

DUE DECEMBER 31

Pursuant to Public
Resources Code § 6306

Granted Public Trust Lands Standardized Reporting Form



Fiscal/Calendar Year: 2017-18

Grantee Name: Port of Oakland

Contact Person: David Zolezzi

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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)

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.

2. Revenue

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

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

3. Expenses

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

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

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?

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.

4. Beginning and Ending Balance

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

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.

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Port of Oakland – Fiscal Year 2017-18 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, 2018 and 2017 (“FY 2017-18 CAFR”). These audited financial statements list Port operating revenue as \$381,011,000 for FY 2017-18.

Response to Question #2b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on page 20 of the FY 2017-18 CAFR. As noted above, Port operating revenue for 2017-18 was \$381,011,000. The figure there is further categorized by revenue type.

Response to Question #3a:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on page 20 of the Port’s FY 2017-18 CAFR. These audited financial statements list Port operating expense as \$317,577,000.

Response to Question #3b:

Please see “Statements of Revenues, Expenses and Changes in Net Position” on page 20 of the Port’s FY 2017-18 CAFR. As noted above, Port operating expense for 2017-18 was \$317,577,000. The figure there is further categorized by expenditure type.

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Port of Oakland – Fiscal Year 2017-18 Responses (Supplement)

Response to Question #3c:

The Port's capital improvement expenditures in 2017-18 exceeded \$250,000, and in FY 2018-19 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 2018-19 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 2018, the reimbursement to the City for Lake Merritt expenses was \$1,408,579.

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 2018, disposed equipment consisted of miscellaneous property, for which the Port received \$3,997.

Response to Question #4:

Please see "Statements of net Position" on page 18 of the Port's FY 2017-18 CAFR. The beginning and ending balances in the Port Revenue Fund are listed as the "Unrestricted Cash equivalents". At the end of 2017-18 this amount was \$416.0 million, while at the end of 2016-17 (or the beginning of 2017-18) it was \$329.5 million.

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, 2018 and 2017
(dollar amounts in thousands)

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Lease rentals - terminal	\$ 172,064	\$ 159,231
Lease rentals - other	69,780	67,000
Parking fees and ground access	53,419	50,428
Landing fees	37,001	33,261
Terminal concessions	22,775	24,563
Utility sales	15,391	14,202
Rail terminal rent	3,173	3,065
Fueling	2,414	2,422
Other	4,994	4,535
Total operating revenues	<u>381,011</u>	<u>358,707</u>
Operating expenses:		
Personnel services, materials, services, supplies, and other	75,919	72,685
Maintenance and engineering	61,551	56,243
Marketing and public relations	5,864	6,809
Administration and general services	20,721	15,601
Utilities	12,021	10,618
Security, police and fire	29,469	26,830
Depreciation	112,032	106,255
Total operating expenses	<u>317,577</u>	<u>295,041</u>
Operating income	<u>63,434</u>	<u>63,666</u>
Non-operating revenues (expenses):		
Interest income	5,109	2,713
Interest expense	(39,695)	(47,695)
Customer facility charges revenue	5,525	6,010
Customer facility charges expenses	(4,678)	(4,531)
Passenger facility charges	25,903	24,520
Other income	6,887	997
Other expense	(28,896)	(2,841)
Grant income	324	1,001
Grant expenses	(324)	(1,001)
Gain on long term lease termination	-	5,526
Loss on disposal of capital assets	(5)	(2,869)
Total non-operating revenue (expenses), net	<u>(29,850)</u>	<u>(18,170)</u>
Increase in net position before capital contributions	33,584	45,496
Capital contributions - Grants from government agencies	<u>50,172</u>	<u>13,694</u>
Increase in net position	83,756	59,190
Net position, beginning of the year	1,201,736	1,142,546
Beginning balance adjustment for adoption of GASB 75	(84,505)	-
Net position, beginning of the year, as restated	<u>1,117,231</u>	<u>1,142,546</u>
Net position, end of the year	<u>\$ 1,200,987</u>	<u>\$ 1,201,736</u>

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

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, 2018 and 2017
(dollar amounts in thousands)

	2018				2017			
	Aviation	Maritime	Commercial Real Estate	Total	Aviation	Maritime	Commercial Real Estate	Total
Operating revenues:								
Lease rentals - terminal	\$ 59,538	\$ 112,526	\$ -	\$ 172,064	\$ 50,521	\$ 108,710	\$ -	\$ 159,231
Lease rentals - other	30,790	25,198	13,792	69,780	30,505	23,260	13,235	67,000
Parking fees and ground access	43,400	7,422	2,597	53,419	40,867	6,916	2,645	50,428
Landing fees	37,001	-	-	37,001	33,261	-	-	33,261
Terminal concessions	22,775	-	-	22,775	24,563	-	-	24,563
Utility sales	4,301	10,989	101	15,391	4,359	9,741	102	14,202
Rail terminal rent	-	3,173	-	3,173	-	3,065	-	3,065
Fueling	2,414	-	-	2,414	2,422	-	-	2,422
Other	4,074	150	770	4,994	4,159	(315)	691	4,535
Total operating revenues	204,293	159,458	17,260	381,011	190,657	151,377	16,673	358,707
Operating expenses:								
Personnel services, materials, services supplies, and other	55,011	15,478	5,430	75,919	50,875	16,270	5,540	72,685
Maintenance and engineering	34,753	26,114	684	61,551	31,243	24,376	624	56,243
Marketing and public relations	3,822	1,453	589	5,864	4,530	1,899	380	6,809
Administration and general services	11,733	6,800	2,188	20,721	9,586	4,184	1,831	15,601
Utilities	5,682	5,831	508	12,021	5,163	5,055	400	10,618
Security, police and fire	27,188	1,355	926	29,469	24,901	1,070	859	26,830
Depreciation	55,188	54,334	2,510	112,032	50,293	53,448	2,514	106,255
Total operating expenses	193,377	111,365	12,835	317,577	176,591	106,302	12,148	295,041
Operating income	10,916	48,093	4,425	63,434	14,066	45,075	4,525	63,666
Non-operating revenues (expenses):								
Interest income	1,063	3,279	767	5,109	518	1,557	638	2,713
Interest expense	(6,844)	(32,392)	(459)	(39,695)	(9,023)	(37,757)	(915)	(47,695)
Customer facility charges revenue	5,525	-	-	5,525	6,010	-	-	6,010
Customer facility charges expenses	(4,678)	-	-	(4,678)	(4,531)	-	-	(4,531)
Passenger facility charges	25,903	-	-	25,903	24,520	-	-	24,520
Other income	212	201	6,474	6,887	652	219	126	997
Other expense	(1,497)	(27,185)	(214)	(28,896)	(802)	(1,970)	(69)	(2,841)
Grant income	324	-	-	324	232	769	-	1,001
Grant expenses	(324)	-	-	(324)	(232)	(769)	-	(1,001)
Gain on long term lease termination	-	-	-	-	-	5,526	-	5,526
Loss on disposal of capital assets	(5)	-	-	(5)	(126)	(2,743)	-	(2,869)
Total non-operating revenue (expenses), net	19,679	(56,097)	6,568	(29,850)	17,218	(35,168)	(220)	(18,170)
Increase/(decrease) in net position before capital contributions	30,595	(8,004)	10,993	33,584	31,284	9,907	4,305	45,496
Capital contributions - Grants from government agencies	45,051	5,121	-	50,172	11,184	2,510	-	13,694
Increase/(decrease) in net position	\$ 75,646	\$ (2,883)	\$ 10,993	\$ 83,756	\$ 42,468	\$ 12,417	\$ 4,305	\$ 59,190