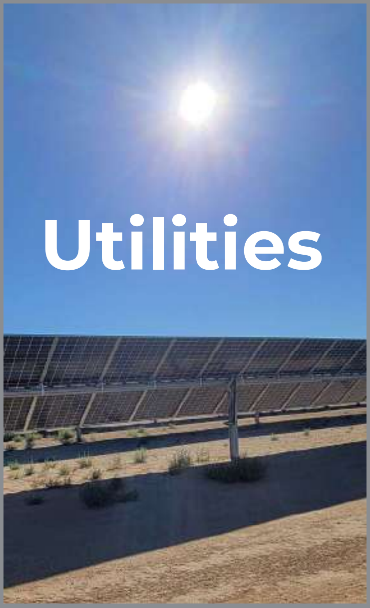
Annual Comprehensive Financial Report

For the Years Ended June 30, 2024 and 2023



PORT OF OAKLAND

Seaport. Airport.
Everyone's Port.

Oakland, California

(A Component Unit of the City of Oakland)

Port of Oakland
Oakland, California
(A Component Unit of the City of Oakland)

Annual Comprehensive Financial Report
For the Years Ended June 30, 2024 and 2023

Prepared by the Financial Services Division

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PORT OF OAKLAND
(A Component Unit of the City of Oakland) ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Years Ended June 30, 2024 and 2023

Table of Contents

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INTRODUCTORY SECTION

- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting
- Organization Chart
- Appointed Officials, Executive Management, and Contributing Staff

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PORT OF OAKLAND

December 16, 2024

Board of Port Commissioners of the City of Oakland
Oakland, California

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Port of Oakland (Port), a component unit of the City of Oakland (City), as of and for the years ended June 30, 2024, and 2023. Fiscal Year (FY) 2023 financial reporting implements standards set forth by Governmental Accounting Standards Board (GASB) Statement No. 96 in the treatment of Subscription-Based Information Technology Arrangements by the Port. All dollar amounts are rounded to the nearest thousand within this report for presentation purposes.

Responsibility for the accuracy of the data, and the completeness and reliability of the information contained in the report rests with management of the Port. The framework of internal controls provides reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The data as presented is believed to be accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the Port.

This letter of transmittal is designed to complement the management's discussion and analysis (MD&A), which provides a narrative introduction, overview, and analysis to the financial statements, and should be read in conjunction with the MD&A.

Certain statements in this letter of transmittal reflect not historical facts but forecasts, projections, estimates and other "forward-looking statements." The achievement of results, or other expectations, involves known and unknown risks, uncertainties and other factors that may cause actual results to be materially different than forecasted results. The Port is not obligated to issue updates or revisions to this discussion if and when the expectations, events, conditions or circumstances on which these statements are based, occur or fail to occur, as the case may be.

Profile of the Port of Oakland

The Port is an independent department of the City. The City has operated a public harbor to serve waterborne commerce since its incorporation in 1852 and an airport since 1927. Exclusive control and management of the Port area, which includes the seaport, airport, utilities, and other commercial real estate properties was delegated to a seven-member Board of Port Commissioners (Board) in 1927 by an amendment to the City Charter (Charter).

The Board has exclusive control of all of the Port's facilities and property, real and personal, all income and revenues of the Port, and proceeds of all debt financings initiated by it for seaport, airport, utilities and other commercial real estate improvements, or for any other purpose. The Board has the power under the Charter to fix, alter, change, or modify the rates, tolls, fees, rentals and other charges for the use of the Port's facilities and any services provided in connection with the Port's facilities. A substantial portion of the Port's revenues are governed by lease, use, license and other agreements with the tenants and customers of the Port's four business lines: Aviation, Maritime, Utilities and Commercial Real Estate (CRE). The Port's Utilities business line primarily serves Maritime and Aviation tenants, therefore, in the accompanying financial statements revenues and expenses have been allocated to Maritime and Aviation based on the tenants served. The Port is required by the Charter to deposit its revenues in the City Treasury. The Oakland International Airport (Airport or OAK) is a passenger, cargo and general aviation airport located on approximately 2,600 acres of land. The Airport is one of three major commercial airports serving the San Francisco Bay Area and the largest cargo hub in Northern California.

In Calendar Year (CY) 2023, the Airport ranked 43rd in the United States in terms of total passengers and 10th in terms of air cargo tonnage. In FY 2024, the Airport served approximately 11.2 million passengers and 1.1 billion pounds of air cargo. In CY 2023, the Airport averaged 121 passenger departures in Q1 rising to 130 by Q2. In 2024, 45 nonstop destinations were served from OAK with flights across the USA, including four Hawaiian Islands, six in Mexico and one in Europe by 11 marketing airlines. In CY 2024, three new airlines, Viva Aerobus, Advanced Air and Sun Country, began services at OAK. Sun Country began service to Minneapolis-St. Paul, Minnesota and Viva Aerobus began service to Monterrey, Nuevo Leon, Mexico, bringing the total number of destinations to 45. Advanced Air replaced Contour Airlines flying to Crescent City, California under a government subsidized Essential Air Service (EAS) grant.

The Oakland seaport (Seaport) serves as the principal ocean gateway for international containerized cargo shipments in Northern California and is one of several gateways for such shipments on the West Coast of North America. The Seaport is one of the top ten container ports in the United States, measured in terms of the number of twenty-foot equivalent units (TEUs) handled annually. In FY 2024, approximately 2.2 million full and empty TEUs moved through the Seaport**.** The Seaport comprises approximately 1,300 acres of land, including approximately 779 acres of marine (container) terminal areas; rail facilities for intermodal and bulk cargo handling; transloading facilities; as well as areas for truck and container staging and other support services, including a portion of the former Oakland Army Base, which the Port is in the process of developing into a trade and logistics center based on market demand. These facilities are backed by a network of roads and a deep-water navigation channel. All major ocean carriers serve the Seaport, connecting the Bay Area with the major trading centers of global commerce around the world.

The Port is the only major seaport and airport in California that operates a publicly owned electric utility (POU). Operating as a POU allows the Port to be a leader in demonstrating its commitment to local businesses, clean energy, and offering a cost-effective service to Port customers. The Utilities business line provides utility services (electrical, gas, water, and sewer services) to Port facilities (both tenant operated and Port-operated) in support of the Port's Aviation, Maritime and CRE business lines. Electricity for all of Aviation's approximately 200+ customers is provided by the Port Utilities division. Approximately 80% of Maritime customers are served by Port Utilities. The remaining customers are served by Pacific Gas and Electric Company (PG&E).

In addition, the Port oversees approximately 837 acres of land along the Oakland Estuary that is not used for maritime, utilities or aviation purposes. The commercial real estate properties on this land provide a variety of uses including warehouses, parking lots, hotels, offices, shops, restaurants, public parks, and open space.

Most of the Airport, Seaport, Utilities and Commercial Real Estate properties are located on land that is owned under the name of the City and, under the Charter, controlled and managed by the Port subject to a trust imposed pursuant to numerous tideland grants from the State of California dating back as far as 1852. Certain requirements and restrictions are imposed by the tideland grants. Generally, the use of lands subject to the trust is limited to statewide public purposes, including commerce, navigation, fisheries, and other recognized uses. The trust also places certain limitations on the use of funds generated from trust lands and other assets.

Fiscal Year 2024 Financial Results

The Port ended FY 2024 with operating revenues totaling $407.7 million, reflecting a $0.9 million decrease from the previous year.

At the Seaport, although container activity (measured as TEUs) at marine terminals increased by approximately 3.4%, marine terminal revenue in FY 2024 was lower than in FY 2023 because of the timing of the increase, cargo shifts within the Seaport, and contract terms at each terminal. Revenue from long-term leases, rail terminals, and the Port-owned truck parking/container depot increased, offsetting a decline in revenue from short-term leases. Overall, the decrease in marine terminal operating revenue was not offset by the increased container activity, resulting in an overall decrease for the Seaport. Nevertheless, FY 2024 signaled both stabilization and growth of cargo activity, following the unusual conditions experienced during and immediately following the COVID-19 pandemic.

In FY 2024, the Airport served 11.2 million passengers, a 2.9% decrease from the prior year and 82.5% of FY 2019 pre-COVID-19 levels. The decline in passenger volume was driven by several factors: (a) reduced seat availability and flight frequencies to/from OAK due to airline flight scheduling changes resulting from delays in aircraft delivery by Boeing, (b) temporary removal from service of Airbus A320/321 NEO aircrafts for extensive inspection and repair of Pratt & Whitney aircraft engines, and (c) reduced demand for business travel leading to capacity reductions between OAK and eight destinations in Southern California.

While passenger activity levels declined relative to FY 2023, Aviation Division revenues grew in key areas such as concession, rental car, parking and airline revenues. Overall, Aviation operating revenues increased by $9.3 million, reflecting a 4.7% increase compared to FY 2023.

CRE operating revenues totaled $15.4 million; a $0.3 million or 2.0% increase from prior year revenues. Increased restaurant, marinas and billboard revenues account for most of the increases.

On the expense side, operating expenses excluding depreciation and amortization increased by $32.2 million across the three business lines which equate to a 13.4% increase compared to FY 2023. Personnel expenses increased by approximately $25.8 million due to increases in retirement benefit costs, salary adjustments based on current labor MOUs' cost of living adjustments and step increases. Overall, other operating expenses increased as increased operating activities resulted in increased electricity consumption, security, and maintenance costs.

The FY 2024 financial results are discussed in further detail in the MD&A.

Operating and Capital Budgets

The Port's operating budget is an essential component of the Port's financial and operational planning and management. The operating budget serves as a plan for each revenue division's operating revenues and expenses and for Port-wide non-operating income and expenses. Operating budgets are prepared and presented annually to the Board for approval in June prior to the start of the new fiscal year or shortly after the start of the new fiscal year in July. For FY 2025, Port staff prepared a five-year operating forecast. The first year of the operating forecast is presented to the Board for adoption as the Port's operating budget for the upcoming new fiscal year, while the additional four years are presented in concept for informational purposes only.

In addition to preparing the operating budget, Port staff prepares annually a five-year capital improvement plan (CIP) and a one-year capital budget. The one-year capital budget is presented to the Board for adoption, while the additional four years of the CIP are presented in concept only.

The approved FY 2025 operating and capital budgets, and the five-year operating and CIP forecasts are available on the Port's website located at https://www.portofoakland.com/business/financial-information/ and are discussed at a high level below under Economic Outlook and Financial Planning.

Economic Outlook and Financial Planning

The Port is located in the San Francisco Bay Area, a sizeable and generally affluent metropolitan area whose economy is intricately linked with global trade. Home to the world's technology leaders, an epicenter for health care, manufacturing, financial services and a hub for research and higher education, the San Francisco Bay Area both shapes and is shaped by the global economy. The Port serves as a conduit for the area's global trade with an Airport closest to most of the San Francisco Bay Area population, and a Seaport that offers shorter transit times to Asia than other West Coast ports and serves as the primary gateway for California's premium agricultural goods. This favorable geographic position provides strong local markets that support both demand and resiliency for the use of Airport, Seaport, Utilities and commercial real estate properties.

The Port's FY 2025 operating and capital budgets were developed to (a) support long-term financial strength, resiliency and sustainability, (b) address near-term operational, recruitment and financial challenges while maintaining reasonable flexibility and liquidity to protect against operational, financial, political and economic uncertainties, and (c) strategically identify, prioritize and plan major capital projects with a focus on regulatory compliance, fulfilling grant-funded project delivery commitments, progress toward zero emissions operations, health, safety, on-going or imminent revenue generating projects, asset management, and essential infrastructure investments.

For FY 2025, the Port budgeted total operating revenues of approximately $434.5 million; a 6.6% increase from the $407.7 million realized in FY 2024. Revenue projections for FY 2025 reflect limited revenue growth due to uncertainties surrounding (a) passenger growth at the Airport beyond 79% of pre-pandemic traffic levels, (b) timing and speed of the anticipated return to normal shipping patterns and historic rates of growth at the Seaport, (c) uncertainty about economic impacts of inflation and changes to monetary policy in the United States, and (d) on-going geopolitical conflicts that could further impact global supply chains including the movements of goods across nations.

Operating expenses before depreciation are budgeted at approximately $300.1 million for FY 2025; a 10.1% increase from $272.6 million realized in FY 2024. The increases in operating costs are driven in part by anticipated increases in personnel costs, which represent 47.7% of the operating expense budget before depreciation, major maintenance and security at the Airport. The Port is anticipating operating expenses before depreciation to increase to $331.7 million by FY 2029, for a forecasted compound annual growth rate of 2.5%. Increases in expenses are driven by increases in personnel costs due to future assumed cost of living adjustments (COLA), increases in FTE count in support of major capital infrastructure investments in the coming years, as well as increases in non-personnel operating expenses, such as parking and ground transportation, which are expected to increase vis-à-vis projected passenger traffic growth at the Airport. The Port's pension contribution rates, including employer unfunded liability contributions, are projected to be 36.1% in FY 2025, decreasing to an estimated 34.5% in FY 2026 and then increasing further to 37.4% in FY 2029 based on CalPERS projections reflecting an updated mortality study and discount rate.

On June 27, 2024, a five-year (FY 2025-2029) CIP in the amount of $1.3 billion was presented to the Board for informational purposes only. The current five-year CIP does not include significant capacity expansion projects and thus will generally not generate significant new revenues. Capital improvements included in the five-year CIP are primarily focused on the Airport perimeter dike project, taxiway, runway, security, pavement and roadway improvements, as well as miscellaneous terminal projects, various electric utility infrastructure investments both at the Airport and Seaport, turning basin, marine terminal wharf improvements and redevelopments.

For FY 2025, the Board authorized a capital budget of $246.2 million. The capital budget has been increased from prior year levels to match staffing resources and higher levels of grant funding, to complete important Port facility upgrades, replace aging infrastructure and meet grant commitments. Approximately $53.6 million of the capital expenditures are expected to be funded with various Aviation grants, $1.7 million from Maritime grants, $29.6 million is expected to be funded with Passenger Facility Charges (PFC), $0.9 million to be funded with Low Carbon Fuel Standard (LCFS) credits, and the remainder is anticipated to be funded with cash on hand, cash generated from future operations or new debt in the form of commercial paper notes. A description of the major capital projects is provided below under Major Initiatives.

The Port's senior management and staff will continue to assess financial and operational measures in the context of projected business activity levels and will continue to pursue additional revenue enhancement and cost-savings initiatives that may be available or warranted going forward.

Major Initiatives

The Port continues to work on the major initiatives previously identified which are focused on upgrading the Port's facilities to sustain and accommodate changes in the industry, improve its overall competitiveness, maintain safety, enhance security, manage existing assets, and invest in essential infrastructure. Many of these initiatives span multiple years due to the scope and complexity of these initiatives. Provided below are the most significant projects underway or recently completed for each of the Port's business lines.

Aviation

Airport Perimeter Dike Improvements. The Airport Perimeter Dike (APD) separates the airfield from San Francisco Bay waters and protects the South Field of the Airport from storm events and rising San Francisco Bay waters. The first phase of APD improvements were substantially completed in January 2022 to enhance the 4.5-mile structure to meet Federal Emergency Management Agency (FEMA) certification standards and meet projected mid-century sea-level rise impacts. Phase 2 of the APD improvements is intended to protect the APD from catastrophic damage during a major earthquake using a soil mixing with cement grout to reinforce and densify granular soils. Construction of the Phase 2 APD improvements was bid in spring 2024 and is anticipated to begin in winter 2024.

Taxiway Whiskey Rehabilitation. Taxiway Whiskey has been identified for rehabilitation through the Airport Pavement Management System (APMS) program and prioritized based on the pavement condition and use. Taxiway Whiskey is operationally critical to the Airport, serving as the only parallel taxiway to the main air carrier Runway 12-30 and therefore serving nearly all commercial aeronautical operations and high-performance jet aircraft. Recent pavement assessments have indicated that the rehabilitation of the entire length (11,000 ft long by 75 ft wide) of Taxiway W must be prioritized over the next few years; it was originally constructed in 1960 and last rehabilitated in 2011. In addition to milling and overlaying the existing asphalt concrete, the scope of work for this project includes updating the airfield geometry to the latest design standards, including marking, lighting, impacted aircraft-rated pavement grade drainage, and utility structures.

Taxiway Whiskey Phase 1 Rehabilitation was completed in November 2023. Phase 2 is the next most critical section to complete and is over 4,000 feet in length. Construction of Phase 2 is expected to begin in winter 2024. The third and last phase of work (Phase 3) is included in the 5-year CIP and programmed to be completed in FY 2027.

Restroom Upgrades. Terminal restrooms at OAK have been in service for over 15 years, have far exceeded their useful life and no longer meet passenger experience and operational needs of the Airport. A complete renovation of the Terminal 1 and Terminal 2 restrooms has been programmed to meet current standards and passenger expectations. The scope of work will include gender-neutral facilities, modernizing finishes and installing low water use fixtures that meet current standards, extend life cycle, and ease maintenance requirements in the future. Phase 1 of the project includes the restoration of the currently closed women's restroom at Gate 4; a complete renovation of the men's restroom at Gate 3; a conversion of the men's restroom at Gate 7 into gender neutral/family restrooms and a lactation suite and waiting area. Phase 1 construction began in June 2024, with completion anticipated in summer 2025. Future phases of work are currently under design and may commence in 2025.

Electric Shuttle Bus Lot and Charging Infrastructure. To advance the Port's goal of transitioning to zero emissions and to comply with multiple California Air Resource Board (CARB) regulations, OAK has procured five electric shuttle buses that are expected for delivery in December 2024 or early 2025. Future replacement shuttles for OAK will be purchased in the coming years until the entire fleet is zero-emissions.

Additionally, the tenant-owned rental car shuttle bus fleet consisting of 12 diesel buses must also be replaced to meet the zero-emissions airport shuttle regulation (ZEASR). To support the operation of the new electric shuttle buses, a bus charging depot has been designed and will be constructed in the North Field to accommodate both the Airport parking and rental car shuttle fleets.

The shift to battery-electric fleet results in an increased demand of the Port's limited electrical capacity and the need for upgrades to the Port's electrical system. Full build out of the bus charging depot includes new electrical infrastructure that would serve the depot as well as other Airport functions. The anticipated new electrical infrastructure includes a new 12kV distribution substation, an on-site load center, and a potential microgrid with solar photovoltaic power generation and energy storage systems.

Maritime

Marine Terminal Improvements. The Port has started the redevelopment of the backlands at Berth 24, at the Port's Outer Harbor Terminal. The work consists of approximately 25 acres of new pavement, LED high mast lighting, rubber tire gantry cranes (RTGs), refrigerated container and grounded storage, substation improvements, and battery storage and charging stations to expand the Port's electrical grid capacity and support power reliability and resiliency. The project is being designed to function as a standalone container yard that can also be absorbed into existing and future marine terminal operations and will improve the Port's ability to accommodate surges of cargo, particularly agricultural exports; improve operational efficiencies; and advance zero-emissions goals. This project is currently under environmental review; design is scheduled to start in FY 2025, with construction to follow in FY 2027 and FY 2028.

Work is also starting on a project that integrates the Berths 33 and 34 backlands (i.e., yard areas), which are currently adjacent but functionally separated by an elevation difference. While this grade differential is not currently a problem because the two yards are leased to different marine terminal operators, future functionality and operational flexibility is hampered by the current condition. The Port's work will include raising and reconstructing approximately 25 acres of yard area to level the subject grades and incorporate other adjacent areas currently used for staging and stockpiling. Design is underway in FY 2025 and construction is expected to start in FY 2027; completion is tentatively planned by the end of FY 2028.

On-going construction work on upgrades to fenders and bollards at Berths 55 through 59, the Port's largest marine terminal, is scheduled for completion in early 2025. The new fenders and bollards are designed to accommodate Ultra Large Container Vessels (ULCV) and will complement the ship-to-shore cranes designed for ULCVs.

Turning Basins Widening. The Port has partnered with the U.S. Army Corps of Engineers (USACE) to study, and potentially construct, the widening of the two Oakland Harbor turning basins, which are part of the federal waterway that serves the Seaport. Vessels use the Inner and Outer Harbor Turning Basins (Basins) to turn-around upon arrival or departure; the Basins are critical to Seaport operations today and in the future. However, the Basins were designed and constructed in the early 2000s for smaller vessels than those in operation today and in the future. Due to the inadequate diameter of the Basins, vessels operations can be restricted. A feasibility study was completed in mid-2024 that reviewed the widening of the Basins to reduce these restrictions and thereby reduce vessel transit inefficiencies. Pending various discretionary approvals, completion of environmental review, and federal funding, the design to widen the Basins is anticipated to occur in FY 2025 through FY 2027. Construction is anticipated to start in FY 2028 and finish in FY 2030. The USACE and Port will share the cost of the project.

Green Power Microgrid. This project consists of a wide range of electrical infrastructure and related assets including electric vehicle chargers, solar generation, battery electric storage, and substation upgrades. Environmental review was completed for this project in FY 2024, grant funding was obligated by the State of California in May 2024, design work is anticipated to be completed in FY 2025. Construction is anticipated to commence in FY 2026 and last through FY 2028.

7th Street Grade Separation East (7SGSE). 7th Street, which runs between I-880 and Maritime Street, is a key access point to and within the Seaport, handling approximately 40% of the truck traffic serving the

Seaport. Construction of 7SGSE is underway with construction scheduled for completion in FY 2027. Alameda CTC is constructing the 7SGSE project with cooperation and oversight from the Port and the City of Oakland. Ownership, operation and maintenance of this asset will be transferred to the Port and City upon completion. The total project cost is anticipated to exceed $350 million with funding from a combination of the Measure BB Tax Measure, state/local grants, and a very small contribution of (non-capital) Port funds. Therefore, the project is not included in the 5-Year CIP; however, it is discussed here because it is a major and long-awaited improvement for the Seaport.

Utilities

Substation 1 and 2 Upgrades. Substation 1 (SS-1) and 2 (SS-2) are located near Earhart Road and were installed in 1982 and are beyond their 30-year design life. Substation 1 is an essential piece of infrastructure as it serves as one of the two points of connection with the California electrical transmission system. This infrastructure is critical to the reliable power feed and distribution for the Airport. The scope of this project is to assess, rehabilitate, and replace the aging substations, switchgears, and distribution system as necessary for system reliability. Design is currently underway, and it is anticipated that the project will be bid in January 2025. Equipment procurement will need to begin as soon as possible due to extremely long lead times. Construction is expected to begin in early 2025.

Davis and Cuthbertson Substation Upgrades. New substation “Alpha” will replace Substation Davis and “Bravo” will replace Substation Cuthbertson. These are both currently located at the northwest corner of 7th Street and Maritime Street and are primary substations connected to the California electrical transmission system fed from a 115 kV overhead line. The Davis and Cuthbertson substations are critical pieces of infrastructure to the Seaport electric distribution system. The scope of this project is to assess, rehabilitate, relocate, and replace the substations, switchgears, and distribution systems as necessary for system reliability.

12kV Substation Replacement SS-R-10. SS-R-10 has been designed to replace the SS-R-14 substation that has been the primary power source for the Oakland Army Base Area since the 1960s. The new design incorporated the ability to connect solar and battery energy storage systems as well as handle increased future loads from new customers, primarily as a result of transition to battery electric cargo handling equipment. The substation will be capable of supporting the conversion of a traditional substation powering the steady load of a building to the variable and intermittent loads from electric vehicles Port customers are adding to their energy needs.

Circuit Powerline Capacity Upgrade. This project replaced existing circuit components that have deteriorated due to age and are limited in terms of capacity of electricity transmission. This new circuit was completed in early 2024 to support higher power demands from the existing SS-R-14 substation (and proposed SS-R-10 substation) to the Outer Harbor to support additional electrical loads for new tenants as well as existing tenants looking to transition to battery electric cargo handling equipment.

Commercial Real Estate

Jack London Square. The Port continues its efforts to strengthen Jack London Square’s (JLS) traditional reputation as a restaurant, administration, and transportation center with the addition of complementary retail and entertainment venues, through a partnership with its developer partner, CIM Group. CIM Group is a nationally recognized, well-respected real estate investment company with substantial experience in developing and operating mixed use complexes in urban areas throughout the United States. In 2019 CIM Group secured new land-use entitlement approvals for two new proposed multi-family residential buildings adjacent to JLS on privately owned land, which, once constructed, will enhance and expand the foot traffic at JLS. The first of these two buildings, Channel House - a 333-unit apartment building, was completed and is currently leasing units to new waterfront residents. CIM Group also recently secured final design review approvals for development of the previously approved hotel on the final remaining vacant JLS Phase II Project ground lease parcel owned by the Port. The second residential building as well as the planned hotel have both been approved by the City Planning Division but have not yet been submitted for building permit approvals from the City.

Brooklyn Basin. Over the next few years, the Brooklyn Basin waterfront district, an older, underutilized industrial area centrally located on the Oakland Estuary minutes from JLS and downtown Oakland, is expected to continue the substantial redevelopment currently underway to create a new residential neighborhood by a private developer, Zarsion-OHPI, LLC (ZOHP). The concept for the area is to transform the underutilized former maritime industrial district into a revitalized, mixed-use waterfront community known as Brooklyn Basin. The Brooklyn Basin Project site comprises approximately 64 acres of waterfront property bounded by Embarcadero Road, Oak Street, Tenth Avenue, and the Oakland Estuary. Approximately one half of the property is owned by ZOHP and the other half is still owned by the Port and leased to ZOHP. This project is expected to be completed in three to five phases over the next five to ten years.

Awards

The Port received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Port's ACFR for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate is valid for a period of one year only. The Port will be submitting the current ACFR to GFOA to determine its eligibility for another certificate.

Acknowledgements

We would like to express our appreciation to the Financial Services Division for their professionalism, dedication, and efficiency in the preparation of this report. We also extend our appreciation to the other Port divisions who contributed to this report and to Macias Gini & O'Connell LLP for their assistance and guidance. Finally, we thank the Board for their attention and continuing support to plan and manage the Port's financial operations in a responsible and progressive manner.

Respectfully submitted,

Julie Lam
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Oakland
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

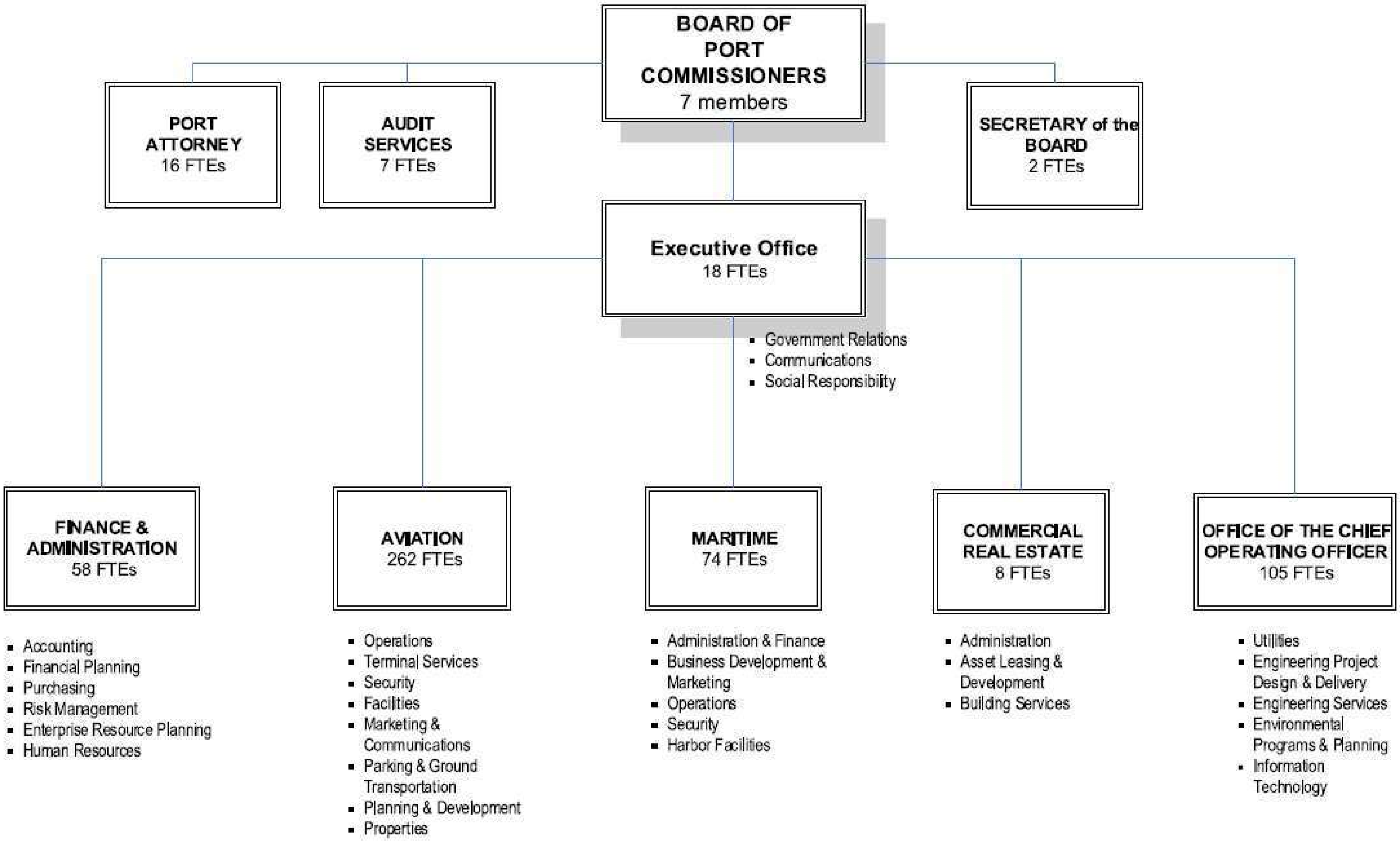
June 30, 2023

Christopher P. Morrill

Executive Director/CEO

PORT OF OAKLAND
ORGANIZATION CHART
FISCAL YEAR 2023-24

550 FTES (FULL-TIME EQUIVALENTS)



PORT OF OAKLAND

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PORT OF OAKLAND

Appointed Officials, Executive Management and Contributing Staff

For the Year Ended
June 30, 2024

Board of Port Commissioners of the City of Oakland

Barbara Leslie, President
Yui Hay Lee, First Vice-President
Andreas Cluver, Second Vice-President
Michael Colbruno, Commissioner
Arabella Martinez, Commissioner
Jahmese Myres, Commissioner
Stephanie Dominguez Walton, Commissioner

Executive Management

Danny Wan, Executive Director
Kristi McKenney, Chief Operating Officer
Craig Simon, Director of Aviation
Bryan Brandes, Director of Maritime
Jonathan Veach, Director of Commercial Real Estate
Julie Lam, Chief Financial Officer
Mary Richardson, Port Attorney

Contributing Staff

Mikyung Pustelnik, Port Controller
Chia-Jung Yang, Manager, Financial Planning
Cecilia Ravare, Port Accounting Supervisor
Angelica Avalos, Port Senior Accountant
Katri Jones, Administrative Specialist
Betsy Kwok, Port Staff Accountant II
Lori Tran, Port Staff Accountant II
Michelle Krishan, Port Staff Accountant I
Raymond Lei, Port Staff Accountant II
Stanley Tanaka, Port Senior Accountant

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Port of Oakland

Seaport. Airport.
Everyone's Port.

FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis (Unaudited)
- Basic Financial Statements
- Required Supplementary Information (Unaudited)
- Other Supplementary Information

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MGO. | Certified Public Accountants

Independent Auditor's Report

Board of Port Commissioners of the City of Oakland
Oakland, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Port of Oakland (Port), a component unit of the City of Oakland, California, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Port, as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes 2 and 8 to the financial statements, effective as of July 1, 2022, the Port adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Port's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions, collectively identified as Required Supplementary Information in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port's basic financial statements. The schedule of revenues and expenses by business line is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of revenues and expenses by business line is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024 on our consideration of the Port's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 16, 2024

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is intended to provide information concerning known facts and conditions affecting the Port of Oakland's (Port) operations. The following discussion and analysis of the financial performance and activities of the Port provides an introduction and understanding of the financial statements of the Port for the years ended June 30, 2024 and 2023, with comparative information for June 30, 2022. This MD&A has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes, which follow this section. All dollar amounts are expressed in thousands unless otherwise indicated.

Financial Statement Overview

The Port's financial report includes the MD&A, financial statements, notes to the financial statements, required supplementary information and other supplementary information. The financial statements include the Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. In addition, the report includes a statistical section, which presents various financial and operating data.

The Port prepares the financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned, not when received, and expenses are recognized when incurred, not when paid. Capital assets are capitalized and, with the exception of land, construction in progress, air rights and noise easements, depreciated over their estimated useful lives.

Summary of Net Position

The Statements of Net Position present the financial position of the Port at the end of the fiscal year. The statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Port. Net Position, the difference between assets, deferred outflows/inflows of resources, and liabilities, is an indicator of the fiscal health of the Port and can provide an indication of improvement or deterioration of its financial position over time. A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 is as follows:

(dollar amounts in thousands)

Summary of Net Position (continued)

A summarized comparison of the Port's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30 is as follows:

	2024	$ Change	% Change	2023	$ Change	% Change	2022 [1]
Current and other assets	$ 1,844,330	$ (66,151)	-3.5%	$ 1,910,481	$ 112,863	6.3%	$ 1,797,618
Capital assets, net	1,848,430	2,089	0.1%	1,846,341	(58,346)	-3.1%	1,904,687
Total assets	3,692,760	(64,062)	-1.7%	3,756,822	54,517	1.5%	3,702,305
Deferred outflows of resources	98,329	6,300	6.8%	92,029	46,217	100.9%	45,812
Debt outstanding	564,147	(88,068)	-13.5%	652,215	(71,344)	-9.9%	723,559
Other liabilities	447,308	(16,413)	-3.5%	463,721	142,433	44.3%	321,288
Total liabilities	1,011,455	(104,481)	-9.4%	1,115,936	71,089	6.8%	1,044,847
Deferred inflows of resources	934,644	(99,690)	-9.6%	1,034,334	(109,842)	-9.6%	1,144,176
Net investment in capital assets	1,309,664	76,119	6.2%	1,233,545	5,884	0.5%	1,227,661
Restricted for:							
Construction	61,859	17,954	40.9%	43,905	16,657	61.1%	27,248
Other purposes	9,812	(10,700)	-52.2%	20,512	(1,663)	-7.5%	22,175
Unrestricted	463,655	63,036	15.7%	400,619	118,607	42.1%	282,012
Total net position	$ 1,844,990	$ 146,409	8.6%	$ 1,698,581	$ 139,485	8.9%	$ 1,559,096

[1] 2022 has not been restated for the effects of GASB 96.

2024

Total assets decreased by $64,062 from $3,756,822 to $3,692,760 during the year ended June 30, 2024. This decrease is due to a $84,089 decrease in long-term receivables and other assets mainly due to long-term leases maturing, which was offset by an increase of $17,938 in current assets and $2,089 in net capital assets. Higher returns on investments than in the previous year resulted in an increase in the current asset, mostly in cash and cash equivalents.

Deferred outflows of resources are the effect of pension, other postemployment benefit (OPEB) accounting, and unamortized deferred loss on debt refunding. Deferred outflows of resources in pension decreased by $4,124 mostly stemming from changes in actuarial assumptions, and deferred loss decreased by $981 due to amortization of deferred loss on debt refunding, while deferred outflows of resources in OPEB increased by $11,405 mostly due to changes in actuarial assumptions, resulting in net increase of $6,300.

Total liabilities reflect a decrease of $104,481 mainly due to redemption and scheduled payments of bond debts, $88,068 and a recognition of grant revenue, $10,114 which was received in advance during the fiscal year 2022.

Deferred inflows of resources are the result of the deferred lease revenue, and the effect of pension and OPEB accounting which is comprised of changes in proportional share of the Port, and the difference between expected and actual experiences in the CalPERS pension plan and the OPEB plan. The deferred inflows of resources decreased by $99,690 from $1,034,334 to $934,644 during the year ended June 30, 2024, mainly due to a decrease of $95,063 in deferred leases as long-term leases are maturing and decrease of $4,627 in pension and OPEB.

Summary of Net Position (continued)

Net position restricted for construction consists of mainly Passenger Facilities Charges (PFC) and Customer Facilities Charges (CFC) in the amount of $58,847 which are restricted for the construction of specific assets at the Airport or for other permitted uses, and restricted funds of $3,012 which are reserved for Low Carbon Fuel Standards (LCFS) projects. Net position restricted for other purposes consists of cash and investments held as tenant security deposits of $9,812.

As of June 30, 2024, the Port's net investment in capital assets totaled $1,309,664, which is an increase of $76,119 or 6.2% due to a net decrease of $74,030 in capital-related debt and an increase of $2,089 in net capital assets. For a detailed discussion on capital assets and long-term debt, refer to pages 12-16 for more details.

2023

Total assets increased by $54,517 from $3,702,305 to $3,756,822 during the year ended June 30, 2023. This increase is due to a $112,863 increase in current and other assets from increases in operating revenues and investment income, which was offset by a decrease of $58,346 in net capital assets.

Deferred outflows of resources are the effect of pension, other postemployment benefit (OPEB) accounting, and unamortized deferred loss on debt refunding. Deferred outflows of resources in pension and OPEB increased by $47,196 due to changes of actuarial assumptions and differences between projected and actual earnings on pension and OPEB plan investments administered by CalPERS (California Public Employees' Retirement System). Deferred outflows of resources in unamortized deferred loss on debt refunding decreased by $979, resulting in net increase of $46,217.

Total liabilities reflect an increase of $71,089 mainly due to an increase of $99,980 in pension and OPEB liabilities and $42,453 increases in other accrued liabilities, which was offset by a decrease in long-term debt from scheduled payments of bond debts.

Deferred inflows of resources are the result of the deferred lease revenue, and the effect of pension and OPEB accounting which is comprised of changes in proportional share of the Port, and the difference between expected and actual experiences in the CalPERS pension plan and the OPEB plan. The deferred inflows of resources decreased by $109,842 from $1,144,176 to $1,034,334 during the year ended June 30, 2023, due to a decrease of $68,247 in pension and OPEB and decrease of $41,595 in deferred leases.

Net position restricted for construction consists of mainly Passenger Facilities Charges (PFC) and Customer Facilities Charges (CFC) in the amount of $40,890 which are restricted for the construction of specific assets at the Airport or for other permitted uses, and restricted funds of $3,015 which are reserved for Low Carbon Fuel Standards (LCFS) projects. Net position restricted for other purposes consists of cash and investments held as tenant security deposits of $10,400 and a state grant received in advance in the amount of $10,112.

As of June 30, 2023, the Port's net investment in capital assets totaled $1,233,545, which is an increase of $5,884 or 0.5% primarily due to a net decrease of $64,230 in capital-related debt offset by a net reduction of $58,346 in capital assets. For a detailed discussion on capital assets and long-term debt, refer to pages 12-16 for more details.

(dollar amounts in thousands)

Summary of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position reflect how the Port's net position changed during the most recent fiscal year compared to the prior year. These changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. A summary of the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30 is as follows:

	2024	$ Change	% Change	2023	$ Change	% Change	2022 (1)
Operating revenues	$ 407,739	$ (948)	-0.2%	$ 408,687	$ 6,678	1.7%	$ 402,009
Passenger facility charges revenue	20,678	(939)	-4.3%	21,617	2,254	11.6%	19,363
Customer facility charges revenue	3,262	(247)	-7.0%	3,509	354	11.2%	3,155
Investment income	70,880	20,388	40.4%	50,492	29,288	138.1%	21,204
Operating grant income	25,524	7,182	39.2%	18,342	(28,485)	-60.8%	46,827
Other income	2,071	2,071	-	-	-	100%	-
Total revenues	530,154	27,507	5.5%	502,647	10,089	2.0%	492,558
Operating expenses before depreciation	272,580	32,166	13.4%	240,414	43,722	22.2%	196,692
Depreciation	116,933	(1,293)	-1.1%	118,226	8,645	7.9%	109,581
Interest expense	13,788	(633)	-4.4%	14,421	(2,201)	-13.2%	16,622
Customer facility charges expense	3,577	131	3.8%	3,446	897	35.2%	2,549
Loss on disposal of capital assets	1,571	1,092	228.0%	479	(2,748)	-85.2%	3,227
Other expense	3,873	1,846	91.1%	2,027	(4,282)	-67.9%	6,309
Total expenses	412,322	33,309	8.8%	379,013	44,033	13.1%	334,980
Change in net position before capital contributions	117,832	(5,802)	-4.7%	123,634	(33,944)	-21.5%	157,578
Capital contributions - Grants from government agencies	28,577	12,726	80.3%	15,851	(3,889)	-19.7%	19,740
Increase in net position	146,409	6,924	5.0%	139,485	(37,833)	-21.3%	177,318
Net position, beginning of the year	1,698,581	139,485	8.9%	1,559,096	170,872	12.3%	1,388,224
Beg. Balance adjustment for adoption of GASB 87	-	-	-	-	6,446	100.0%	(6,446)
Net position, beginning of the year as restated	1,698,581	139,485	8.9%	1,559,096	177,318	12.8%	1,381,778
Net position, end of the year	$ 1,844,990	$ 146,409	8.6%	$ 1,698,581	$ 139,485	8.9%	$ 1,559,096

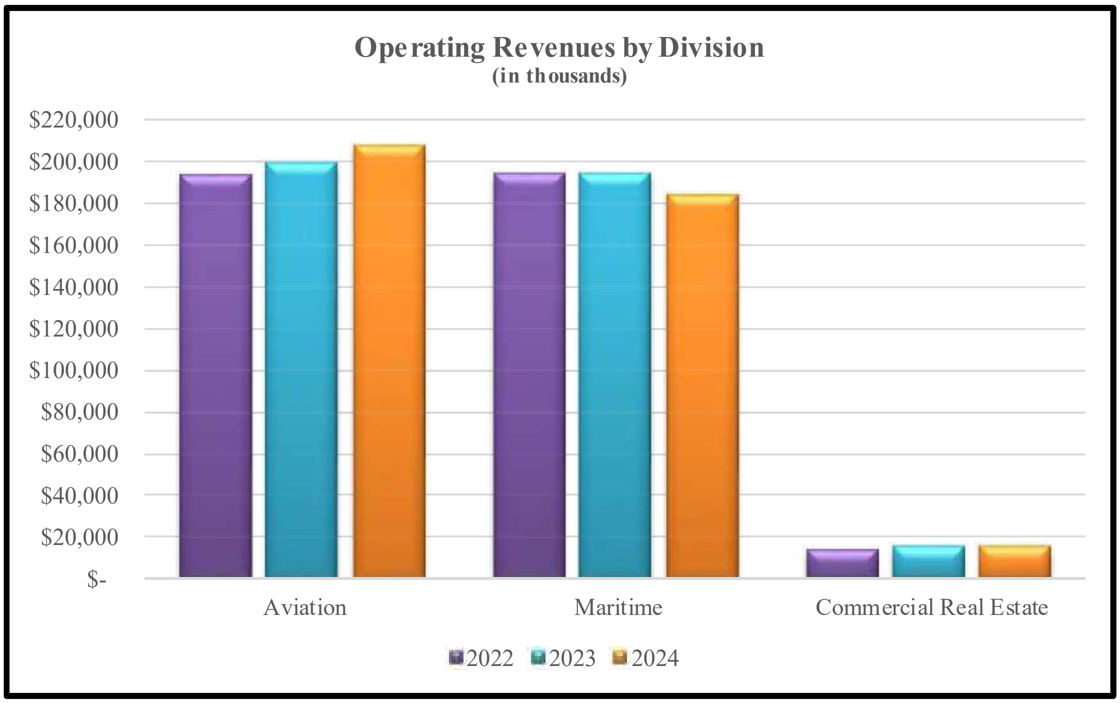
(1) The Port did not restate FY 2022 for the adoption of GASB 96 in FY 2023.

(dollar amounts in thousands)

Operating Revenues by Division

A condensed summary of operating revenues for the years ended June 30 follows:

Division	2024	2023	2022
Aviation	$ $ 208,080	$ 198,762	$ 193,659
Maritime	184,263	194,834	194,250
Commercial Real Estate	15,396	15,091	14,100
Total	$ 407,739	$ 408,687	$ 402,009



2024

The Port's total operating revenues decreased approximately $948 or 0.2% from $408,687 in fiscal year 2023 to $407,739 in fiscal year 2024.

The Aviation Division generated $208,080 or 51.0% of the Port's total operating revenues in fiscal year 2024. Aviation's operating revenues increased by approximately $9,318 or 4.7% from $198,762 in fiscal year 2023 to $208,080 in fiscal year 2024. The net increase in Aviation operating revenue was primarily due to an increase in terminal concessions revenue of $6,322, increase in terminal lease and parking revenues of $7,239, offset by decreases in landing fees of $2,345 and fueling and other revenues of $1,898. Growth in Aviation revenue was driven in part by an increase in minimum annual guaranty payment by concessionaires which was temporarily paused during the COVID pandemic, and annual fee increases although passenger activity slightly decreased by 337,914 passengers from 11,567,269 passengers in 2023 to 11,229,355 in 2024.

Operating Revenues by Division (continued)

The Maritime Division generated $184,263 or 45.2% of the Port's total operating revenues in fiscal year 2024. Maritime's operating revenues decreased by approximately $10,571 or 5.4% from $194,834 in fiscal year 2023 to $184,263 in fiscal year 2024. Although cargo throughput increased in fiscal year 2024 due to an upturn starting mid-year, marine terminal revenue was lower compared to FY 2023 because of the timing of the increase, cargo shifts among terminals, and different contract terms among terminals, all of which affected variable rent. Across its other properties, the Maritime Division's revenue was essentially flat to fiscal year 2023. Therefore, in aggregate, fiscal year 2024 revenue was lower than fiscal year 2023.

The Commercial Real Estate Division generated $15,396 or 3.8% of the Port's total operating revenues in fiscal year 2024. Commercial Real Estate's operating revenues increased slightly by $305 or 2.0% from $15,091 in fiscal year 2023 to $15,396 in fiscal year 2024. The increase in Commercial Real Estate revenue was primarily due to increases in lease rentals and other revenues.

2023

The Port's total operating revenues increased approximately $6,678 or 1.7% from $402,009 in fiscal year 2022 to $408,687 in fiscal year 2023.

The Aviation Division generated $198,762 or 48.6% of the Port's total operating revenues in fiscal year 2023. Aviation's operating revenues increased by approximately $5,103 or 2.6% from $193,659 in fiscal year 2022 to $198,762 in fiscal year 2023. The net increase in Aviation operating revenue was primarily due to an increase in parking and ground access revenue of $7,617, increase in terminal and other rentals revenues of $3,250, increase in utility sales and other miscellaneous revenues of $834, offset by decreases in landing fees of $2,581, terminal concession revenues of $3,240 and fueling revenues of $777. Growth in Aviation revenue was driven in part by an increase in passenger activity from 9,976,766 in 2022 to 11,567,269 in 2023, spurred by increasing demand for air travel to and from the Airport.

The Maritime Division generated $194,834 or 47.7% of the Port's total operating revenues in fiscal year 2023. Maritime's operating revenues slightly increased by approximately $584 or 0.3% from $194,250 in fiscal year 2022 to $194,834 in fiscal year 2023. Maritime revenues were essentially flat, reflecting a number of offsetting factors, as well as weakening consumer demand domestically; sustained elevated inventory levels; and the on-going effects of cargo diversion to other ports due to congestion during and immediately following the COVID-19 pandemic.

The Commercial Real Estate Division generated $15,091 or 3.7% of the Port's total operating revenues in fiscal year 2023. Commercial Real Estate's operating revenues increased slightly by $991 or 7.0% from $14,100 in fiscal year 2022 to $15,091 in fiscal year 2023. The increase in Commercial Real Estate revenue was primarily due to increases in lease rentals and parking revenues.

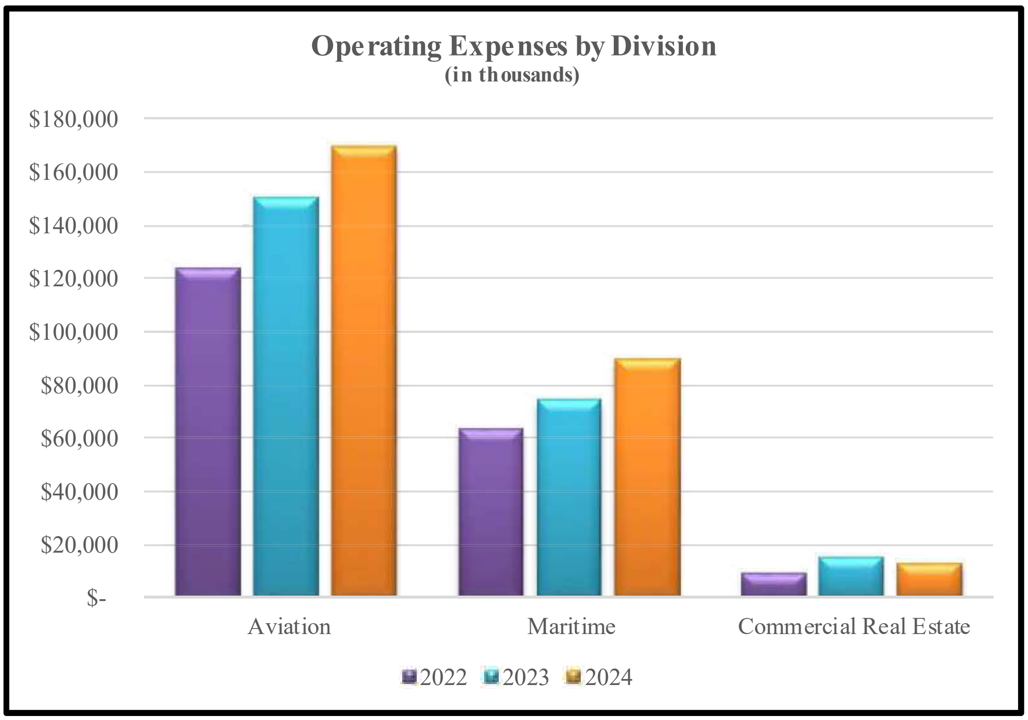
(dollar amounts in thousands)

Operating Expenses by Division

A condensed summary of operating expenses (excluding depreciation) for the years ended June 30 follows:

Operating Expenses by Division

Division	2024	2023	2022
Aviation	$ 169,971	$ 150,585	$ 124,261
Maritime	89,348	74,270	63,041
Commercial Real Estate	13,261	15,559	9,390
Total	$ 272,580	$ 240,414	$ 196,692



2024

The Port's operating expenses, excluding depreciation, increased by approximately $32,166 or 13.4% from $240,414 in fiscal year 2023 to $272,580 in fiscal year 2024.

The Aviation Division represented 62.4% of the Port's total operating expenses excluding depreciation in fiscal year 2024. Aviation's operating expenses excluding depreciation expenses increased by $19,386, or 12.9% from $150,585 in fiscal year 2023 to $169,971 in fiscal year 2024. The increase in operating expenses was a result of several factors including increase of $9,273 in maintenance and engineering costs, and

Operating Expenses by Division (continued)

$7,645 in combined increases in retirement benefit costs, salary adjustments based on current labor MOU's cost of living adjustments and step increases, and price increase in supply and materials.

The Maritime Division represented 32.8% of the Port's total operating expenses excluding depreciation in fiscal year 2024. Maritime's operating expenses excluding depreciation expenses increased by $15,078 or 20.3% from $74,270 in fiscal year 2023 to $89,348 in fiscal year 2024. The increase in operating expenses was primarily due to increases in total maintenance and engineering services costs, personnel services and material and supply costs by $6,594 or 25.0% and $7,690 or 47.9%, respectively. The increases in retirement benefit cost, salary adjustments based on current labor MOU's cost of living adjustments and step increases, and price increases in supply and materials were the primary contributing factors.

The Commercial Real Estate Division represented 4.8% of the Port's total operating expenses excluding depreciation in fiscal year 2024. Commercial Real Estate's operating expenses excluding depreciation expenses decreased by $2,298 or 14.8% from $15,559 in fiscal year 2023 to $13,261 in fiscal year 2024. The decrease in operating expenses was primarily due to a decrease of $2,264 or 27.9% in total personnel services and material and supply costs. This was due to a significant decrease in pollution remediation cost by $2,667 impacting the overall decrease in total personnel services and material and supply costs, despite the increases in retirement benefit cost and salary adjustments based on current labor MOUs' cost of living adjustments and step increases.

2023

The Port's operating expenses, excluding depreciation, increased by approximately $43,722 or 22.2% from $196,692 in fiscal year 2022 to $240,414 in fiscal year 2023.

The Aviation Division represented 62.6% of the Port's total operating expenses in fiscal year 2023. Aviation's operating expenses excluding depreciation expenses increased by $26,324, or 21.2% from $124,261 in fiscal year 2022 to $150,585 in fiscal year 2023. The increase in operating expenses was primarily due to an increase of $12,243, or 24.0% in total personnel services and material and supply costs resulting from increases in retirement benefit cost and salary adjustments based on current labor MOUs' cost of living adjustments and step increases.

The Maritime Division represented 30.9% of the Port's total operating expenses in fiscal year 2023. Maritime's operating expenses excluding depreciation expenses increased by $11,229 or 17.8% from $63,041 in fiscal year 2022 to $74,270 in fiscal year 2023. The increase in operating expenses was primarily due to increases in total maintenance and engineering services costs, and utility costs. Maintenance and engineering services costs increased by $$4,973 or 23.3% from $21,386 in fiscal year 2022 to $$26,359 in fiscal year 2023. Utility costs increased by $4,547 or 26.7% from $17,036 in fiscal year 2022 to $21,583 in fiscal year 2023.

The Commercial Real Estate Division represented 6.5% of the Port's total operating expenses in fiscal year 2023. Commercial Real Estate's operating expenses excluding depreciation expenses increased by $6,169 or 65.7% from $9,390 in fiscal year 2022 to $15,559 in fiscal year 2023. The increase in operating expenses was primarily due to an increase of $4,068, or 100.4% in total personnel services and material and supply costs resulting from increases in retirement benefit cost and salary adjustments based on current labor MOUs' cost of living adjustments and step increases.

(dollar amounts in thousands)

Depreciation Expense by Division

A summary of depreciation expense as of June 30 follows:

Depreciation Expense by Division

Division	2024	2023	2022
Aviation	$ 64,767	$ 62,248	$ 55,571
Maritime	49,880	53,814	51,964
Commercial Real Estate	2,286	2,164	2,046
Total	$ 116,933	$ 118,226	$ 109,581
Depreciation by funding source:			
Grant, PFC and CFC funded portion	$ 36,755	$ 36,857	$ 37,733
Internal and debt funded portion	80,178	81,369	71,848
Total	$ 116,933	$ 118,226	$ 109,581

In fiscal year 2024, overall depreciation expense decreased by $1,293 or 1.1%, primarily due to decrease in Maritime depreciation expense by $3,934 offset by increases in Aviation and Commercial Real Estate' depreciation expenses by $2,519 and $122, respectively. Maritime's depreciation decreased due to assets that were disposed and close to or fully depreciated during the year. Aviation's depreciation expense increased due to assets placed in service during the year, and the most significant assets were Airport Taxiway Improvement and Security System Enhancements. Commercial Real Estate's depreciation expenses increased due to Parking Revenue Control System Upgrade and Tenant Improvements at Jack London Square.

In fiscal year 2023, depreciation expense increased by $8,645 or 7.9%. Aviation depreciation expense increased by $6,677 due to assets placed in service during the year. The most significant assets placed in service by the Aviation division related to Terminal Improvement Projects and Airport Drive Pavements. Maritime's depreciation increased by $1,850 due to assets placed in service during the year. Sanitary sewer line rehabilitation and sewer lift stations projects and Berth improvement projects were completed during the year. Commercial Real Estate's depreciation expenses increased by $118 due to roof and siding replacement projects capitalized during the fiscal year 2022 starting to depreciate in fiscal year 2023.

Interest Expense

Interest expense decreased by $633 or 4.4% in fiscal year 2024, and by $2,201 or 13.2% in fiscal year 2023. The decreases in both fiscal years were the result of year-over-year reductions in outstanding revenue bond and commercial paper note principal balances.

Other expense increased by $1,846 or 91.1% in fiscal year 2024 from $2,027 to $3,873 in fiscal year 2024 following a decrease in fiscal year 2023 of $4,282. The increase in fiscal year 2024 was due to miscellaneous billing adjustment and a slight increase in general services provided by the City of Oakland.

(dollar amounts in thousands)

Loss on Disposal Capital Assets

Loss on disposal of capital assets increased by $1,092 from $479 in fiscal year 2023 to $1,571 in fiscal year 2024, following a decrease in loss on disposal of capital assets in fiscal year 2023 of $2,748 from $3,227 in fiscal year 2022. The increase in fiscal year 2024 was due to the cancellation of projects, uncapitalizable project costs of $1,407 and net loss of $164 in demolished assets.

Other Income

Other income reported in fiscal year 2024 was $2,071 mostly from pollution remediation reimbursement of $1,389 from Exxon Mobil, following no other income in fiscal year 2023 as miscellaneous other income of $669 was offset by baggage fee refunds to airlines in the amount of $1,971 resulting in negative other income which was reclassified to other expenses.

Capital Contributions

Capital contributions consist solely of grants received from other government agencies. Grants, for the most part, are restricted for the acquisition or construction of capital assets.

A condensed summary of capital contributions by granting agency for the years ended June 30 follows:

	2024	2023	2022
U.S. Department of Transportation:			
Airport Improvement Program	$18,454	$13,534	$16,004
Other grant programs	10,123	2,317	3,736
Total capital contributions	$28,577	$15,851	$19,740

In fiscal year 2024 grants from government agencies increased by $12,726 or 80.3% from $15,851 in fiscal year 2023 to $28,577 in fiscal year 2024. The increases are primarily from Aviation's taxiway rehabilitation projects and Maritime's sewer projects.

In fiscal year 2023 grants from government agencies decreased by approximately $3,889 or 19.7% from $19,740 in fiscal year 2022 to $15,851 in fiscal year 2023. The decrease is primarily driven by the completion of grant funded projects during the year and most of the grant reimbursement was focused on non-capital related operating expenditures. Most capital contributions recognized by the Port in fiscal year 2023 were from taxiway rehabilitation projects for the Airport.

(dollar amounts in thousands)

Capital Assets (net of depreciation) and Capital Improvement Plan

A summary of capital assets, net of depreciation and amortization as of June 30 follows:

	2024	2023	2022
Capital assets:			
Land	$ 523,546	$ 523,546	$ 524,333
Noise easements and air rights	25,853	25,853	25,853
Construction in progress	61,473	46,445	31,948
Buildings and improvements	266,942	277,157	291,149
Container cranes	16,104	19,098	24,082
Infrastructure	890,633	906,644	963,950
Software	7,622	9,240	4,020
Other equipment	56,257	38,358	39,352
Total	$1,848,430	$ 1,846,341	$1,904,687

Net capital assets increased by approximately $2,089 or 0.1% in fiscal year 2024, due to capital asset additions of $120,430 offset by retirements and abandoned construction in progress of $1,806 and an increase in accumulated depreciation of $116,933. Major additions to capital assets in fiscal year 2024 were related to overlay of Taxiway Whiskey, wharf upgrade for ultra large container vessels, T2 security lane exit, Sewer LS D06, D10, C07, C08, Sewer 7th St. Exit, Sewer JIT B60-63 and B59, Circuit 2 Upgrade, pipeline Rehab at Ben E. Nutter marine terminal.

Net capital assets decreased by approximately $58,346 or 3.1% in fiscal year 2023, due to capital asset additions of $54,628 and increase in intangible asset by $6,552 due to the implementation of GASB 96, offset by retirements and abandoned construction in progress of $1,300 and an increase in accumulated depreciation of $118,226. Major additions to capital assets in fiscal year 2023 were related to Airport drive overlay, taxiway rehabilitation, Airport terminal flooring replacement, Airport passenger boarding bridge replacement, and Maritime sewer lines rehabilitation projects.

Information on the Port's capital assets can be found in Note 4 Changes in Capital Assets in the accompanying notes to the financial statements. As of June 30, 2024, the Port had construction commitments of approximately $79,868 for current projects including the Aviation Taxiway Pavement and Rehabilitation, electrification of the Airport bus area, and various Airport terminal improvements; for Maritime are the wharf improvement and sanitary sewer projects. Additional information on the Port's construction commitments can be found in Note 13 Commitments.

On June 27, 2024, a five-year (fiscal year 2025-2029) Capital Improvement Plan (CIP) in the amount of $1,264,833 was presented to the Board of Commissioners (Board) for informational purposes. For fiscal year 2025, the Board adopted a capital budget of $246,248.

The FY 2025 capital budget reflects prioritization and focus on regulatory compliance, fulfilling grant project delivery commitments, progress toward zero emissions operations, health, safety, on-going or imminent revenue generating projects, asset management, and essential infrastructure investments.

(dollar amounts in thousands)

Debt Administration

The following table summarizes the Port's outstanding debt as of June 30:

	2024	2023	2022
Bond Indebtedness	$ 519,670	$ 589,800	$ 642,125
Commercial Paper	22,535	32,535	42,535
Subtotal debt	542,205	622,335	684,660
Net unamortized premium	21,942	29,880	38,899
Total debt	$ 564,147	$ 652,215	$ 723,559

In fiscal year 2024, the Port's total debt decreased approximately $88,068 or 13.5%, from $652,215 in fiscal year 2023 to $564,147 in fiscal year 2024. The decrease was the result of scheduled principal payments on outstanding bonds and commercial paper notes, and optional redemption and defeasance of certain outstanding bonds in May 2024.

In fiscal year 2023, the Port's total debt decreased approximately $71,344 or 9.9%, from $723,559 in fiscal year 2022 to $652,215 in fiscal year 2023. The decrease was the result of scheduled principal payments on outstanding bonds and commercial paper.

The debt coverage ratios for the years ended June 30 were as follows:

	2024	2023	2022
Senior Lien	9.08	7.13	7.03
Intermediate Lien	3.01	3.24	3.34

Starting in the year ended June 30, 2022, the debt coverage ratios reflect the implementation of GASB 87, which resulted in an increase of intermediate lien debt coverage ratio by 0.15x. In FY 2023 and 2024, this GASB implementation increased intermediate lien coverage by 0.26x and 0.19x, respectively. In future years, the impact of GASB 87 many have the effect of reducing or increasing debt coverage ratios.

Starting in the year ended June 30, 2023, the debt coverage ratios reflect the implementation of GASB 96, which resulted in an increase of intermediate debt coverage ratio by 0.05x. In FY 2024, this GASB implementation increased intermediate lien coverage by 0.05x. In future years, the impact of GASB 96 may have the effect of reducing or increasing the debt coverage ratios.

The Senior Lien and Intermediate Lien debt service coverage ratios are calculated pursuant to the bond indentures, as amended, which describe how they are calculated. Specifically, the numerator of the ratio is defined to be Net Revenue (i.e. Revenues less Operating Expenses), while the denominator is defined to be debt service. For the Senior Lien debt service coverage ratio this represents senior lien debt service, while for the Intermediate Lien debt service coverage ratio, this represents the combined debt service of senior lien bonds, any DBW loan and intermediate lien bonds. The bond indentures further exclude from the calculation, operating expense payable from non-operating revenues generally (Senior Lien Indenture) or non-operating federal grants specifically (Intermediate Lien Indenture). Debt service paid for non-operating

Debt Administration (continued)

revenues generally (Senior Lien Indenture), non-operating federal grants specifically (Intermediate Lien Indenture), and other borrowings (Senior Lien Indenture and Intermediate Lien Indenture) are also excluded.

In fiscal year 2024, the Port also paid $8,130 of operating expense and $2,566 of debt service from federal and state grants. Each of these payments impacted the above debt service coverage ratio calculations.

Additional information on the Port's debt activity can be found in Note 5 Debt in the accompanying notes to the financial statements.

Credit Ratings

The Port's credit ratings as of June 30, 2024 are as follows:

- S&P Global Ratings (S&P) underlying rating on the Port's Senior Lien Bonds is "A+", and the underlying rating on the Intermediate Lien Bonds is "A". The rating on the Port's Commercial Paper Notes for all series is "A-1".
- Moody's Investors Service, Inc. (Moody's) underlying rating on the Port's Senior Lien Bonds is "A1", and the underlying rating on the Intermediate Lien Bonds is "A2". The rating on the Port's Commercial Paper Notes for all series is "P-1".
- Fitch Ratings' (Fitch) underlying rating on the Port's Senior Lien Bonds is "A+", and the underlying rating on the Intermediate Lien Bonds is "A". The rating on the Port's Commercial Paper Notes for all series is "F1+". In addition, Fitch has set a subordinate lien rating of "A" on the bank note established for the Port's Commercial Paper Program.

Notes to the Financial Statements

The notes to the Port's financial statements can be found on pages 25-71 of this report. These notes provide additional information that is essential to a full understanding of the financial statements.

Facts and Conditions Affecting the Port's Operation

Passenger growth at the Airport has not only slowed but is projected to decline in FY 2025 driven by aircraft delivery delays resulting in reduction in available seats and flights, impacting key operators including Southwest Airlines. Business travel remains below pre-pandemic levels due to virtual work trends, further softening demand. Cargo and air freight businesses face their own set of challenges driven by reduced demand for such services.

Activity levels at the Seaport measured in terms of TEUs have declined substantially since the peak of the COVID-19 pandemic; in fiscal year 2024, the Seaport handled approximately 2.2 million TEUs, which is about 3% higher than fiscal year 2023, about 15.5% lower than the recent peaks in fiscal years 2019 and 2021, and consistent with activity levels in the 2004-2009 period. The overall decline has been attributed to a combination of factors including diminished consumer demand, elevated inventory levels, and the long-lingering effects of cargo and vessel diversion to other ports in the U.S. because of congestion on the West Coast, including the Seaport. These challenges persisted into fiscal year 2024, but cargo activity began to increase in the second half of the year, signaling both stabilization and renewed growth following the unusual conditions experienced during and immediately after the COVID-19 pandemic, as further discussed below.

Aviation

The Airport is one of three primary commercial airports serving the San Francisco Bay Area, alongside San Francisco International Airport (SFO), and San José Mineta International Airport (SJC). These airports, particularly the Airport and SFO, serve overlapping markets and compete for passengers many of whom frequently consider more than one Bay Area airport when booking air travel. Additionally, airlines may shift their operations among these airports in response to competitive factors, market share objectives, and operational costs. Key considerations for airlines include airport operating costs, the availability of airport facilities and, in some cases, the presence of alliance partners.

In addition to these competitive dynamics, the Airport's activity levels are influenced by broader factors, including general economic conditions, severe weather-related disruptions to air travel, geopolitical events, and public health crisis.

Post COVID-19 pandemic recovery trends have highlighted a disparity between business and leisure travel. While leisure travel rebounded strongly, the anticipated surge in business travel, particularly along key routes between Northern and Southern California, has not materialized to the same extent. Historically a primary driver of passenger traffic at the Airport, business travel demand within California remains below pre-pandemic levels. This decline is largely attributed to the widespread adoption of virtual meeting platforms, such as Zoom and Microsoft Teams, as well as a shift toward flexible and remote work arrangements, which have reduced the need for frequent business travel. It remains uncertain whether these trends will reverse or persist over the long term.

Further impacting airline operations are disruption in aircraft production and labor strikes within the aviation manufacturing industry. Delays in Boeing's aircraft deliveries, combined with the effects of a labor strike at key manufacturing facilities, are expected to limit the availability of new aircraft. As a result, airlines operating at the Airport may face challenges maintaining or expanding their seat capacity, which in turn could lead to a reduction in the number of scheduled flights and available seats at the Airport. These capacity constraints may also impact airlines' ability to introduce new routes or increase frequencies on existing routes, potentially limiting the short-term growth prospects at the Airport. The Airport is closely monitoring these developments and working with airline partners to manage the operational impacts as efficiently as possible.

The Airport also serves as a critical cargo hub, acting as the North American West Coast hub for FedEx and the primary Northern California air cargo facility for UPS. UPS operates both an off-airport sorting facility on leased Port property and on-airport transfer and loading facilities. Air cargo tonnage passing through the Airport has declined steadily since peaking during the COVID-19 pandemic. During the pandemic, there was a heavy reliance on e-commerce, driving strong demand for air cargo as goods needed fast delivery. Post-pandemic, consumers have shifted to a more balanced mix of goods and services, reducing the demand for goods transported by air. Availability of lower-cost ocean freight options has also encouraged businesses to shift cargo to maritime routes, especially for non-urgent goods. Other contributing factors include elevated inflation and economic uncertainty which have led to softer demand for high-value goods, which are typically moved by air. Rising jet fuel prices have also pressured air cargo margins, discouraging some cargo carriers from maintaining the same capacity as in previous years.

The Airport remains committed to monitoring evolving trends in both passenger and cargo operations to maintain resilience and flexibility in a dynamic operating environment.

Maritime

The Seaport is the principal ocean gateway for international containerized cargo shipments in Northern California. Historically, the Seaport has managed a balance of import and export trade, with a strong export base of California's premium agricultural products, Midwestern protein, and other U.S. goods bound for foreign markets. The Port is a part of global supply chains for importers and exporters; as such, it is sensitive to fluctuations in the U.S. and global economies and impacted by business decisions of other participants in the supply chain. In fiscal year 2024, the Seaport saw an approximate 3% increase in container cargo compared to fiscal year 2023, signaling a stabilization and renewed growth of cargo activity following the unusual conditions experienced during and after the COVID-19 pandemic. However, levels of cargo activity and related supply chain operations have not yet returned to pre-pandemic levels (in fiscal years 2014-2019 annual total TEUs averaged 2.4 million). While the Port is optimistic that the recent growth will continue based on information from cargo owners and strong growth in the first quarter of fiscal year 2025, it is unknown if and how long current cargo trends will continue.

Approximately 85% to 95% of all cargo (import and export) handled at the Seaport originates from or is destined to a local or regional location; this cargo is typically transported directly into and out of the Seaport by truck (local/regional cargo). The remaining 5% to 15% originates from or is destined to more distant inland locations and moves directly into and out of the Seaport by rail (Inland Point Intermodal (IPI cargo)). All the export cargo is destined for locations outside the continental U.S., and the Seaport is a desirable gateway for this cargo because it is primarily a second port of call with some of the shortest transit times to Asia. Of the import cargo that is local/regional cargo, some is consumed locally or regionally, and the balance is further transported to other locations, including to other parts of California and other states, depending on the cargo owners' distribution networks and location of consumer markets. To varying degrees, the Seaport competes with other ports for its cargo. The cargo at greatest risk of long-term diversion from the Seaport to other West Coast ports or East Coast and Gulf ports is IPI cargo, whether export or import. To a lesser extent, (a) import local/regional cargo and (b) export local/regional cargo that originates in locations approximately equidistant to the Seaport and other ports in California, are also at risk of long-term diversion. The extent of diversion depends on various factors internal and external to the Seaport, including but not limited to improvements at other ports, adequacy of infrastructure and investment at the Seaport, adequacy of transportation networks within and outside a port, changes to supply chain distribution networks, changes to consumer demand and markets, and overall cost of shipping through a port. As the Seaport works to maintain and grow market share, these factors could impact the Port's efforts. At this time, the Port cannot predict the potential impact of these factors on Seaport cargo.

About 77% of the full TEU cargo handled at the Port in calendar year 2023 is the result of trade with Asia, and about 30%-40% of the Port's trade is with China. Economic uncertainty regarding trade with China could negatively impact import and export cargo volume at the Seaport. The scope of the impact depends on many factors, including, for example, the flexibility of a company's supply chain (i.e., sourcing and/or manufacturing location options) and consumers' ability to absorb additional costs. The Port cannot accurately predict the scope of potential impacts at this time.

Separate from these issues, the maritime industry has historically experienced alternating cycles of significant economic downward pressure and high profitability, which are driven by national and global economic factors often outside the control of any one supply chain participant. For example, for several years leading into the COVID-19 pandemic, the maritime industry experienced major financial losses, bankruptcy, marine terminal closures, and formation of new shipping line alliances; then, COVID-19 created a new set of challenges, but in many cases also increased shipping line profitability significantly.

Maritime (continued)

While current industry conditions, and the Port's marine terminal tenants and shipping line customers, appear stable and showing signs of growth, there is always a risk that maritime industry conditions could shift. The Port cannot predict additional changes that may occur in various segments of the supply chain, and therefore the Port cannot predict the scope of potential resulting impacts at this time.

A new labor agreement between the International Longshore and Warehouse Union, the union representing most dockworkers at all United States West Coast ports, and the Pacific Maritime Association, which represents companies engaged in shipping to or through ports on the West Coast of the United States, went into effect in 2023 and expires on July 1, 2028. This new agreement notwithstanding, the maritime industry is vulnerable to strikes and other union activities, particularly activities related to the union labor employed by the marine terminal operators, but also activities of "sympathetic" unions. Historically, certain labor disruptions have affected the competitive position of all West Coast ports, including the Seaport, while others have had port-specific impacts that negatively affected one port while benefiting another port (for example, when cargo is diverted). The Seaport's marine terminal leases provide certain assurances for revenue collection in the event of a strike or lockout. However, these assurances are inherently limited and are not designed to mitigate the impact of long-term cargo shifts to other ports if a labor disruption resulted in sustained cargo diversion.

Commercial Real Estate

For more than a decade, the Commercial Real Estate Division has leased most of its properties to developers or tenants under long-term ground leases, under which the developer or tenant is responsible for the development, subleasing, operation and maintenance of the improvements on the properties. The Port continues to work with the developers to ensure the properties are developed and managed in ways that are compliant with California Tidelands Trust regulations, however most of the development cost and financial risk is held by the developers.

Contacting the Port's Financial Management

Requests for additional information about this report should be addressed to the Financial Services Division, Port of Oakland, 530 Water Street, Oakland, California 94607 or visit the Port's website at www.portofoakland.com.

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Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Net Position
June 30, 2024 and 2023
(dollar amounts in thousands)

	2024	2023
Assets		
Current assets:		
Unrestricted:		
Cash equivalents	$ 678,654	$ 673,054
Accounts receivable (less allowance for doubtful accounts of $2,379 in 2024 and $2,798 in 2023)	47,092	47,281
Lease receivables	115,409	111,004
Prepaid expenses and other assets	8,062	9,762
Total unrestricted current assets	849,217	841,101
Restricted:		
Cash equivalents	98,281	72,016
Investments	17,921	34,811
Deposits in escrow	914	167
Passenger facility charges and customer facility charges receivable	2,177	2,477
Total restricted current assets	119,293	109,471
Total current assets	968,510	950,572
Non-current assets:		
Capital assets:		
Land	523,546	523,546
Noise easements and air rights	25,853	25,853
Construction in progress	61,473	46,445
Buildings and improvements	1,018,052	1,008,293
Container cranes	130,321	130,321
Infrastructure	2,367,356	2,299,807
Software	19,671	19,671
Right-to-use intangible assets	6,552	6,552
Other equipment	164,713	138,426
Total capital assets, at cost	4,317,537	4,198,914
Less accumulated depreciation	(2,469,107)	(2,352,573)
Capital assets, net	1,848,430	1,846,341
Other receivables	837	534
Lease receivables	856,188	942,031
Other assets	18,795	17,344
Total non-current assets	2,724,250	2,806,250
Total assets	3,692,760	3,756,822
Deferred Outflows of Resources		
Loss on refunding	6,265	7,246
Pensions	61,070	65,194
OPEB	30,994	19,589
Total deferred outflows of resources	$ 98,329	$ 92,029

(Continued)

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, 2024 and 2023
(dollar amounts in thousands)

	2024	2023
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 53,640	$ 59,154
Retentions on construction contracts	3,054	1,374
Environmental and other	13,547	12,563
Accrued interest	2,791	3,305
Long-term debt, net	68,070	61,893
Liability to City of Oakland	8,996	9,099
Unearned revenue	9,775	28,900
Total current liabilities	159,873	176,288
Non-current liabilities:		
Environmental and other	31,467	32,225
Long-term debt, net	496,077	590,322
Net pension liability	213,152	216,083
Net OPEB liability	83,371	72,860
Deposits	24,715	24,963
Unearned revenue	2,800	3,195
Total non-current liabilities	851,582	939,648
Total liabilities	1,011,455	1,115,936
Deferred Inflows of Resources		
Pensions	6,395	7,599
OPEB	3,323	6,746
Leases	924,926	1,019,989
Total deferred inflows of resources	934,644	1,034,334
Net Position		
Net investment in capital assets	1,309,664	1,233,545
Restricted for:		
Construction	61,859	43,905
Security deposits	9,812	10,400
Grant received in advance	-	10,112
Unrestricted	463,655	400,619
Total net position	$ 1,844,990	$ 1,698,581

(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, 2024 and 2023
(dollar amounts in thousands)

	2024	2023
Operating revenues:		
Lease rentals - terminal	$ 177,740	$ 181,723
Lease rentals - other	70,635	81,873
Parking fees and ground access	72,061	64,211
Landing fees	38,489	40,834
Terminal concessions	8,858	2,536
Utility sales	27,887	27,067
Rail terminal rent	3,722	2,319
Fueling	2,971	3,346
Other	5,376	4,778
Total operating revenues	407,739	408,687
Operating expenses:		
Personnel services, materials, services, supplies, and other	100,485	87,414
Maintenance and engineering	77,949	61,807
Marketing and public relations	8,227	6,620
Administration and general services	24,541	21,027
Utilities	27,962	30,625
Security, police and fire	33,416	32,921
Depreciation	116,933	118,226
Total operating expenses	389,513	358,640
Operating income	18,226	50,047
Non-operating revenues (expenses):		
Investment income	70,880	50,492
Interest expense	(13,788)	(14,421)
Customer facility charges revenue	3,262	3,509
Customer facility charges expense	(3,577)	(3,446)
Passenger facility charges revenue	20,678	21,617
Other income	2,071	-
Other expense	(3,873)	(2,027)
Operating grant income	25,524	18,342
Loss on disposal of capital assets	(1,571)	(479)
Total non-operating revenues (expenses), net	99,606	73,587
Increase in net position before capital contributions	117,832	123,634
Capital contributions - Grants from government agencies	28,577	15,851
Increase in net position	146,409	139,485
Net position, beginning of the year	1,698,581	1,559,096
Net position, end of the year	$ 1,844,990	$ $ 1,698,581

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

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(dollar amounts in thousands)

	2024	2023
Cash flows from operating activities:		
Receipts from tenants and customers	$ 369,832	$ 407,386
Payments to suppliers	(168,742)	(115,377)
Payments to employees	(86,433)	(77,757)
Payments to employee retirement plans	(28,951)	(29,898)
Payments to employee OPEB plan	(14,422)	(9,822)
Other non-operating payments	(5,324)	(4,735)
Other non-operating receipts	2,071	-
Net cash provided by operating activities	68,030	169,797
Cash flows from noncapital financing activities:		
Proceeds from government agencies for recovery of operating costs	45,033	6,925
Payments for customer facilities charges eligible expenses	(3,577)	(3,446)
Proceeds from insurance and other recoveries	1,451	2,205
Net cash provided by noncapital financing activities	42,907	5,684
Cash flows from capital and related financing activities:		
Repayments/refunding of debt	(80,132)	(71,344)
Grants from government agencies	12,125	27,575
Interest paid on debt	(21,259)	(13,706)
Purchase of capital assets	(100,965)	(52,935)
Proceeds from sale of capital assets	2	-
Customer facility charges and passenger facility charges receipts	24,361	25,140
Net cash used in capital and related financing activities	(165,868)	(85,271)
Cash flows from investing activities:		
Interest received on investments	70,652	50,348
Purchase of restricted investments	(17,921)	(34,811)
Sale of restricted investments	(747)	510
Proceeds from maturity of restricted investments	34,811	-
Net cash provided by investing activities	86,795	16,047
Net increase in cash equivalents	31,865	106,257
Cash equivalents, beginning of year	745,070	638,813
Cash equivalents, end of year	$ 776,935	$ 745,070

(Continued)

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

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Cash Flows (continued)
For the years ended June 30, 2024 and 2023
(dollar amounts in thousands)

	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 18,226	$ 50,047
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	116,933	118,226
Other	(3,251)	(4,735)
Net effects of changes in:		
Accounts receivable, net of grants receivable	(2,868)	9,536
Lease receivables and related deferred inflows of resources	(13,518)	(18,731)
Prepaid expenses	249	(4,591)
Other receivables and assets	(303)	(289)
Accounts payable and accrued liabilities	(20,545)	29,215
Liability to City of Oakland	(103)	1,250
Unearned revenue	(19,520)	8,416
Deposits	(248)	(338)
Environmental and other liabilities	(2,693)	(2,746)
Net pension liability and related deferred outflows/inflows of resources	(11)	(9,674)
Net OPEB liability and related deferred outflows/inflows of resources	(4,317)	(5,789)
Net cash provided by operating activities	$ 68,030	$ 169,797
Non-cash capital and related financing activities:		
Net change in accounts payable for capital asset purchases	$ 15,030	$ 3,411
Net change in retention on capital construction contracts	1,680	(494)
Net change in grants receivable	3,056	306
Abandoned construction in progress and other capital assets	(1,573)	(537)
Right-to-use intangible capital assets acquired through subscription contracts	-	(4,004)

(Concluded)

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

1. Organization

The Port of Oakland, California (Port) was established in 1927 by the City of Oakland (City) and is included as a component unit in the City's basic financial statements. The accompanying financial statements include the operations of the Oakland International Airport (Airport or OAK), the maritime facilities (Seaport) and commercial real estate holdings.

The Port is governed by a seven-member Board of Port Commissioners (Board) whose members are appointed by the City Council, upon nomination by the Mayor. The Board appoints an Executive Director to administer operations. The Port prepares and controls its own budget, administers and controls its fiscal activities, and is responsible for all Port construction and operations. The Port is required by the City Charter to deposit its revenues in the City Treasury. The City Treasurer is responsible for investing and managing such funds.

2. Significant Accounting Policies

Basis of Accounting

The Port's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are used to record environmental remediation liabilities, accounts receivable and grant receivable accruals, allowance for doubtful accounts, depreciation expense, net pension liability, pension benefit costs, net other postemployment benefits (OPEB) liability, OPEB benefit costs, and various expense allocations. Actual results could differ from those estimates.

Net Position

Net position represents the residual interest in the Port's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position consists of three sections: net investment in capital assets, restricted for construction and other purposes, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources or deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. As of June 30, 2024, and 2023, the statements of net position reported $71,669 and $64,417 respectively, as restricted for construction and other purposes.

Cash Equivalents

The Port considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Port's cash and investments in the City Treasury are, in substance, demand deposits and are considered cash equivalents.

Investments

The Port reports its investments at fair value in the accompanying financial statements and the corresponding change in fair value of investments is reported in the year in which the change occurs.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded for invoices issued to customers and granting agencies in accordance with contractual arrangements. Unbilled receivables are recognized as accrued accounts receivable and revenue when services are provided. The allowance for doubtful accounts is based on a tiered percentage of significantly aged receivables. Accounts receivable are written-off against the allowance when deemed uncollectible. Recoveries of receivables previously written-off are recorded as revenue when received.

Restricted Assets

Assets whose use is restricted to specific purposes by bond indenture or regulation are segregated on the statements of net position.

Capital Assets

Capital assets are stated at cost. It is the policy of the Port to capitalize all expenses related to capital assets greater than $5. Depreciation expense is calculated using the straight-line method over the following estimated useful lives of the assets:

Buildings and improvements	5 to 50 years
Container cranes	25 years
Infrastructure	10 to 50 years
Other equipment	3 to 40 years
Software	3 to 10 years

Tenant improvements paid for by the tenants and owned by the Port are recorded as capital assets with an offsetting credit to unearned revenue. The asset is amortized over the shorter of the life of the lease or the life of the asset and the unearned revenue is amortized over the same terms.

Intangible assets which are identifiable are recorded as capital assets. The Port has identified noise easements, air rights and computer software development costs as intangible assets. Intangible assets not having indefinite useful lives are amortized over the estimated useful life of the asset.

Capital Assets (continued)

The implementation of GASB Statement No. 96 (GASB 96) recognized subscription-based information technology arrangements (SBITA) as intangible capital assets. Under GASB 96, the Port has recorded right-to-use subscription assets as intangible assets and corresponding subscription liabilities. SBITA assets are amortized over the shorter of the useful life or subscription term.

Lease Receivables

The Port, as a lessor, recognizes lease receivables and deferred inflows of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources should be measured as the value of the lease receivables in addition to any payments received at or before the commencement of the lease term that related to future periods. For a detailed discussion on lease receivables and deferred inflows of resources for lease receivables, refer to Note 7 Leases.

Loss on Refunding

The loss on refunding at the time of a refunding is reported as deferred outflows of resources and is amortized as interest expense over the shorter of the remaining life of the refunded bonds or life of the new bonds.

Unearned Revenue

Unearned interest revenue and prepaid rent related to short-term tenant leases are amortized principally on the straight-line method over the life of the remaining lease term.

Compensated Absences

The Port accrues employee benefits, including accumulated vacation and sick leave, as liabilities in the period the benefits are earned.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Port. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing activities. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the Port’s policy to first utilize available restricted assets and then to utilize unrestricted assets.

Allocation of Expenses to the Port Businesses

The Port records to each of its revenue divisions (Aviation, Maritime, and Commercial Real Estate) expenses directly related to those operations. In addition, the Port annually allocates indirect expenses to these divisions based on an expense allocation methodology. Allocated expenses include general operating expenses, maintenance and engineering, marketing and public relations, and administration and general services.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Port's pension plan, and additions to/deductions from the Port's pension plan's fiduciary net position have been determined on the same basis as they are reported by the plan's administrator, State of California's Public Employees' Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Port's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as reported by the plan's administrator, CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Grants from Government Agencies

Grants, for the most part, are restricted for the acquisition or construction of capital assets. Such grants are recorded as revenue when all eligibility requirements imposed by the provider have been met.

Passenger Facility Charges

The Port, as authorized by the Federal Aviation Administration (FAA) pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (the Act), as amended, currently imposes a Passenger Facility Charge (PFC) of $4.50 for each enplaning passenger at the Airport. Under the Act, air carriers are responsible for the collection of PFC and are required to remit PFC revenues to the Port in the following month after they are recorded by the air carrier. The Port has two approved and active applications with the FAA to collect and use PFC funds for specific purposes. The current authority to impose PFCs is estimated to end December 1, 2035.

PFC revenues, including any interest earned thereon, are restricted solely to finance allowable costs of new airport planning and development projects as defined and authorized by the FAA. PFC revenues may be used to pay debt service and related expenditures associated with FAA approved

Passenger Facility Charges (continued)

projects and the Port has received FAA approval to pay certain debt service if debt proceeds are used for qualifying projects. PFC revenues are recorded as non-operating revenue and any unspent PFC revenues are recorded as restricted cash equivalents.

Customer Facility Charges

Under Section 50474.21 of the California Government Code, and pursuant to a Port ordinance effective January 2009, the rental car companies operating at the Airport are required to collect from the rental customers and remit to the Port a Customer Facility Charge (CFC). The CFC rates during the years ended June 30, 2024 and 2023, were $10.00 per contract for companies operating on airport property and $8.00 per contract for companies operating off airport property. Effective October 1, 2024, the CFC changed to $7.50 per day up to five days for companies operating on airport property and $7.42 per day up to five days for companies operating off airport property. The revenues from CFCs collected by the Port are funding the common use shuttle bus operations between the terminal and rental car facility and are eligible to fund common use rental car facility capital improvements. CFC revenues are recorded as non-operating revenue and expenses reimbursed with CFC funds are recorded as non-operating expense. Any unspent CFC revenues are recorded as restricted cash equivalents.

Effects of New Pronouncements

In April 2022, GASB issued Statement No. 99, *Omnibus 2022.* The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB 53 are effective for the Port's year ended June 30, 2024. Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2024.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* This statement enhances accounting and reporting requirements for accounting changes and error corrections to provide more understandable, reliable relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or events that constitute those changes. The requirements of this statement are effective for the Port's year ended June 30, 2024. Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2024.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations (GASB 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 91 is effective for the Port's year ended June 30, 2023.

Effects of New Pronouncements (continued)

Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2023.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94), to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This statement also provides guidance for accounting and financial reporting for availability payment arrangements. GASB Statement No. 94 is effective for the Port's year ended June 30, 2023. Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2023.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITAs; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB 87, as amended. GASB Statement No. 96 is effective for the Port's year ended June 30, 2023. The adoption of this statement on the financial statements of the Port for the year ended June 30, 2023 is described in Note 8. The statement did not have a material impact on the financial statements for the year ended June 30, 2023.

New Accounting Pronouncements Not Yet Adopted

In June 2022, the GASB issued Statement No. 101, *Compensated Absences.* This statement updates the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. The requirements of this statement are effective for the Port's year ending June 30, 2025.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures.* This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units

New Accounting Pronouncements Not Yet Adopted (continued)

that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this statement are effective for the Port's year ending June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements.* This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units. In addition, for the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers. The requirements of this statement are effective for the Port's year ending June 30, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases* and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed

(dollar amounts in thousands)

New Accounting Pronouncements Not Yet Adopted (continued)

separately by major class. This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (1) the government has decided to pursue the sale of the capital asset and (2) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. The statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for the Port's year ending June 30, 2026.

3. Cash Equivalents, Investments, and Deposits

Cash Equivalents and Investments

Under the City Charter, all cash receipts from the operations of the Port are deposited in the City Investment Pool. These funds are managed and invested by the City, pursuant to the City's Investment Policy, that the City administers and reviews annually. For this reason, the Port does not maintain its own investment policy, and relies on the City Investment Policy to mitigate the risks described within this note.

Senior Lien Bonds and Intermediate Lien Bonds reserves are on deposit with the Senior Lien Bonds and Intermediate Lien Bonds trustee, respectively. The investment of funds held by the Senior Lien Bonds trustee and the Intermediate Lien Bonds trustee are governed by the Senior Trust Indenture and Intermediate Trust Indenture, respectively, and are invested in Government Securities Money Market Mutual Funds and U.S. Treasury notes.

On June 30, 2024, the Port had the following cash equivalents and investments:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year		1-5 Years
City Investment Pool	$ 678,654	$ 69,491	$ 748,145	Unrated	$ 748,145	*	$ -
Government Securities Money Market Mutual Funds	-	28,783	28,783	Unrated	28,783	*	-
Cash	-	7	7		7		-
U.S. Treasury Notes	-	17,921	17,921	Aaa	17,921		-
Total Cash Equivalents and Investments	$ 678,654	$ 116,202	$ 794,856		$ 794,856		$ -

*Represents weighted average maturity

(dollar amounts in thousands)

Cash Equivalents and Investments(continued)

On June 30, 2023, the Port had the following cash equivalents:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year		1-5 Years
City Investment Pool	$ 673,054	$ 61,942	$ 734,996	Unrated	$ 734,996	*	$ -
Government Securities Money Market Mutual Funds	-	10,067	10,067	Unrated	10,067	*	-
Cash	-	7	7		7		-
U.S. Treasury Notes	-	34,811	34,811	Aaa	17,538		17,273
Total Cash Equivalents and Investments	$ 673,054	$ 106,827	$ 779,881		$ 762,608		$ 17,273

*Represents weighted average maturity

Fair Value Hierarchy

The following is a summary of the fair value hierarchy of investments held by the Port as of June 30, 2024, and 2023:

Investments by Fair Value Level	2024	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Quoted Prices in Active Markets for Identical Assets (Level 1)
U.S. Treasury Notes	$ 17,921	$ -	$ 17,921
Government Securities Money Market Mutual Funds	28,783	28,783	-
Cash	7	7	-
City Investment Pool	748,145	748,145	-
Total Cash Equivalents and Investments	$ 794,856	$ 776,935	$ 17,921

Investments by Fair Value Level	2023	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Quoted Prices in Active Markets for Identical Assets (Level 1)
U.S. Treasury Notes	$ 34,811	$ -	$ 34,811
Government Securities Money Market Mutual Funds	10,067	10,067	-
Cash	7	7	-
City Investment Pool	734,996	734,996	-
Total Cash Equivalents and Investments	$ 779,881	$ 745,070	$ 34,811

Fair Value Hierarchy (continued)

Investments exempt from fair value treatment consist of Government Securities Money Market Mutual Funds and the City Investment Pool. Government Securities Money Market Mutual Funds are valued at their net asset value, and the City Investment Pool is not subject to fair value measurement in the Port's financial statements. However, the City Investment Pool's fair value disclosure is presented at the City-wide level in the City's basic financial statements.

The Port categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. The inputs and techniques used for valuing securities are not necessarily an indication of risk associated with investing in those securities. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Deposits in Escrow

Deposits in escrow consist of amounts received from construction contractors that are deposited into an escrow account in-lieu of retention withheld from construction progress billings. Interest on these deposits accrues to the contractor. As of June 30, 2024, and 2023, the Port had deposits in escrow of $914 and $167, respectively.

Investments Authorized by Debt Agreements

The following are the types of investments generally allowed under the Senior Trust Indenture and the Intermediate Trust Indenture (Intermediate Trust Indenture, together with the Senior Trust Indenture, are referred to as the Trust Indentures): U.S. Government Securities, U.S. Agency Obligations, obligations of any State in the U.S., prime commercial paper, FDIC insured deposits, certificates of deposit/banker's acceptances, money market mutual funds, long or medium-term corporate debt, repurchase agreements, state-sponsored investment pools, and investment contract agreements**.**

Interest Rate Risk

This risk represents the possibility that an interest rate change could adversely affect an investment's fair value. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage interest rate risk.

In order to manage interest rate risk:

- Proceeds from bonds are invested in permitted investments, as stated in the Trust Indentures.
- The deposits held by the City Treasury are invested pursuant to the City's Investment Policy, which limits the terms of its investments and establishes minimum allowable credit ratings, as well as other controls. Also, Section 53601 of the State of California Government Code limits the maximum maturity of any investment to be no longer than 5 years unless authority for such investment is expressly granted in advance by the City Council or authorized by bond covenants.

Credit Risk

This risk represents the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligation. Pursuant to the City Charter, all cash receipts from Port operations are deposited in the City Investment Pool. For this reason, the Port does not have a formal policy to manage credit risk.

In order to manage credit risk:

- Provisions of the Trust Indentures prescribe restrictions on the types of permitted investments of the monies held by the trustee in the funds and accounts created under the Trust Indentures, including agreements or financial institutions that must meet certain ratings, such as certain investments that must be rated in either of the two highest ratings by S&P and Moody's.

- The deposits with the City Treasury are invested in short-term debt that is rated at least A-1 by S&P, P-1 by Moody's or F-1 by Fitch Ratings. Long-term debt shall be rated at least A by S&P, A2 by Moody's, and A by Fitch Ratings.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or a counterparty to a transaction, the Port will not be able to recover the value of its investment or collateral securities that are in possession of another party.

To protect against custodial credit risk:

- All securities owned by the Port under the terms of the Trust Indentures are held in the name of the Port for safekeeping by a third-party bank trust department, acting as an agent for the Port. Port had investments held by a third-party bank trust department in the amount of $46,704 and $44,878 at June 30, 2024 and 2023, respectively.
- All securities the Port has invested with the City are held in the name of the City for safekeeping by a third-party bank trust department, acting as an agent for the City under the terms of the custody agreements. The Port had $748,145 and $734,996 invested in the City Investment Pool on June 30, 2024 and 2023, respectively.

As of June 30, 2024, the Port had deposits in escrow totaling $914, which were held in Union Bank, California Bank, and Fremont Bank, and of which $500 were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name. As of June 30, 2023, the Port had $167 in escrow, and of which $167 were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name.

Concentration of Credit Risk

The Trust Indentures place no limit on the amount the Port may invest in any one issuer.

Port revenues are deposited in the City Treasury. These and all City funds are pooled and invested in the City Investment Pool. The City has adopted an investment policy that provides for the following:

- The maximum maturity for any one investment may not exceed 5 years unless authority for such investment is expressly granted in advance by the City Council or authorized by bond covenants.
- No more than 5 percent of the total assets of the investments held by the City may be invested in the securities of any one issuer except:
    - obligations of the United States government;
    - United States federal agencies and government sponsored enterprises;
    - reverse repurchase agreements;
    - deposits – private placement;
    - certificates of deposit;
    - local government investment pools;
    - money market investment funds;
    - supranational organizations; and
    - public bank obligations.
- Permitted investments include U.S. treasury securities, federal agency and instrumentalities, banker's acceptances, commercial paper, asset-backed commercial paper, local government investment pools, medium-term notes, negotiable certificates of deposit, repurchase agreements, reverse repurchase agreements, secured obligations and agreements, dollar-denominated obligations issued by supranational organizations, certificates of deposit, money market mutual funds, state investment pool (Local Agency Investment Fund), local city/agency bonds , public bank obligations, and state obligations.

Additional information regarding deposit custodial credit, interest rate and credit risks, and securities lending transactions of the City Investment Pool is presented in the notes of the City's basic financial statements. Requests for financial information should be addressed to Finance Department, Administration, City of Oakland, 150 Frank H. Ogawa Plaza, Suite 5215, Oakland, California 94612 or visit the City of Oakland's website at www.oaklandca.gov.

(dollar amounts in thousands)

4. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Beginning Balance July 1, 2023	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2024
Capital assets not being depreciated					
Land	$ 523,546	$ -	$ -	$ -	$ 523,546
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	46,445	114,027	(1,407)	(97,592)	61,473
Total capital assets not being depreciated	595,844	114,027	(1,407)	(97,592)	610,872
Capital assets being depreciated					
Buildings and improvements	1,008,293	1,449	-	8,310	1,018,052
Container cranes	130,321	-	-	-	130,321
Infrastructure	2,299,807	-	-	67,549	2,367,356
Software	19,671	-	-	-	19,671
Right-to-use intangible assets	6,552	-	-	-	6,552
Other equipment	138,425	4,954	(399)	21,733	164,713
Total capital assets being depreciated	3,603,069	6,403	(399)	97,592	3,706,665
Less accumulated depreciation for					
Buildings and improvements	(731,136)	(19,974)	-	-	(751,110)
Container cranes	(111,223)	(2,994)	-	-	(114,217)
Infrastructure	(1,393,163)	(83,560)	-	-	(1,476,723)
Software	(16,030)	(146)	-	-	(16,176)
Right-to-use intangible assets	(953)	(1,472)	-	-	(2,425)
Other equipment	(100,067)	(8,788)	399	-	(108,456)
Total accumulated depreciation	(2,352,572)	(116,933)	399	-	(2,469,107)
Total being depreciated, net	1,250,497	(110,530)	-	97,592	1,237,558
Total capital assets, net	$ 1,846,341	$ 3,497	$ (1,407)	$ -	$ 1,848,430

For the year ended June 30, 2024, the Port recognized a $1,571 loss, $1,407 on abandoned projects related to construction in progress and disposal of capital assets, and additional cost of $164 on demolition of the disposed assets.

(dollar amounts in thousands)

Changes in Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2023, is as follows:

	Beginning Balance July 1, 2022	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2023
Capital assets not being depreciated					
Land	$ 524,333	$ -	$ (787)	$ -	$ 523,546
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	31,948	49,939	(506)	(34,936)	46,445
Total capital assets not being depreciated	582,134	49,939	(1,293)	(34,936)	595,844
Capital assets being depreciated					
Buildings and improvements	1,001,964	47	(54)	6,336	1,008,293
Container cranes	130,321	-	-	-	130,321
Infrastructure	2,272,299	-	-	27,508	2,299,807
Software	19,671	-	-	-	19,671
Right-to-use intangible assets(1)	2,319	4,233	-	-	6,552
Other equipment	132,692	4,642	-	1,092	138,426
Total capital assets being depreciated	3,559,266	8,922	(54)	34,936	3,603,070
Less accumulated depreciation for					
Buildings and improvements	(710,815)	(20,368)	47	-	(731,136)
Container cranes	(106,239)	(4,984)	-	-	(111,223)
Infrastructure	(1,308,349)	(84,814)	-	-	(1,393,163)
Software	(15,651)	(379)	-	-	(16,030)
Right-to-use intangible assets(1)	-	(953)	-	-	(953)
Other equipment	(93,340)	(6,728)	-	-	(100,068)
Total accumulated depreciation	(2,234,394)	(118,226)	47	-	(2,352,573)
Total being depreciated, net	1,324,872	(109,304)	(7)	34,936	1,250,497
Total capital assets, net	$ 1,907,006	$ (59,365)	$ (1,300)	$ -	$ 1,846,341

(1) The implementation of GASB 96 has resulted in recognition of subscription-based information technology arrangement of $6,552 as right-to-use intangible assets, of which $2,319 is included in the beginning balance. Accordingly, the first year amortization of $953 of such assets was recorded.

For the year ended June 30, 2023, the Port recognized a $479 loss on abandoned projects related to construction in progress and disposal of capital assets.

(dollar amounts in thousands)

5. Debt

Long-term debt consists of the following on June 30, 2024:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2023	Additions	Reductions[2]	Ending Balance June 30, 2024	Principal Due Within One Year
Senior Lien Bonds								
2020 Revenue Bonds Series R	1.081 - 2.349	2033	$ 343,755	$ 304,920	$ -	$ 33,035	$ 271,885	$ 18,830
Total Senior Lien Bonds			343,755	304,920	-	33,035	271,885	18,830
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	75,615	-	12,765	62,850	15,500
2017 Revenue Bonds Series E	5.00	2030	88,985	33,675	-	1,480	32,195	2,160
2017 Revenue Bonds Series G	2.720-3.300	2030	38,355	28,615	-	5,640	22,975	5,805
2021 Revenue Bonds Series H	5.00	2030	182,010	146,975	-	17,210	129,765	19,040
Total Intermediate Lien Bonds			405,225	284,880	-	37,095	247,785	42,505
Commercial Paper[1]								
Series A, B, C Notes	1.35-3.13	2024	N/A	7,342	-	5,000	2,342	-
Series D, E, F Notes	1.35-3.13	2024	N/A	25,193	-	5,000	20,193	-
Total Commercial Paper				32,535	-	10,000	22,535	-
Sub-Total				622,335	-	80,130	542,205	61,335
Unamortized bond premium				29,880	-	7,938	21,942	6,735
Total Debt				652,215	-	88,068	564,147	$ 68,070
Current maturities of long-term debt				(61,893)	(68,070)	(61,893)	(68,070)	
Total Debt - long-term portion				$ 590,322	$ (68,070)	$ 26,175	$ 496,077	

[1] As of June 30, 2024, under the current letter of credit, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

[2] On May 2, 2024, the Port redeeemed $14,690 of 2020 Series R Bonds, defeased $980 of 2017 Series D Bonds, $115 of 2017 Series E Bonds, and $390 of 2021 Series H Bonds.

(dollar amounts in thousands)

Debt (continued)

Long-term debt consists of the following on June 30, 2023:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Principal Due Within One Year
Senior Lien Bonds								
2020 Revenue Bonds Series R	1.081 - 2.349	2033	$ 343,755	$ 331,785	$ -	$ 26,865	$ 304,920	$ 18,345
Total Senior Lien Bonds			343,755	331,785	-	26,865	304,920	18,345
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	80,645	-	5,030	75,615	11,785
2017 Revenue Bonds Series E	5.00	2030	88,985	35,225	-	1,550	33,675	1,365
2017 Revenue Bonds Series G	2.720-3.300	2030	38,355	31,480	-	2,865	28,615	5,640
2021 Revenue Bonds Series H	5.00	2030	182,010	162,990	-	16,015	146,975	16,820
Total Intermediate Lien Bonds			405,225	310,340	-	25,460	284,880	35,610
Commercial Paper[1]								
Series A, B, C Notes	1.35-3.13	2024	N/A	12,342	-	5,000	7,342	-
Series D, E, F Notes	1.35-3.13	2024	N/A	30,193	-	5,000	25,193	-
Total Commercial Paper				42,535	-	10,000	32,535	-
Sub-Total				684,660	-	62,325	622,335	53,955
Unamortized bond premium				38,899	-	9,019	29,880	7,938
Total Debt				723,559	-	71,344	652,215	$ 61,893
Current maturities of long-term debt				(61,344)	(61,893)	(61,344)	(61,893)	
Total Debt - long-term portion				$ 662,215	$ (61,893)	$ 10,000	$ 590,322	

[1] As of June 30, 2023, under the current letter of credit, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

Debt Service

The Port's long-term debt and final maturity is identified in the schedules at the beginning of Note 5 and consists of taxable bonds, tax-exempt bonds, and short-term commercial paper notes. All of the Port's outstanding bonds and commercial paper notes have been issued to finance or refinance capital improvements to the Port's aviation, maritime, commercial real estate, and utilities infrastructure. The majority of the Port's outstanding bonds are revenue bonds, which are secured by Pledged Revenues of the Port. Pledged Revenues are substantially all revenues and other cash receipts of the Port, including, without limitation, amounts held in the Port Revenue Fund with the City, but excluding amounts received from certain taxes, certain insurance proceeds, special facilities revenues, and certain other gifts, fees, and grants that are restricted by their terms to purposes inconsistent with the payment of debt service. Pledged revenues amounted to $476,447 in fiscal year 2024 and $458,366 in fiscal year 2023.

In May 2024, the Port completed a transaction in which $1,485 of bonds maturing between November 1, 2024 and November 1, 2029 were defeased. This consisted of $980 of 2017 Series D bonds, $115 of 2017 Series E bonds, and $390 of 2021 Series H bonds. Specifically, the Port entered into three separate escrow agreements (one for each bond series) with its Senior Lien and Intermediate Lien bonds trustee (US Bank), into which a total of $1,615 of cash was deposited. The defeasance transaction was undertaken to take anticipatory remedial actions in connection with a new marine terminal lease agreement, and to take remedial action to allow a rail operator at the seaport to handle more domestic cargo at the Joint Intermodal Terminal railyard.

The funds deposited into each of the above escrow accounts were invested in Treasury securities (the Escrow Securities), which were sized to fund remaining debt service on each series of defeased bonds through final maturity.

Pursuant to these agreements, the Port may direct US Bank, as escrow agent, to substitute or dispose of the Escrow Securities, but only upon receipt of opinions from bond and tax counsel. In addition, the Port must receive a verification report stating that any substituted Escrow Securities, combined with any interest earnings and available cash, are sufficient to fund principal and interest when due on the defeased bonds through final maturity. As of June 30, 2024, $1,485 of the original $1,485 of defeased bonds have not matured.

Also, in May 2024, a further $14,690 of 2020 Series R bonds were redeemed using the "make-whole" call provision of the Port Senior Trust Indenture. The redemption transaction was undertaken in order to utilize federal grants made available to fund aviation related costs. Ultimately, the Port was able to receive reimbursement of the total transaction cost from those grant funds.

Pledged Revenues do not include cash received from PFCs or CFCs unless projects included in a financing are determined to be PFC or CFC eligible and bond proceeds are expended on such eligible projects and the Port elects to pledge PFCs or CFCs as supplemental security to such applicable bonds. Currently, the Port has no bonds for which PFCs or CFCs are pledged.

The Port's required debt service payments on its Senior Lien Bonds and Intermediate Lien Bonds are due each May 1 and November 1 through May 1, 2033. Commercial Paper has been classified

(dollar amounts in thousands)

Debt Service (continued)

as long-term debt because the Port has the intent and ability to continue to refinance this debt. The Port's required debt service payments for the outstanding long-term debt for the years ending June 30 are as follows

Fiscal Year Ending	Long-term Principal	Long-term Interest	Commercial Paper[(1)] Principal	Commercial Paper[(1)] Interest	Total Principal	Total Interest
2025	$ 61,335	$ 16,830	$ -	$ 901	$ 61,335	$ 17,732
2026	62,970	14,660	7,512	1,822	70,482	16,482
2027	69,025	12,270	7,512	1,127	76,537	13,397
2028	71,100	9,877	7,512	376	78,612	10,252
2029	73,605	7,375			73,605	7,375
2030-2033	181,635	8,188	-	-	181,635	8,188
Total	$ 519,670	$ 69,200	$ 22,535	$ 4,225	$ 542,205	$ 73,425

(1) For purposes of this schedule, Commercial Paper debt is amortized over three fiscal years, pursuant to the "Term Loan" provisions of the Commercial Paper Reimbursement Agreements, and a LOC Bank advance occurs in July 2025. For the first 90 days, interest is calculated using the higher of 1) Bank of America National Association (BANA) prime rate plus 1%, 2) Federal Funds rate plus 2%, or 3) 7.0%. Thereafter, the interest rate specified above is increased by 1.0%.

Types of Debt and Priority of Payment

Senior Lien Bonds

The 2020 Series R (collectively, the Senior Lien Bonds) were issued under the Senior Trust Indenture and are paid from Pledged Revenues first. As long as any Senior Lien Bonds remain outstanding, the Port has covenanted to collect rates, tolls, fees, rentals and charges so that Pledged Revenues in each fiscal year will be sufficient to pay all of the following amounts: (i) the sum of principal and interest on the outstanding Senior Lien Bonds; (ii) all other payments required for compliance with terms of the Senior Trust Indenture including, but not limited to, required deposits to any Reserve Fund; (iii) all other payments necessary to meet ongoing legal obligations to be paid from Pledged Revenues; and (iv) operation and maintenance expenses of the Port. In addition, payment of principal and interest on the Senior Lien Bonds when due is secured by a reserve fund held by the trustee. As of June 30, 2024, the reserve fund was invested in U.S. Treasury notes and government securities money market mutual funds. As of June 30, 2023, the reserve fund was also invested in government securities money market mutual funds.

The Port has also covenanted in the Senior Trust Indenture that Net Pledged Revenues (Revenues less the Operation and Maintenance Expenses) will be equal to at least 125% of actual debt service for the Senior Lien Bonds (Senior Lien Debt Service Coverage Ratio).

Senior Lien Bonds (continued)

Events of default under the Senior Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, receivership, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Senior Lien Indenture or the Bonds, which continues for a period of 60 days after notice. Failure to observe the covenants provisions or conditions of any specific debt obligation issued under the Senior Lien Indenture, which continues for a period of 60 days after notice, may also be considered a default event. Finally, pursuant to supplemental indentures, the Port will comply with the covenants of the tax certificates of the different bond series issued under the Senior Lien Trust Indenture. Remedies to any default under the Senior Lien Indenture or its supplements can include bringing suit upon the Senior Lien Bonds, or some other legal remedy to enforce the rights of bondholders.

As of June 30, 2024, the outstanding balance of Senior Lien Bonds is $271,885.

Intermediate Lien Bonds

Bonds issued under the Intermediate Trust Indenture are next in payment priority. As of June 30, 2024, the bonds issued under this indenture consist of the 2017 Series D, Series E, and Series G Bonds (Series 2017 Bonds) and the 2021 Series H Bonds (collectively “Intermediate Lien Bonds”). The Intermediate Lien Bonds are paid from the Intermediate Lien Pledged Revenues. The Intermediate Lien Pledged Revenues are the Pledged Revenues after payment first, of all amounts payable for any Senior Lien Bonds. Payment of principal and interest on the Series 2017 and 2021 Series H Bonds are secured by a reserve fund held by the trustee, which includes a reserve surety policy as well as a cash deposit of 2021 Series H Bond proceeds.

The Port covenanted in the Intermediate Trust Indenture that Net Pledged Revenues will be equal to at least 110% of the actual debt service becoming due and payable on the combined Intermediate Lien Bonds, and Senior Lien Bonds (Intermediate Lien Debt Service Coverage Ratio).

Events of default under the Intermediate Lien Trust Indenture include, but are not limited to, a failure to pay principal or interest, or a failure to pay the purchase price of a bond when due upon an optional or mandatory tender date. Port bankruptcy, reorganization, etc., are also considered default events, as is the failure to observe any covenant, provision or condition of the Intermediate Lien Indenture or the Bonds, which continues for a period of 180 days after notice. Failure to observe the covenant provisions or conditions of any specific debt obligation issued under the Intermediate Lien Indenture, which continues for a period of 180 days after notice, may also be considered a default event. Finally, pursuant to supplemental indentures, the Port will comply with the covenants of the tax certificates of the different bond series issued under the Intermediate Lien Trust Indenture. The Port will also ensure that the tax-exempt status of the bonds is maintained. Remedies to any default under the Intermediate Lien Indenture or its supplements can include bringing suit upon the Intermediate Lien Bonds, or some other legal action to enforce the rights of bondholders.

As of June 30, 2024, the outstanding balance of Intermediate Lien Bonds is $247,785.

Commercial Paper Notes

Commercial Paper Notes (CP Notes) have the lowest payment priority. The Board authorized a $150,000 Commercial Paper program in 1998 and a further $150,000 was authorized in 1999. The maximum maturity of the CP Notes is 270 days and the maximum interest rate is 12%. The Port has classified the CP Notes as long-term debt as the Port intends and has the ability to reissue CP Notes until the expiration of the two irrevocable Letters of Credit (LOC), discussed below. Interest income paid to the holders of the CP Notes may fall under one of three tax treatments: tax-exempt Alternative Minimum Tax (AMT), tax-exempt non-AMT and taxable.

The Port covenants in both of its LOC and Reimbursement Agreements with BANA that the Intermediate Lien Debt Service Coverage Ratio will equal to at least 110%.

On June 13, 2023, the Port extended the LOCs supporting its ABC Series and DEF Series of commercial paper notes, both issued by BANA. Specifically, the expiration dates of both LOCs were extended from June 30, 2023 to December 31, 2026. The BANA LOC supporting the DEF Series of commercial paper notes amounts to $54,438 ($50,000 principal and interest of $4,438) and was originally issued on June 13, 2017. The BANA LOC supporting the ABC Series of commercial paper notes amounts to $163,315 ($150,000 principal and interest of $13,315) and was originally issued on June 13, 2016.

As of June 30, 2024, the outstanding balance of CP Notes under the Port's ABC Series of CP is $2,342 while the outstanding balance under the Port's DEF Series of CP is $20,193.

The reimbursement agreements between the Port and BANA, which describe the terms and conditions under which BANA issues the commercial LOCs supporting the Port's CP Notes, contain a number of default provisions and remedies. Events of default include the failure to reimburse draws, advances or term loans issued under the LOCs, or to pay LOC related fees to BANA when due. Breaches of any of the covenants, conditions or agreements in the reimbursement agreements and other CP related documents are also considered defaults, as are breaches of the covenants contained in the Senior Lien Indenture or Intermediate Lien Indenture. The reimbursement agreements also contain default provisions for bankruptcy, failure to make payments on other Port debt, the acceleration of other Port debt, legal/administrative changes affecting the Port's ability to pay its debts or comply with its agreements, and material unsatisfied legal judgments. The fee rate in effect in FY 2024 for the LOCs securing the Port's CP notes is 0.385%.

Any of the above defaults can trigger the immediate acceleration of LOC related fees to BANA, the reduction of the LOC stated amounts, and/or suspensions of the Port's ability to issue new CP Notes or make draws under the existing LOCs. Any accelerations or payment failures on other Port debt, failures to pay CP related obligations, bankruptcy or limits to the Port's authority may also trigger a further remedy whereby advances and/or term loans under the LOCs would become immediately due and payable.

(dollar amounts in thousands)

Priority of Payment

The following are the priority of payment tables:

	Maturity Date	Total Debt Service to Maturity	FY 2024 Debt Principal and Interest	FY 2024 Net Pledged Revenues**
Total Net Pledged Revenues				$ 211,998
Senior Lien Bonds:				
2020 Revenue Bonds Series R	5/1/2033	$ 302,708	$ 24,195	
Subtotal Senior Lien Bonds		302,708	24,195	(24,195)
Net Pledged Revenues Remaining after Sr. Lien				187,803
Intermediate Lien Bonds:				
2017 Revenue Bonds Series D	11/1/2029	71,333	15,271	
2017 Revenue Bonds Series E	11/1/2029	37,077	3,015	
2017 Revenue Bonds Series G	11/1/2029	24,910	6,432	
2021 Revenue Bonds Series H	11/1/2029	152,844	24,169	
Subtotal Intermediate Lien Bonds		286,162	48,886	(48,886)
Net Pledged Revenues Remaining after Int. Lien				138,917
Commercial Paper Notes*		26,760	10,948	(10,948)
Net Pledged Revenues Remaining after CP Notes				$ 127,969
Total		$ 615,630	$ 84,029	

* Total Debt Service to Maturity for Commercial Paper Notes includes principal ($22,535) and interest ($3,324) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements plus $901 of Commercial Paper Notes interest at an assumed rate of 4.0%. Actual Commercial Paper interest rate may vary materially from assumed rate. Of the $22,535 of Commercial Paper Notes outstanding $2,342 are eligible to be paid from Passenger Facility Charges.

** Net Pledged Revenues are Revenues less Operation and Maintenance Expenses plus Interest Earned (not including interest earned PFC and CFC funds totaling $2,156 and $18, respectively). Excluded from this calculation are Operation and Maintenance Expenses funded by grants. Of the $10,948 recorded for commercial paper debt service, $5,214 was paid from PFCs. Of the $24,195 and $48,886 of senior and intermediate lien debt service, respectively, a further $2,566 was paid from grant proceeds.

(dollar amounts in thousands)

Priority of Payment (continued)

	Maturity Date	Total Debt Service to Maturity	FY 2023 Debt Principal and Interest	FY 2023 Net Pledged Revenues**
Total Net Pledged Revenues				$ 228,665
Senior Lien Bonds:				
2020 Revenue Bonds Series R	5/1/2033	$ 342,664	$ 32,935	
Subtotal Senior Lien Bonds		342,664	32,935	(32,935)
Net Pledged Revenues Remaining after Sr. Lien				195,730
Intermediate Lien Bonds:				
2017 Revenue Bonds Series D	11/1/2029	87,721	8,937	
2017 Revenue Bonds Series E	11/1/2029	40,238	3,272	
2017 Revenue Bonds Series G	11/1/2029	31,345	3,770	
2021 Revenue Bonds Series H	11/1/2029	177,476	24,165	
Subtotal Intermediate Lien Bonds		336,780	40,144	(40,144)
Net Pledged Revenues Remaining after Int. Lien				155,586
Commercial Paper Notes*		38,878	10,771	(10,771)
Net Pledged Revenues Remaining after CP Notes				$ 144,815
Total		$ 718,322	$ 83,850	

* Total Debt Service to Maturity for Commercial Paper Notes includes principal ($32,535) and interest ($5,043) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements plus $1,300 of Commercial Paper Notes interest at an assumed rate of 4.0%. Actual Commercial Paper interest rate may vary materially from assumed rate. Of the $32,535 of Commercial Paper Notes outstanding $7,342 are eligible to be paid from Passenger Facility Charges.

** Net Pledged Revenues are Revenues less Operation and Maintenance Expenses plus Interest Earned (not including interest earned and unrealized gains or losses on PFC and CFC funds totaling $801 and $12, respectively). Excluded from this calculation are Operation and Maintenance Expenses funded by grants. Of the $10,771 recorded for commercial paper debt service, $5,181 was paid from PFCs. Of the $32,935 and $40,144 of senior and intermediate lien debt service, respectively, a further $2,563 was paid from grant proceeds.

(dollar amounts in thousands)

Bond Premium

The Port amortizes the premium over the life of each bond issue. The unamortized amount for each Port issue is as follows:

Bond Issue	2024 Premium	2023 Premium
Intermediate Lien Bonds:		
2017 Series D	$ 3,652	$ 5,373
2017 Series E	2,389	3,259
2021 Series H	15,901	21,248
Subtotal Intermediate Lien Bonds	21,942	29,880
Commercial Paper	-	-
Total	$ 21,942	$ 29,880

6. Environmental and Other Liabilities

Changes in environmental and other liabilities for the years ended June 30, 2024 and 2023 are as follows:

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 10,015	$ 3,073	$ (2,092)	$ 10,996	$ 9,343
Pollution liability (Note 14)	15,450	2,941	(2,455)	15,936	1,429
Workers' compensation (Note 15)	8,884	2,078	(2,052)	8,910	2,052
Other long-term liabilities	10,439	54	(1,321)	9,172	723
Total	$ 44,788	$ 8,146	$ (7,920)	$ 45,014	$ 13,547

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 9,607	$ 2,318	$ (1,910)	$ 10,015	$ 8,206
Pollution liability (Note 14)	14,373	8,725	(7,648)	15,450	1,390
Workers' compensation (Note 15)	10,902	(443)	(1,575)	8,884	1,575
Other long-term liabilities	8,649	4,373	(2,583)	10,439	1,392
Total	$ 43,531	$ 14,973	$ (13,716)	$ 44,788	$ 12,563

7. Leases

A major portion of the Port's capital assets are leased to others. Lease assets include maritime facilities, aviation facilities, office and commercial space, and land. In accordance with GASB No. 87, the Port as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, leases that transfer ownership of the underlying asset to the lessee, and leases with annual fixed lease payments less than $150. The Port does not have any leases of assets held as investments or leases that transfer ownership of the underlying asset to lessee. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable that relates to future periods.

The Port has adopted tax-exempt Municipal Market Data (MMD) yield curve rates, as a proxy for the Port's borrowing costs, to measure the present values of future lease receivables. The associated interest income recognized for the years ended June 30, 2024, and 2023 was $29,002 and $27,619, respectively.

Maritime Leases

The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 66 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payments received during the years ended June 30, 2024, and 2023 were $12,113 and $18,282, respectively. Certain maritime facilities are leased under agreements that provide the tenants with preferential, but nonexclusive, use of the facilities. In accordance with GASB No. 87, Maritime leases are based on the minimum fixed rent receivables and discounted to the present value using the tax-exempt MMD yield curve rates as per the lease term.

(dollar amounts in thousands)

Maritime Leases (continued)

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2025	$ 95,664	$ 19,606	$ 115,270
2026	91,898	17,258	109,156
2027	91,898	14,803	106,701
2028	89,948	12,229	102,177
2029	87,998	9,600	97,598
2030 - 2034	227,158	17,394	244,552
2035 - 2039	8,953	7,057	16,010
2040 - 2044	5,610	5,881	11,491
2045 - 2049	4,369	4,919	9,288
2050 - 2054	2,507	4,449	6,956
Thereafter	15,042	15,069	30,111
Total	$ 721,045	$ 128,265	$ 849,310

Aviation Leases

Aviation leases are mostly with air carriers, concessionaires for food and beverages, gift and news, duty-free, rental car facilities, and advertisements. In general, the agreements with air carriers provide for cancellation on a 30-day notice by either party. However, they are intended to be long-term in nature with renewal options. Accordingly, these agreements are considered short-term leases for purposes of financial reporting.

In response to the COVID-19 pandemic, the Port is proactively implementing measures intended to mitigate operational and financial impacts. Among those measures were the July 2020 approvals of the Food and Beverage concessionaires' relief program. On July 14, 2020, the Board approved an amendment to space/use permit with the Food and Beverage concessionaires to waive monthly payment of minimum annual guarantee (MAG) retroactively from January 1, 2020 through December 31, 2020. Subsequently on April 22, 2021, the Board approved an additional amendment to space/use permit of Food and Beverage concessionaires that payment of MAG is based on the percentage of enplaned passenger volume compared to the calendar year 2019 and the MAG is to be suspended if the aviation industry experiences another significant decrease in passenger traffic similar to the COVID-19 pandemic.

(dollar amounts in thousands)

Aviation Leases (continued)

This amendment effectively makes the MAG variable, and accordingly, these leases are not included in the leases. Variable lease payments received during the years ended June 30, 2024, and 2023 were $60,532 and $37,441, respectively.

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2025	$ 22,982	$ 2,482	$ 25,464
2026	22,598	1,757	24,355
2027	22,129	1,028	23,157
2028	20,116	315	20,431
Total	$ 87,825	$ 5,582	$ 93,407

GASB No. 87 Excluded Leases – Regulated Aeronautical Service Providers

In accordance with the paragraphs 42 and 43 of GASB No. 87, the Port does not recognize lease receivables and deferred inflow of resources for leases between the Oakland Airport and the air carriers and other aeronautical users, which are regulated by the Department of Transportation and the Federal Aviation Administration. Regulated leases include agreements various passenger airlines, cargo airlines, and aeronautical users with lease terms ranging from 1 to 10 years.

Airlines who enter into operating lease agreements with the Port is defined as a Signatory Airline. The lease amount is set annually by the aviation rates and charges for its use of the terminals and can be cancelled anytime with 30 days' notice. The rights, services, and privileges, including preferentially assigned gates in connection with the use of the airport and its facilities are taken into the calculations of annual rates and charges.

Other aeronautical users are served through two Fixed Based Operators (FBOs), Kaiser Air and Signature Flight Support. Both provide other aeronautical users with essential aviation support services.

Minimum future lease revenue for years ending June 30 is as follows:

	Minimum Lease Revenue
2025	$ 59,007
2026	59,007
2027	36,662
2028	17,889
2029	14,099
2030 - 2034	35,335
Total	$ 221,999

(dollar amounts in thousands)

Commercial Real Estate Leases

Commercial Real Estate (CRE) Division of the Port leases out almost 19 miles or approximately 837 acres of land and waterfront property, along San Francisco Bay and the Oakland Estuary that is not used for maritime or aviation purposes. Much of the commercial land has been converted through private investment into homes, hotels, offices, shops, restaurants, parks, and industrial flex/research spaces. In most cases, the CRE division of the Port has entered into ground lease with development teams. The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 60 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payments received during the years ended June 30, 2024 and 2023 were $1,309 and $1,805, respectively.

Minimum future lease revenue for years ending June 30 is as follows:

	Lease Revenue	Interest Revenue	Total
2025	$ 7,207	$ 3,834	$ 11,041
2026	7,207	3,690	10,897
2027	7,038	3,540	10,578
2028	6,163	3,408	9,571
2029	5,269	3,267	8,536
2030 - 2034	23,415	14,411	37,826
2035 - 2039	19,766	11,029	30,795
2040 - 2044	10,435	8,349	18,784
2045 - 2049	7,890	6,513	14,403
2050 - 2054	7,181	4,628	11,809
Thereafter	11,908	5,077	16,985
Total	$ 113,479	$ 67,746	$ 181,225

(dollar amounts in thousands)

8. Subscription-Based Information Technology Arrangements (SBITA)

At June 30, 2024, the Port recorded six qualifying SBITAs in accordance with GASB Statement No. 96. The terms of the agreements range from 2 to 7 years and used the tax-exempt Municipal Market Data (MMD) yield curve rates.

The SBITA asset, net of accumulated amortization as of June 30, 2024 and 2023 was $4,127 and $5,599, respectively.

Beginning Balance As of June 30, 2023	SBITA Additions	FY 2024 Amortization	Net Balance As of June 30, 2024	Remaining Liability
$ 5,599	-	$ 1,472	$ 4,127	$ 2,919

Beginning Balance As of June 30, 2022	SBITA Additions	FY 2023 Amortization	Net Balance As of June 30, 2023	Remaining Liability
-	$ 6,552	$ 953	$ 5,599	$ 4,004

The SBITA liability as of June 30, 2024 and 2023 was $2,919 and $4,004, respectively. The Port's required payments for the outstanding SBITA liability for the years ending June 30 are as follows.

Fiscal Year Ending	Cash	Interest Expense	Liability Reduction	Accrued Interest
2025	$ 888	$ 65	$ 734	$ 89
2026	796	45	706	45
2027	463	27	419	17
2028	463	15	446	2
2029	463	2	461	-
	$ 3,073	$ 154	$ 2,766	$ 153

(dollar amounts in thousands)

9. Unearned Revenue

Unearned revenue consists primarily of prepaid tenant rent; prepayment for future capital improvements of airline fuel facility; grant received in advance and prepaid parking reservations.

Changes in unearned revenue for the years ended June 30, 2024, and 2023 are as follows

	Beg. Balance July 1, 2023	Additions	Reductions	End. Balance June 30, 2024	Amounts Due Within One Year
Oakland Fuel Facilities Corporation	$ 2,650	$ 150	$ -	$ 2,800	$ -
Unearned tenant rent	18,233	-	(9,472)	8,761	8,761
Unearned grant revenue	10,114	-	(10,114)	-	-
Other unearned revenue	1,098	599	(683)	1,014	1,014
Total	$ 32,095	$ 749	$ (20,269)	$ 12,575	$ 9,775

	Beg. Balance July 1, 2022	Additions	Reductions	End. Balance June 30, 2023	Amounts Due Within One Year
Oakland Fuel Facilities Corporation	$ 2,500	$ 150	$ -	$ 2,650	$ -
Unearned tenant rent	8,305	9,928	-	18,233	18,233
Unearned grant revenue	12,449	-	(2,335)	10,114	10,114
Other unearned revenue	425	673	-	1,098	553
Total	$ 23,679	$ 10,751	$ (2,335)	$ 32,095	$ 28,900

10. Retirement Plans

CalPERS Miscellaneous Unit

Plan Description

All full-time and certain other qualifying employees of the Port are eligible to participate as members of the City of Oakland's Miscellaneous Unit of CalPERS (Miscellaneous Plan). The Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. Benefit provisions and all other requirements are established by State statute and City ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of the annual financial report are available on the CalPERS website at www.CalPERS.ca.gov under Forms and Publications or may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

A separate report for the City's Miscellaneous Plan within CalPERS is not available. As an independent department of the City, the Port shares benefit costs with the City. The Port presents the related defined benefit disclosures as a participant in a cost-sharing plan arrangement with the City.

(dollar amounts in thousands)

Benefits Provided

The Miscellaneous Plan provides service retirement, disability retirement, and death benefits based on the employee's years of service, age at retirement and final compensation. An employee becomes eligible for service retirement upon retirement age and with at least 5 years of CalPERS credited service. Final compensation is the monthly average of the employee's highest one-year or three-year consecutive months' full-time equivalent salary. The service retirement benefit is a monthly allowance for life equal to the product of the benefit factor, years of service and final compensation. The benefit factor varies based on the employee's date of hire and age at retirement.

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	Hire date		
	Prior to 6/9/2012	**6/9/2012 through 12/31/12**	**Employee hired On or After 1/1/2013[1]**
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Retirement age	50-55	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0%-2.7%	2.0%-2.5%	1.0%-2.5%
Required employee contribution rates	8.00%	8.00%	8.25%
Required employer contribution rates 2024[2]	12.28%	12.28%	12.28%
Required employer contribution rates 2023[2]	11.54%	11.54%	10.79% - 11.54%

(1) For "new members" as defined by the Public Employees' Pension Reform Act (PEPRA)
(2) Excludes contribution payments for unfunded liability

Cost-of-living adjustments are paid the second calendar year of retirement and every year thereafter up to a maximum of 2% per year.

All members are eligible to apply for a disability retirement benefit, regardless of age, when they have five or more years of credited service, and they sustain an injury or illness that prevents them from performing their duties.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total Miscellaneous Plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The City and the Port are required to contribute the difference between the actuarially determined rate and the contribution rate of employees. During the years ended June 30, 2024 and 2023, the Port paid contributions to the Miscellaneous Plan of $28,949 and $29,030, respectively.

(dollar amounts in thousands)

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 and 2023, the Port reported total net pension liability as follows:

	2024	2023
City's Miscellaneous plan - proportionate share	$ 213,152	$ 216,083

The City's Miscellaneous Plan's net pension liability was measured as of the measurement date listed in the table below for the respective fiscal year. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the valuation date listed in the table below and rolled forward to the measurement date using standard update procedures. The Port's proportionate share of the City's Miscellaneous Plan is based on a three-year average of the Port's employer contributions divided by the total employer contributions for the most recent respective measurement period.

	2024	2023
Measurement date	6/30/2023	6/30/2022
Valuation date	6/30/2022	6/30/2021
Measurement period	7/1/22-6/30/23	7/1/21-6/30/22
Proportionate share	21.81%	22.39%

For the years ended June 30, 2024 and 2023, the Port recognized pension expense including amortization of deferred outflows/inflows related pension items of $28,939 and $20,222, respectively. On June 30, 2024 and 2023, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ 5,863	$ -	$ 11,492	$ -
Net difference between projected and actual earnings on pension plan investments	22,675	-	24,672	-
Change in proportionate share	-	4,595	-	3,974
Differences between expected and actual experience	3,583	1,800	-	3,625
Pension contributions subsequent to the measurement date	28,949	-	29,030	-
	$ 61,070	$ 6,395	$ 65,194	$ 7,599

The pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent measurement year.

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows/inflows of resources, will be amortized annually, and recognized as an increase or (reduction) to pension expense, for the measurement years ending June 30 as follows (in thousands):

	2024	2023
2023	$ -	$ 4,987
2024	6,357	5,831
2025	2,680	2,019
2026	16,089	15,728
2027	600	-
	$ 25,726	$ 28,565

Actuarial Methods and Assumptions

For the years ended June 30, 2024, and 2023, the total pension liability was determined by rolling forward the total pension liability from the valuation date to the measurement date. The total pension liabilities were based on the following actuarial methods and assumptions for each measurement date:

	2024	2023
Measurement date	6/30/2023	6/30/2022
Valuation date	6/30/2022	6/30/2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.80%	2.80%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.00% net of pension plan investments expenses; includes inflation	7.00% net of pension plan investments expenses; includes inflation
Mortality Rate Table	Based on the 2017 CalPERS Experience Study from 1997 to 2015[(1)]	Based on the 2017 CalPERS Experience Study from 1997 to 2015[(1)]
Post Retirement Benefit Increase	Contract cost-of-living adjustment is the lessor of the rate of inflation based on retirement year or the 2.3% compounded contracted COLA percentage. If the benefit after applying the cost-of-living adjustment falls below a minimum threshold, a Purchasing Power Protection Allowance (PPPA) may apply.	Contract cost-of-living adjustment is the lessor of the rate of inflation based on retirement year or the 2% compounded contracted COLA percentage. If the benefit after applying the cost of living adjustment falls below a minimum threshold, a Purchasing Power Protection Allowance (PPPA) may apply.

[1]The mortality table used was developed based on CalPERs' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of Scale MP 2016.

(dollar amounts in thousands)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 and 2023 is 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, CalPERS determined that the discount rate of 6.90% was appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class [1]	Target Allocation	Real Return Years 1-10[2]
Global Equity – Cap-weighted	30.0%	4.54%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	100.0%	

[1] An expected price inflation of 2.30% used for this period.
[2] Figures are based on the 2021-22 Asset Liability Management study.

(dollar amounts in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Port's proportionate share of the net pension liability as of the June 30, 2024 and 2023 measurement dates calculated using the current discount rate, as well as what the Port's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

As of June 30, 2023 (measurement date)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$300,513	$213,152	$140,393

As of June 30, 2022 (measurement date)	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$303,257	$216,083	$143,496

(dollar amounts in thousands)

11. Other Postemployment Benefits

Plan Description

The Port has established a Retiree Healthcare Plan and participates in the California Employer's Retiree Benefit Trust (CERBT), an agent multiple employer defined benefit postemployment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code Section 115 trust and an investment vehicle that can be used by all California public employers to prefund future retiree health and other postemployment benefits (OPEB) costs.

The Port's Retiree Healthcare Plan allows eligible Port retirees and their dependents to receive employer paid medical insurance benefits through CalPERS.

Prior to 2011, eligible retirees who had attained the age of fifty or over at the time of retirement, had five or more years of CalPERS service, and were eligible to receive PERS retirement benefits were entitled to receive employer paid medical insurance benefits through CalPERS.

The Port had adopted a resolution on July 21, 2011 that established a Health Benefit Vesting requirement for employees hired on or after September 1, 2011 (on or after April 1, 2013 for member of SEIU (Service Employees International Union) and IBEW (International Brotherhood of Electrical Workers). The vesting schedule does not apply to employees that are granted a disability retirement.

Under the adopted vesting schedule, the Port shall pay a percentage of retiree medical coverage for a retiree and his or her eligible dependents based on the provisions of Section 22893 of the California Government Code. Under these rules, a retiree must have at least 10 years of credited service with a CalPERS agency, at least 5 of which are with the City/Port. The Port will pay a percentage of the retiree medical coverage based upon the following:

Years of Credited Service (at least 5 of which are with the City/Port)	% of Employer Contributions
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

(dollar amounts in thousands)

Retiree Dental and Vision Coverage

Employees who were hired before October 1, 2009, have attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and are eligible to receive CalPERS retirement benefits are entitled to retiree dental and vision coverage.

Employees who are members of the SEIU and IBEW and were hired on or after June 9, 2012 are entitled to retiree dental and vision coverage if the employees have attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and are eligible to receive CalPERS retirement benefits.

Employees Covered

The following current and former employees were covered by the benefit terms under the Port's Retiree Healthcare Plan, as of the June 30, 2023 measurement date:

Active employees	450
Inactive employees or beneficiaries currently receiving benefits	619
Total	1,069

Contributions

Benefit provisions are established and are amended through negotiations between the Port and the various bargaining units during each bargaining period. The annual contribution is based on the actuarially determined contribution. The Port pays a portion of retiree benefit expenses on a pay-as-you-go basis to third parties and directly to beneficiaries (Pay-go) and funds the remaining actuarially determined contribution (ADC) to the CERBT fund. For the years ended June 30, 2024 and 2023, the Port's contributions consisted of the following:

	2024	2023
Direct payments (Pay-go)	$ 8,863	$ 8,518
CERBT fund contribution	4,300	-
Estimated implicit subsidy	1,272	1,304
Total cash contribution	$ 14,435	$ 9,822

Net OPEB Liability

For the year ended June 30, 2023, the Port's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was measured by rolling forward the total OPEB Liability Valuation from June 30, 2021.

For the year ended June 30, 2024, the Port's net OPEB liability was measured as of June 30, 2023.

(dollar amounts in thousands)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions:

	2024	2023
Valuation Date	6/30/2023	6/30/2021
Measurement Date	6/30/2023	6/30/2022
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate	6.50%	6.75%
Inflation	2.30%	2.50%
Medical Trend(1)	Non-Medicare 6.75% in 2024 decreasing to 4.0% in 2070 and later years	Non-Medicare 5.0% in 2023 decreasing to 4.25% in 2073 and later years
	Medicare 7.0% in 2024 decreasing to 4.0% in 2070 and later years	Medicare 5.25% in 2023 decreasing to 4.25% in 2073 and later years
	Medicare Part B 6.00% in 2024 decreasing to 3.75% in 2091 and later years	Medicare Part B 3.25% in 2023 changing to 4.25% in 2051 and later years
	Dental and Vision 3% in 2024 and later years	Dental and Vision 4% in 2023 decreasing to 3% in 2024 and later years
Investment Rate of Return(2)	6.50%	6.75%
Mortality	CalPERs Mortality rates, for Miscellaneous Public Agency Employees, projected generationally using 80 percent of Scale MP-2020 starting in 2017	CalPERs Mortality rates, which include 15 years of projected on-going improvement using 90 percent of Scale MP-2016

(1) Based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long-term medical care.
(2) Net of plan investment expenses

The Experience Study Reports may be accessed on the CalPERs website www.calpers.ca.gov under Forms and Publications.

(dollar amounts in thousands)

Net OPEB Liability (continued)

The following table reflects the target allocations and best estimates of arithmetic real rates of return for each major asset class used for the June 30, 2023 valuation.

CERBT Strategy 1 – Asset Class Allocation and Benchmarks as of June 30, 2024

Asset Class	Target Allocation	Target Range	Benchmark
Global Equity	49%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	23%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected (Security TIPS)	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts (REITs)	20%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	-	± 2%	ICE B of A US 3-month Treasury Bill Index
	100%		

Discount Rate

The discount rate used to measure the total OPEB liability for the year ended June 30, 2024, was 6.50%, which is equal to the investment rate of return. In the prior year, the discount rate was 6.75%.

Under GASB 75, the discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets plus expected future earnings and expected future contributions are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal bonds as the measurement date. Port of Oakland is funding the service cost plus an amortized amount of its net OPEB liability each fiscal year. Therefore, all OPEB plan benefits are expected to be financed by OPEB trust investments and contributions from the Port.

(dollar amounts in thousands)

Changes in Net OPEB Liability

The changes in the net OPEB liability for the Port's Retiree Healthcare Plan are as follows:

June 30, 2023 Measurement Date:	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Beginning Balance	$ 182,047	$ 109,187	$ 72,860
Changes recognized for the measurement period:			
Service cost	4,369	-	4,369
Interest on the total OPEB liability	11,803	-	11,803
Difference between actual and expected experience with regard to economic or demographic factors	(80)	-	(80)
Changes in assumptions	11,185	-	11,185
Benefit payments	(9,808)	(9,808)	-
Contribution from employer	-	9,808	(9,808)
Net investment income	-	7,013	(7,013)
Administrative expense	-	(55)	55
Total changes	17,469	6,958	10,511
Ending Balance	$ 199,516	$ 116,145	$ 83,371

June 30, 2022 Measurement Date:	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Beginning Balance	$ 175,878	$ 125,659	$ 50,219
Changes recognized for the measurement period:			
Service cost	4,091	-	4,091
Interest on the total OPEB liability	11,824	-	11,824
Difference between actual and expected experience with regard to economic or demographic factors	-	-	-
Changes in assumptions	-	-	-
Benefit payments	(9,746)	(9,746)	-
Contribution from employer	-	10,149	(10,149)
Net investment loss	-	(16,812)	16,812
Administrative expense	-	(63)	63
Total changes	6,169	(16,472)	22,641
Ending Balance	$ 182,047	$ 109,187	$ 72,860

(dollar amounts in thousands)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Port's net OPEB liability as of June 30, 2024 and 2023, calculated using the current discount rate, as well as what the Port's net OPEB liability would be if it were calculated using a discount rate that is 1% lower to 1% higher than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
As of June 30, 2024, Net OPEB Liability	$107,491	$83,371	$63,194

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
As of June 30, 2023, Net OPEB Liability	$94,864	$72,860	$54,472

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the Port's net OPEB liability as of the June 30, 2024 and 2023, calculated using the current healthcare costs trend rates as well as what the Port's net OPEB liability would be if it were calculated using healthcare costs trend rates that are 1% lower to 1% higher than the current rate:

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2024, Net OPEB Liability	$61,733	$83,371	$109,424

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2023, Net OPEB Liability	$51,616	$72,860	$98,530

(dollar amounts in thousands)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2024 and 2023, the Port recognized OPEB expenses including amortization of deferred outflows/inflows related to OPEB items of $10,105 and $4,034, respectively. The Port reported deferred outflows/inflows of resources related to OPEB from the following sources on June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ 7,987	$ -	$ 9,767	$ -
Differences between expected and actual experience	-	3,059	-	5,709
Changes of assumptions	8,572	264	-	1,037
OPEB contributions subsequent to the measurement date	14,435	-	9,822	-
	$ 30,994	$ 3,323	$ 19,589	$ 6,746

The OPEB contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent measurement year. Other amounts reported as deferred outflows and inflows of resources, will be amortized annually, and recognized as a reduction to OPEB expense, for the measurement periods ending June 30 as follows:

	2024	2023
2023	$ -	$ (1,637)
2024	1,628	(983)
2025	3,192	580
2026	7,673	5,061
2027	743	-
	$ 13,236	$ 3,021

12. Agreements with City of Oakland

The Port has entered into agreements with the City for provisions of various services such as Aircraft Rescue and Firefighting (ARFF), Special Services, General Services, and Lake Merritt Trust Services. The City provides these services to the Port.

Special Services include designated police services, personnel, City Clerk, legislative programming, and treasury services. General Services include fire, rescue, police, street maintenance, and similar services. Lake Merritt Trust Services include items such as recreation services, grounds maintenance, security, and lighting.

(dollar amounts in thousands)

Agreements with City of Oakland (continued)

Port payments to the City for these services are made upon execution of appropriate agreements and/or periodic findings and authorizations from the Board.

Special Services and ARFF

Payments for Special Services and ARFF are treated as a cost of Port operations pursuant to City Charter Section 717(3) Clause Third and have priority over certain other expenditures of Port revenues. Special Services and ARFF from the City totaled $9,072 and $8,616 in the years ended June 30, 2024, and 2023, respectively, and are included in operating expenses. At June 30, 2024 and 2023, $5,301 and $5,486, respectively, were accrued as current liabilities for these payments.

General Services and Lake Merritt Trust Services

Payments for General Services provided by the City are payable only to the extent the Port determines annually that surplus monies are available under the Charter for such purposes. As of June 30, 2024, and 2023 the Port accrued approximately $1,937 and $1,271, respectively, of payments for General Services. Additionally, the Port accrued approximately $1,119 and $1,689 to reimburse the City for Lake Merritt Trust Services in fiscal years 2024 and 2023, respectively. Subject to availability of surplus monies, the Port expects that it will continue to reimburse the City annually for General Services and Lake Merritt Trust Services.

13. Commitments

Capital Program

As of June 30, 2024, the Port had construction commitments for the acquisition and construction of assets as follows:

Aviation	$ 49,305
Maritime	30,563
Total	$ 79,868

The most significant projects for which the Port has contractual commitments for Aviation are the procurement of Electric Shuttle Buses and Infrastructure for Electric Bus Charging Stations Phase 1 $17,082; South Taxiway with Pavement Rehabilitation Phase 2 $31,229; South Field Runway Approach Lighting System Rehabilitation $534; and Lift Stations Rehabilitation $460; for Maritime Berth 55-59 Wharf Upgrades $9,592; Sanitary Sewer Projects $17,459; Replacement of Fenders and Bollards at Berth 10 $3,467; and, Middle Harbor Shoreline Park Improvements $45.

(dollar amounts in thousands)

Power Purchases

The Port purchases electrical power for resale and self-consumption and has power purchase agreements with East Bay Municipal Utility District (EBMUD), Western Area Power Administration (WAPA), EDP Renewables, and multiple contracts through Northern California Power Agency (NCPA).

Counterparty	Contract Ending Year	Contract Structure	Estimated Annual Output	Estimated Annual Cost
East Bay Municipal Utility District (EBMUD)	2025	Take and Pay – (Pay contract price only if energy is received)	11,000 MWH	Approx. $1,896 with no Annual Escalator from 2017-2025
Western Area Power Administration (WAPA)	2054	Monthly Fixed price plus Energy Received	17,000 MWH	Approx. $800 (Changes annually depending on revenue requirement for power generation projects)
EDP Renewables	2027	Take and Pay – (Pay contract price only if energy is received)	1,200 MWH	Approx. $200 with Annual Escalator
NCPA - Antelope Valley Solar Energy Farm	2041	Take and Pay – (Pay contract price only if energy is received)	11,300 MWH	Approx. $440 with no Annual Escalator
NCPA - South Feather Water and Power Agency	2031	Monthly Fixed price plus Energy Received	4,500 MWH	Approx. $166 with no Annual Escalator

(dollar amounts in thousands)

14. Contingencies

Environmental

The entitlements for the Airport Development Program (ADP) subject the Port to obligations arising from the adopted ADP Mitigation Monitoring and Reporting Program required under the California Environmental Quality Act, permits issued by numerous regulatory agencies including the Regional Water Quality Control Board and the Bay Conservation and Development Commission, and settlement agreements. The majority of these obligations have been met, and monitoring and reporting are ongoing.

A summary of the Port's environmental liability accounts, net of the estimated recoveries, included as Environmental and other liability on the statements of net position at June 30, 2024 and 2023, is as follows:

Obligating Event	2024 Liability net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,220	$ -
Identified as responsible to clean-up pollution	13,915	111
Begins or legally obligates to clean-up or post clean-up activities	801	-
Total by Obligating Event	$ 15,936	$ 111

Obligating Event	2023 Liability net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,122	$ -
Identified as responsible to clean-up pollution	13,499	90
Begins or legally obligates to clean-up or post clean-up activities	829	11
Total by Obligating Event	$ 15,450	$ 101

The environmental liability accounts in the summary tables are listed by the initial obligating event. Due to new information, the obligating event may change from the initial obligating event. Examples of obligating events include: 1) the Port is named, or evidence indicates that it will be named, by a regulator such as the Department of Toxic Substances Control or the Regional Water Quality Control Board, as a responsible party or potentially responsible party for remediation; or 2) the Port has commenced, or legally obligates itself to commence, clean-up activities, monitoring or operation and maintenance of the remediation effort (e.g., by undertaking a soil and groundwater pre-development investigation).

Environmental (continued)

Methods and Assumptions

The Port measured the environmental liabilities for pollution remediation sites on Port-owned property using the Expected Cash Flow technique. The measurements are based on the current value of the outlays expected to be incurred. The cash flow scenarios include each component which can be reasonably estimated for outlays such as testing, monitoring, legal services and indirect outlays for Port labor instead of ranges of all components. Reasonable estimates of ranges of possible cash flows are limited from a single scenario to a few scenarios. Data used to develop the cash flow scenarios is obtained from outside consultants, Port staff, and the Port's outside legal counsel.

Changes to estimates will be made when new information becomes available. Estimates for the pollution remediation sites will be developed when the following benchmarks or changes in estimated outlays occur:

- Receipt of an administrative order.
- Participation, as a responsible party or a potentially responsible party, in the site assessment or investigation.
- Completion of a corrective measure's feasibility study.
- Issuance of an authorization to proceed.
- Remediation design and implementation, through and including operation and maintenance and post-remediation monitoring.
- Change in the remediation plan or operating conditions, including but not limited to the type of equipment, facilities and services that will be used and price increases.
- Changes in technology.
- Changes in legal or regulatory requirements.

Recoveries

The environmental liabilities balances listed on the prior page have been reduced by estimated future recoveries. In calculating the estimated future recoveries, Port staff and outside legal counsel reviewed and applied the requirements of GASB 49 for accounting for recoveries. For example, if a Port tenant has a contract obligation to reimburse the Port for certain pollution remediation costs, or if an insurance carrier has paid money on a certain claim and the Port is pursuing additional costs from the insurance carrier associated with the claim, then a recovery was estimated. If an insurance carrier has not yet acknowledged coverage, then a recovery was not estimated.

Litigation

The Port at various times is a defendant in various lawsuits arising in the normal course of business, including constructing public improvements or construction related claims for unspecified amounts. The ultimate disposition of these suits and claims is not known and the Port's insurance may cover a portion of any losses, if incurred. Port management may make provision for probable losses if deemed appropriate on the advice of legal counsel.

(dollar amounts in thousands)

Grants

Certain grants that the Port receives are subject to audit and financial acceptance by the granting agency based upon reviews of costs incurred and submitted for reimbursement or demonstrated Port match. The Port's management does not believe that such audits will have a material impact on the financial statements.

15. Insurance

The Port purchases insurance on certain risk exposures including but not limited to property, automobiles liability, airport liability, umbrella liability, environmental liability, fidelity, fiduciary liability, and public official's liability. Port deductibles for the various insured programs range from $10 to $1,000 for each claim. The Port is self-insured for other general liability and liability/litigation-type claims, workers' compensation of the Port's employees and most first party exposures. During fiscal years 2024 and 2023, the Port carried excess insurance over $1,000 for the self-insured general liability and workers' compensation exposures. There have been no claim payments related to these programs that exceeded insurance limits in the last three years.

Workers' Compensation

Changes in the reported liability, which is included as part of environmental and other, follows:

Workers' compensation liability at June 30, 2021	$ 10,590
Current year changes in estimates	2,554
Claim payments	(2,242)
Workers' compensation liability at June 30, 2022	10,902
Current year changes in estimates	(443)
Claim payments	(1,575)
Workers' compensation liability at June 30, 2023	8,884
Current year changes in estimates	2,078
Claim payments	(2,052)
Workers' compensation liability at June 30, 2024	$ 8,910

The workers' compensation liability of $8,910 at June 30, 2024 is based upon an actuarial study performed as of June 30, 2024 that assumed a probability level of 80% and a discount rate of 0.00%. The workers' compensation liability balance of $8,884 at June 30, 2023 is based upon an actuarial study performed as of June 30, 2023 that assumed a probability level of 80% and a discount rate of 0.00%.

Capital Improvement Projects

The Port maintains an Owner Controlled Insurance Program (OCIP) and Owner Protective Professional Indemnity Insurance Program (OPPI) for contractors and consultants working on Port Capital Improvement Projects (CIP).

OCIP provides general liability insurance and workers' compensation insurance for contractors working on CIP projects. The Port is responsible for payment of the deductible/self-insured retention, which is currently $250 for each general liability and workers' compensation claim.

The OPPI protects the Port from the potential errors and omissions of consultants working on Port CIP projects. Consultants must meet minimum insurance requirements of $1,000. The Port would be responsible for a $100 self-insured retention if consultant's insurance does not respond. There is no actuarial forecast for this coverage.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Port of Oakland
(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
(dollar amounts in thousands)

City of Oakland CalPERS Miscellaneous Unit - Pension Plan

Fiscal year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	21.81%	22.39%	22.85%	23.29%	23.84%	24.20%	24.80%	25.00%	25.00%	24.86%
Covered payroll (measurement period)[(1)]	$ 65,145	$ 59,357	$ 58,496	$ 61,374	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093	$ 48,524
Proportionate share of net pension liability	$ 213,152	$ 216,083	$ 137,879	$ 217,954	$ 215,522	$ 203,202	$ 219,306	$ 200,186	$ 172,915	$ 160,287
Proportionate share of net pension liability as a percentage of covered payroll	327.20%	364.04%	235.71%	355.12%	370.92%	370.72%	405.27%	374.88%	345.19%	330.33%
Plan fiduciary net position	$ 2,316,141	$ 2,213,858	$ 2,434,692	$ 2,016,394	$ 1,960,494	$ 1,883,680	$ 1,787,314	$ 1,651,356	$ 1,693,857	$ 1,704,213
Total pension liability	$ 3,293,550	$ 3,178,946	$ 3,038,001	$ 2,952,224	$ 2,864,529	$ 2,723,357	$ 2,671,613	$ 2,452,219	$ 2,385,421	$ 2,348,972
Plan fiduciary net position as a percentage of total pension liability	70.32%	69.64%	80.14%	68.30%	68.44%	69.17%	66.90%	67.34%	71.01%	72.55%

Notes:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after the valuation date. This applies for voluntary benefit changes as well as any offers of Two Year Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions -
Discount rate was changed as follows:
July 2021 to present - 6.90%

(1) The Port's pension plan is administered through CalPERS. Contributions are based on a measure of pay, therefore, covered payroll (the payroll on which contributions to a pension plan are based) is used as the measure of payroll.

Port of Oakland
(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Pension Contributions
For the year ended June 30
(dollar amounts in thousands)

City of Oakland CalPERS Miscellaneous Unit - Pension Plan

Fiscal year	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution (ADC)	$ 28,949	$ 29,030	$ 27,389	$ 25,787	$ 24,588	$ 21,832	$ 19,253	$ 18,906	$ 15,989	$ 14,735
Contributions in relation to the ADC	(28,949)	(29,030)	(27,389)	(25,787)	(24,588)	(21,832)	(19,253)	(18,906)	(15,989)	(14,735)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (for the fiscal year)[1]	$ 70,589	$ 65,145	$ 59,357	$ 58,496	$ 61,374	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093
Contributions as a percentage of covered payroll	41.01%	44.56%	46.14%	44.08%	40.06%	37.57%	35.12%	34.94%	29.94%	29.42%

Notes:

Methods and assumptions used to determine contributions:

ADC for each fiscal year was established by an actuarial valuation report for the fiscal years as follows:

ADC for fiscal year	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial valuation date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

Actuarial cost method	Entry Age Normal
Asset valuation method	In fiscal years 2024-2016 the market value of assets was used. In fiscal year 2015 the actuarial value of assets was used.
Inflation	2.50%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment Rate of return	7% net pension plan investment an administrative expenses; includes inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERs Experience Study for the period from 1997 to 2015
Mortality	The probabilities of mortality are based on the 2017 CalPERs Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

[1] The Port's pension plan is administered through CalPERS. Contributions are based on a measure of pay, therefore, covered payroll (the payroll on which contributions to a pension plan are based)

Port of Oakland
(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios*
For the measurement period ended June 30
(dollar amounts in thousands)

Measurement Period	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	$ 4,369	$ 4,091	$ 4,636	$ 4,416	$ 4,621	$ 4,329	$ 4,055
Interest on the total OPEB liability	11,803	11,824	12,158	11,793	11,995	11,521	11,089
Differences between actual and expected experience	(80)	-	(10,433)	-	(3,665)	-	-
Changes in assumptions	11,185	-	(724)	(896)	(6,179)	-	-
Changes in benefit terms	-	-	-	-	-	-	-
Benefit payments	(9,808)	(9,746)	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
Net change in total OPEB liability	17,469	6,169	(4,676)	5,372	(2,421)	6,805	6,144
Total OPEB liability - beginning	182,047	175,878	180,554	175,182	177,603	170,798	164,654
Total OPEB liability - ending (a)	$ 199,516	$ 182,047	$ 175,878	$ 180,554	$ 175,182	$ 177,603	$ 170,798
Plan Fiduciary Net Position							
Contributions - employer	$ 9,808	$ 10,149	$ 14,513	$ 14,141	$ 14,693	$ 14,542	$ 15,400
Net investment income (loss)	7,013	(16,812)	26,194	3,143	4,821	5,351	5,773
Benefits payments	(9,808)	(9,746)	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
Administrative expense	(55)	(63)	(54)	(44)	(38)	(35)	(22)
Net change in plan fiduciary net position	$ 6,958	$ (16,472)	30,340	7,299	10,283	10,816	12,151
Plan fiduciary net position - beginning	109,187	125,659	95,319	88,020	77,737	66,921	54,770
Plan fiduciary net position - ending (b)	$ 116,145	$ 109,187	$ 125,659	$ 95,319	$ 88,020	$ 77,737	$ 66,921
Net OPEB liability - ending (a) - (b)	$ 83,371	$ 72,860	$ 50,219	$ 85,235	$ 87,162	$ 99,866	$ 103,877
Plan fiduciary net position as a percentage of the total OPEB liability	58.21%	59.98%	71.45%	52.79%	50.24%	43.77%	39.18%
Covered-employee payroll (for the measurement period) [1]	$ 65,145	$ 61,097	$ 61,112	$ 66,473	$ 63,359	$ 61,326	$ 58,516
Net OPEB liability as a percentage of covered-employee payroll	127.98%	119.25%	82.18%	128.22%	137.57%	162.84%	177.52%

Note:

*Historical information is required only for measurement periods for which GASB 75 is applicable. The year ended June 30, 2018 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

[1] The Port's OPEB plan is administered through the California Employer's Retiree Benefit Trust. Contributions are not based on a measure of pay, therefore, covered-employee payroll (the payroll of employees that are provided with OPEB through the OPEB Plan) is used as the measure of payroll.

Port of Oakland
(A Component Unit of the City of Oakland)
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions*
For the year ended June 30
(dollar amounts in thousands)

Fiscal Year	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 12,525	$ 11,254	$ 8,815	$ 12,350	$ 12,149	$ 13,310	$ 13,203
Contribution in relation to the ADC	(14,435)	(9,822)	(10,149)	(14,418)	(14,145)	(14,894)	(14,732)
Contribution deficiency/(excess)	$ (1,910)	$ 1,432	$ (1,334)	$ (2,068)	$ (1,996)	$ (1,584)	$ (1,529)
Covered-employee payroll (for the fiscal year)(1)	$ 70,589	$ 65,145	$ 61,097	$ 61,112	$ 66,473	$ 63,359	$ 61,326
Contributions as a percentage of covered-employee payroll	20.45%	15.08%	16.61%	23.59%	21.28%	23.51%	24.02%

Notes:

*Historical information is required only for measurement periods for which GASB 75 is applicable. Fiscal year ended June 30, 2018 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

Methods and assumptions used to determine contributions:

ADC for fiscal year	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	30 year level dollar amount on a "closed" basis
Asset Valuation Method	Market Value of Assets
Inflation	2.30%
Payroll Growth	CalPERs salary scale for Miscellaneous employees hired at age 30
Investment Rate of Return	6.50% net of investment expense
Healthcare Cost Trend Rates	-Non-Medicare 6.75% in 2024 decreasing to 4.00% in 2070 and later years -Medicare 7.00% in 2024 decreasing to 4.00% in 2070 and later years -Medicare Part B 6.00% in 2024 decreasing to 3.75% in 2091 and later years -Dental and vision 3% in 2024 and later years
Retirement Age and Mortality	CalPers Mortality rates for Miscellaneous Public Agency Employees, projected generationally using 80 percent of Scale MP-2020

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OTHER SUPPLEMENTARY INFORMATION

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Port of Oakland
(A Component Unit of the City of Oakland)
Other Supplementary Information - Schedule of Revenues and Expenses by Business Line
For the years ended June 30, 2024 and 2023
(dollar amounts in thousands)

	2024				2023			
	Aviation	Maritime	Commercial Real Estate	Total	Aviation	Maritime	Commercial Real Estate	Total
Operating revenues:								
Lease rentals - terminal	$ 57,893	$ 119,847	$ -	$ 177,740	$ 54,682	$ 127,041	$ -	$ 181,723
Lease rentals - other	33,845	24,527	12,263	70,635	35,078	34,686	12,109	81,873
Parking fees and ground access	58,916	10,989	2,156	72,061	54,888	7,005	2,318	64,211
Landing fees	38,489	-	-	38,489	40,834	-	-	40,834
Terminal concessions	8,858	-	-	8,858	2,536	-	-	2,536
Utility sales	3,502	24,283	102	27,887	3,741	23,224	102	27,067
Rail terminal rent	-	3,722	-	3,722	-	2,319	-	2,319
Fueling	2,971	-	-	2,971	3,346	-	-	3,346
Other	3,606	895	875	5,376	3,657	559	562	4,778
Total operating revenues	208,080	184,263	15,396	407,739	198,762	194,834	15,091	408,687
Operating expenses:								
Personnel services, materials, services, supplies, and other	70,878	23,752	5,855	100,485	63,233	16,062	8,119	87,414
Maintenance and engineering	43,266	32,953	1,730	77,949	33,993	26,359	1,455	61,807
Marketing and public relations	5,981	1,778	468	8,227	4,990	626	1,004	6,620
Administration and general services	12,020	9,137	3,384	24,541	10,571	7,557	2,899	21,027
Utilities	8,026	19,260	676	27,962	8,124	21,583	918	30,625
Security, police and fire	29,800	2,468	1,148	33,416	29,674	2,083	1,164	32,921
Depreciation	64,767	49,880	2,286	116,933	62,248	53,814	2,164	118,226
Total operating expenses	234,738	139,228	15,547	389,513	212,833	128,084	17,723	358,640
Operating income/(loss)	(26,658)	45,035	(151)	18,226	(14,071)	66,750	(2,632)	50,047
Non-operating revenues (expenses):								
Investment income	24,545	40,964	5,371	70,880	13,318	32,521	4,653	50,492
Interest expense	(2,916)	(10,735)	(137)	(13,788)	(1,375)	(12,882)	(164)	(14,421)
Customer facility charges revenue	3,262	-	-	3,262	3,509	-	-	3,509
Customer facility charges expense	(3,577)	-	-	(3,577)	(3,446)	-	-	(3,446)
Passenger facility charges revenue	20,678	-	-	20,678	21,617	-	-	21,617
Other income	210	1,635	226	2,071	-	-	-	-
Other expense	(1,770)	(2,032)	(71)	(3,873)	(1,640)	(2,500)	2,113	(2,027)
Operating grant income	25,180	344	-	25,524	17,869	473	-	18,342
Gain/(loss) on disposal of capital assets	(664)	(756)	(151)	(1,571)	12	31	(522)	(479)
Total non-operating revenues (expenses), net	64,948	29,420	5,238	99,606	49,864	17,643	6,080	73,587
Increase in net position before capital contributions	38,290	74,455	5,087	117,832	35,793	84,393	3,448	123,634
Capital contributions - Grants from government agencies	18,463	10,114	-	28,577	13,516	2,335	-	15,851
Increase in net position	$ 56,753	$ 84,569	$ 5,087	$ 146,409	$ 49,309	$ 86,728	$ 3,448	$ 139,485

Note: The Port maintains three revenue divisions Aviation, Maritime, and Commercial Real Estate, and records expenses directly related to those operations. In addition, the Port annually allocates indirect expenses to these divisions based on an expense allocation methodology. Allocated expenses include general operating expenses, maintenance and engineering, marketing and public relations, and administration and general services.

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STATISTICAL SECTION
(Unaudited)

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PORT OF OAKLAND
(A Component Unit of the City of Oakland)

Statistical Section

This part of the annual comprehensive financial report for the Port of Oakland presents detailed information as a context for understanding the financial statements, note disclosures, and required supplementary information.

Contents **Schedule**

Financial Trends

These schedules contain trend information to help the reader understand how the Port's financial performance and well-being has changed over time. The schedules are presented from the Enterprise Fund perspective. Schedules included are:

Revenue Capacity

These schedules contain information to help the reader assess the Port's major revenue sources, the Aviation Division and Maritime Division.

Aviation operating revenues are principal customers, landed weight, and landing fees. Schedules included are:

Aviation Division:

Maritime operating revenues are principal customers, revenue per TEU, and container trends. Schedules included are:

Maritime Division:

Debt Capacity

These schedules present information to help the reader assess the affordability of the Port's current levels of outstanding debt and the Port's ability to issue additional debt in the future. Details regarding outstanding debt can be found in the Notes of Financial Statements. Schedules included are:

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Oakland's financial activities take place. Schedules included are:

Operating Information

These schedules contain information about the Port's operations and resources to help the reader understand how the Port's financial information relates to the services it provides and the activities it performs. Schedules included are:

Port of Oakland
(A Component Unit of the City of Oakland)
Net Position by Components
Last Ten Fiscal Years
(dollar amounts in thousands)

	2024	2023 [4]	2022 [3]	2021	2020	2019	2018 [1]	2017	2016	2015 [2]
Net position:										
Net investment in capital assets	$ 1,309,664	$ 1,233,545	$ 1,227,661	$ 1,165,696	$ 1,169,486	$ 1,155,256	$ 1,155,086	$ 1,106,547	$ 1,097,049	$ 1,053,882
Restricted for:										
Construction	61,859	43,905	27,248	13,872	6,275	9,035	10,457	22,392	14,840	12,066
Other purposes	9,812	20,512	22,175	10,487	-	-	-	-	-	-
Unrestricted	463,655	400,619	282,012	198,169	134,156	99,395	35,444	72,797	30,657	(26,190)
Total net position	$ 1,844,990	$ 1,698,581	$ 1,559,096	$ 1,388,224	$ 1,309,917	$ 1,263,686	$ 1,200,987	$ 1,201,736	$ 1,142,546	$ 1,039,758

Notes:

[1] The beginning balance decreased $84,505 due to the adoption of GASB 75.

[2] The beginning balance decreased $182,324 due to the adoption of GASB 68.

[3] The beginning balance decreased $6,446 due to the adoption of GASB 87.

[4] The Port did not restate the beginning balance for the adoption of GASB 96.

Port of Oakland

Schedule 2

(A Component Unit of the City of Oakland)
Statements of Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years
(dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Aviation	$ 208,080	$ 198,762	$ 193,659	$ 152,105	$ 186,589	$ 208,022	$ 204,293	$ 190,657	$ 173,067	$ 162,135
Maritime	184,263	194,834	194,250	188,109	172,740	170,976	159,458	151,377	148,772	158,684
Commercial real estate	15,396	15,091	14,100	13,925	16,586	17,999	17,260	16,673	16,198	15,768
Total operating revenues	407,739	408,687	402,009	354,139	375,915	396,997	381,011	358,707	338,037	336,587
Operating expenses:										
Aviation	234,738	212,833	179,832	184,550	201,087	201,920	193,377	176,591	165,344	161,489
Maritime	139,228	128,084	115,005	117,827	120,890	115,691	111,365	106,302	107,135	100,609
Commercial real estate	15,547	17,723	11,436	12,362	13,385	13,342	12,835	12,148	12,755	13,324
Total operating expenses [1]	389,513	358,640	306,273	314,739	335,362	330,953	317,577	295,041	285,234	275,422
Operating income	18,226	50,047	95,736	39,400	40,553	66,044	63,434	63,666	52,803	61,165
Non-operating revenues (expenses):										
Investment income	70,880	50,492	21,204	507	11,013	13,363	5,109	2,713	2,149	1,783
Interest expense	(13,788)	(14,421)	(16,622)	(26,246)	(34,162)	(36,604)	(39,695)	(47,695)	(49,889)	(51,636)
Customer facility charges revenue	3,262	3,509	3,155	2,181	3,890	5,421	5,525	6,010	5,939	6,253
Customer facility charges expenses [2]	(3,577)	(3,446)	(2,549)	(3,906)	(4,741)	(5,440)	(4,678)	(4,531)	(4,307)	(4,137)
Passenger facility charges	20,678	21,617	19,363	10,913	16,285	25,819	25,903	24,520	22,929	21,478
Operating grant income	25,524	18,342	46,827	10,103	-	454	324	1,001	1,419	3,874
Other expenses	(3,873)	-	-	-	-	(454)	(324)	(1,001)	(1,419)	(3,874)
Other income (expenses)	2,071	(2,027)	(6,309)	4,525	8,632	(3,278)	(22,009)	(1,844)	3,744	3,176
Gain on lease termination	-	-	-	16,597	-	-	-	5,526	35,200	-
Gain (loss) on disposal of capital assets	(1,571)	(479)	(3,227)	(123)	(2,616)	(10,864)	(5)	(2,869)	(629)	84
Total net non-operating revenues (expenses)	99,606	73,587	61,842	14,551	(1,699)	(11,583)	(29,850)	(18,170)	15,136	(22,999)
Change in net position before capital contributions	117,832	123,634	157,578	53,951	38,854	54,461	33,584	45,496	67,939	38,166
Capital contributions:										
Grants from government agencies	28,577	15,851	19,740	24,356	7,377	8,238	50,172	13,694	34,849	73,725
Total capital contributions	28,577	15,851	19,740	24,356	7,377	8,238	50,172	13,694	34,849	73,725
Change in net position	146,409	139,485	177,318	78,307	46,231	62,699	83,756	59,190	102,788	111,891
Net position, beginning of the year	1,698,581	1,559,096 [6]	1,381,778 [5]	1,309,917	1,263,686	1,200,987	1,117,231 [3]	1,142,546	1,039,758	927,867
Net position, end of the year	$ 1,844,990	$ 1,698,581	$ 1,559,096	$ 1,388,224	$ 1,309,917	$ 1,263,686	$ 1,200,987	$ 1,201,736	$ 1,142,546	$ 1,039,758

Notes:

[1] Total operating expenses includes depreciation.

[2] Beginning in fiscal year 2016, expenses reimbursed by CFCs have been reclassified from operating to non-operating expenses. For comparative purposes, fiscal year 2014 and 2015 operating expenses have been restated to conform with fiscal year 2016 presentation.

[3] The beginning net position balance in fiscal year 2018 decreased $84,505 due to the adoption of GASB 75.

[4] The beginning net position balance in fiscal year 2015 decreased $182,324 due to the adoption of GASB 68.

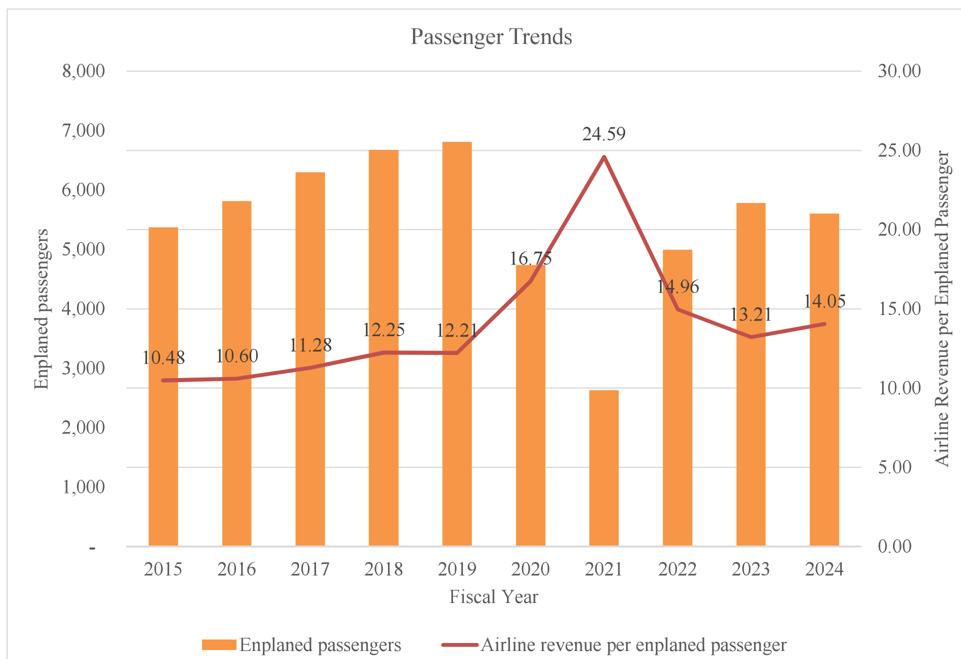
[5] The beginning net position balance in fiscal year 2022 decreased $6,446 due to the adoption of GASB 87.

[6] The beginning net position balance in fiscal year 2023 was not restated for the adoption of GASB 96 due to immateriality.

Schedule 3

Port of Oakland
(A Component Unit of the City of Oakland)
Principal Revenue Sources and Airline Revenue per Enplaned Passenger
Last Ten Fiscal Years
(dollar amounts in thousands
except for Airline Revenue per Enplaned Passengers)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Aviation revenues:										
Terminal rental (1)	$ 53,870	$ 50,827	$ 49,668	$ 48,039	$ 60,891	$ 59,705	$ 56,064	$ 47,555	$ 41,719	$ 36,194
Landing fees (excludes cargo airlines)	24,846	25,564	25,078	16,595	18,443	23,441	25,724	23,492	19,876	20,136
Total airline revenues	78,716	76,391	74,746	64,634	79,334	83,146	81,788	71,047	61,595	56,330
Concessions (3) (4)	8,858	2,536	5,776	3,558	7,056	9,930	22,775	24,563	23,408	22,019
Parking and ground access (3)	58,916	54,888	47,271	22,905	41,442	56,231	43,400	40,867	36,826	33,349
Lease rentals	35,555	35,312	33,030	32,279	33,505	31,614	30,790	30,505	29,836	28,572
Landing fees--cargo airlines	11,994	13,479	16,413	15,577	11,058	11,512	11,277	9,770	9,333	9,647
Aviation fueling	2,971	3,346	4,123	2,174	2,313	2,582	2,414	2,422	2,335	2,940
Utility sales	3,418	3,741	3,498	3,081	3,489	4,120	4,301	4,359	4,257	4,201
Other (2) (4)	7,652	9,069	8,802	7,897	8,392	8,887	7,548	7,124	5,475	5,077
Total revenues	$ 208,080	$ 198,762	$ 193,659	$ 152,105	$ 186,589	$ 208,022	$ 204,293	$ 190,657	$ 173,065	$ 162,135
Enplaned passengers	5,603	5,782	4,996	2,628	4,736	6,808	6,677	6,296	5,812	5,374
Airline revenue per enplaned passenger	$ 14.05	$ 13.21	$ 14.96	$ 24.59	$ 16.75	$ 12.21	$ 12.25	$ 11.28	$ 10.60	$ 10.48



Notes:

(1) Terminal rentals are for airlines only. Non-airline terminal rental revenues are classified under "Other".

(2) Includes non-airline terminal revenues, miscellaneous revenues and other field revenues.

(3) Beginning in fiscal year 2019, Car Rental revenue is recorded with Parking and Ground Access revenue. In 2018 and prior Car Rental revenue was reported with Concessions revenue.

(4) Beginning in fiscal 2019, Tenant Infrastructure Fee revenue is reported with Other revenues. In 2018 and prior Tenant Infrastructure Fee was reported as Concessions revenue.

Port of Oakland
(A Component Unit of the City of Oakland)
Aviation Statistics - South Airport
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PASSENGERS										
Enplaned	5,603,253	5,782,323	4,995,668	2,627,875	4,735,801	6,807,835	6,676,712	6,296,349	5,812,058	5,374,187
Deplaned	5,626,102	5,784,946	4,981,098	2,595,006	4,757,836	6,807,936	6,680,091	6,297,022	5,802,787	5,380,369
Total	11,229,355	11,567,269	9,976,766	5,222,881	9,493,637	13,615,771	13,356,803	12,593,371	11,614,845	10,754,556
FREIGHT (in 000 lb)										
Inbound	554,213	605,288	692,632	586,737	624,894	654,577	651,641	582,548	575,796	581,482
Outbound	552,707	574,855	660,287	568,246	610,244	662,614	658,541	592,279	605,329	594,450
Total	1,106,920	1,180,143	1,352,919	1,154,983	1,235,138	1,317,191	1,310,182	1,174,827	1,181,125	1,175,932
TOTAL AIR CARGO (in 000 lb) (Freight and mail)	1,114,125	1,197,040	1,370,101	1,163,789	1,246,477	1,329,820	1,320,948	1,183,119	1,190,372	1,188,335
LANDED WEIGHT (in 000 lb) (1)										
Passenger carriers	6,592,292	6,834,456	5,900,152	4,056,894	6,026,349	7,746,063	7,833,331	7,347,655	6,670,725	6,247,035
Cargo carriers	3,167,483	3,588,756	3,847,789	3,795,663	3,646,975	3,651,806	3,519,152	3,136,160	3,173,690	2,978,823
Total	9,759,775	10,423,212	9,747,941	7,852,557	9,673,324	11,397,869	11,352,483	10,483,815	9,844,415	9,225,858
AIRCRAFT MOVEMENTS	206,423	210,624	206,033	166,592	199,364	243,261	241,035	225,526	224,074	209,183
PARKING										
Number of stalls (2)	6,888	6,888	6,888	6,907	6,907	6,805	6,895	6,898	6,898	6,878
Average revenue per stall	$ 6,605	$ 5,304	$ 4,489	$ 1,950	$ 3,230	$ 4,797	$ 4,883	$ 4,856	$ 4,544	$4,203

Notes:

Oakland International Airport is comprised of the North and South Field. North Field handles general aviation and South Field handles commercial passengers and freight airlines.

(1) Includes non-revenue flights.

(2) Available parking stalls are increased or decreased due to market demand or to make space available for construction projects.

Port of Oakland
(A Component Unit of the City of Oakland)
Top Ten Individual Sources of Aviation Revenue Fiscal Year 2024 and Fiscal Year 2015
(dollar amounts in thousands)

Fiscal Year 2024	Revenue	Percent of Total Aviation Revenue	Fiscal Year 2015	Revenue	Percent of Total Aviation Revenue
Southwest Airlines	$ 58,578	28.4%	Southwest Airlines	$ 38,074	23.5%
On-Airport Public Parking (1)	38,384	18.6%	On-Airport Public Parking (1)	28,907	17.8%
Federal Express Corporation	21,993	10.7%	Federal Express Corporation	18,176	11.2%
Signature Flight Support Acquisition Co. LLC	7,334	3.6%	Avis Rent-A-Car Systems Inc.	5,968	3.7%
Enterprise Rent-A-Car	6,322	3.1%	HMS Host Corporation	5,481	3.4%
Avis Budget Group, Inc.	5,991	2.9%	Landmark Aviation	5,023	3.1%
Spirit Airlines	5,626	2.7%	Hertz Corporation	4,884	3.0%
United Parcel Service	5,562	2.7%	Alaska Airlines	4,332	2.7%
Volaris	5,415	2.6%	United Parcel Service	3,715	2.3%
Hertz Corporation	4,835	2.3%	DTG Operations, Inc.	3,044	1.9%

Notes:
(1) Operated by LAZ Parking, beginning December 1, 2012

Port of Oakland
(A Component Unit of the City of Oakland)
Schedule of Airline Rates and Charges
Last Ten Fiscal Years

Rates and Charges for Period:[1]	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Landing Fees (per 1,000 lbs. MGLW) [2]										
Basic Landing Rate	$ 3.77	$ 3.74	$ 4.25	$ 4.09	$ 3.02	$ 3.14	$ 3.19	$ 3.13	$ 2.94	$ 3.24
Terminal Space Rental (per square foot per year)										
Type 1 - Ticket Counter	$ 343.86	$ 326.44	$ 315.14	$ 350.71	$ 387.88	$ 354.12	$ 335.77	$ 299.90	$ 268.00	$ 241.62
Type 2 - Office Space	309.47	293.80	283.63	315.64	349.08	318.71	302.20	269.91	241.20	217.46
Type 3 - Baggage Space [3]	275.09	261.16	252.11	280.57	310.30	283.30	268.62	239.92	214.40	193.30
Type 4 - Baggage Make-Up	240.70	228.50	220.60	245.50	271.51	247.88	235.04	209.93	187.60	169.13
Type 5 - Ticket Counter (Others)	171.92	163.22	157.57	175.36	193.93	177.06	167.89	149.95	134.00	120.81
Type 6 - Office Space (Others)	154.74	146.90	155.18	157.82	174.54	159.35	151.09	134.96	120.60	108.73
Type 7 - Baggage Make-Up (Others)	120.35	114.25	110.30	122.75	135.76	123.84	117.52	104.97	93.80	84.57
Primary Holdroom, Loading Bridge Rental (per holdroom per month)										
Holdroom, Loading Bridge	$ 68,722	$ 62,715	$ 60,989	$ 65,371	$ 72,009	$ 65,005	$ 61,651	$ 56,491	$ 54,479	$ 46,794

Notes:

[1] Rates and charges are established at the beginning of each fiscal year and calculated using budgeted expenses for the forthcoming fiscal year.

[2] MGLW - Maximum Gross Landing Weight

[3] The baggage claim requirement is calculated by multiplying the Type 3 rate by the square footage of the baggage claim areas. The requirement is distributed among all airlines based on the number of enplaned passengers.

Port of Oakland
(A Component Unit of the City of Oakland)
Principal Revenue Sources and Maritime Revenue per TEU
Last Ten Fiscal Years
(dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Maritime revenues:										
Lease rentals - terminal	$ 119,847	$ 127,041	$ 128,573	$ 127,601	$ 122,672	$ 120,550	$ 112,526	$ 108,710	$ 113,864	$ 133,689
Lease rentals - other	24,527	34,686	32,092	29,836	26,309	23,963	25,198	23,260	17,335	12,984
Parking fees [2]	10,989	7,005	6,411	7,992	7,745	8,046	7,422	6,916	6,137	-
Rail terminal rent [3]	3,722	2,319	4,338	3,899	2,492	3,979	3,173	3,065	-	-
Other revenues	895	559	600	84	415	54	150	(315)	1,443	2,571
Utility sales	24,283	23,224	22,236	18,697	13,107	14,384	10,989	9,741	9,993	9,440
	$ 184,263	$ 194,834	$ 194,250	$ 188,109	$ 172,740	$ 170,976	$ 159,458	$ 151,377	$ 148,772	$ 158,684
Full TEUs	1,697,527 [1]	1,558,308 [1]	1,850,264 [4]	2,010,566 [4]	1,886,128 [4]	1,888,381	1,852,216	1,850,296	1,784,387	1,713,809
Maritime revenue per Full TEU	$ 108.55	$ 125.03	$ 104.99	$ 93.56	$ 91.58	$ 90.54	$ 86.09	$ 81.81	$ 83.37	$ 92.59

Notes:

[1] Subject to change pending completion of operational audits.

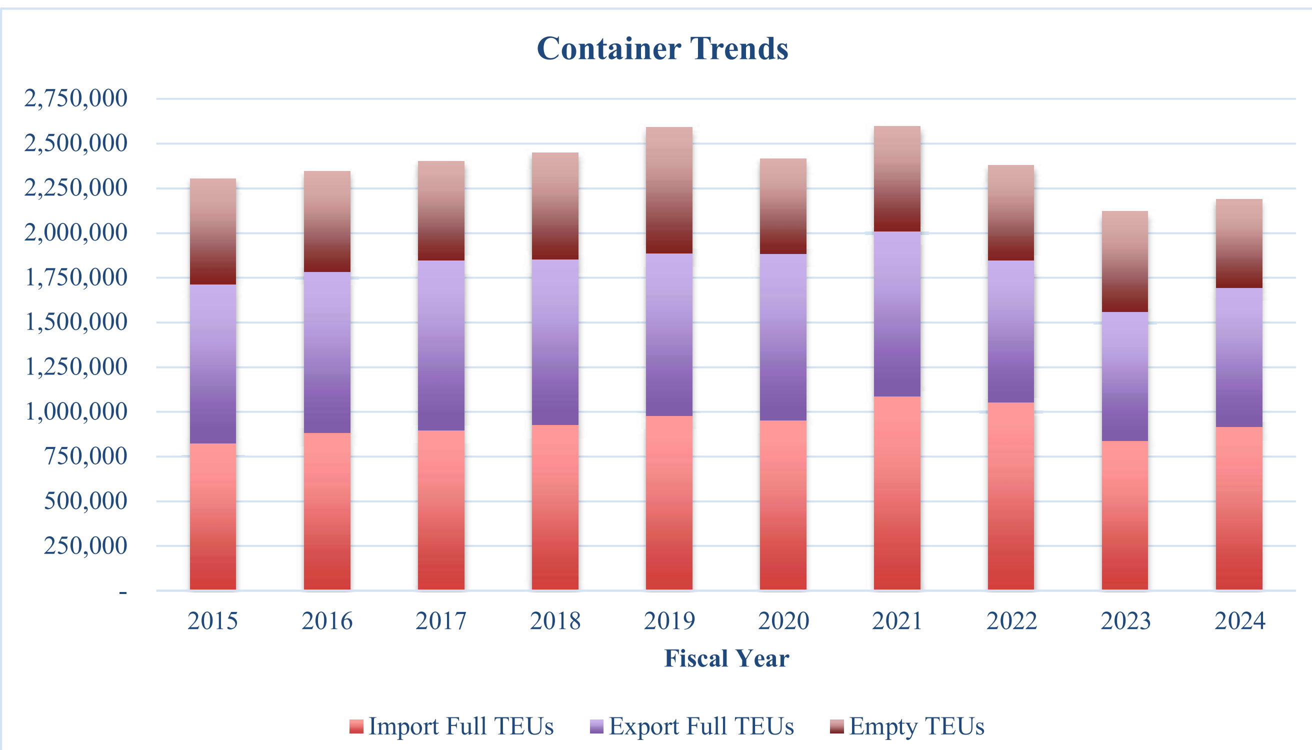
[2] Prior to fiscal year 2016 parking fees were reported as part of lease rentals - terminal revenue

[3] Prior to fiscal year 2017, rail terminal rent was reported as other revenue.

[4] Full TEUs revised as June 30, 2023 due to the results of operational audits.

Port of Oakland
(A Component Unit of the City of Oakland)
Maritime Division - Container Trends
Last Ten Fiscal Years

	Full TEUs							
Fiscal Year	Import	%	Export	%	Total Full		Empty TEUs	Total TEUs
2024	917,623	54%	779,905	46%	1,697,527 (1)		491,942	2,189,469 (1)
2023	841,097	54%	717,212	46%	1,558,308 (1)		560,174	2,118,482 (1)
2022	1,053,753	57%	796,511	43%	1,850,264 (2)		527,786	2,378,050 (2)
2021	1,086,261	54%	924,305	46%	2,010,566 (2)		584,290	2,594,856 (2)
2020	955,582	51%	930,547	49%	1,886,128 (2)		528,163	2,414,291 (2)
2019	979,602	52%	908,778	48%	1,888,381		701,367	2,589,748
2018	929,841	50%	922,375	50%	1,852,216		596,252	2,448,468
2017	898,674	49%	951,622	51%	1,850,296		550,698	2,400,994
2016	884,184	50%	900,203	50%	1,784,387		558,294	2,342,681
2015	827,141	48%	886,668	52%	1,713,809		590,736	2,304,545



Notes:
(1) Subject to change pending completion of operational audits.
(2) Prior FY data revised as of June 30, 2023 due to operational audits.

Port of Oakland
(A Component Unit of the City of Oakland)
Top Ten Individual Sources of Maritime Revenue by Alphabetical Order
Fiscal Year 2024 and Fiscal Year 2015

Fiscal Year 2024	Fiscal Year 2015
BNSF Railway Company	BNSF Railway Company
ConGlobal Industries	Everport Terminal Services, Inc.
Everport Terminal Services, Inc.	GSC Logistics, Inc.
GSC Logistics, Inc.	Impact Transportation
Pacific Coast Container, Inc.	Pacific Coast Container, Inc.
Pacific Crane Maintenance Company, LLC	Ports America Outer Harbor Terminal, LLC
Shippers Transport Express, Inc.	Shippers Transport Express, Inc.
SSA Terminals, LLC	SSA Terminals, LLC and SSA Terminals (Oakland), LLC (combined)
TraPac, LLC	TraPac, Inc.
Truck Parking [(1)]	Truck Parking[(1)]

The Port of Oakland terminal tenants compete against each other for business. The Port feels disclosure of revenue by tenant would give advantages or disadvantages to certain tenants and therefore revenue and percent of total maritime revenue have been excluded from this report.

Note:
[(1)] Operated by ABM Industry Groups LLC

Port of Oakland

Schedule 10

(A Component Unit of the City of Oakland)
Net Pledged Revenues and Debt Service Coverage Calculation
Last Ten Fiscal Years
(dollar amounts in thousands)

	2024	2023[7]	2022[6]	2021	2020	2019	2018	2017	2016[5]	2015[5]
Operating Revenues	$ 407,739	$ 408,687	$ 402,009	$ 354,139	$ 375,915	$ 396,997	$ 381,011	$ 358,707	$ 338,037	$ 336,587
Operating Expenses	389,513	358,640	306,273	314,739	335,362	330,953	317,577	295,041	285,234	275,422
Less: Depreciation Expense	(116,933)	(118,226)	(109,581)	(112,855)	(113,983)	(114,921)	(112,032)	(106,255)	(104,077)	(101,759)
Less: CFC and Grant Reimbursed Operating Expense [1]	(8,130)	(10,712)	(9,389)	(10,103)	-	-	-	-	-	-
Adjusted Operating Expenses	264,450	229,702	187,303	191,781	221,379	216,032	205,545	188,786	181,157	173,663
Adjusted Operating Income	143,290	178,986	214,706	162,358	154,536	180,965	175,466	169,921	156,880	162,924
Gross Interest Earned	70,884	50,492	21,204	507	11,013	13,363	5,109	2,713	2,149	1,783
Less: Interest Earned on PFC and CFC Funds	(2,174)	(813)	(64)	(16)	(248)	(224)	(153)	(82)	(47)	(42)
Adjusted Interest Income	68,710	49,679	21,140	491	10,765	13,139	4,956	2,631	2,102	1,741
Net Pledged Revenues Available for Debt Service	$ 212,000	$ 228,665	$ 235,846	$ 162,849	$ 165,301	$ 194,104	$ 180,422	$ 172,552	$ 158,982	$ 164,665
Debt Service										
Senior Bonds [2]	$ 23,337	$ 32,077	$ 33,569	$ 48,033	$ 47,185	$ 46,133	$ 45,293	$ 44,365	$ 48,193	$ 50,150
Senior Bonds, DBW Loan, and Intermediate Bonds [2]	70,515	70,516	70,520	71,071	93,160	93,188	98,902	99,454	98,880	98,197
Debt Service Coverage Ratio										
Senior Lien [3]	9.08	7.13	7.03	3.39	3.50	4.21	3.98	3.89	3.30	3.28
Intermediate Lien [4]	3.01	3.24	3.34	2.29	1.77	2.08	1.82	1.73	1.61	1.68

Notes:

[1] Beginning in fiscal year 2016, expenses reimbursed by CFCs have been reclassified from operating to non-operating expenses. For comparative purposes, fiscal year 2015 operating expenses have been restated to conform with fiscal year 2016 presentation. The Debt Service Coverage Ratios in fiscal year 2015 did not change.

[2] In fiscal years 2021, 2022, 2023 and 2024, Senior, DBW Loan and Intermediate Bond Debt Service is less $13.4 million, $11.8 million, $2.6 million and $2.6 million, respectively. These amounts were paid from grants and other debt proceeds, which are excluded from the calculation of debt service coverage.

[3] Senior Lien Debt Service Coverage Ratio is calculated by dividing Net Pledged Revenues Available for Debt Service by Senior Bonds Debt Service.

[4] Intermediate Lien Debt Service Coverage Ratio is calculated by dividing Net Pledged Revenues Available for Debt Service by Senior Bonds, DBW Loan, and Intermediate Bonds Debt Service.

[5] Debt service has been adjusted to reflect the payment of accrued interest on two bond buyback transactions completed in fiscal year 2015 and fiscal year 2016, respectively.

[6] Starting in FY 2022 and thereafter, calculations reflect the implementation of GASB 87.

[7] Starting in FY 2023 and thereafter, calculations reflect the implementation of GASB 96.

Port of Oakland
(A Component Unit of the City of Oakland)
Ratios of Debt Service
Last Ten Fiscal Years
(dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt Service										
Senior Revenue Bonds [1]										
Aviation	$ 858	$ 858	$ 6,728	$ 6,580	$ 4,938	$ 4,859	$ 4,785	$ 4,712	$ 4,988	$ 5,718
Maritime [3]	22,874	31,611	33,072	48,010	42,245	41,272	40,506	39,651	43,203	44,430
Commercial Real Estate	463	466	497	23	2	2	2	2	2	2
Total Senior Revenue Bonds Debt Service	24,195	32,935	40,297	54,613	47,185	46,133	45,293	44,365	48,193	50,150
Department of Boating & Waterways										
Commercial Real Estate	-	-	-	457	457	457	457	457	457	457
Intermediate Revenue Bonds										
Aviation	1,708	1,705	5,084	6,867	17,524	19,240	21,506	21,520	18,844	12,924
Maritime	46,887	38,152	36,695	21,719	24,783	23,745	27,674	29,183	28,018	32,894
Commercial Real Estate	291	287	255	862	3,211	3,613	3,972	3,928	3,367	1,771
Total Intermediate Revenue Bonds Debt Service	48,886	40,144	42,034	29,448	45,518	46,598	53,152	54,631	50,229	47,589
Commercial Paper										
Aviation	5,214	5,181 [4]	10,673 [4]	17,481 [4]	19,908 [4]	17,926 [4]	1,601	296	42	23
Maritime	5,734	5,590	5,061	78	4,421	4,638	3,534	4,317	4,103	3,069
Total Commercial Paper Debt Service [2]	10,948	10,771	15,734	17,559	24,329	22,564	5,135	4,613	4,145	3,092
Debt Service by Division										
Aviation	7,780	7,744	22,485	30,928	42,370	42,025	27,892	26,528	23,874	18,665
Maritime	75,495	75,354	74,828	69,807	71,449	69,655	71,714	73,151	75,324	80,393
Commercial Real Estate	754	752	752	1,342	3,670	4,072	4,431	4,387	3,826	2,230
Total Debt Service	$ 84,029	$ 83,850	$ 98,065	$ 102,077	$ 117,489	$ 115,752	$ 104,037	$ 104,066	$ 103,024	$ 101,288
Aviation Debt Service per Enplaned Passenger										
Enplaned passengers (in 000's)	5,603	5,782	4,996	2,628	4,736	6,807	6,677	6,296	5,812	5,374
Aviation Debt Service per Enplaned Passenger (not in 000's)	$ 1.39	$ 1.34	$ 4.50	$ 11.77	$ 8.95	$ 6.17	$ 4.18	$ 4.21	$ 4.11	$ 3.47

Notes:

[1] Senior Revenue Bond debt service is less capitalized interest.

[2] Includes principal payments of $3 million in 2015, and $4 million in 2016 , 2017, and 2018, $20.9 million in 2019, $23.4 million in 2020, $17.4 million in 2021, $15.6 million in 2022, $10.0 milion in 2023, and $10.0 million in 2024.

[3] Beginning in 2015, Maritime debt service on Senior Revenue Bonds includes the payment of accrued interest on bond defeasance transactions.

[4] In 2024, 2023, 2022, 2021, 2020 and 2019 Aviation commercial paper debt service includes $5.2 million, $5.2 million, $4.8 million, $2.9 million, $16.8 million, and $15.5 million, respectively, of payments funded with PFC revenues.

Port of Oakland
(A Component Unit of the City of Oakland)
Outstanding Debt by Debt Type
Last Ten Fiscal Years
(dollar amounts in thousands)

Fiscal Year	Senior Bonds	Intermediate Bonds	Department of Boating & Waterways	Commercial Paper	Total
2024	$ 271,885	$ 269,727	$ -	$ 22,535	$ 564,147
2023	304,920	314,760	-	32,535	652,215
2022	331,785	349,239	-	42,535	723,559
2021	373,709	393,379	-	58,175	825,263
2020	628,110	200,248	3,621	75,585	907,564
2019	648,410	240,871	3,903	84,470	977,654
2018	667,591	282,079	4,173	105,355	1,059,198
2017	689,841	328,508	4,431	97,841	1,120,621
2016	705,315	367,607	4,678	84,586	1,162,186
2015	724,566	400,899	4,914	74,398	1,204,777
2014	745,382	430,345	5,140	77,398	1,258,265

Port of Oakland
(A Component Unit of the City of Oakland)
Demographic and Economic Statistics for the City of Oakland
Last Ten Calendar Years

Year	Population[1]	Personal Income ($000s)[2]	Per Capita Personal Income[3]	School Enrollment[4]	Unemployment Rate (%)[5]
2024	425,093	$ 52,225,183	$ 123,736	45,086	5.1
2023	419,556	52,225,183	123,736	45,741	4.7
2022	424,464	52,225,183	123,736	46,600	3.5
2021	435,514	53,307,095	123,711	48,704	7.7
2020	432,327	48,009,913	111,050	49,588	10.5
2019	429,932	45,360,302	104,921	50,202	3.4
2018	428,750	43,094,688	100,236	50,231	3.5
2017	427,493	39,944,451	93,165	49,760	4.2
2016	424,717	37,289,279	87,228	49,098	4.9
2015	419,490	35,098,292	82,639	48,077	5.9

Source and Notes:

(1) California Department of Finance.

(2) US Department of Commerce, Bureau of Economic Analysis. Data are available only for the San Francisco-Oakland-Hayward Metropolitan Statistical Area (MSA) and have been adjusted by the proportion of the population within the City of Oakland. Data for 2023 and 2024 are not yet available; 2022 data are reported for these years instead.

(3) US Department of Commerce, Bureau of Economic Analysis. Data are presented for the San Francisco-Oakland-Hayward Metropolitan Statistical Area. Data for 2023 and 2024 are not yet available; 2022 data are reported for these years instead.

(4) California Department of Education.

(5) California Employment Development Department. Annual data are not yet available for 2024, but June 2024 data is reported above.

Port of Oakland
(A Component Unit of the City of Oakland)
Principal Employers in the City of Oakland - FY 2024 vs FY 2015

	2024			2015		
Employer	**Number of Employees**	**Rank**	**Percentage of Total Employment**	**Number of Employees**	**Rank**	**Percentage of Total Employment**
Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,500+	1	5.8%	9,992	1	5.0%
County of Alameda	8,000 +	2	4.1%	5,312	3	2.7%
Oakland Unified School District	5,500 +	3	2.8%	6,637	2	3.3%
City of Oakland	4,500 +	4	2.3%	3,352	4	1.7%
State of California	4,000 +	5	2.0%	3,169	6	1.6%
San Francisco Bay Area Rapid Transit District	4,000 +	6	2.0%	3,210	5	1.6%
Southwest Airlines	3,000 +	7	1.5%	2,113	10	1.1%
Alameda Health System	2,500 +	8	1.3%	2,300	8	1.2%
UCSF Benioff Children's Hospital & Research Center	2,500 +	9	1.3%	2,800	7	1.4%
Federal Express Corporation	2,000 +	10	1.0%	N/A		
United Pacel Service	N/A			2,200	9	1.1%

Source: City of Oakland Economic & Workforce Development Department.

Note: Percent of total employment is based on June 2024 employment of 196,600 and 2015 annual employment of 198,700 as reported by the California Employment Development Department.

Port of Oakland
(A Component Unit of the City of Oakland)
Actual Employee Count by Division
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Aviation	218	215	219	220	239	239	233	236	232	222
Maritime	71	62	65	64 (4)	20	17	20	18	20 (1)	68
Commercial Real Estate	8	7	8	8	8	7	8	8	8	8
Engineering & Environmental(3)	-	-	-	- (4)	105	111	106	105	102 (1)	57
Operations Office(3)	82	81	73	72	-	-	-	-	-	-
Financial Services & Administration (2)	49	47	44	42	51	54	56	57	58	56
Others	38	38	35	36	37	39	37	37	39	41
Total	466	450	444	442	460	467	460	461	459	452

Source:
Port of Oakland Records

Notes:
(1) In fiscal year 2016, Harbor Facilities was moved to the Engineering Division from the Maritime Division.
(2) Financial Services & Administration Division consists of Human Resources, Enterprise Business Systems, and Financial Services.
(3) Operations Office consists of Engineering, Environmental, Information Technology, and Operations Office
(4) In fiscal year 2021, Harbor Facilities was moved back to Maritime Division.

Port of Oakland
(A Component Unit of the City of Oakland)
Capital Assets Information
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Aviation facilities										
Paved airport runways	4	4	4	4	4	4	4	4	4	4
Total length of runways (in feet)	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038	25,038
Area of airport (in acres)	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
Parking stalls (1)	6,888	6,888	6,888	6,907	6,907	6,805	6,895	6,898	6,898	6,878
Harbor facilities										
Miles of waterfront	19	19	19	19	19	19	19	19	19	19
Berthing length at wharves (in feet)	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100
Maritime terminal area (in acres)	779	779	779	779	779	779	779	779	779	779
Commercial Real Estate										
Owned acreage	837	837	837	837	837	837	837	837	837	837
Parking stalls(1)	1,309	1,309	1,309	1,309	1,309	1,333	1,333	1,333	1,429	1,429

Source:
Port of Oakland Records

Note:
(1) Available parking stalls are increased or decreased due to market demand or to make space available for construction projects.