	72,872
Nitrates, various	-	-	-	-
Cement/Slag	651,858	457,136	206,451	91,000
Iron Ore	-	-	-	-
Coal	1,044,805	642,253	1,821,796	1,258,616
Miscellaneous	192,140	222,102	179,362	97,843
Liquid Bulk:				
Ammonia	133,528	154,712	172,592	146,135
Fertilizer	603,093	572,514	541,706	345,180
Molasses	117,254	207,586	195,650	203,529
Food Grade Oil	189,567	143,645	93,301	53,936
Bunker Fuel	593	1,193	1,592	974
Total Bulk Cargo	3,262,218	2,747,720	3,602,330	2,610,778
Total Vessel Tons	3,728,614	3,290,033	3,948,099	2,851,733
Overland Cargo:				
Dry Bulk	-	-	-	-
Liquid Bulk	2,461,639	2,584,914	2,449,912	2,341,115
Total Non-vessel Cargo	2,461,639	2,584,914	2,449,912	2,341,115
Harbor Cargos, etc.	413,068	378,373	547,716	688,672
Grand Total	6,603,321	6,253,320	6,945,727	5,881,520
Barged Containers [1]	-	-	1,214	5,175

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

2013	2012	2011	2010	2009	2008
57,374	47,222	48,706	38,111	65,291	153,494
58,986	89,353	251,068	158,108	143,407	155,627
27,474	47,811	20,348	16,355	59,026	81,522
143,834	184,386	320,122	212,574	267,724	390,643
186,827	245,683	236,630	208,071	293,252	247,710
104,370	114,027	60,065	31,554	30,710	13,204
99,888	55,440	37,487	9,548	11,521	23,717
-	-	20,164	16,686	6,900	8,908
76,000	94,050	236,636	182,241	220,241	640,600
237,098	1,024,877	308,460	-	-	-
238,468	60,695	29,473	-	-	-
57,603	42,976	48,247	7,522	38,040	-
187,147	181,212	171,134	181,152	190,731	235,677
516,362	435,495	380,374	262,780	150,810	369,308
246,170	212,112	163,003	146,393	148,721	167,615
-	-	-	-	-	-
1,003	1,200	1,451	1,170	483	1,302
1,950,935	2,467,767	1,693,124	1,047,117	1,091,409	1,708,041
2,094,769	2,652,153	2,013,246	1,259,691	1,359,133	2,098,684
-	-	-	-	8,540	74,782
2,169,282	2,099,213	2,051,771	2,211,862	2,366,790	2,706,744
2,169,282	2,099,213	2,051,771	2,211,862	2,375,330	2,781,526
616,102	340,667	133,353	213,031	114,887	99,786
4,880,153	5,092,033	4,198,370	3,684,584	3,849,350	4,979,996
156	-	-	-	-	-

Stockton Port District

Waterborne Tonnage Trends for Ports in California
For the Years Ended June 30, 2017, 2016, and 2008

		Change From:		Market Share:		
Port	2017 Tonnages	Last Year	Ten Years Ago	This Year	Last Year	Ten Years Ago
Los Angeles	198,077,000	8.4%	16.5%	49.1%	47.1%	44.1%
Long Beach	159,475,697	-2.5%	-7.8%	39.5%	42.1%	44.9%
Oakland	33,528,888	10.6%	5.8%	8.3%	7.8%	8.2%
Stockton	3,728,614	13.3%	77.7%	0.9%	0.8%	0.5%
San Diego	2,894,677	5.7%	2.7%	0.7%	0.7%	0.8%
Redwood City	1,639,088	-3.5%	10.2%	0.4%	0.4%	0.4%
Hueneme	1,489,097	2.3%	17.3%	0.4%	0.4%	0.3%
San Francisco	1,351,400	-10.0%	-0.8%	0.3%	0.4%	0.4%
West Sacramento	558,699	27.9%	-34.5%	0.1%	0.1%	0.2%
Humboldt	274,851	-11.5%	-47.4%	0.1%	0.1%	0.1%
Richmond	244,911	-10.3%	-26.1%	0.1%	0.1%	0.1%
Total Tonnages	403,262,922	3.8%	4.5%	100.0%	100.0%	100.0%
Region:						
Southern California	361,936,471	3.2%	4.2%	89.8%	90.3%	90.1%
Northern California	41,326,451	9.3%	7.8%	10.2%	9.7%	9.9%
Size:						
Large (LB, LA, Oak.)	391,081,585	3.8%	4.4%	97.0%	97.0%	97.1%
Small (all others)	12,181,337	4.1%	10.1%	3.0%	3.0%	2.9%

Source: California Association of Port Authorities

Note: These figures are for Member Ports of the California Association of Port Authorities

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