

**DUE DECEMBER 31**

Pursuant to Public  
Resources Code § 6306

# Granted Public Trust Lands Standardized Reporting Form



**Fiscal/Calendar Year:** 2014-15

(Please see the attached supplement for responses to the questions below.)

**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)

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

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

## 2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? \$336,587,000

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease) Please see page 20 of the Port's FY 2014-15 CAFR

## 3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? \$279,559,000

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended. Please see pages 20-21 of the Port's FY 2014-15 CAFR. The figure is broken down into the Port's three main areas of operation, and 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?

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.

Please see attachment.

## 4. Beginning and Ending Balance

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

Beginning: \$202.5 million; Ending: \$198.9 million (page 18 of the 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 2014-15 Responses (Supplement)

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### 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, 2015 and 2014 (“FY 2014-15 CAFR”). These audited financial statements list Port operating revenue as \$336,587,000 for FY 2014-15.

### Response to Question #2b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on page 20 of the FY 2014-15 CAFR. As noted above, Port operating revenue for 2014-15 was \$336,587,000. 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 2014-15 CAFR. These audited financial statements list Port operating expense as \$279,559,000.

### Response to Question #3b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on pages 20-21 of the Port’s FY 2014-15 CAFR. As noted above, Port operating expense for 2014-15 was \$279,559,000. 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 2014-15 Responses (Supplement)

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### Response to Question #3c:

The Port's capital improvement expenditures in 2014-15 exceeded \$250,000, and in FY 2015-16 it is anticipated that they will again exceed this amount. Below is a link to the Port's web page for financial documents, where the FY 2015-16 Budget Summary may be accessed.

[Important financial documents produced by the Port of Oakland](#)

### 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 2015, the reimbursement to the City for Lake Merritt expenses was \$1,165,523.

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 2015, capital disposed capital equipment included (i) a fire truck; (ii) and a surplus airframe on which Oakland Airport firefighters simulated rescues. In aggregate, the Port netted approximately \$352,000 from the disposition of this property.

### Response to Question #4:

Please see "Statements of net Position" on page 18 of the Port's FY 2014-15 CAFR. The beginning and ending balances in the Port Revenue Fund are listed as the "Unrestricted Cash equivalents". At the end of 2014-15 this amount was \$198.9 million, while at the end of 2013-14 (or the beginning of 2014-15) it was \$202.5 million.

**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Statements of Net Position**  
**June 30, 2015 and 2014**  
(dollar amounts in thousands)

	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current assets:		
Unrestricted:		
Cash equivalents	\$ 198,946	\$ 202,546
Accounts receivable (less allowance for doubtful accounts of \$1,128 in 2015 and \$1,036 in 2014)	101,969	44,655
Prepaid expenses and other assets	3,527	3,961
Total unrestricted current assets	304,442	251,162
Restricted:		
Cash equivalents	9,424	65,377
Investments	57,867	-
Deposits in escrow	3,919	5,549
Receivables - passenger facility charges and customer facility charges	2,914	2,793
Accrued interest receivable	170	-
Total restricted current assets	74,294	73,719
Total current assets	378,736	324,881
Non-current assets:		
Capital assets:		
Land	523,339	523,283
Noise easements and air rights	25,852	25,852
Construction in progress	167,751	200,709
Buildings and improvements	852,565	851,650
Container cranes	148,697	153,417
Infrastructure	1,871,579	1,730,806
Software	13,676	13,391
Other equipment	93,464	86,039
Total capital assets, at cost	3,696,923	3,585,147
Less accumulated depreciation	(1,484,512)	(1,388,373)
Capital assets, net	2,212,411	2,196,774
Other receivables	29,224	43,137
Other assets	12,013	12,047
Total non-current assets	2,253,648	2,251,958
Total assets	2,632,384	2,576,839
<b>Deferred Outflows of Resources</b>		
Loss on refunding	11,745	13,431
Pension contributions subsequent to measurement date	15,077	-
Total deferred outflows of resources	\$ 26,822	\$ 13,431

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, 2015 and 2014**  
(dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 42,179	\$ 38,245
Retentions on construction contracts	1,947	2,591
Environmental and other	10,548	9,714
Accrued interest	9,071	9,416
Long-term debt, net	52,257	49,919
Liability to City of Oakland	8,916	5,153
Unearned revenue	10,948	12,220
Total current liabilities	<u>135,866</u>	<u>127,258</u>
Non-current liabilities:		
Retentions on construction contracts	4,816	6,395
Environmental and other	22,241	23,320
Long-term debt, net	1,152,520	1,208,346
Net pension liability	164,918	-
Deposits	16,744	16,486
Other post employment benefits	10,249	10,414
Unearned revenue	82,957	87,860
Total non-current liabilities	<u>1,454,445</u>	<u>1,352,821</u>
Total liabilities	<u>1,590,311</u>	<u>1,480,079</u>
<b>Deferred Inflows of Resources</b>		
Differences between projected and actual earnings on investments	<u>29,137</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	1,053,882	986,959
Restricted for construction	12,066	10,072
Unrestricted	<u>(26,190)</u>	<u>113,160</u>
Total net position	<u>\$ 1,039,758</u>	<u>\$ 1,110,191</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, 2015 and 2014  
(dollar amounts in thousands)

	<b>2015</b>	<b>2014</b>
Operating revenues:		
Aviation:		
Terminal rentals and concessions	\$ 60,566	\$ 58,790
Parking fees and ground access	33,349	31,848
Lease rentals	28,572	26,635
Landing fees	29,783	29,351
Utility sales	4,201	4,212
Fueling	2,940	3,914
Other	2,724	2,470
Total aviation operating revenues	162,135	157,220
Maritime:		
Marine terminal rentals	133,689	134,845
Space assignments and rentals	12,984	8,665
Utility sales	9,440	5,834
Other	2,571	3,313
Total maritime operating revenues	158,684	152,657
Commercial real estate:		
Lease rentals	12,140	10,021
Parking fees	2,769	2,171
Other	859	971
Total commercial real estate operating revenues	15,768	13,163
Total operating revenues	336,587	323,040
Operating expenses:		
Aviation:		
Materials, supplies, contract services and other	58,869	59,172
Security	15,980	14,615
Maintenance	25,727	22,686
Advertising and promotion	2,710	3,620
Administration	13,882	13,371
Cost of utility sales	1,871	2,006
Depreciation	46,587	42,738
Total aviation operating expenses	165,626	158,208
Maritime:		
Materials, supplies, contract services and other	14,750	13,974
Maintenance	14,556	12,583
Advertising and promotion	2,049	1,593
Administration	12,075	12,028
Cost of utility sales	5,102	3,023
Depreciation	52,077	53,404
Total maritime operating expenses	\$ 100,609	\$ 96,605

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, 2015 and 2014  
(dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>
Operating expenses, continued		
Commercial real estate:		
Materials, supplies, contract services and other	\$ 7,026	\$ 7,063
Maintenance	1,073	740
Advertising and promotion	389	170
Administration	1,640	1,629
Cost of utility sales	101	272
Depreciation	3,095	3,117
Total commercial real estate operating expenses	<u>13,324</u>	<u>12,991</u>
Total operating expenses	<u>279,559</u>	<u>267,804</u>
Operating income	<u>57,028</u>	<u>55,236</u>
Non-operating revenues (expenses):		
Interest income	1,783	1,373
Interest expense	(51,636)	(53,977)
Customer facility charges	6,253	5,625
Passenger facility charges	21,478	19,698
Other income (expense)	3,176	(2,727)
Grant revenue	3,874	-
Grant expenses	(3,874)	-
Gain (loss) on sale (disposal) of capital assets	84	(3,791)
Total net non-operating expenses	<u>(18,862)</u>	<u>(33,799)</u>
Increase in net position before capital contributions	38,166	21,437
Capital contributions -		
Grants from government agencies	<u>73,725</u>	<u>60,335</u>
Increase in net position	<u>111,891</u>	<u>81,772</u>
Net position, beginning of the year	1,110,191	1,028,419
Beginning balance adjustment for adoption of GASB 68	<u>(182,324)</u>	<u>-</u>
Net position, beginning of the year, as restated	<u>927,867</u>	<u>1,028,419</u>
Net position, end of the year	<u>\$ 1,039,758</u>	<u>\$ 1,110,191</u>

(Concluded)

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