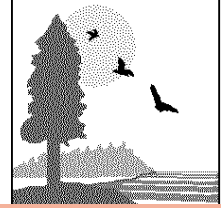


DUE OCTOBER 1

Pursuant to Public
Resources Code § 6306

Granted Public Trust Lands Standardized Reporting Form



Fiscal/Calendar Year: 2013-14

Grantee Name: Port of Oakland
Contact Person: David Zolezzi
Contact Phone: 510.627.1548
Mailing Address: 530 Water Street
2nd Floor
Oakland CA 94607

1. Funds

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

YES NO

If "No", under what fund are they accounted for? If "Yes," please list the name(s) of the fund(s)
Port Revenue Fund

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

YES NO

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)) If "Yes," describe the organization of the separate financial statement.
Port of Oakland's CAFR

2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? \$323,040,000

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

Operating Revenues (page 20 of CAFR)

3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? \$267,804,000

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended. Aviation, Maritime and Commercial Real Estate Operating Expenses (pages 20-21 of CAFR)

- 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?

Yes and Yes

- 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 another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.

See attachment for details

4. Beginning and Ending Balance

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

Beginning Balance: \$179.4 million Ending Balance: \$202.5 million (page 18 of CAFR)

For all questions, please give the page number where the information can be found in your accompanying financial document. Please use additional pages as necessary.

Granted Public Trust Lands Standardized Reporting Form

Port of Oakland – Fiscal Year 2013-14 Responses (Supplement)

Response to Question #1a:

Yes, funds earned and expended on Port of Oakland operations are accounted for separately, in a fund entitled the “Port Revenue Fund”.

Response to Question #1b:

Yes, every fiscal year financial statements are prepared for the Port, which are audited and conform to generally accepted accounting principles.

Response to Question #2a:

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, 2014 and 2013 (“FY 2013-14 CAFR”). These audited financial statements list Port operating revenue as \$323,040,000 for FY 2013-14.

Response to Question #2b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on page 20 of the FY 2013-14 CAFR. As noted above, Port operating revenue for 2013-14 was \$323,040,000. The figure is broken down into the Port’s three main areas of operation, and is further categorized by revenue type.

Response to Question #3a:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on pages 20-21 of the Port’s FY 2013-14 CAFR. These audited financial statements list Port operating expense as \$267,804,000.

Response to Question #3b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on pages 20-21 of the Port’s FY 2013-14 CAFR. As noted above, Port operating expense for 2013-14 was \$267,804,000. The figure is broken down into the Port’s three main areas of operation, and is further categorized by expenditure type.

Granted Public Trust Lands Standardized Reporting Form

Port of Oakland – Fiscal Year 2013-14 Responses (Supplement)

Response to Question #3c:

The Port's capital improvement expenditures in 2013-14 exceeded \$250,000, and in FY 2014-15 it is anticipated that they will again exceed this amount.

Response to Question #3d:

The Port, pursuant to a Memorandum of Understanding (MOU) between the Port and 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 2014, the reimbursement to the City for Lake Merritt expenses was \$1,203,673.

In the course of normal business, the Port also periodically disposes, donates or sells miscellaneous obsolete, worn-out and broken equipment. In FY 2014, this included (i) various vehicles; (ii) two boiler units; (iii); and a fire truck. In aggregate, the Port netted approximately \$92,000 from the disposition of this property.

Response to Question #4:

Please see "Statements of net Position" on page 18 of the Port's FY 2013-14 CAFR. The beginning and ending balances in the Port Revenue Fund are listed as the "Unrestricted Cash equivalents". At the end of 2013-14 this amount was \$202.5 million, while at the end of 2012-13 (or the beginning of 2013-14) it was \$179.4 million.

Port of Oakland
(A Component Unit of the City of Oakland)
Statements of Net Position
June 30, 2014 and 2013
(dollar amounts in thousands)

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Unrestricted:		
Cash equivalents	\$ 202,546	\$ 179,440
Accounts receivable (less allowance for doubtful accounts of \$1,036 in 2014 and \$1,955 in 2013)	44,655	34,052
Prepaid expenses and other assets	<u>3,961</u>	<u>4,098</u>
Total unrestricted current assets	<u>251,162</u>	<u>217,590</u>
Restricted:		
Cash equivalents	65,377	11,702
Investments	-	57,896
Deposits in escrow	5,549	2,269
Receivables - passenger facility charges and customer facility charges	2,793	2,596
Accrued interest receivable	<u>-</u>	<u>25</u>
Total restricted current assets	<u>73,719</u>	<u>74,488</u>
Total current assets	<u>324,881</u>	<u>292,078</u>
Non-current assets:		
Capital assets:		
Land	523,283	523,235
Noise easements and air rights	25,852	23,493
Construction in progress	200,709	197,125
Buildings and improvements	851,650	848,432
Container cranes	153,417	153,775
Infrastructure	1,730,806	1,650,965
Software	13,391	13,391
Other equipment	<u>86,039</u>	<u>78,829</u>
Total capital assets, at cost	3,585,147	3,489,245
Less accumulated depreciation	<u>(1,388,373)</u>	<u>(1,290,160)</u>
Capital assets, net	2,196,774	2,199,085
Other receivables	43,137	43,538
Other assets	<u>12,047</u>	<u>3,148</u>
Total non-current assets	<u>2,251,958</u>	<u>2,245,771</u>
Total assets	<u>2,576,839</u>	<u>2,537,849</u>
Deferred Outflows of Resources		
Loss on refunding	\$ <u>13,431</u>	\$ <u>14,512</u>

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

Port of Oakland
(A Component Unit of the City of Oakland)
Statements of Net Position (continued)
June 30, 2014 and 2013
(dollar amounts in thousands)

	<u>2014</u>	<u>2013</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 38,245	\$ 35,660
Retentions on construction contracts	2,591	6,085
Environmental and other	9,714	10,832
Accrued interest	9,416	9,732
Long-term debt, net	49,919	48,464
Liability to City of Oakland	5,153	6,044
Unearned revenue	12,220	12,491
Total current liabilities	<u>127,258</u>	<u>129,308</u>
Non-current liabilities:		
Retentions on construction contracts	6,395	1,705
Environmental and other	23,320	26,170
Long-term debt, net	1,208,346	1,257,997
Deposits	16,486	5,546
Other post employment benefits	10,414	10,453
Unearned revenue	87,860	92,763
Total non-current liabilities	<u>1,352,821</u>	<u>1,394,634</u>
Total liabilities	<u>1,480,079</u>	<u>1,523,942</u>
Net Position		
Net investment in capital assets	986,959	944,974
Restricted for construction	10,072	14,178
Unrestricted	113,160	69,267
Total net position	<u>\$ 1,110,191</u>	<u>\$ 1,028,419</u>

(Concluded)

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

Port of Oakland
(A Component Unit of the City of Oakland)
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2014 and 2013
(dollar amounts in thousands)

	2014	2013
Operating revenues:		
Aviation:		
Terminal rentals and concessions	\$ 58,790	\$ 53,234
Parking fees and ground access	31,848	30,548
Lease rentals	26,635	26,779
Landing fees	29,351	28,762
Utility sales	4,212	5,324
Fueling	3,914	3,918
Other	2,470	2,306
Total aviation operating revenues	157,220	150,871
Maritime:		
Marine terminal rentals	134,845	139,415
Space assignments and rentals	8,665	6,518
Utility sales	5,834	4,015
Other	3,313	1,921
Total maritime operating revenues	152,657	151,869
Commercial real estate:		
Lease rentals	10,021	9,396
Parking fees	2,171	2,133
Other	971	1,249
Total commercial real estate operating revenues	13,163	12,778
Total operating revenues	323,040	315,518
Operating expenses:		
Aviation:		
Materials, supplies, contract services and other	60,635	56,644
Security	14,615	13,766
Maintenance	22,686	21,487
Advertising and promotion	3,620	3,243
Administration	11,908	9,229
Cost of utility sales	2,006	1,633
Depreciation	42,738	44,459
Total aviation operating expenses	158,208	150,461
Maritime:		
Materials, supplies, contract services and other	14,149	13,140
Maintenance	12,583	10,876
Advertising and promotion	1,593	1,474
Administration	11,853	9,523
Cost of utility sales	3,023	2,046
Depreciation	53,404	50,624
Total maritime operating expenses	\$ 96,605	\$ 87,683

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

Port of Oakland
(A Component Unit of the City of Oakland)
Statements of Revenues, Expenses and Changes in Net Position (continued)
For the years ended June 30, 2014 and 2013
(dollar amounts in thousands)

	<u>2014</u>	<u>2013</u>
Operating expenses, continued		
Commercial real estate:		
Materials, supplies, contract services and other	\$ 7,170	\$ 6,138
Maintenance	740	786
Advertising and promotion	170	156
Administration	1,522	1,380
Cost of utility sales	272	102
Depreciation	3,117	3,151
Total commercial real estate operating expenses	<u>12,991</u>	<u>11,713</u>
Total operating expenses	<u>267,804</u>	<u>249,857</u>
Operating income	<u>55,236</u>	<u>65,661</u>
Non-operating revenues (expenses):		
Interest income	1,373	1,095
Interest expense	(53,977)	(59,598)
Customer facility charges	5,625	5,387
Passenger facility charges	19,698	19,924
Other income (expense)	(2,727)	3,668
Gain (loss) on sale (disposal) of capital assets	(3,791)	12,052
Total net non-operating expenses	<u>(33,799)</u>	<u>(17,472)</u>
Increase in net position before capital contributions	21,437	48,189
Capital contributions -		
Grants from government agencies	<u>60,335</u>	<u>37,896</u>
Increase in net position	81,772	86,085
Net position, beginning of the year	<u>1,028,419</u>	<u>942,334</u>
Net position, end of the year	<u>\$ 1,110,191</u>	<u>\$ 1,028,419</u>

(Concluded)

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