

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: Fiscal Year 2023

Grantee Name: San Diego Unified Port District

Contact Person: Michael Arons

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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).

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

The District is comprised of a single enterprise fund

b. Are separate financial statements prepared for the trust?

YES NO

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

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

Please see the audited Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023, pages 46-50.

2. Revenue

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

Please see attachment

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 attachment

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 attachment
- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.
Please see attachment
- 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?
Please see attachment
- 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.
None.

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 attachment

San Diego Unified Port District

Attachment to

Granted Public Trust Lands Standardized Reporting Form

Fiscal Year 2022-2023

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 48 of the audited Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023. The total operating revenue for year ended was \$202,986,942.

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

Fixed Rent, net of GASB 87 Lease Revenue	\$ 24,779,781
Concession Revenue	101,241,643
Seaport Village Common Area Maintenance Fee	1,386,712
Storage Space Rental	2,105,189
Dockage	4,198,137
Parking	15,240,461
Parking Meters	3,926,389
Wharfage	13,117,770
Public Services Provided	20,633,648
Others	16,364,143
Grand Total	\$ 202,993,873

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 48 of the audited Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023. The total operating revenue for year ended was \$174,836,838.

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

Real Estate	\$ 30,349,745
Guest Experiences - Parking	7,047,772
Maritime	21,903,690
Harbor Police	46,176,576
Other operating expenses / (credits)	(6,160,930)
Depreciation and amortization	28,283,185
General and administrative expenses	47,236,800
Grand Total	\$ 174,836,838

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 for year ended June 30, 2023 exceeded \$250,000, and in FY 24 it is anticipated they will exceed this amount again. See Management's Discussion and Analysis page 34 for a list of the major capital projects during fiscal year 2023.

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.

None

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 Revenues, Expenses, and Changes in Net Position" on page 48 of the audited Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023. The beginning balance of FY 2023 was \$417,230,148 and the ending balance of FY 2023 was \$529,682,602.

SAN DIEGO UNIFIED PORT DISTRICT

Statements of Net Position

June 30, 2023 and June 30, 2022

ASSETS	2023	2022 (As Restated)
Current assets:		
Unrestricted:		
Cash and cash equivalents	\$ 99,971,109	\$ 56,539,632
Investments	37,153,039	39,461,795
Accounts receivable, net of allowance	29,024,012	24,604,788
Lease receivable	27,383,267	22,750,468
Other current assets	30,523,953	7,839,429
Total unrestricted current assets	224,055,380	151,196,112
Total current assets	224,055,380	151,196,112
Noncurrent assets:		
Restricted assets:		
Restricted cash and investments:		
Terminal Facility Improvement Fund	2,395,402	—
Mitigation Fees Fund	6,563,500	6,563,500
County Sweetwater Park Fund	7,067,412	6,900,272
Chula Vista Bayfront Development RIDA	419,137	707,032
Stimulus Fund	58,856,893	32,385,518
Deposits and other miscellaneous	14,432,046	9,962,796
Escrow accounts:		
South Bay Power Plant remediation and other miscellaneous	1,429,530	1,396,712
Workers' compensation collateral	4,524,173	4,395,222
Series 2013 Bonds:		
Debt service reserve funds held by trustee	2,656,524	2,579,135
Total restricted assets	98,344,617	64,890,187
Other noncurrent assets:		
Cash and investments designated for specific capital projects and commitments	306,699	1,004,349
Lease receivable, net of current portion	1,178,312,324	1,185,895,163
Other noncurrent assets	5,421	5,421
Total other noncurrent assets	1,178,624,444	1,186,904,933
Capital assets:		
Nondepreciable assets:		
Land	314,758,973	314,505,688
Construction-in-progress	70,318,068	42,226,100
Depreciable assets:		
Land improvements	7,650,334	7,650,334
Building and structures	650,086,326	644,050,080
Machinery and equipment	89,032,135	85,475,327
Roads and parking lots	128,643,649	128,376,611
Intangible assets	32,065,049	28,594,396
Total capital assets	1,292,554,534	1,250,878,536
Less accumulated depreciation and amortization	(678,334,938)	(650,051,753)
Capital assets, net	614,219,596	600,826,783
Total noncurrent assets	1,891,188,657	1,852,621,903
Total assets	2,115,244,037	2,003,818,015
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refunding	73,324	85,377
Deferred outflows related to pensions	21,713,478	22,790,093
Deferred outflows related to OPEB	22,639,481	29,569,283
Total deferred outflows of resources	44,426,283	52,444,753

Continued

See accompanying notes to the basic financial statements.

SAN DIEGO UNIFIED PORT DISTRICT
 Statements of Net Position (Continued)
 June 30, 2023 and June 30, 2022

LIABILITIES	2023	2022 (As Restated)
Current liabilities:		
Accounts payable	\$ 31,657,509	\$ 19,250,481
Accrued liabilities	5,651,605	4,333,270
Current portion of accrued leave	6,040,303	6,740,161
Deposits, ERP funds, and other short-term liabilities	65,103,370	27,922,272
Accrued interest payable, Series 2013 Bonds	307,463	344,129
Notes payable, current portion	2,634,469	2,540,692
Bonds payable, current portion	2,315,000	2,200,000
Short-Term Liability SBITA	1,557,537	1,723,192
Total current liabilities	115,267,256	65,054,197
Noncurrent liabilities:		
Liabilities - payable from restricted assets:		
Mitigation, remediation fees, and County park funds	14,760,442	14,560,484
Other long-term liabilities:		
Notes payable to SDCRAA, net of current portion	19,661,455	22,295,923
Bonds payable, net of current portion	17,002,472	19,497,176
Unearned revenue - ERP funds and other	158,740	10,108,609
Unearned revenue - NEVP credits	5,108,813	5,434,440
Other long-term liabilities	4,813,384	4,977,632
Accrued leave, net of current portion	2,620,288	1,033,002
Net pension liability	121,100,991	82,457,261
Net POB liability	2,849,215	4,733,462
Total OPEB liability	112,469,792	114,268,856
Long-Term Liability SBITA	1,331,703	2,889,239
Total other long-term liabilities	287,116,853	267,695,600
Total noncurrent liabilities	301,877,295	282,256,084
Total liabilities	417,144,551	347,310,281
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	5,767,451	56,565,136
Deferred inflows related to leases	1,160,455,888	1,177,820,970
Deferred inflows related to OPEB	46,619,829	57,336,232
Total deferred inflows of resources	1,212,843,168	1,291,722,338
NET POSITION		
Net investment in capital assets	587,370,249	569,939,589
Restricted for other projects and grants	4,159,929	3,421,684
Unrestricted (Deficit)	(61,847,576)	(156,131,125)
Total net position	\$ 529,682,602	\$ 417,230,148

See accompanying notes to the basic financial statements.

SAN DIEGO UNIFIED PORT DISTRICT
 Statements of Revenues, Expenses and Changes in Net Position
 Fiscal Years Ended June 30, 2023 and June 30, 2022

	2023	2022 (As Restated)
Operating revenues:		
Real Estate	\$ 112,426,055	\$ 91,444,955
Guest Experiences - Parking	18,291,223	14,908,148
Maritime	50,990,742	39,697,775
Harbor Police	18,038,783	17,921,684
Other operating revenues	3,240,139	3,066,662
Total operating revenues	202,986,942	167,039,224
Operating expenses:		
Direct expenses:		
Real Estate	30,349,745	29,276,409
Guest Experiences - Parking	7,047,772	5,690,974
Maritime	21,903,690	18,902,324
Harbor Police	46,176,576	42,777,223
Other operating expenses / (credits)	(6,160,930)	(855,708)
Depreciation and amortization	28,283,185	28,332,234
General and administrative expenses	47,236,800	40,483,426
Total operating expenses	174,836,838	164,606,882
Income/(Loss) from operations	28,150,104	2,432,342
Nonoperating revenues/(expenses):		
Interest income	5,182,969	522,335
Interest income from leases	34,468,936	35,853,572
Stimulus fund revenue	22,483,835	29,005,229
Net change in the fair value of investments	488,116	(432,021)
Interest expense	(1,768,183)	(2,087,006)
Financial assistance	(2,408,740)	(623,000)
Other nonoperating expenses	(2,724,291)	(526,339)
Other nonoperating revenues	22,346,066	4,830,403
Nonoperating revenues/(expenses), net	78,068,708	66,543,173
Income/(Loss) before capital grants and contributions	106,218,812	68,975,515
Capital grants and contributions		
Change in net position		
Net position, beginning of year	6,233,642	3,138,429
Net position, end of year	112,452,454	72,113,944
	417,230,148	345,116,203
	\$ 529,682,602	\$ 417,230,147

See accompanying notes to the basic financial statements.

SAN DIEGO UNIFIED PORT DISTRICT
Statements of Cash Flow
Fiscal Years Ended June 30, 2023 and June 30, 2022

	2023	2022 (As Restated)
Cash flows from operating activities:		
Payments from customers	\$ 160,190,280	\$ 146,433,085
Payments to suppliers	(54,407,387)	(41,529,687)
Payments to employees	(125,967,926)	(107,669,187)
Other receipts	3,896,435	4,195,263
Net cash provided by (used) operating activities	<u>(16,288,598)</u>	<u>1,429,474</u>
Cash flows from noncapital financing activities:		
Maintenance Fund	1,432	495,191
Settlement income	13,240,881	—
Financial assistance	(2,408,740)	(623,000)
Note payments	(2,540,692)	(2,372,252)
Net cash used in noncapital financing activities	<u>8,292,881</u>	<u>(2,500,061)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(44,474,576)	(46,217,940)
Proceeds on sale of capital assets	6,014	11,534
Federal/state grants received	28,484,900	3,046,022
Stimulus funds received	58,856,894	61,390,747
County Sweetwater Park Fund	—	6,900,272
Contributions for capital assets	232,577	92,407
Terminal Facility Improvement fees	2,458,401	—
Lease interest	34,468,936	35,853,572
Payment of bond principal	(2,200,000)	(2,095,000)
Interest paid	(1,681,876)	(2,255,244)
Net cash provided by capital and related financing activities	<u>76,151,270</u>	<u>56,726,370</u>
Cash flows from investing activities:		
Net Proceeds (Purchase) of short-term investments	(452,833)	(39,461,795)
Maturity of short-term investments	2,761,589	—
Interest received from investment securities	5,484,790	90,507
Net cash provided (used) by investing activities	<u>7,793,546</u>	<u>(39,371,288)</u>
Net increase (decrease) in cash and cash equivalents	75,949,099	16,284,495
Cash and cash equivalents, beginning of year	114,063,099	97,778,604
Cash and cash equivalents, end of year	<u>\$ 190,012,198</u>	<u>\$ 114,063,099</u>
Cash and cash equivalents components:		
Current cash and cash equivalents – unrestricted	\$ 99,971,109	\$ 56,539,632
Stimulus funds – restricted	58,856,893	32,385,518
Chula Vista Bayfront Development RIDA – restricted	419,137	707,032
Mitigation fees – restricted	6,563,500	6,563,500
County Sweetwater Park Fund – restricted	7,067,412	6,900,272
Terminal Facility Improvement Fund – restricted	2,395,402	—
Deposits and other miscellaneous – restricted	14,432,046	9,962,796
Cash and investments designated for specific capital projects and commitments	306,699	1,004,349
Total cash and cash equivalents	<u>\$ 190,012,198</u>	<u>\$ 114,063,099</u>

See accompanying notes to the basic financial statements.

SAN DIEGO UNIFIED PORT DISTRICT
 Statements of Cash Flow (Continued)
 Fiscal Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:		
Gain/(Loss) from operations	\$ 28,150,104	\$ 1,657,188
Adjustments to reconcile loss from operations to net cash provided (used) by operating activities:		
Depreciation and amortization expenses	28,283,185	27,432,238
(Gain)/Loss on disposal of assets	—	(6,732)
Other activities	3,889,848	4,292,530
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(4,419,224)	(979,067)
Other current assets	4,714,955	19,375,629
Other restricted assets	(128,951)	(1,415)
Deferred outflows of resources	8,018,470	18,835,009
Accounts payable	15,084,300	10,725,212
Accrued liabilities	629,553	(2,771,948)
Other long-term liabilities	24,358,028	(128,044,946)
Deposits and other short-term liabilities	(21,540,258)	(804,409)
Deferred inflows of resources	(103,328,608)	51,720,185
Net cash provided (used) by operating activities	<u><u>\$ (16,288,598)</u></u>	<u><u>\$ 1,429,474</u></u>

Supplemental disclosure of noncash investing, capital, and financing activities:

	2023	2022
Changes to capital assets included in accounts payable	\$ 178,982	\$ (1,337,890)
Net change in the fair value of investments	(488,116)	(432,021)
Construction-in-progress write-offs - prior year costs	2,619,596	517,253
Bond issue premium 2013 Series A (amortization)	179,704	219,903

See accompanying notes to the basic financial statements.