

*DUE DECEMBER 31 Pursuant to Public Resources Code § 6306*

**Fiscal/Calendar Year:** 2018-19

**Grantee Name:** Port of Oakland

**Contact Person:** David Zolezzi

**Mailing Address:** 530 Water Street, 2nd Fl., Oakland, CA 94607

## 1. Funds

- a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?

YES ☒ NO ☐

If "Yes", please list the name(s) of the fund(s).

Funds earned and expended on Port of Oakland operations are accounted for separately, in a fund entitled the "Port Revenue Fund".

If "No", under what fund are they accounted for?

- b. Are separate financial statements prepared for the trust?

YES ☒ NO ☐

If "Yes," describe the organization of the separate financial statement.

Every year, a comprehensive annual financial report is prepared by the Port as a Component Unit of the City of Oakland, which is audited and conforms to generally accepted accounting principles.

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)).

## 2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year?

Please see "Statements of Revenues, Expenses and Changes in Net Position" on page 20 of the Port's "Comprehensive Annual Financial Report for the Years Ended June 30, 2019 and 2018" ("FY 2018-19 CAFR"). These audited financial statements list Port operating revenue as \$396,997,000 for FY 2018-19.

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g., permits, rentals, percentage of lease, etc.).

Please see "Statements of Revenues, Expenses and Changes in Net Position" on page 20 of the FY 2018-19 CAFR. As noted above, Port operating revenue for FY 2018-19 was \$396,997,000. The figure there is further categorized by revenue type.

### 3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year?

Please see "Statements of Revenues, Expenses and Changes in Net Position" on page 20 of the Port's FY 2018-19 CAFR. The audited financial statements list Port operating expense as \$330,953,000.

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.

Please see "Statements of Revenues, Expenses and Changes in Net Position" on page 20 of the Port's FY 2018-19 CAFR. As noted above, Port operating expense for FY 2018-19 was \$330,953,000. The figure there is further categorized by expenditure type.

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

The Port's capital improvement expenditures in FY 2018-19 exceeded \$250,000, and in FY 2019-20, it is anticipated that they will again exceed this amount. Please see the Port of Oakland website to view the Port's FY 2019-20 Budget Summary, which includes budgeted capital projects.

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of entity or under the management of another political subdivision of the grantee under an agreement, settlement, or memorandum of understanding.

Please see the attached supplement.

### 4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.

Please see "Statements of Net Position" on page 18 of the Port's FY 2018-19 CAFR. The beginning and ending balances in the Port Revenue Fund are listed as "Total unrestricted current assets". At the end of FY 2018-19 this amount was \$480.4 million, while at the end of FY 2017-18 (or the beginning of FY 2018-19) it was \$416.0 million.

## Granted Public Trust Lands Standardized Reporting Form

### Port of Oakland – Fiscal Year 2018-19 Responses (Supplement)

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#### Response to Question #3d:

The Port of Oakland (Port), pursuant to a Memorandum of Understanding (MOU) between the Port and the City of Oakland (City) dated July 1, 1983, as amended and supplemented, reimburses the City for the operation and maintenance of Lake Merritt (a tidelands grant area). The reimbursement includes the costs for grounds and facilities maintenance, security, algae control and recreational services. The amount paid is limited to the lesser of actual costs or a maximum amount set forth in the MOU that adjusts each year by CPI. In FY 2019, the reimbursement to the City for Lake Merritt expenses was \$1,392,549.

In the course of normal business, the Port also periodically disposes, donates or sells miscellaneous obsolete, worn-out and broken property as well as capital equipment. In FY 2019, disposed equipment consisted of miscellaneous property, for which the Port received \$21,897.31.

**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Supplementary Information - Schedule of Revenues and Expenses by Business Line**  
For the years ended June 30, 2019 and 2018  
(dollar amounts in thousands)

	2019				2018			
	Aviation	Maritime	Commercial Real Estate	Total	Aviation	Maritime	Commercial Real Estate	Total
●operating revenues:								
Lease rentals - terminal	\$ 63,373	\$ 120,550	\$ -	\$ 183,923	\$ 59,538	\$ 112,526	\$ -	\$ 172,064
Lease rentals - other	31,614	23,963	14,343	69,920	30,790	25,198	13,792	69,780
Parking fees and ground access	56,231	8,046	2,800	67,077	55,317	7,422	2,597	65,336
Landing fees	36,849	-	-	36,849	37,001	-	-	37,001
Terminal concessions	9,930	-	-	9,930	10,501	-	-	10,501
Utility sales	4,120	14,384	102	18,606	4,301	10,989	101	15,391
Rail terminal rent	-	3,979	-	3,979	-	3,173	-	3,173
Fueling	2,582	-	-	2,582	2,414	-	-	2,414
Other	3,323	54	754	4,131	4,431	150	770	5,351
Total operating revenues	208,022	170,976	17,999	396,997	204,293	159,458	17,260	381,011
●operating expenses:								
Personnel services, materials, services supplies, and other	54,292	15,187	5,467	74,946	55,011	15,478	5,430	75,919
Maintenance and engineering	37,428	28,548	750	66,726	34,753	26,114	684	61,551
Marketing and public relations	4,203	1,469	685	6,357	3,822	1,453	589	5,864
Administration and general services	10,485	6,946	2,412	19,843	11,733	6,800	2,188	20,721
Utilities	5,354	6,038	495	11,887	5,682	5,831	508	12,021
Security, police and fire	33,581	1,569	1,123	36,273	27,188	1,355	926	29,469
Depreciation	56,577	55,934	2,410	114,921	55,188	54,334	2,510	112,032
Total operating expenses	201,920	115,691	13,342	330,953	193,377	111,365	12,835	317,577
●operating income	6,102	55,285	4,657	66,044	10,916	48,093	4,425	63,434
Non-operating revenues (expenses):								
Interest income	1,432	10,632	1,299	13,363	1,063	3,279	767	5,109
Interest expense	(6,375)	(29,879)	(350)	(36,604)	(6,844)	(32,392)	(459)	(39,695)
Customer facility charges revenue	5,421	-	-	5,421	5,525	-	-	5,525
Customer facility charges expenses	(5,440)	-	-	(5,440)	(4,678)	-	-	(4,678)
Passenger facility charges	25,819	-	-	25,819	25,903	-	-	25,903
Other income	246	2,511	18	2,775	212	201	6,474	6,887
Other expense	(884)	(4,976)	(193)	(6,053)	(1,497)	(27,185)	(214)	(28,896)
Grant income	203	251	-	454	324	-	-	324
Grant expenses	(203)	(251)	-	(454)	(324)	-	-	(324)
Loss on disposal of capital assets	(10,864)	-	-	(10,864)	(5)	-	-	(5)
Total non-operating revenues (expenses), net	9,355	(21,712)	774	(11,583)	19,679	(56,097)	6,568	(29,850)
Increase/(decrease) in net position before capital contributions	15,457	33,573	5,431	54,461	30,595	(8,004)	10,993	33,584
Capital contributions - Grants from government agencies	8,238	-	-	8,238	45,051	5,121	-	50,172
Increase/(decrease) in net position	\$ 23,695	\$ 33,573	\$ 5,431	\$ 62,699	\$ 75,646	\$ (2,883)	\$ 10,993	\$ 83,756

**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Statements of Net Position**  
**June 30, 2019 and 2018**  
(dollar amounts in thousands)

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current assets:		
Unrestricted:		
Cash equivalents	\$ 448,988	\$ 368,157
Accounts receivable (less allowance for doubtful accounts of \$1,063 in 2019 and \$540 in 2018)	27,469	44,157
Prepaid expenses and other assets	<u>3,906</u>	<u>3,663</u>
Total unrestricted current assets	<u>480,363</u>	<u>415,977</u>
Restricted:		
Cash equivalents	5,886	7,113
Investments	58,361	56,678
Deposits in escrow	-	2,284
Passenger facility charges and customer facility charges receivable	3,149	3,344
Accrued interest receivable	<u>330</u>	<u>330</u>
Total restricted current assets	<u>67,726</u>	<u>69,749</u>
Total current assets	<u>548,089</u>	<u>485,726</u>
Non-current assets:		
Capital assets:		
Land	523,400	523,382
Noise easements and air rights	25,853	25,853
Construction in progress	18,661	41,451
Buildings and improvements	990,898	986,181
Container cranes	159,197	155,697
Infrastructure	2,135,918	2,117,468
Software	13,844	13,844
Other equipment	<u>120,917</u>	<u>103,537</u>
Total capital assets, at cost	3,988,688	3,967,413
Less accumulated depreciation	<u>(1,916,414)</u>	<u>(1,802,843)</u>
Capital assets, net	2,072,274	2,164,570
Other receivables	27,443	28,026
Other assets	<u>14,825</u>	<u>14,185</u>
Total non-current assets	<u>2,114,542</u>	<u>2,206,781</u>
Total assets	<u>2,662,631</u>	<u>2,692,507</u>
<b>Deferred Outflows of Resources</b>		
Loss on refunding	5,948	6,838
Deferred outflows related to pensions	33,569	48,652
Deferred outflows related to OPEB	<u>14,894</u>	<u>14,732</u>
Total deferred outflows of resources	<u>\$ 54,411</u>	<u>\$ 70,222</u>

(Continued)

The accompanying notes are an integral part of these financial statements.



**Port of Oakland**  
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**Statements of Revenues, Expenses and Changes in Net Position**  
For the years ended June 30, 2019 and 2018  
(dollar amounts in thousands)

	2019	2018
Operating revenues:		
Lease rentals - terminal	\$ 183,923	\$ 172,064
Lease rentals - other	69,920	69,780
Parking fees and ground access	67,077	65,336
Landing fees	36,849	37,001
Terminal concessions	9,930	10,501
Utility sales	18,606	15,391
Rail terminal rent	3,979	3,173
Fueling	2,582	2,414
Other	4,131	5,351
Total operating revenues	<u>396,997</u>	<u>381,011</u>
Operating expenses:		
Personnel services, materials, services, supplies, and other	74,946	75,919
Maintenance and engineering	66,726	61,551
Marketing and public relations	6,357	5,864
Administration and general services	19,843	20,721
Utilities	11,887	12,021
Security, police and fire	36,273	29,469
Depreciation	114,921	112,032
Total operating expenses	<u>330,953</u>	<u>317,577</u>
Operating income	<u>66,044</u>	<u>63,434</u>
Non-operating revenues (expenses):		
Interest income	13,363	5,109
Interest expense	(36,604)	(39,695)
Customer facility charges revenue	5,421	5,525
Customer facility charges expenses	(5,440)	(4,678)
Passenger facility charges	25,819	25,903
Other income	2,775	6,887
Other expense	(6,053)	(28,896)
Grant income	454	324
Grant expenses	(454)	(324)
Loss on disposal of capital assets	(10,864)	(5)
Total non-operating revenues (expenses), net	<u>(11,583)</u>	<u>(29,850)</u>
Increase in net position before capital contributions	54,461	33,584
Capital contributions - Grants from government agencies	<u>8,238</u>	<u>50,172</u>
Increase in net position	62,699	83,756
Net position, beginning of the year	<u>1,200,987</u>	<u>1,117,231</u>
Net position, end of the year	<u>\$ 1,263,686</u>	<u>\$ 1,200,987</u>

The accompanying notes are an integral part of these financial statements.