Comprehensive Annual Financial Report

For the Years Ended June 30, 2020 and 2019

PORT OF OAKLAND

Oakland, California

(A Component Unit of the City of Oakland)

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

Comprehensive Annual Financial Report
For the Years Ended June 30, 2020 and 2019

Prepared by the Financial Services Division

This page left intentionally blank.

PORT OF OAKLAND
(A Component Unit of the City of Oakland)
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Years Ended June 30, 2020 and 2019

Table of Contents

This page left intentionally blank.

INTRODUCTORY SECTION

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

This page left intentionally blank.

November 6, 2020

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Port of Oakland (Port), a component unit of the City of Oakland (City), as of and for the years ended June 30, 2020 and 2019. All amounts are rounded to the nearest thousand dollars 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. On the basis that the cost of internal controls should not outweight their benefits, the Port has established a comprehensive framework of internal controls to provide 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.

A firm of independent auditors is engaged each year to conduct an audit of the Port's financial statements in accordance with auditing standards generally accepted in the United States of America. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, and significant estimates made by management, as well as the overall presentation of the financial statements. In planning and performing their audit, the independent auditors give consideration to the Port's comprehensive framework of internal controls in order to determine auditing procedures for the purpose of expressing an opinion on the financial statements. The independent auditor's report is presented as the first component in the Financial Section following this letter.

This letter of transmittal is designed to complement the management 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. The City has operated an airport since 1927. Exclusive control and management of the Port area, which includes the harbor, airport, and other commercial real estate was delegated to a seven-member Board of Port Commissioners (Board) in 1927 by an amendment to the City 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 bond sales initiated by it for harbor, airport, 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 three business lines: Aviation, Maritime and Commercial Real Estate. The Port is required by the City Charter to deposit its revenues in the City Treasury.

The Oakland International Airport (Airport) 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 2019, the Airport ranked 39th in the United States in terms of total passengers and 11th in terms of air cargo tonnage. In fiscal year 2020, the Airport served approximately 9.5 million passengers and 1.2 billion pounds of air cargo. Prior to air travel restrictions that were put in place to slow the spread of COVID-19, the Airport averaged 155 passenger aircraft departures by 15 marketing airlines to 54 domestic and international destinations and averaged 33 daily all-cargo flight departures to destinations around the globe. As of October 2020, the Airport averages 75 passenger departures operated by nine airlines to 31 destinations within California and across the United States and Mexico.

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, based on the number of twenty-foot equivalent units (TEUs) handled annually. In fiscal year 2020, approximately 2.4 million full and empty TEUs moved through the Seaport**.** The Seaport comprises approximately 1,300 acres, including 750 acres of marine (container) terminal areas; rail facilities for intermodal and bulk cargo handling; areas for truck staging and other support services; and a portion of the former Oakland Army Base, which the Port is developing into a trade and logistics center. These facilities are backed by a network of roads and a deep-water navigation channel. All major ocean carriers serve the Seaport, which connect the Bay Area with the major trading centers of global commerce around the world.

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

Most of the Airport, Seaport, and commercial real estate properties are located on land that is owned by the City and, under the City Charter, controllepage d 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 land 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 2020 Financial Results

The Port's financial performance was challenged during fiscal year 2020, due to impacts from the current COVID-19 pandemic. As an essential business the Port continues to operate, however, many of the Port's tenants and customers have experienced significant disruption to their operations. The travel industry was most severely impacted following various shelter in place and restricted travel orders issued in March 2020 by local, state and Federal government agencies, in an effort to slow and contain the spread of the virus. Prior to March, the Port was meeting or exceeding budget expectations, however, in the last quarter of the fiscal year, a significant decrease in passenger traffic and reduced passenger and air cargo flight schedules resulted in significant decreases in Aviation revenues. For fiscal year 2020, Aviation revenues totaled $186.6 million, a $21.4 or 10.3% decrease from fiscal year 2019 revenues. Maritime experienced some disruptions in service as shipping lines began blank sailings in response to a global economic slowdown, a $1.8 million or 1.0% increase from fiscal year 2019. Commercial Real Estate restaurant tenants and parking revenues were most significantly impacted when indoor dining and public gathering were prohibited as a result of Alameda County shelter in place orders. For fiscal year 2020, Commercial Real Estate revenues were $16.6 million, a $1.4 million or 7.9% decrease from fiscal year 2019. In total, fiscal year 2020 operating revenues were $375.9 million, a decrease of $21.1 million or 5.3% from fiscal year 2019.

The Port responded to declining revenues with several actions to immediately reduce and control expenses, including a hiring freeze with limited exceptions for key operational positions, reductions to contractual services by scaling operations in response to reduced passenger traffic, and a critical review of capital and operating projects with prioritization to only those projects that are necessary for continued operations, compliance, life safety, and revenue generation. These proactive actions reduced budgeted operating expenses significantly. In fiscal year 2020, operating expenses, excluding depreciation, was $221.4 million a $5.3 million or 2.5% increase from fiscal year 2019. Operating income in fiscal year 2020 was $40.6 million, a $25.5 million or 38.6% decrease from the Port's historical high of $66.0 million in fiscal year 2019.

The fiscal year 2020 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 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 fiscal year 2021, 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, while the additional four years are presented in concept only.

In addition to preparing the operating budget, Port staff annually prepares 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 five-year CIP is presented in concept only.

The approved fiscal year 2021 operating and capital budgets, and five-year operating forecast and CIP, are available on the Port's website at, www.portofoakland.com/about/investors.aspx and discussed at a high level 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 and a hub for 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 the majority 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 and commercial real estate properties.

The Port's operating and capital budgets were developed to (a) support long-term financial strength, resiliency and sustainability, (b) address near-term operational and financial challenges due to COVID-19 including maintaining reasonable flexibility and liquidity to protect against inherent on-going operational, financial, political and economic uncertainties, and (c) strategically identify, prioritize and plan major capital projects with a focus on health, safety, regulatory compliance, and on-going or imminent revenue generating projects.

For fiscal year 2021, the Port budgeted total operating revenues of approximately $340.0 million, a 9.6% decrease from $375.9 million in fiscal year 2020. Revenue projections for 2021 reflect continued and sustained impacts of COVID-19 on the Ports business lines. The Port projects operating revenues to increase from a low in fiscal year 2021 to $426.0 million by the end of fiscal year 2025, for a forecasted compound annual growth rate of 5.8% based on many factors and assumptions including, but not limited to: passenger recovery and TEU growth rates, changes in Airline rates and charges, changes in transportation mode to the Airport, maritime tariff increases and lease revenues based on existing and anticipated lease terms

Operating expenses before depreciation are budgeted at approximately $234.9 million for fiscal year 2021, a 6.1% increase from $221.4 million in fiscal year 2020. The increase in costs are driven in part by anticipated increases in personnel costs, which represent 54% of the operating expense budget, major maintenance and security at the Airport. The Port is anticipating operating expenses before depreciation to increase to $259.2 million by fiscal year 2025, for a forecasted compound annual growth rate of 2.5% driven by increases in personnel costs as well as increases in non-personnel operating expenses, such as parking and ground transportation, which will increase as passenger traffic begins to return to normal levels. The Port's pension contribution rates, including employer unfunded liability contributions, are projected to increase from 40.1% in fiscal year 2020 to 48.1% of covered payroll in fiscal year 2024 before abating to 42% in fiscal year 2025 based on CalPERS projections reflecting an updated mortality and reduction in the discount rate from 7.5% to 7.0%.

On June 25, 2020, a five-year (fiscal year 2021-2025) CIP in the amount of $499.6 million was presented to the Board for informational purposes. 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, pavement and roadway improvements, as well as miscellaneous terminal projects, and various utility improvements.

For fiscal year 2021, the Board authorized a capital budget of $72.3 million. The fiscal year 2021 capital budget reflects prioritization of projects for health and life safety, regulatory compliance, policy and contractual obligations and preservation and generation of revenue. The capital budget has been reduced from prior year levels to match staffing resources. Approximately $17.5 million of the capital expenditures are expected to be funded with various Aviation and Maritime grants, $3.8 million is expected to be funded with Passenger Facility Charges (PFC) and Customer Facility Charges, and the remaining is anticipated to be funded with cash on hand and cash generated from future operations. A description of the major capital projects is provided 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 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, and enhance security. 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. The project includes both flood hazard protection and seismic strengthening, and has been designed to be implemented in phases. The first phase addresses the flood hazard protection. The flood hazard improvements are designed to protect the Airport against flood risk from severe storms and sea-level rise. The proposed APD improvements are intended to meet Federal Emergency Management Agency (FEMA) levee design standards. The APD project will address the risk of flooding at the South Field from extreme tides, sea level rise, storm surge, and wave runup from the Bay (south) side of the Airport. Construction of this first phase (flood hazard protection) has begun and is expected to be completed in 2021. Design and bid packaging for the second phase (seismic upgrades) has been deferred to fiscal year 2022.

Taxiway Bravo and Taxiway Victor Rehabilitation. Taxiway Bravo is operationally critical to the Airport, as it is the only taxiway connecting North Field and South Field. Taxiway Victor is 1,200 feet long and provides an important connection between Taxiways Whisky and Bravo. Both taxiways show signs of distress and cracking and are in need of rehabilitation. Design and bidding for these projects was completed in fiscal year 2020 and construction will be completed in phases over the next few years to meet funding and implementation needs.

Airfield Signage Replacement. Airfield signage provides situational awareness for pilots and airfield personnel. Signage elements on the airfield are in need of replacement to keep a uniform, high-visibility directional signage system that meets the Federal Aviation Administration (FAA) standards. The Airfield Signage Replacement Project will install new signs and provide upgrades to over 200 airfield signs including installing new frangible boxes mounted on existing or new foundations; panels that replace existing signs; new conduit, conductors and other electrical infrastructure, as well as bird deterrent spikes onto all new airfield signs and existing airfield signs. The majority of the signage in the project is located in the North Field. Construction began in fiscal year 2020 and is expected to be completed in early 2021.

Restroom Upgrades. The Airport initiated a program to remodel the terminal building restrooms in fiscal year 2019. Restrooms in Terminal 1 concourse have been in service for more than 15 years, and restrooms in Terminal 2 for more than 10 years. The growing passenger demand, prior to the onset of COVID-19, has put additional stress on these aging facilities requiring increased staff time and resources to clean and maintain to acceptable standards. The program 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. The program will be implemented in a phased manner. Design is expected to be completed by end of calendar year 2020 with construction deferred until fiscal year 2022.

Substation 1 and 2 Upgrades. Substation 1 (SS-1) and 2 (SS-2) are located near Earhart Road and were installed in 1983. These substations serve as the point of connection with PG&E and the main switchgear for the Airport. In the last few years, SS-1 and SS-2 had increasing numbers of electrical component failures including cables, relays and vacuum interrupting power breakers. Some of these components have been replaced while others are bypassed or inoperable. This infrastructure is critical to the 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 estimated to begin in fiscal year 2021 and construction, in a phased manner, will follow in fiscal year 2022.

Landside Security Cameras. As part of OAK's continuing effort to increase security and enhance the passenger experience at the Airport, there is a Landside Security Camera project to expand the Airport's video surveillance system at a variety of landside areas. These areas include the rental car facility, public and employee parking areas, frontage roadways, and curbside of the terminal area. Part of the project includes infrastructure upgrades and expansion, and fiber communications with airport operations and law enforcement. The project design will be completed in 2020, and it is intended to be implemented in phases. The first phase of construction is expected to begin in fiscal year 2021.

Maritime

Maritime trade, and the demand for supporting facilities, continues to be strong. The Port continuously reinvests in its facilities to accommodate future growth, improve its overall competitiveness, and enhance security. Various projects are planned to continue or begin in fiscal year 2021 across all areas of the Seaport, the most significant of these projects include:

Seaport Logistics Complex. The Oakland Army Base (OAB) – a former military supply depot closed in the 1990s – was transferred to the City of Oakland and the Port in the early 2000s. The Port is working to develop its portion of the former OAB into a logistics center (the Seaport Logistics Complex, or Complex) that will include new import cross-dock and export transloading from railcar to container, a new intermodal rail terminal, and related facilities. The development will facilitate the efficient movement of cargo in and out of the Port's marine terminals, improve intermodal service, and position the Port to secure additional maritime and maritime-related business. Development is being phased to match market demand and funding availability. The first phase of new rail facilities has been operational since 2016, providing additional railcar storage capacity for current and future customers the Seaport Logistics Complex, particularly transload, bulk, and break-bulk businesses. In early 2018, Centerpoint-Oakland Development I, LLC, started construction of a new approximate 464,000-square foot logistics facility on 27 acres of land adjacent to the new rail yard. Construction is expected to be completed in 2020. The balance of the Port-owned OAB property is currently being used for a variety of transload and off-dock container yard activities, taking place in pre-existing warehouse and/or open land areas.

Roadway & Traffic Improvements. The Port is planning to construct or enhance roadways to better serve new developments and expansions. In particular, the Port is focused on the implementation of the GoPort Program in partnership with the Alameda County Transportation Commission (Alameda CTC). The GoPort Program is a partnership between the Port and the Alameda CTC to design and implement the Freight Intelligent Transportation System (FITS) program and a new, grade-separated 7th Street. FITS is a suite of demonstration projects intended to enhance truck flows on arterial streets in and out of the Seaport and enhance security. Planned improvements include the installation of "smart" traffic signals, enhancement of the Port's video monitoring system to improve visibility of traffic conditions, construction of a traffic management and emergency operations center, upgrades to the Truck Management System infrastructure, and installation of message signboards to communicate real-time traffic information. Construction of initial improvements started in early 2020; it is expected the whole suite of projects will be operational by fall 2022. Alameda CTC is performing both design and construction of the FITS project. Operation and maintenance will be the responsibilities of the Port for a minimum of 5 years.

Cargo Velocity and Operational Efficiency. With containerized cargo throughput concentrated at four marine terminals since 2016, the Port has worked with its business partners to minimize congestion and increase operational efficiency through several initiatives, all under the umbrella of the Port Efficiency Task Force (PETF). Members of the PETF include all sectors of the supply chain – cargo owners, marine terminal operators, labor, ocean carriers, motor carriers, customs, and others. The PETF launched a web-based community portal, the Oakland Portal, that currently provides a "one-stop shop" for information about terminal operations, container status, truck turn times, and Port news. Over the longer term, the Port anticipates expanding the Oakland Portal to include a refinement of truck turn time data, a smart parking software system, and an interconnected mobile application, all of which are part of the FITS program.

Marine Terminal & Related Improvements. The Port and its tenants continue to make improvements to marine terminals and the key access points to those terminals. This work addresses aging infrastructure, the needs of larger ships, and congestion on roadways inside the Seaport. Key projects include crane raising and crane management system upgrades; and wharf upgrades for Ultra Large Container Vessels (ULCV) capable carrying 18,000 TEUs or more. One terminal operator is scheduled to deliver new ship-to-shore cranes of December 2020, which will require the relocation or removal of certain cranes currently in operation.

Dredging and Other Core Infrastructure. The Port is also devoting significant resources to the maintenance and upgrade of core infrastructure, such as 115kv substations, sanitary sewer systems, roadways, and dredging. In particular, the Port is working with the U.S. Army Corps of Engineers on the possible expansion of the two turning basins – the Inner and Outer Harbor Turning Basins – associated with the federal navigation channels that serve the Seaport in order to serve ULCVs. The basins are used by vessels to enter or leave port and are critical to Seaport operations today and in the future.

Commercial Real Estate

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 is under construction. 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 are awaiting building permit approvals from the City of Oakland.

Awards

The Port received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Port's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. 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 Comprehensive Annual Financial Report 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

Julie Lam
Acting Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Oakland
California

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

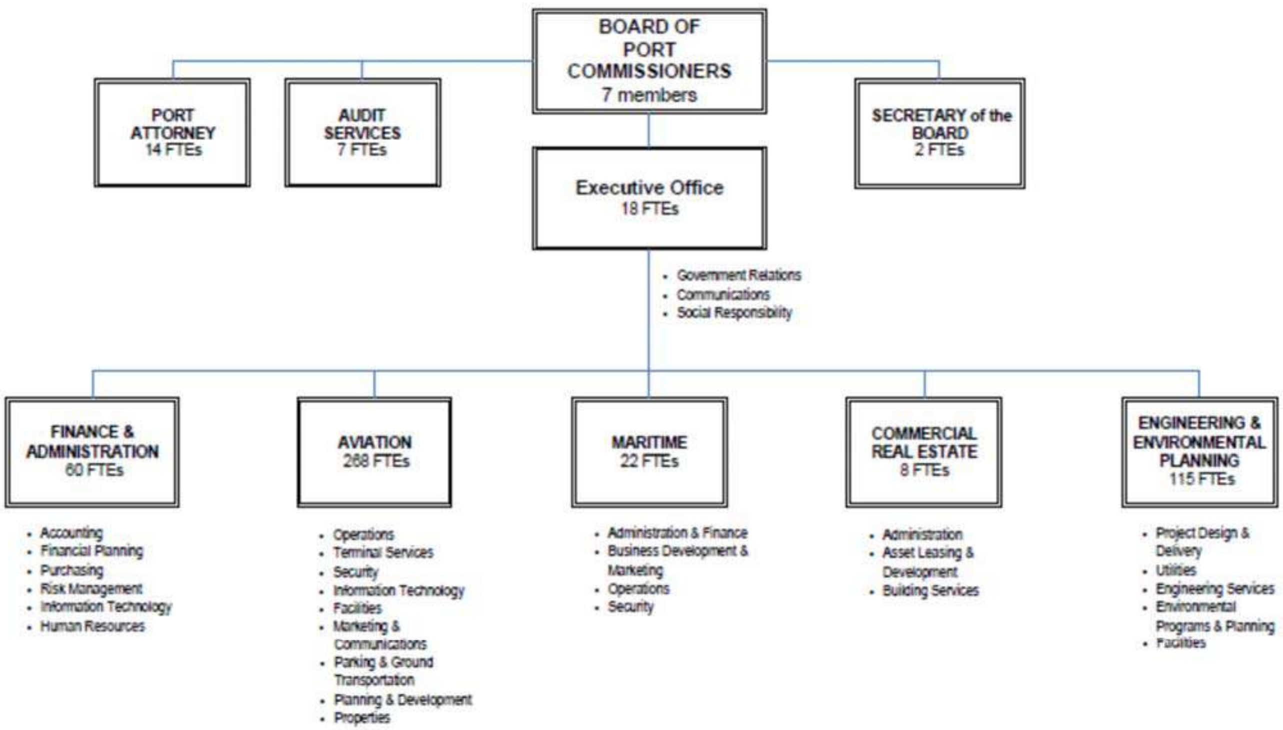
June 30, 2019

Christopher P. Morrill

Executive Director/CEO

PORT OF OAKLAND
ORGANIZATION CHART
Fiscal Year 2019-20

514 Funded FTEs (Full-Time Equivalents)



PORT OF OAKLAND

Appointed Officials, Executive Management
and Contributing Staff
For the Year Ended
June 30, 2020

Board of Port Commissioners of the City of Oakland
Cestra Butner, President
Andreas Cluver, First Vice-President
Barba Leslie, Second Vice-President
Yui Hay Lee, Commissioner
Michael Colbruno, Commissioner
Arabella Martinez, Commissioner
Joan H. Story, Commissioner

Executive Management
Danny Wan, Executive Director
Bryant L. Francis, Director of Aviation
Bryan Brandes, Director of Maritime
Pamela Kershaw, Director of Commercial Real Estate
Julie Lam, Acting Chief Financial Officer
Michele Heffes, Port Attorney

Contributing Staff
Angelica Avalos, Port Senior Accountant
Katri Jones, Administrative Specialist
Saw May Khoo, Port Staff Accountant II
Betsy Kwok, Port Staff Accountant II
Raymond Lei, Port Staff Accountant I
Cecilia Ravare, Port Accounting Supervisor
Stanley Tanaka, Port Senior Accountant
David Zolezzi, Port Senior Financial Analyst

530 Water Street
Oakland, California 94607

Phone: 510-627-1100
Website: portofoakland.com

FINANCIAL SECTION

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

This page left intentionally blank.

MGO Certified Public Accountants

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port as of June 30, 2020 and 2019, 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.

Macias Gini & O'Connell LLP
2121 N. California Boulevard, Suite 750
Walnut Creek, CA 94596

Other Matters

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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Information
Our audit was conducted for the purpose of forming an opinion on the Port's basic financial statements. The introductory and statistical sections, and the schedule of revenues and expenses by business line are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues and expenses by business line 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. Such 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 auditing standards generally accepted in the United States of America. 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 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
November 6, 2020

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 fiscal years ended June 30, 2020 and 2019, with comparative information for June 30, 2018. 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, 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 follows:

	2020	$ Change	% Change	2019	$ Change	% Change	2018
Current and other assets	$ 636,215	$ 45,858	7.8%	$ 590,357	$ 62,420	11.8%	$ 527,937
Capital assets, net	2,009,290	(62,984)	-3.0%	2,072,274	(92,296)	-4.3%	2,164,570
Total assets	2,645,505	(17,126)	-0.6%	2,662,631	(29,876)	-1.1%	2,692,507
Deferred outflows of resources	52,725	(1,686)	-3.1%	54,411	(15,811)	-22.5%	70,222
Debt outstanding	907,564	(70,090)	-7.2%	977,654	(81,544)	-7.7%	1,059,198
Other liabilities	463,799	(1,325)	-0.3%	465,124	(33,363)	-6.7%	498,487
Total liabilities	1,371,363	(71,415)	-4.9%	1,442,778	(114,907)	-7.4%	1,557,685
Deferred inflows of resources	16,960	6,382	60.3%	10,578	6,521	160.7%	4,057
Net investment in capital assets	1,169,486	14,230	1.2%	1,155,256	170	0.0%	1,155,086
Restricted for construction	6,275	(2,760)	-30.5%	9,035	(1,422)	-13.6%	10,457
Unrestricted	134,156	34,761	35.0%	99,395	63,951	180.4%	35,444
Total net position	$ 1,309,917	$ 46,231	3.7%	$ 1,263,686	$ 62,699	5.2%	$ 1,200,987

Summary of Net Position (continued)

2020

Unrestricted net position increased $34,761 or 35.0% due to an increase in unrestricted cash equivalents that was generated from operations

Net position restricted for construction consists of cash equivalents and accounts receivable related to the collection of Passenger Facilities Charges and Customer Facilities Charges which are restricted for the construction of specific assets at the Airport. Restricted net position decreased $2,760 or 30.5% due to the release of restricted cash for payment of commercial paper previously issued for PFC eligible projects, offset by the collection of PFC revenues.

Net investment in capital assets increased $14,230 or 1.2% due to a decrease in long-term debt of $70,090 and a increase in accounts payable on construction contracts of $6,499, offset by a net decrease in capital assets of $62,984. For a detailed discussion on capital assets and long-term debt, refer to pages 12-14 for more details.

2019

Unrestricted net position increased $63,951 or 180.4% due to an increase in unrestricted cash equivalents that was generated from operations and the collection of grant reimbursements for the runway overlay project funded by the Airport Improvement Program which was substantially completed in the prior year.

Net position restricted for construction consists of cash equivalents and accounts receivable related to the collection of Passenger Facilities Charges and Customer Facilities Charges which are restricted for the construction of specific assets at the Airport. Restricted net position decreased $1,422 due to the release of restricted cash for payment of commercial paper previously issued for PFC eligible projects offset by the collection of PFC revenues.

Net investment in capital assets increased $170 due to a decrease in long-term debt of $81,544 and a decrease in accounts payable on construction contracts of $9,394, offset by a net decrease in capital assets of $92,296. For a detailed discussion on capital assets and long-term debt, refer to pages 12-14 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 follows:

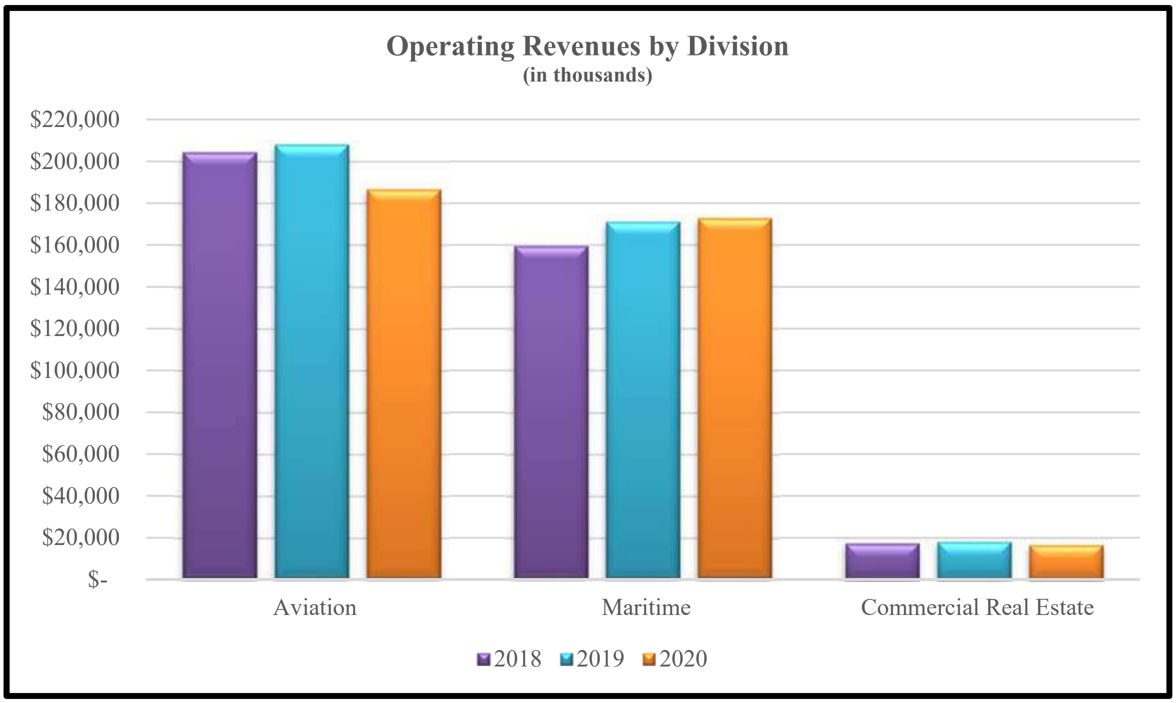
	Twelve Months Ended						
	2020	$ Change	% Change	2019	$ Change	% Change	2018
Operating revenues	$ 375,915	$ (21,082)	-5.3%	$ 396,997	$ 15,986	4.2%	$ 381,011
Passenger facility charges revenue	16,285	(9,534)	-36.9%	25,819	(84)	-0.3%	25,903
Customer facility charges revenue	3,890	(1,531)	-28.2%	5,421	(104)	-1.9%	5,525
Interest income	11,013	(2,350)	-17.6%	13,363	8,254	161.6%	5,109
Grant revenue	-	(454)	-100.0%	454	130	40.1%	324
Other income	12,195	9,420	339.5%	2,775	(4,112)	-59.7%	6,887
Total revenues	419,298	(25,531)	-5.7%	444,829	20,070	4.7%	424,759
Operating expenses before depreciation	221,379	5,347	2.5%	216,032	10,487	5.1%	205,545
Depreciation	113,983	(938)	-0.8%	114,921	2,889	2.6%	112,032
Interest expense	34,162	(2,442)	-6.7%	36,604	(3,091)	-7.8%	39,695
Customer facility charges expense	4,741	(699)	-12.8%	5,440	762	16.3%	4,678
Loss on disposal of capital assets	2,616	(8,248)	-75.9%	10,864	10,859	217180.0%	5
Other expense	3,563	(2,490)	-41.1%	6,053	(22,843)	-79.1%	28,896
Grant expense	-	(454)	-100.0%	454	130	40.1%	324
Total expenses	380,444	(9,924)	-2.5%	390,368	(807)	-0.2%	391,175
Change in net position before capital contributions	38,854	(15,607)	-28.7%	54,461	20,877	62.2%	33,584
Capital contributions - Grants from government agencies	7,377	(861)	-10.5%	8,238	(41,934)	-83.6%	50,172
Increase in net position	46,231	(16,468)	-26.3%	62,699	(21,057)	-25.1%	83,756
Net position, beginning of the year	1,263,686	62,699	5.2%	1,200,987	83,756	7.5%	1,117,231
Net position, end of the year	$ 1,309,917	$ 46,231	3.7%	$ 1,263,686	$ 62,699	5.2%	$ 1,200,987

(dollar amounts in thousands)

Operating Revenues by Division

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

Division	2020	2019	2018
Aviation	$ 186,589	$ 208,022	$ 204,293
Maritime	172,740	170,976	159,458
Commercial Real Estate	16,586	17,999	17,260
Total	$ 375,915	$ 396,997	$ 381,011



Operating Revenues by Division (continued)

2020

The Port's total operating revenues decreased approximately $21,082 or 5.3% from $396,997 in fiscal year 2019 to $375,915 in fiscal year 2020.

The Aviation Division generated $186,589 or 49.6% of the Port's total operating revenues in fiscal year 2020. Aviation's operating revenues decreased approximately $21,433 or 10.3% from $208,022 in fiscal year 2019 to $186,589 in fiscal year 2020. The decrease in Aviation operating revenue was primarily due to decrease in parking and ground access revenue of $14,789, a decrease in terminal concessions revenue of $2,873 and a decrease in landing fees.

The Maritime Division generated $172,740 or 46.0% of the Port's total operating revenues in fiscal year 2020. Maritime's operating revenues increased approximately $1,764 or 1.0% from $170,976 in fiscal year 2019 to $172,740 in fiscal year 2020. The increase in Maritime operating revenue was primary due to: scheduled rent adjustments and higher miscellaneous terminal revenues; and partially offset by decease in rail terminal revenue and shore power usage.

The Commercial Real Estate Division generated $16,586 or 4.4% of the Port's total operating revenues in fiscal year 2020. Commercial Real Estate's operating revenues decreased approximately $1,413 or 7.9% from $17,999 fiscal year 2019 to $16,586 in fiscal year 2020. The decrease in Commercial Real Estate revenue was primarily due to lower percentage rents from hotels, parking revenue and abatement of rents for restaurants.

2019

The Port's total operating revenues increased approximately $15,986 or 4.2% from $381,011 in fiscal year 2018 to $396,997 in fiscal year 2019.

The Aviation Division generated $208,022 or 52.4% of the Port's total operating revenues in fiscal year 2019. Passenger traffic increased 1.94% from 13.36 million passengers in fiscal year 2018 to 13.62 million passengers in fiscal year 2019. Aviation's operating revenues increased approximately $3,729 or 1.8% from $204,293 in fiscal year 2018 to $208,022 in fiscal year 2019. The increase in Aviation operating revenue was primarily due to increases in terminal rental revenue of $3,835. Terminal rental revenue increased due to an increase in the terminal rental rates from $285.25 per square foot in 2018 to $301.16 per square foot in 2019. This is 5.6% or $15.91 per square foot higher than the fiscal year 2017-18 rate. Additionally, Transportation Network Companies (TNC) revenue increased $1,662 due to an increase in trip volume. The increase in TNC revenues was offset by a decrease in parking revenue of $1,031 and a decrease in terminal concessions revenue of $571 due to ongoing renovations of the terminal concessions which temporarily decreased available concession space.

The Maritime Division generated $170,976 or 43.1% of the Port's total operating revenues in fiscal year 2019. Maritime's operating revenues increased approximately $11,518 or 7.2% from $159,458 in fiscal year 2018 to $170,976 in fiscal year 2019. The increase in Maritime operating revenue was primarily due to: scheduled rent adjustments at one marine terminal resulting in additional fixed rent; higher cargo activity at one marine terminal that generated additional variable rent; higher cargo activity at the rail terminal; growing usage of port-operated truck parking facilities; and an increase in utility revenue that resulted mainly from greater shore power usage.

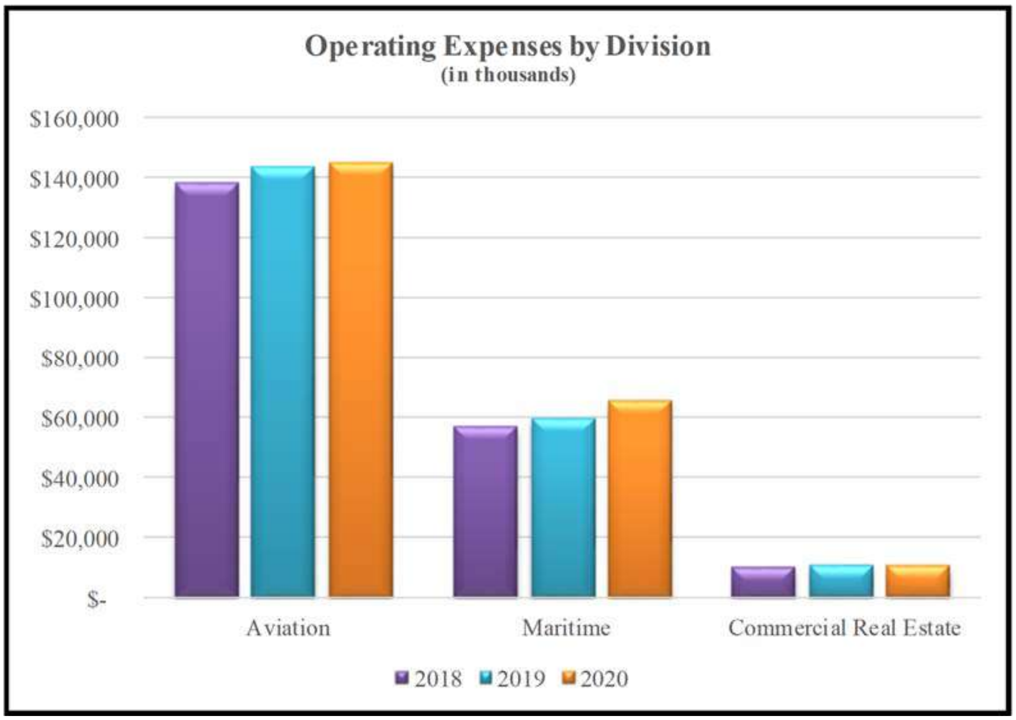
(dollar amounts in thousands)

The Commercial Real Estate Division generated $17,999 or 4.5% of the Port's total operating revenues in fiscal year 2019. Commercial Real Estate's operating revenues increased approximately $739 or 4.3% from $17,260 fiscal year 2018 to $17,999 in fiscal year 2019. The increase in Commercial Real Estate revenue was primarily due to increases in percentage rents and incremental increases in minimum rents.

Operating Expenses by Division

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

Division	2020	2019	2018
Aviation	$ 145,068	$ 145,343	$ 138,189
Maritime	65,590	59,757	57,031
Commercial Real Estate	10,721	10,932	10,325
Total	$ 221,379	$ 216,032	$ 205,545



Operating Expenses by Division (continued)

2020

The Port's operating expenses, excluding depreciation, increased approximately $5,347 or 2.5% from $216,032 in fiscal year 2019 to $221,379 in fiscal year 2020.

The Aviation Division represented 65.5% of the Port's total operating expenses in fiscal year 2020. Aviation's operating expenses decreased by $275, or less than 1.0% from $145,343 in fiscal year 2019 to $145,068 in fiscal year 2020. The decrease in operating expense was primarily due to a decrease in maintenance and engineering due to reductions in contractual obligations offset by an increase in security and fire protection.

The Maritime Division represented 29.6% of the Port's total operating expenses in fiscal year 2020. Maritime's operating expenses increased $5,833 or 9.8% from $59,757 in fiscal year 2019 to $65,590 in fiscal year 2020. The increase in operating expense was primarily due to maintenance and engineering related costs due to reimbursement of contractual work done by tenants and performing maintenance dredging in a larger area.

The Commercial Real Estate Division represented 4.8% of the Port's total operating expenses in fiscal year 2020. Commercial Real Estate's operating expenses decreased by $211 or 1.9% from $10,932 in fiscal year 2019 to $10,721 in fiscal year 2020.

2019

The Port's operating expenses, excluding depreciation, increased approximately $10,487 or 5.1% from $205,545 in fiscal year 2018 to $216,032 in fiscal year 2019.

The Aviation Division represented 67.3% of the Port's total operating expenses in fiscal year 2019. Aviation's operating expenses increased by $7,154 or 5.2% from $138,189 in fiscal year 2018 to $145,343 in fiscal year 2019. The increase in operating expense was primarily due to a $3,537 increase for security and fire protection.

The Maritime Division represented 27.7% of the Port's total operating expenses in fiscal year 2019. Maritime's operating expenses increased $2,726 or 4.8% from $57,031 in fiscal year 2018 to $59,757 in fiscal year 2019. The increase in operating expense was primarily due to a $2,434 increase in maintenance and engineering related costs due to a focus on maintenance type projects following the completion of large capital projects in the prior year.

The Commercial Real Estate Division represented 5.0% of the Port's total operating expenses in fiscal year 2019. Commercial Real Estate's operating expenses increased by $607 or 5.9% from $10,325 in fiscal year 2018 to $10,932 in fiscal year 2019.

(dollar amounts in thousands)

Depreciation Expense by Division

A summary of depreciation expense as of June 30 follows:

Division	2020	2019	2018
Aviation	$ 56,019	$ 56,577	$ 55,188
Maritime	55,300	55,934	54,334
Commercial Real Estate	2,664	2,410	2,510
Total	$ 113,983	$ 114,921	$ 112,032
Depreciation by funding source:			
Grant, PFC and CFC funded portion	$ 38,741	$ 40,581	$ 32,021
Internal and debt funded portion	75,242	74,340	80,011
Total	$ 113,983	$ 114,921	$ 112,032

In fiscal year 2020, depreciation expense decreased $937 or 0.8%. Maritime's depreciation decreased approximately $595 due to several assets that fully depreciated during the year. Aviation depreciation expense decreased $593 due to several assets that fully depreciated during the year. Commercial Real Estate's depreciation increased approximately $250 due to assets placed in service during the year. The most significant assets placed in service by the Commercial Real Estate division were for JLS Building Improvements.

In fiscal year 2019, depreciation expense increased $2,889 or 2.6%. Aviation depreciation expense increased $1,389 due to assets placed in service during the year. The most significant assets placed in service by the Aviation division related to the Explosives Detection Systems Recapitalization and Terminal 1 eGSE infrastructure improvements projects. Maritime's depreciation increased approximately $1,600 due to assets placed in service during the year. The most significant assets placed in service by the Maritime division were the Coolport Rail and additional crane raises at Oakland International Container Terminal. Commercial Real Estate's depreciation decreased approximately $100 due to several assets that fully depreciated during the year.

Interest Expense

Interest expense decreased $2,442 or 6.7% in fiscal year 2020, from $36,604 in fiscal year 2019 to $34,162 in fiscal year 2020. Interest expense decreased $3,091 or 7.8% in fiscal year 2019, from $39,695 in fiscal year 2018 to $36,604 in fiscal year 2019. The decreases in interest expense were the result of scheduled principal payments in fiscal 2019 and 2020, reducing the overall amount of debt outstanding, and the refunding of 2007 Series Bonds in fiscal year 2018 which further reduced outstanding debt.

(dollar amounts in thousands)

Other Expense

Other expense decreased $2,490 in fiscal year 2020, from $6,053 in fiscal year 2019 to $3,563 in fiscal year 2020, following a decrease in other expense in fiscal year 2019 of $22,843 from $28,896 in fiscal year 2018.

Loss on Disposal Capital Assets

Loss on disposal of capital assets decreased $8,249 from $10,865 in fiscal year 2019 to $2,616 in fiscal year 2020 due primarily to the one-time abandonment of design and other construction in progress costs of $10,927.

Other Income

Other income increased $9,420 in fiscal year 2020 from $2,775 in fiscal year 2019 to $12,195 in fiscal year 2020, following a decrease in other income in fiscal year 2019 of $4,112, from $6,887 in fiscal year 2018. The 2020 increase was driven by payments from various legal settlements received during fiscal year 2020.

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 year ended June 30 follows:

	2020	2019	2018
U.S. Department of Transportation:			
Airport Improvement Program	$ 4,076	$ 3,798	$ 41,662
Transportation Investment Generating Economic Recovery	-	-	-
U.S. Department of Homeland Security:			
Port Security Grant Program	1,967	-	121
Trade Corridor Improvement Fund	-	-	5,000
Other grant programs	1,334	4,440	3,389
Total capital contributions	$ 7,377	$ 8,238	$ 50,172

In fiscal year 2020, grants from government agencies decreased approximately $861 or 10.5% from $8,238 in fiscal year 2019 to $7,377 in fiscal year 2020. The decrease is driven by the completion of grant funded projects during the year and the start of new grant funded projects late in the year. The majority of capital contributions recognized by the Port in fiscal year 2020 was from the Airfield Signs, SF Paving Tango and Tug 1 final closeout, taxiway rehabilitation projects, and other airport infrastructure related projects.

In fiscal year 2019, grants from government agencies decreased approximately $41,934 or 83.6% from $50,172 in fiscal year 2018 to $8,238 in fiscal year 2019. The decrease is driven by the completion of grant funded projects during the year and the start of new grant funded projects late in the year. The majority of capital contributions recognized by the Port in fiscal year 2019 was from electric charging stations project for Terminal 1, final closeout of the Runway Safety Area Project, and other airport infrastructure related projects.

(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:

	2020	2019	2018
Capital assets:			
Land	$ 524,187	$ 523,400	$ 523,382
Noise easements and air rights	25,853	25,853	25,853
Construction in progress	52,654	18,661	41,451
Buildings and improvements	328,282	349,783	368,764
Container cranes	38,663	44,567	45,978
Infrastructure	995,973	1,063,723	1,124,033
Software	1,400	2,796	4,201
Other equipment	42,278	43,491	29,908
Total	$ 2,009,290	$ 2,072,274	$ 2,163,570

Net Capital assets decreased by approximately $62,984 or 3.0% in fiscal year 2020, due to capital asset additions of $53,616, offset by retirements and abandoned construction in progress of $2,616 and an increase in accumulated depreciation of $113,984. Major additions to capital assets in fiscal year 2020 were related to Capacitor Banks for Power Factor Correction, Major Repair Taxiway Charlie, and Joint Traffic Management Center Emergency Operation Center projects.

Net capital assets decreased by approximately $92,296 or 4.3% in fiscal year 2019, due to construction in progress and capital asset additions totaling $34,663, offset by retirements and abandoned construction in progress of $12,038 and an increase in accumulated depreciation of $114,921. Major additions to capital assets in fiscal year 2019 were related to the Explosive Detection Systems Recapitalization, Tango Remote Hardstand and Coolport Rail 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, 2020, the Port had construction commitments of approximately $20,818 for current projects including the Airport Perimeter Dike Improvements, various Airport terminal improvements, and Maritime substation equipment. Additional information on the Port's construction commitments can be found in Note 12 Commitments.

On June 25, 2020, a five-year (fiscal year 2021-2025) Capital Improvement Plan (CIP) in the amount of $499.6 million was presented to the Board of Commissioners (Board) for informational purposes. For fiscal year 2021, the Board adopted a capital budget of $72.3 million.

The FY 2021 capital budget reflects prioritization of health and life safety, regulatory compliance, policy and contractual obligations, and preservation and generation of revenue.

(dollar amounts in thousands)

Debt Administration

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

	2020	2019	2018
Bond Indebtedness	$ 788,075	$ 840,790	$ 891,695
Dept. of Boating and Waterway Loan	3,621	3,903	4,173
Commercial Paper	75,591	84,475	105,370
Subtotal debt	867,287	929,168	1,001,238
Net unamortized premium (discount)	40,277	48,486	57,960
Total debt	$ 907,564	$ 977,654	$ 1,059,198

In fiscal year 2020, the Port's total debt decreased approximately $70,070 or 7.2%, from $977,654 in fiscal year 2019 to $907,564 in fiscal year 2020. The decrease resulted in part from principal payments of $76,397 on outstanding bonds, commercial paper, and a loan with the Department of Boating and Waterways. A further decrease to unamortized bond discount/premium totaling $8,209 was also recognized. Finally, the above decreases to outstanding debt were offset by the issuance of $14,516 of new commercial paper notes.

In fiscal year 2019, the Port's total debt decreased approximately $81,544 or 7.7%, from $1,059,198 in fiscal year 2018 to $977,654 in fiscal year 2019. The decrease resulted in part from principal payments of $71,425 on outstanding bonds, commercial paper, and a loan with the Department of Boating and Waterways. A further $645 of 2012 Series P Bonds was defeased in a separate transaction during the fiscal year. Finally, a decrease to unamortized bond discount/premium totaling $9,474 was also recognized.

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

	2020	2019	2018
Senior Lien	3.50	4.21	3.98
Intermediate Lien	1.77	2.08	1.82

The Senior Lien and Intermediate Lien debt service coverage ratios are calculated pursuant to the bond indentures.

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, 2020 are as follows:

- Standard & Poor's Rating Service (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 "P1". In addition, Moody's has set a subordinate lien rating of "A3" on the bank note established for the Port's Commercial Paper Program.
- 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 23-68 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

The outbreak of COVID-19, a respiratory disease first reported in China in December 2019, was declared a global pandemic by the World Health Organization. As a result of the spread of COVID-19 into the United States, a national state of emergency was declared on March 13, 2020. The U.S. Department of State and the Center for Disease Control and Prevention, as well as other governmental authorities, nations, and companies, have issued travel restrictions and warnings for countries around the world, including the United States. The federal government and many states, counties and cities, including the Bay Area and California, have instituted social distancing guidelines and/or stay-at-home health orders, with certain exceptions, and for various periods of time. The guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding social groups, and limitations on the operations of restaurants, bars and other gathering establishments. While the Port operations have continued largely uninterrupted throughout the pandemic due to the essential nature of its core businesses, the measures adopted to contain the spread of the COVID-19 have had, and continue to have, a severe negative impact to travel-related industries, including airlines serving the Airport and Airport Concessionaires, as well as local restaurants, and to a lesser extent, Seaport activity. The Port cannot predict how long social distancing or other preventive guidelines will be in effect, nor when or whether stay-at-home orders may be in effect, modified, or rescinded.

Aviation

The Airport is one of three commercial airports serving the San Francisco Bay Area: the Airport, San Francisco International (SFO), and Norman Mineta San José International (SJC). The Bay Area airports, especially the Airport and SFO, serve overlapping markets and compete for passengers who frequently consider more than one Bay Area airport when purchasing air travel. Additionally, airlines may shift their operations among the Bay Area airports based upon local competition and each airline's market share

Aviation (continue)

goals. Air carriers also consider airport operating costs, the availability of airport facilities and, in some cases,the location of existing alliance partner flight activity as contributing factors in their flight schedule decision-making process. In addition to the aforementioned factors, the activity levels at the Airport are also sensitive to general economic conditions, acts of terrorism or disease epidemic/pandemic, such as the current COVID-19 pandemic, which has significantly impacted demand for air travel. As a result, the Airport has amended certain airline and concessionaire contracts to allow for the deferred payment of certain rents and in limited cases, the waiver of certain minimum rent payments for a limited time. The Airport is unable to predict how market competition or future economic conditions will affect the Airport's operations.

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. The global fight to contain the spread of COVID-19 has disrupted global demand for goods, impacted manufacturing supply chains, and limited the overall movement of marine cargo and the number of vessel calls around the world. At this time, the Port cannot predict the actions of shipping lines nor the larger maritime business trends that could impact the Port of Oakland.

Approximately 85% of all cargo handled at the Seaport originates from or is destined to a local or regional location. The Seaport competes with other ports primarily for discretionary intermodal rail cargo, which is cargo that originates from or is destined to inland destinations and that, therefore, could be shipped through any one of several ports. Discretionary intermodal rail cargo is about 15% of the Port's total cargo throughput. Expansion of other ports or future infrastructure developments (such as increased channel depth and Panama Canal expansion) could result in diversion of this type of intermodal cargo from West Coast ports to East Coast and Gulf ports. As the Seaport continues to work towards expanding its market share of such cargo, these types of developments could hinder the Port's efforts. The Port cannot predict the scope of potential impacts at this time.

About 75% of the cargo handled at the Port is the result of trade with Asia, particularly China. Tariffs enacted, scheduled to be enacted, or scheduled to increase significantly by action of both China and the U.S. in 2018-2019 could negatively impact import and export cargo volume at U.S. ports, including the Port of Oakland. 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 as a whole has been facing significant economic pressure for several years, which has resulted in major financial losses, bankruptcy, marine terminal closures, formation of new shipping line alliances, and consolidation within segments of the supply chain. While the Port's marine terminal tenants and shipping line customers appear stable at this time, the industry remains fragile. 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.

Maritime (continue)

Additionally, 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. The 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, expires on July 1, 2022. 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 major, sustained cargo diversion.

Commercial Real Estate

Over the last 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.

The COVID-19 pandemic has impacted several Commercial Real Estate tenants' ability to operate their businesses. The shelter-in-place order issued by Alameda County in March of 2020 limited many restaurants, including the six restaurants located on Commercial Real Estate properties, to take-out or delivery services. While restaurants wereable to offer on-premise dining starting June 19, 2020, only outdoor dining was initially permitted. Beginning October 26, 2020, indoor dining is allowed at reduced occupancy. It is unclear what new regulations will apply to dining and lodging businesses if and when Alameda County's shelter-in place order is further relaxed and/or lifted, and whether or not those new regulations will have a significant impact on the financial viability of these types of uses, particularly restaurant uses.

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.

This page left intentionally blank.

Port of Oakland

(A Component Unit of the City of Oakland)
Statements of Net Position
June 30, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Assets		
Current assets:		
Unrestricted:		
Cash equivalents	$ 477,357	$ 448,988
Accounts receivable (less allowance for doubtful accounts of $2,073 in 2019 and $1,063 in 2018)	34,075	27,469
Prepaid expenses and other assets	3,631	3,906
Total unrestricted current assets	515,063	480,363
Restricted:		
Cash equivalents	19,991	5,886
Investments	58,237	58,361
Deposits in escrow	179	-
Passenger facility charges and customer facility charges receivable	800	3,149
Accrued interest receivable	-	330
Total restricted current assets	79,207	67,726
Total current assets	594,270	548,089
Non-current assets:		
Capital assets:		
Land	524,187	523,400
Noise easements and air rights	25,853	25,853
Construction in progress	52,654	18,661
Buildings and improvements	991,300	990,898
Container cranes	159,197	159,197
Infrastructure	2,147,084	2,135,918
Software	13,844	13,844
Other equipment	125,568	120,917
Total capital assets, at cost	4,039,687	3,988,688
Less accumulated depreciation	(2,030,397)	(1,916,414)
Capital assets, net	2,009,290	2,072,274
Other receivables	26,964	27,443
Other assets	14,981	14,825
Total non-current assets	2,051,235	2,114,542
Total assets	2,645,505	2,662,631
Deferred Outflows of Resources		
Loss on refunding	5,330	5,948
Deferred outflows related to pensions	33,250	33,569
Deferred outflows related to OPEB	14,145	14,894
Total deferred outflows of resources	$ 52,725	$ 54,411

(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, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$ 30,186	$ 26,181
Retentions on construction contracts	2,089	1,416
Environmental and other	10,404	13,255
Accrued interest	6,580	7,060
Long-term debt, net	62,413	61,216
Liability to City of Oakland	10,571	10,136
Unearned revenue	7,802	7,788
Total current liabilities	130,045	127,052
Non-current liabilities:		
Environmental and other	44,263	45,382
Long-term debt, net	845,151	916,438
Net pension liability	217,833	206,112
Net OPEB liability	87,162	99,866
Deposits	23,228	23,034
Unearned revenue	23,671	24,894
Total non-current liabilities	1,241,308	1,315,726
Total liabilities	1,371,353	1,442,778
Deferred Inflows of Resources		
Deferred inflows related to pensions	8,770	8,938
Deferred inflows related to OPEB	8,190	1,640
Total deferred inflows of resources	16,960	10,578
Net Position		
Net investment in capital assets	1,169,486	1,155,256
Restricted for construction	6,275	9,035
Unrestricted	134,156	99,395
Total net position	$ 1,309,917	$ 1,263,686

(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, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Operating revenues:		
Lease rentals - terminal	$ 187,253	$ 183,923
Lease rentals - other	73,281	69,920
Parking fees and ground access	51,249	67,077
Landing fees	31,334	36,849
Terminal concessions	7,057	9,930
Utility sales	16,698	18,606
Rail terminal rent	2,492	3,979
Fueling	2,313	2,582
Other	4,238	4,131
Total operating revenues	375,915	396,997
Operating expenses:		
Personnel services, materials, services, supplies, and other	76,198	74,946
Maintenance and engineering	67,720	66,726
Marketing and public relations	5,914	6,357
Administration and general services	20,599	19,843
Utilities	13,229	11,887
Security, police and fire	37,719	36,273
Depreciation	113,983	114,921
Total operating expenses	335,362	330,953
Operating income	40,553	66,044
Non-operating revenues (expenses):		
Interest income	11,013	13,363
Interest expense	(34,162)	(36,604)
Customer facility charges revenue	3,890	5,421
Customer facility charges expenses	(4,741)	(5,440)
Passenger facility charges	16,285	25,819
Other income	12,195	2,775
Other expense	(3,563)	(6,053)
Grant income	-	454
Grant expenses	-	(454)
Loss on disposal of capital assets	(2,616)	(10,864)
Total non-operating revenues (expenses), net	(1,699)	(11,583)
Increase in net position before capital contributions	38,854	54,461
Capital contributions - Grants from government agencies	7,377	8,238
Increase in net position	46,231	62,699
Net position, beginning of the year	1,263,686	1,200,987
Net position, end of the year	$ 1,309,917	$ 1,263,686

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, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Cash flows from operating activities:		
Receipts from tenants and customers	$ 370,966	$ 397,648
Payments to suppliers	(106,089)	(102,917)
Payments to employees	(74,773)	(73,984)
Payments to employee retirement plans	(25,186)	(21,832)
Payments to employee OPEB plan	(13,943)	(14,708)
Other non-operating payments	(3,565)	(5,475)
Other non-operating receipts	538	286
Net cash provided by operating activities	147,948	179,018
Cash flows from noncapital financing activities:		
Proceeds from government agencies for recovery of operating costs	-	454
Proceeds from insurance and other recoveries	11,658	2,489
Net cash provided by noncapital financing activities	11,658	2,943
Cash flows from capital and related financing activities:		
Proceeds from new borrowings	14,516	-
Repayments/refunding of debt	(76,397)	(72,070)
Grants from government agencies	5,028	22,383
Interest paid on debt	(42,233)	(45,696)
Purchase of capital assets	(47,117)	(46,996)
Proceeds from sale of capital assets	-	63
Customer facility charge and passenger facility charge receipts	18,031	26,148
Net cash used in capital and related financing activities	(128,172)	(116,168)
Cash flows from investing activities:		
Interest received on investments	11,095	13,210
Purchase of restricted investments	(58,416)	(56,077)
Proceeds from maturity of restricted investments	58,361	56,678
Net cash provided by investing activities	11,040	13,811
Net increase in cash equivalents	42,474	79,604
Cash equivalents, beginning of year	454,874	375,270
Cash equivalents, end of year	$ 497,348	$ 454,874

(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, 2020 and 2019
(dollar amounts in thousands)

	2020	2019
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 40,553	$ 66,044
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	113,983	114,921
Other	(3,027)	(5,189)
Net effects of changes in:		
Accounts receivable, net of capital grants	(4,257)	2,543
Prepaid expenses and other assets	119	(883)
Other receivables and assets	479	583
Accounts payable and accrued liabilities	(1,821)	(953)
Liability to City of Oakland	435	1,461
Unearned revenue	(1,209)	(1,522)
Deposits	194	(313)
Environmental and other liabilities	(3,970)	1,525
Net pension liability and related deferred outflow/inflow of resources	11,874	4,826
Net OPEB liability and related deferred outflow/inflow of resources	(5,405)	(4,025)
Net cash provided by operating activities	$ 147,948	$ 179,018
Non-cash capital and related financing activities:		
Net change in accounts payable for capital asset purchases	$ 5,826	$ (9,394)
Prior construction in progress reclassified to expense	-	1,032
Net change in retention on capital construction contracts	673	(3,019)
Net change in grants receivable	(2,349)	14,145
Abandoned construction in progress and other capital assets	(2,616)	10,927

(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 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, 2020, and 2019, the statements of net position reported \$6,275 and \$9,035 respectively, as restricted for construction.

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 receivables 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.

Other Receivables

Other receivables include future lease receipts from a fifty-year finance lease agreement associated with the sale and lease of the marina as discussed in Note 7.

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 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 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 1936 of the California Civil 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 current CFC is $10 per contract for companies operating on airport property and $8.00 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 November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). The statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes standards of accounting and financial reporting for certain asset retirement obligations. The statement establishes criteria for determining the timing and pattern of recognition for a liability and a corresponding deferred outflow of resources for asset retirement obligations. Implementation of this statement did not have a significant impact on the Port's financial statements for the fiscal year ended June 30, 2020.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), with an immediate effective date. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in the Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions are postponed by one year and the effective dates of GASB Statement No 87, *Leases* and Implementation Guide No. 2019-3, *Leases* are postponed by 18 months. Pronouncements relevant to the Port are summarized with updated effective dates in the following section.

New Accounting Pronouncements Not Yet Adopted

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB 84). The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exits. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2021.

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the Port's fiscal year ending June 30, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions regarding GASB statements that have already been implemented by the Port or will be implemented by the Port in the future. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2021.

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 SBITA; (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 Statement No. 87, Leases, as amended. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2023.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and No. 84, and A supersession of GASB Statement No. 32* (GASB 97). The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Port's fiscal year ending June 30, 2022.

Reclassification and Presentation

Certain reclassifications of prior year's balances have been made to conform with the current year presentation. The reclassifications have no effect on the total net position, change in net position or net changes in cash equivalents.

(dollar amounts in thousands)

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 reserves are on deposit with the Senior Lien Bonds trustee. The investment of funds held by the Senior Lien Bonds trustee is governed by the Senior Trust Indenture and is invested in either 1) U.S. Treasury Note, Federal Home Loan Bank Bond, or 2) Government Securities Money Market Mutual Funds. There were no investments pertaining to the Intermediate Lien Bonds.

On June 30, 2020, the Port had the following cash equivalents and investments:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year	
City Investment Pool	$ 477,357	$ 3,877	$ 481,234	Unrated	$ 481,234	*
Government Securities Money Market Mutual Funds	-	16,114	16,114	Unrated	16,114	*
Total Cash Equivalents	477,357	19,991	497,348		497,348	
U.S. Treasury Note	-	58,237	58,237	Aaa	58,237	
Total Investments	-	58,237	58,237		58,237	
Total Cash Equivalents and Investments	$ 477,357	$ 78,228	$ 555,585		$ 555,585	

*Represents weighted average maturity

On June 30, 2019, the Port had the following cash equivalents and investments:

	Unrestricted	Restricted	Total Fair Value	Credit Rating per Moody's	Maturity Less than 1 Year	
City Investment Pool	$ 448,988	$ 4,885	$ 453,873	Unrated	$ 453,873	*
Government Securities Money Market Mutual Funds	-	1,001	1,001	Unrated	1,001	*
Total Cash Equivalents	448,988	5,886	454,874		454,874	
U.S. Treasury Note	-	58,361	58,361	Aaa	58,361	
Total Investments	-	58,361	58,361		58,361	
Total Cash Equivalents and Investments	$ 448,988	$ 64,247	$ 513,235		$ 513,235	

*Represents weighted average maturity

(dollar amounts in thousands)

Fair Value Hierarchy

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.

The following is a summary of the fair value hierarchy of investments held by the Port as of June 30, 2020 and 2019:

Investments by Fair Value Level	2020	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Quoted Prices in Active Markets for Indentical Assets (Level 1)
U.S. Treasury Note	$ 58,237	$ -	$ 58,237
Government Securities Money Market Mutual Funds	16,114	16,114	-
City Investment Pool	481,234	481,234	-
Total Investments	$ 555,585	$ 497,348	$ 58,237

Investments by Fair Value Level	2019	Investments Exempt from Fair Value Hierarchy	Fair Value Measurements Using Significant Observable Inputs (Level 2)
Federal Home Loan Bank Bond	$ 58,361	$ -	$ 58,361
Government Securities Money Market Mutual Funds	1,001	1,001	-
City Investment Pool	453,873	453,873	-
Total Investments	$ 513,235	$ 454,874	$ 58,361

Investment securities classified in Level 1 of the fair value hierarchy consist of a U.S. Treasury Note, and were valued using quoted prices in active markets. Investment securities classified in Level 2 of the fair value hierarchy consist of a Federal Home Loan Bank Bond and were valued using various market and industry inputs. 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.

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, 2020, and 2019, the Port had deposits in escrow of $179 and $0, 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, investment contracts, and forward delivery 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. The Port had investments held by a third party bank trust department in the amount of $74,351 and $59,362 at June 30, 2020 and 2019, 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 $481,234 and $453,873 invested in the City Investment Pool on June 30, 2020 and 2019, respectively.

As of June 30, 2020, the Port had deposits in escrow totaling $179, which were held in Union Bank, and all of which were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name. As of June 30, 2019, the Port did not have any deposits in escrow.

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.
- 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; and
  - supranational organizations.
- 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 and state obligations.

Additional information regarding deposit custodial credit, interest 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.

(dollar amounts in thousands)

4. Changes in Capital Assets

A summary of changes in capital assets for the year ended June 30, 2020, is as follows:

	Beginning Balance July 1, 2019	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2020
Capital assets not being depreciated					
Land	$ 523,400	$ -	$ -	$ 787	$ 524,187
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	18,661	49,686	(2,609)	(13,084)	52,654
Total capital assets not being depreciated	567,914	49,686	(2,609)	(12,297)	602,694
Capital assets being depreciated					
Buildings and improvements	990,898	-	(1)	403	991,300
Container cranes	159,197	-	-	-	159,197
Infrastructure	2,135,918	-	-	11,166	2,147,084
Software	13,844	-	-	-	13,844
Other equipment	120,917	3,929	(6)	728	125,568
Total capital assets being depreciated	3,420,774	3,929	(7)	12,297	3,436,993
Less accumulated depreciation for					
Buildings and improvements	(641,115)	(21,903)	-	-	(663,018)
Container cranes	(114,630)	(5,904)	-	-	(120,534)
Infrastructure	(1,072,195)	(78,916)	-	-	(1,151,111)
Software	(11,048)	(1,396)	-	-	(12,444)
Other equipment	(77,426)	(5,864)	-	-	(83,290)
Total accumulated depreciation	(1,916,414)	(113,983)	-	-	(2,030,397)
Total being depreciated, net	1,504,360	(110,054)	(7)	12,297	1,406,596
Total capital assets, net	$ 2,072,274	$ (60,368)	$ (2,616)	$ -	$ 2,009,290

For the year ended June 30, 2020, the Port recognized a $2,616 loss on abandoned projects related to construction in progress.

(dollar amounts in thousands)

Changes in Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2019, is as follows:

	Beginning Balance July 1, 2018	Additions	Adjustments and Retirements	Transfers	Ending Balance June 30, 2019
Capital assets not being depreciated					
Land	$ 523,382	$ -	$ -	$ 18	$ 523,400
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	41,451	33,068	(12,009)	(43,849)	18,661
Total capital assets not being depreciated	590,686	33,068	(12,009)	(43,831)	567,914
Capital assets being depreciated					
Buildings and improvements	986,181	80	-	4,637	990,898
Container cranes	155,697	-	-	3,500	159,197
Infrastructure	2,117,468	-	(29)	18,479	2,135,918
Software	13,844	-	-	-	13,844
Other equipment	103,537	1,515	(1,350)	17,215	120,917
Total capital assets being depreciated	3,376,727	1,595	(1,379)	43,831	3,420,774
Less accumulated depreciation for					
Buildings and improvements	(617,417)	(23,698)	-	-	(641,115)
Container cranes	(108,719)	(5,911)	-	-	(114,630)
Infrastructure	(993,435)	(78,760)	-	-	(1,072,195)
Software	(9,643)	(1,405)	-	-	(11,048)
Other equipment	(73,629)	(5,147)	1,350	-	(77,426)
Total accumulated depreciation	(1,802,843)	(114,921)	1,350	-	(1,916,414)
Total being depreciated, net	1,573,884	(113,326)	(29)	43,831	1,504,360
Total capital assets, net	$ 2,164,570	$ (80,258)	$ (12,038)	$ -	$ 2,072,274

For the year ended June 30, 2019, the Port recognized a loss on the disposal of capital assets of $10,864, consisting of $10,927 of abandoned construction in progress and disposed infrastructure, which was offset by $63 of proceeds from the sale of fully depreciated equipment. Additionally, the Port reclassified $1,111 of prior construction in progress costs to other expense.

(dollar amounts in thousands)

5. Debt

Long-term debt consists of the following on June 30, 2020:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Principal Due Within One Year
Senior Lien Bonds								
2011 Revenue Bonds Series O	4.20-5.125%	2031	$ 345,730	$ 259,465	$ -	$ 16,370	$ 243,095	$ 17,185
2012 Revenue Bonds Series P	3.00-5.00	2033	380,315	363,070	-	-	363,070	18,265
Total Senior Lien Bonds			726,045	622,535	-	16,370	606,165	35,450
Dept. of Boating and Waterways (DBW) Loan								
Small Craft Harbor Revenue Bonds, Series 1993	4.50	2030	7,176	3,903	-	282	3,621	295
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	95,875	-	350	95,525	5,345
2017 Revenue Bonds Series E	5.00	2030	88,985	71,460	-	21,600	49,860	11,380
2017 Revenue Bonds Series F	5.00	2020	30,735	13,355	-	13,355	-	-
2017 Revenue Bonds Series G	2.05-3.30	2030	38,355	37,565	-	1,040	36,525	2,595
Total Intermediate Lien Bonds			253,950	218,255	-	36,345	181,910	19,320
Commercial Paper[1]								
Series A, B, C Notes	.22-2.47	2020	N/A	40,400	14,516	20,400	34,516	-
Series D, E, F Notes	.46-1.39	2020	N/A	44,075	-	3,000	41,075	-
Total Commercial Paper				84,475	14,516	23,400	75,591	-
Sub-Total				929,168	14,516	76,397	867,287	55,065
Unamortized bond premium (discount), net				48,486	(9)	8,200	40,277	7,348
Total Debt				977,654	14,507	84,597	907,564	$ 62,413
Current maturities of long-term debt				(61,216)	(62,413)	(61,216)	(62,413)	
Total Debt - long-term portion				$ 916,438	$ (47,906)	$ 23,381	$ 845,151	

[1] As of June 30, 2020, under the current LOCs, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

(dollar amounts in thousands)

Debt (Continued)

Long-term debt consists of the following on June 30, 2019:

	Interest Rate	Fiscal Maturity Year	Original Amount	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Principal Due Within One Year
Senior Lien Bonds								
2011 Revenue Bonds Series O	4.20-5.125%	2031	$ 345,730	$ 274,030	$ -	$ 14,565	$ 259,465	$ 16,370
2012 Revenue Bonds Series P	3.00-5.00	2033	380,315	363,715	-	645	363,070	-
Total Senior Lien Bonds			726,045	637,745	-	15,210	622,535	16,370
Dept. of Boating and Waterways (DBW) Loan								
Small Craft Harbor Revenue Bonds, Series 1993	4.50	2030	7,176	4,173	-	270	3,903	282
Intermediate Lien Bonds								
2017 Revenue Bonds Series D	5.00	2030	95,875	95,875	-	-	95,875	350
2017 Revenue Bonds Series E	3.00-5.00	2030	88,985	88,985	-	17,525	71,460	21,600
2017 Revenue Bonds Series F	5.00	2020	30,735	30,735	-	17,380	13,355	13,355
2017 Revenue Bonds Series G	1.85-3.30	2030	38,355	38,355	-	790	37,565	1,040
Total Intermediate Lien Bonds			253,950	253,950	-	35,695	218,255	36,345
Commercial Paper(1)								
Series A, B, C Notes	1.20-2.58	2019	N/A	59,955	-	19,555	40,400	-
Series D, E, F Notes	1.39-2.00	2019	N/A	45,415	-	1,340	44,075	-
Total Commercial Paper				105,370	-	20,895	84,475	-
Sub-Total				1,001,238	-	72,070	929,168	52,997
Unamortized bond premium (discount), net				57,960	(93)	9,381	48,486	8,219
Total Debt				1,059,198	(93)	81,451	977,654	$ 61,216
Current maturities of long-term debt				(60,027)	(61,216)	(60,027)	(61,216)	
Total Debt - long-term portion				$ 999,171	$ (61,309)	$ 21,424	$ 916,438	

(1) As of June 30, 2019, under the current LOCs, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to $200 million.

(dollar amounts in thousands)

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 tax-exempt bonds, short-term commercial paper notes and a loan from the California Department of Boating and Waterways. All of the Port's outstanding bonds, loans and commercial paper notes have been issued to finance or refinance capital improvements to the Port's aviation, maritime and commercial real estate 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 $386,691 in fiscal year 2020 and $410,138 in fiscal year 2019.

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. The California Department of Boating and Waterways loan is due each August 1 through August 1, 2029. Commercial Paper has been classified as long-term debt because the Port has the intent and ability to continue to refinance this debt. The Port's required debt service payment for the outstanding long-term debt for the years ending June 30 are as follows:

Fiscal Year Ending	Long-term Obligations		Commerical Paper[(1)]		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 55,065	$ 38,036	$ -	$ -	$ 55,065	$ 38,036
2022	57,543	35,619	-	-	57,543	35,619
2023	60,412	32,756	-	-	60,412	32,756
2024	63,591	29,570	25,197	4,850	88,788	34,420
2025	66,676	26,491	25,197	3,024	91,873	29,515
2026-2030	285,626	72,625	25,197	1,008	310,823	73,633
2031-2033	202,783	20,274	-	-	202,783	20,274
Total	$ 791,696	$ 255,371	$ 75,591	$ 8,882	$ 867,287	$ 264,253

(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, beginning when the current letters of credit expire on June 30, 2023. For the first 90 days interest is calculated using the higher of 1) 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

2011 Series O and 2012 Series P (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, 2020 and as of June 30, 2019 the reserve fund was invested in U.S. Treasury Notes.

The Port has also covenanted in the Senior Trust Indenture that Net Pledged Revenue (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).

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. 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 acceleration of outstanding senior lien debt.

As of June 30, 2020, the outstanding balance of Senior Lien Bonds is $606,165.

California Department of Boating and Waterways (DBW) Loan

The DBW Loan is subordinate to the Senior Lien Bonds but superior to the Intermediate Lien Bonds and the Port's Commercial Paper Notes with respect to the Pledged Revenues. The Port turned over the operation of its marina, financed, in part, with DBW Loans, to a private company through a fifty-year capital lease in May 2004.

In the event the Port fails in whole or in part to make payment when due pursuant to the loan agreement between the Port and the DBW, all principal and interest outstanding shall become immediately due and payable.

As of June 30, 2020, one DBW Loan remains outstanding with a balance of $3,621.

Intermediate Lien Bonds

Bonds issued under the Intermediate Trust Indenture are next in payment priority. As of June 30, 2020, the bonds issued under this indenture consist of the 2017 Series D, Series E, and Series G Bonds (Series 2017 Bonds). The final maturity of the 2017 Series F Bonds was paid in November 2019. 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 and second, any debt service requirements payable on the DBW Loan. Payment of principal and interest on the Series 2017 Bonds when due is secured by a reserve surety policy.

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, Senior Lien Bonds, and DBW Loan (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. 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, 2020, the outstanding balance of Intermediate Lien Bonds is $181,910.

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%.

Commercial Paper Notes (continued)

On May 10, 2019, the Port extended the LOCs supporting its ABC Series and DEF Series of commercial paper notes, both issued by Bank of America National Association (BANA). Specifically, the expiration dates of both LOCs were extended from June 30, 2019 to June 30, 2023. 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, when the Port substituted its then-outstanding JPMorgan Chase Bank National Association (JPMorgan) LOC. 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, when the Port substituted its then-outstanding Wells Fargo LOC.

As of June 30, 2020, the outstanding balance of CP Notes under the Port's ABC Series of CP is $34,516 while the outstanding balance under the Port's DEF Series of CP is $41,075.

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.

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 2020 Debt Principal and Interest	FY 2020 Net Pledged Revenues**
Total Net Pledged Revenues				$ 165,302
Senior Lien Bonds:				
2011 Revenue Bonds Series O	5/1/2031	$ 322,397	$ 29,403	
2012 Revenue Bonds Series P	5/1/2033	494,801	17,782	
Subtotal Senior Lien Bonds		817,198	47,185	(47,185)
Net Pledged Revenues Remaining after Sr. Lien				118,117
Dept. of Boating and Waterways Loan	8/1/2029	4,576	457	(457)
Net Pledged Revenues Remaining after DBW				117,660
Intermediate Lien Bonds:				
2017 Series D	11/1/2029	120,835	5,135	
2017 Series E	11/1/2029	62,305	24,592	
2017 Series F	11/1/2019	-	13,689	
2017 Series G	11/1/2029	42,153	2,102	
Subtotal Intermediate Lien Bonds		225,293	45,518	(45,518)
Net Pledged Revenues Remaining after Int. Lien				72,142
Commercial Paper Notes*		84,473	24,329	(24,329)
Net Pledged Revenues Remaining after CP Notes				$ 47,813
Total		$ 1,131,540	$ 117,489	

* The Total Debt Service to Maturity for Commercial Paper includes principal ($75.6 million) and interest ($8.9 million) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements. Of the $75.6 million of Commercial Paper Notes outstanding, $20.0 million 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 on PFC and CFC funds of $193 and $55, respectively). Of the $24.3 million recorded for commercial paper debt service, $16.8 million was paid from PFCs, not included in "Total Net Pledged Revenues" above.

.

(dollar amounts in thousands)

Priority of Payment (continued)

	Maturity Date	Total Debt Service to Maturity	FY 2019 Debt Principal and Interest	FY 2019 Net Pledged Revenues**
Total Net Pledged Revenues				$ 194,104
Senior Lien Bonds:				
2011 Revenue Bonds Series O	5/1/2031	$ 351,800	$ 28,325	
2012 Revenue Bonds Series P	5/1/2033	512,583	17,808	
Subtotal Senior Lien Bonds		864,383	46,133	(46,133)
Net Pledged Revenues Remaining after Sr. Lien				147,971
Dept. of Boating and Waterways Loan	8/1/2029	5,033	457	(457)
Net Pledged Revenues Remaining after DBW				147,514
Intermediate Lien Bonds:				
2017 Series D	11/1/2029	125,970	4,794	
2017 Series E	11/1/2029	86,897	21,454	
2017 Series F	11/1/2019	13,689	18,482	
2017 Series G	11/1/2029	44,255	1,868	
Subtotal Intermediate Lien Bonds		270,811	46,598	(46,598)
Net Pledged Revenues Remaining after Int. Lien				100,916
Commercial Paper Notes*		84,473	22,564	(22,564)
Net Pledged Revenues Remaining after CP Notes				$ 78,352
Total		$ 1,224,700	$ 115,752	

** The Total Debt Service to Maturity for Commercial Paper includes principal ($84.5 million) and interest ($9.9 million) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements. Of the $84.5 million of Commercial Paper Notes outstanding, $36.4 million 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 on PFC and CFC funds of $146 and $79, respectively).Of the $22.6 million recorded for commercial paper debt service, $15.5 million was paid from PFCs, not included in the "Total Net Pledged Revenues" above.

(dollar amounts in thousands)

Bond Premium (Discount)

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

Bond Issue	2020 (Discount) Premium	2019 (Discount) Premium
Senior Lien Bonds:		
2011 Series O	$ 235	$ 655
2012 Series P	21,710	25,220
Subtotal Senior Lien Bonds	21,945	25,875
Intermediate Lien Bonds:		
2017 Series D	12,016	14,456
2017 Series E	6,322	7,989
2017 Series F	-	171
Subtotal Intermediate Lien Bonds	18,338	22,616
Commercial Paper	(6)	(5)
Total	$ 40,277	$ 48,486

6. Environmental and Other Liabilities

Changes in environmental and other liabilities for the years ended June 30, 2020 and 2019 are as follows:

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 7,526	$ 1,868	$ (1,477)	$ 7,917	$ 6,326
Pollution liability (Note 13)	17,078	9,253	(10,086)	16,245	1,389
Workers' compensation (Note 14)	13,184	-	(4,322)	8,862	1,264
Lease terminal loss contingency (Note 13)	16,800	-	(199)	16,601	1,425
Other long-term liabilities	4,049	1,321	(328)	5,042	-
Total	$ 58,637	$ 12,442	$ (16,412)	$ 54,667	$ 10,404

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
Accrued vacation, sick leave and compensatory time	$ 6,999	$ 1,976	$ (1,449)	$ 7,526	$ 6,311
Pollution liability (Note 13)	17,754	4,422	(5,098)	17,078	1,640
Workers' compensation (Note 14)	10,661	4,527	(2,004)	13,184	2,004
Lease terminal loss contingency (Note 13)	17,997	-	(1,197)	16,800	3,300
Other long-term liabilities	3,701	832	(484)	4,049	-
Total	$ 57,112	$ 11,757	$ (10,232)	$ 58,637	$ 13,255

(dollar amounts in thousands)

7. Leases

A major portion of the Port's capital assets are leased to others. Leased assets include maritime facilities, aviation facilities, office and commercial space, and land. The majority of the Port's leases are classified as operating leases. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity. Certain maritime facilities are leased under agreements that provide the tenants with preferential, but nonexclusive, use of the facilities.

A summary of revenues from long-term leases for years ended June 30 is as follows:

	2020	2019
Minimum non-cancelable rentals, including preferential assignments	$ 167,199	$ 163,993
Contingent rentals in excess of minimums	38,323	41,233
	$ 205,522	$ 205,226

Minimum future rental revenues for years ending June 30 under non-cancelable operating leases having an initial term in excess of one year are as follows:

2021	$ 165,910
2022	173,314
2023	168,321
2024	169,201
2025	169,366
2026-2030	648,844
2031-2035	300,628
2036-2040	101,214
2041-2045	51,752
2046-2050	56,811
2051-2055	65,753
Thereafter	502,754
	$ 2,573,868

(dollar amounts in thousands)

Leases (continued)

The Port turned over the operation of its marina to a private company through a long-term financing lease and operating agreement on May 1, 2004. Minimum future lease payments to be received for the years ending June 30 are as follows:

2021	$	559
2022		559
2023		573
2024		587
2025		587
2026-2030		2,936
2031-2035		2,936
2036-2040		2,936
2041-2045		2,936
2046-2050		2,936
2051-2055		2,839
	$	20,384

The capital assets leased to others at June 30 consist of the following:

	2020	2019
Land	$ 296,872	$ 296,833
Container cranes	159,197	159,197
Buildings and improvements	194,477	195,549
Infrastructure	1,006,389	1,007,035
	1,656,935	1,658,614
Less accumulated depreciation	(857,507)	(815,671)
Net capital assets, on lease	$ 799,428	$ 842,943

(dollar amounts in thousands)

8. Unearned Revenue

Unearned revenue consists primarily a long-term financing lease for the marina operations; redemption of special facilities bonds; prepayment of bond debt service for airline fuel facility and prepaid tenant rent.

Changes in unearned revenue for the years ended June 30, 2020 and 2019 are as follows

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Amounts Due Within One Year
Marina capital lease unearned interest	$ 17,534	$ -	$ (503)	$ 17,031	$ 503
Oakland Fuel Facilities Corporation	6,686	150	(580)	6,256	580
Unearned tenant rent	7,812	6,429	(6,630)	7,611	6,645
Other unearned revenue	650	-	(75)	575	74
Total	$ 32,682	$ 6,579	$ (7,788)	$ 31,473	$ 7,802

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019	Amounts Due Within One Year
Marina capital lease unearned interest revenue	$ 18,037	$ -	$ (503)	$ 17,534	$ 503
Oakland Fuel Facilities Corporation	7,116	150	(580)	6,686	580
Unearned tenant rent	8,326	6,414	(6,928)	7,812	6,630
Other unearned revenue	725	-	(75)	650	75
Total	$ 34,204	$ 6,564	$ (8,086)	$ 32,682	$ 7,788

(dollar amounts in thousands)

9. 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 comprehensive annual 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 a 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.

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, 2020 and 2019, 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%	7.25%-8.00%
Required employer contribution rates 2020[(2)]	11.559%	11.559%	10.809-11.559%
Required employer contribution rates 2019[(2)]	11.302%	11.302%	10.052-11.302%

(1) For "new members" as defined by the Public Employees' Pension Reform Act (PEPRA)

(2) Excludes contribution payments for unfunded liability

Benefits Provided (continued)

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, 2020 and 2019, the Port paid contributions to the Miscellaneous Plan of $24,588 and $21,832, respectively

CalPERS Safety Unit – Special Agreement with the City of Oakland

During the period from July 1, 1976, through January 17, 1998 (employment period), the Port appointed certain employees to positions in the classifications of Airport Servicemen and Airport Operations Supervisors. The Port was and has always been the employer that directly appointed, retained, employed and compensated the personnel in these positions.

As result of a decision by CalPERS' Board of Administration on April 15, 1998, employees appointed to positions in the classifications of Airport Servicemen and Airport Operations Supervisors were reclassified from the Miscellaneous Unit member status in CalPERS to Safety Unit member status, effective retroactively to the later of either the date of their respective employment in such classifications or July 1, 1976.

The decision to reclassify employees to safety member status resulted in an additional net cost to provide retirement benefits earned during the employment period. CalPERS' actuary estimated that the present value of this net cost (including subsequent actual experience through June 30, 2000, and projected experience through June 30, 2002) was $5,915.

The Port entered into an agreement with the City for the payment of this net cost by the Port directly to CalPERS. The agreement provides for the Port to make payments over 20 years in annual installments, with interest at 4.34% and adjusted for cost of living at a rate of 3.75%. Under this agreement the Port's obligation will not fluctuate based on the recognition of market gains or losses, changes in the actuarial assumptions, or experiences that differ from the actuary projections. The Port's obligation will remain fixed until paid in full.

For the years ended June 30, 2020 and 2019, the Port recognized principal payments of $598 and $525, respectively, for the Safety Unit obligation.

(dollar amounts in thousands)

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

For fiscal years ended June 30, 2020 and 2019, the Port reported total net pension liability as follows:

	2020	2019
City's Miscellaneous plan - proportion share	$ 215,522	$ 203,202
Safety plan - remaining obligation	2,311	2,910
Total net pension liability	$ 217,833	$ 206,112

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.

	2020	2019
Measurement date	6/30/2019	6/30/2018
Valuation date	6/30/2018	6/30/2017
Measurement period	7/1/18-6/30/19	7/1/16-6/30/18
Proportionate share	23.84%	24.20%

For the years ended June 30, 2020 and 2019, the Port recognized pension expense including amortization of deferred outflows/inflows related pension items of $37,060 and $26,658, respectively. At June 30, 2020 and 2019, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	$ -	$ 1,519	$ 10,539	$ 3,085
Net difference between projected and actual earnings on pension plan investments	-	2,688	1,198	-
Change in proportionate share	-	3,513	-	3,113
Net differences between expected and actual experience	8,662	1,050	-	2,740
Pension contributions subsequent to the measurement date	24,588	-	21,832	-
	$ 33,250	$ 8,770	$ 33,569	$ 8,938

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.

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 years ending June 30 as follows (in thousands):

2020	$	897
2021		(629)
2022		(797)
2023		421
	$	(108)

Actuarial Methods and Assumptions

For the years ended June 30, 2020 and 2019, the 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:

	2020	**2019**
Measurement date	6/30/2019	6/302018
Valuation date	6/30/2018	6/30/2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.50%
Payroll Growth	3.00%	2.75-3.00%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.25% net of pension plan investments expenses; includes inflation	7.15% 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)]
Postretirement Benefit Increase	Contract cost of living adjustment up to 2.0% until the lessor of contract cost of living adjustment or 2.5% until Purchasing Power Allowance Floor on Purchasing Power applies.	Contract cost of living adjustment up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter

[(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 90% of Scale MP 2016.

Actuarial Methods and Assumptions (continued)

All other actuarial assumptions used in the June 30, 2018 valuations were based on the results of an actuarial experience study for the period from 1997 to 2015 including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website at www.calpers.ca.gov under Form and Publications.

Discount Rate

The discount rates used to measure the total pension liability as of June 30, 2020 and 2019 was 7.15%. 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 rates of 7.15% were 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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of the benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

(dollar amounts in thousands)

Discount Rate (continued)

The table below reflects long-term expected real rate of return, by asset class, used for the June 30, 2018 and 2017 valuations.

Asset Class [1]	Target Allocation	Real Return Years 1-10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)
Total	100.0%		

[1] In CalPERS' CAFR, Fixed Income is included in the Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.

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, 2019 and 2018 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, 2019 (measurement date)	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$298,707	$215,522	$146,118

As of June 30, 2018 (measurement date)	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Port's proportionate share of the City's Miscellaneous plan net pension liability	$283,933	$203,202	$135,875

(dollar amounts in thousands)

10. 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 retirees and their dependents to receive employer paid medical insurance benefits through CalPERS, subject to certain limitations described below. Additionally, through the Port's Retiree Health Plan, employees hired before October 1, 2009 (before January 1, 2013 for members of the Services Employees International Union (SEIU) and International Brotherhood of Electrical Workers (IBEW)) are eligible to receive dental and vision benefits.

Prior to 2011, eligible retirees must have attained the age of fifty or over at the time of retirement, have five or more years of CalPERS service, and must be eligible to receive PERS retirement benefits. On July 21, 2011, the Port adopted resolutions that established a Health Benefit Vesting Requirement for employees hired on or after September 1, 2011 (on or after April 1, 2013 for members of SEIU and IBEW). 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 employer contributions for the Retiree 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)

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, 2019 actuarial valuation:

Active employees	466
Inactive employees or beneficiaries currently receiving benefits	594
Total	1,060

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, 2020 and 2019, the Port's contributions consisted of the following:

	2020	2019
Direct payments (Pay-go)	$ 8,057	$ 7,940
CERBT fund contribution	4,200	5,500
Estimated implicit subsidy	1,888	1,454
Total cash contribution	$ 14,145	$ 14,894

(dollar amounts in thousands)

Net OPEB Liability

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For the years ended June 30, 2020 and 2019, the following timeframes were used:

	2020	**2019**
Valuation Date	6/30/2019	6/30/2017
Measurement Date	6/30/2019	6/30/2018
Measurement Period	7/1/18 – 6/30/19	7/1/17 – 6/30/18

For the year ended June 30, 2020, the Port's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019. For the year ended June 30, 2019, the Port's net OPEB liability was measured by rolling forward the total OPEB liability from June 30, 2017 valuation to the measurement date. The June 30, 2019 and 2017, valuations used the following actuarial methods and assumptions:

	2019	2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.75%	6.75%
Inflation	2.50%	2.50%
Salary Increase	3.00% per annum	3.00% per annum
Investment Rate of Return	6.75% net of investment expenses	6.75% net of investment expenses
Mortality, Termination and Disability	Based on the 2017 CalPERS Experience Study covering data from 1997 to 2015 [1]	Based on the 2014 CalPERS Experience Study covering data from 1997 to 2011 [2]
Healthcare Trend Rate [3]	3.25-6.00% per year increase for medical, 3.0% per year increase for vision and dental, and 4.25-6.0% per year increase for Medicate Part B.	3.50-6.25% per year increase for medical, 4.0% per year increase for vision and dental, and 0.0-5.5% per year increase for Medicate Part B.

[1] The mortality table used was developed based on CalPERS' specific data. The table includes a margin for mortality improvement using the Society of Actuaries 90% Scale MP 2016.
[2] The mortality table used was developed based on CalPERS' specific data. The table includes a margin for mortality improvement based on Scale BB projected to 2032.
[3] Based on the "Getzen" model published by the Society of Actuaries for purposes of evaluating long-term medical care.

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 long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The table below reflects the target allocations and best estimates of arithmetic real rates of return for each major asset class used for the June 30, 2019 valuation	**Target Allocation**	**Expected Arithmetic Nominal Return (50 yrs) [(1)]**
Global Equity	59.0%	8.08%
U.S. Fixed Income	25.0	5.88
Treasury Inflation-Protected Securities	5.0	3.67
Real Estate Investment Trust	8.0	7.91
Commodities	3.0	5.38
Total	100.0%	
Expected Arithmetic Return (50 years)		7.21%
Expected Geometric Return (50 years)		6.65%

(1) Rates include a 2.50% long-term inflation assumption.

The table below reflects the target allocations and best estimates of arithmetic real rates of return for each major asset class used for the June 30, 2018 valuation	**Target Allocation**	**Expected Arithmetic Nominal Return (50 yrs) [(1)]**
Global Equity	57.0%	7.92%
U.S. Fixed Income	27.0	6.83
Treasury Inflation-Protected Securities	5.0	3.95
Real Estate Investment Trust	8.0	7.46
Commodities	3.0	5.38
Total	100.0%	
Expected Arithmetic Return (50 years)		7.32%
Expected Geometric Return (50 years)		6.7%

(1) Rates include a 2.50% long-term inflation assumption.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Port contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(dollar amounts in thousands)

Changes in the OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance as of June 30, 2019	$ 177,603	$ 77,737	$ 99,866
Changes recognized for the measurement period:			
Service cost	4,621	-	4,621
Interest on the total OPEB liability	11,995	-	11,995
Changes in benefit terms	-	-	-
Differences between actual and expected experience with regard to economic or demographic factors	(3,665)	-	(3,665)
Changes in assumptions	(6,179)	-	(6,179)
Benefit payments	(9,193)	(9,193)	-
Contribution from employer	-	14,693	(14,693)
Net investment income	-	4,821	(4,821)
Administrative expense	-	(38)	38
Total changes	(2,421)	10,283	(12,704)
Balance as of June 30, 2020	$ 175,182	$ 88,020	$ 87,162

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)=(a)-(b)
Balance as of June 30, 2018	$ 170,798	$ 66,921	$ 103,877
Changes recognized for the measurement period:			
Service cost	4,329	-	4,329
Interest on the total OPEB liability	11,521	-	11,521
Changes in benefit terms	-	-	-
Differences between actual and expected experience with regard to economic or demographic factors	-	-	-
Changes in assumptions	-	-	-
Benefit payments	(9,045)	(9,045)	-
Contribution from employer	-	14,545	(14,545)
Net investment income	-	5,351	(5,351)
Administrative expense	-	(35)	35
Total changes	6,805	10,816	(4,011)
Balance as of June 30, 2019	$ 177,603	$ 77,737	$ 99,866

(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, 2020 and 2019 measurement dates 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
As of June 30, 2020, (measurement date)			
Net OPEB Liability	$108,704	$87,162	$69,206

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
As of June 30, 2019, (measurement date)			
Net OPEB Liability	$121,862	$99,866	$81,540

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

The following presents the Port's net OPEB liability as of the June 30, 2020 and 2019, measurement dates calculated using the current healthcare cost trend rates as well as what the Port's net OPEB liability would be if it were calculated using healthcare cost 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, 2020, (measurement date)			
Net OPEB Liability	$67,869	$87,162	$110,418

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2019, (measurement date)			
Net OPEB Liability	$78,773	$99,866	$125,351

(dollar amounts in thousands)

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

For the years ended June 30, 2020 and 2019, the Port recognized OPEB expense including amortization of deferred outflows/inflows related to OPEB items of $8,538 and $10,683, respectively. The Port reported deferred outflows/inflows of resources related to OPEB from the following sources at June 30:

	2020		2019	
	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	$ -	$ 652	$ -	$ 1,640
Differences between expected and actual experience	-	2,806	-	-
Changes of assumptions	-	4,732	-	-
OPEB contributions subsequent to the measurement date	14,145	-	14,894	-
	$ 14,145	$ 8,190	$ 14,894	$ 1,640

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 inflows of resources, will be amortized annually, and recognized as a reduction to OPEB expense, for the years ending June 30 as follows:

2021	$ (2,687)
2022	(2,687)
2023	(2,315)
2024	(501)
	$ (8,190)

11. 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.

Port payments to the City for these services are made upon presentation of supporting documentation and authorizations from the Board.

(dollar amounts in thousands)

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 $8,059 and $6,741 in the years ended June 30, 2020 and 2019, respectively, and are included in Operating Expenses. At June 30, 2020 and 2019, $7,980 and $6,937, 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, 2020, and 2019, the Port accrued approximately $1,262 and $962, respectively, of payments for General Services. Additionally, the Port accrued approximately $1,329 and $1,588 to reimburse the City for Lake Merritt Trust Services in fiscal years 2020 and 2019, 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.

Unearned Rent

In November 1994, the City entered into an agreement with the Port to partially fund the development of a project related to a lease at the Port. The lease required $5,145 in tenant improvements partially financed by $2,000 in deferred rent from the City's former Redevelopment Agency. The unearned rent is classified as unearned revenue. At June 30, 2020 and 2019, unearned rent was approximately $384 and $453, respectively. The amount classified as short-term unearned revenue at June 30, 2020 and 2019 was $70.

12. Commitments

Capital Program

As of June 30, 2020, the Port had construction commitments for the acquisition and construction of assets as follows:

Aviation	$	20,332
Maritime		486
Total	$	20,818

The most significant projects for which the Port has contractual commitments for construction are the Airport Perimeter Dike Improvements for $12,998, various terminal improvements including flooring replacement and removal and restoration of the moving walkways for $4,404, and equipment installation at two Maritime substations for $362.

(dollar amounts in thousands)

Power Purchases

The Port purchases electrical power for resale and self-consumption and currently has four power purchase agreements including East Bay Municipal Utility District (EBMUD), Western Area Power Administration (WAPA), Longroad Energy, and Northern California Power Agency (NCPA) with expiration dates greater than two years. Starting June 2020, the Port joined the NCPA Market Purchase Program (MPP) which enables NPCA to engage in forward power contract transactions to purchase energy and Renewable Energy Certificates (RECs) at the direction of the Port. Through the MPP, the Port reduces commodity costs due to the increased number of energy brokers contracted with NCPA, and purchasing in greater scale.

Counterparty	Contract Ending Year	Contract Structure	Estimated Annual Output	Estimated Annual Cost
EBMUD	2022	Take and Pay – (Pay contract price only if energy is received)	8,000 MWH	Approx. $584 with no Annual Escalator through 2017; Approx. $464 with no Annual Escalator from 2017-2022
WAPA	2024	Take or Pay – (Pay contract price without regard to energy received)	17,000 MWH	Approx. $800 (Changes annually depending on revenue requirement for power generation projects)
Longroad Energy	2027	Take and Pay – (Pay contract price only if energy is received)	1,200 MWH	Approx. $200 with Annual Escalator
NCPA	2041	Take and Pay – (Pay contract price only if energy is received)	11,300 MWH	Approx. $440 with no Annual Escalator

In addition to the aforementioned power purchase agreements, as of June 30, 2020, the Port held multiple forward power purchase contracts totaling approximately $1,350 with Powerex Corporation and Shell Energy North America. The forward power purchase contracts have various expiration dates through December 31, 2020.

(dollar amounts in thousands)

13. 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, 2020 and 2019, is as follows:

Obligating Event	2020 Liability, net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,198	$ -
Violated a pollution prevention-related permit or license	-	-
Identified as responsible to clean-up pollution	13,593	75
Named in a lawsuit to compel to cleanup	-	-
Begins or legally obligates to cleanup or post-cleanup activities	1,454	-
Total by Obligating Event	$ 16,245	$ 75

Obligating Event	2019 Liability, net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	$ 1,333	$ -
Violated a pollution prevention-related permit or license	-	-
Identified as responsible to clean-up pollution	13,939	179
Named in a lawsuit to compel to cleanup	-	-
Begins or legally obligates to cleanup or post-cleanup activities	1,806	-
Total by Obligating Event	$ 17,078	$ 179

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 measures 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 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.

Lease Terminal Loss Contingency

On February 1, 2016, Outer Harbor Terminal, LLC (formerly Ports America Outer Harbor Terminal, LLC) (OHT) filed for Chapter 11 bankruptcy protection. At that time OHT held a 50-year lease with the Port to operate at Berths 20-24, a month to month lease to operate Berth 25/26 (including crane maintenance), and a separate lease to operate and maintain cranes at Berths 20-24. On February 20, 2016, the Port reached a settlement agreement with OHT by which the Port would let OHT out of its lease obligations. This agreement was subsequently approved by the bankruptcy court. This event returned property to the Port that needed significant repairs and deferred maintenance. As of June 30, 2020, and 2019, the Port estimated the cost to complete significant repairs and deferred maintenance over the next few years is approximately $16,601 and $16,800, respectively.

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.

14. 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 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 2020 and 2019, 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.

(dollar amounts in thousands)

Workers' Compensation

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

Workers' compensation liability at June 30, 2017	$ 11,282
Current year changes in estimates	649
Claim payments	(1,270)
Workers' compensation liability at June 30, 2018	10,661
Current year changes in estimates	4,527
Claim payments	(2,004)
Workers' compensation liability at June 30, 2019	13,184
Current year changes in estimates	(3,059)
Claim payments	(1,263)
Workers' compensation liability at June 30, 2020	$ 8,862

The workers' compensation liability of $8,862 at June 30, 2020 is based upon an actuarial study performed as of June 30, 2020 that assumed a probability level of 80% and a discount rate of 0.0%. The workers' compensation liability balance of $13,184 at June 30, 2019 is based upon an actuarial study performed as of June 30, 2019 that assumed a probability level of 80% and a discount rate of 0.0%.

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 error and omission of consultants working on Port CIP projects. Consultants must meet minimum insurance requirements of $1,000 to $2,000. If minimum insurance is not provided or the consultants do not respond, the Port would be responsible for a $100 self-insured retention. There is no actuarial forecast for this coverage.

15. COVID-19 Impact on Port

In March 2020, the World Health Organization declared the outbreak of the coronavirus global pandemic. On March 13, 2020, President Trump declared a national state of emergency. The U.S. Department of State and the Centers for Disease Control and Prevention ("CDC"), as well as other governmental authorities, nations, and companies, issued travel restrictions and warnings for countries around the world, including the United States. The federal government and many states, counties, and cities, including in the Bay Area and California, have instituted social distancing guidelines and/or stay-at-home health orders, with certain exceptions and for various periods of time. These guidelines and orders have included avoiding discretionary travel, working or engaging in school from home, the cancellation of numerous events, avoiding social groups, and limitations on the operations of restaurants, bars, and other gathering establishments. These health orders have been modified on numerous occasions over the last eight months.

The outbreak of the COVID-19 pandemic and related restrictions and measures adopted to contain the spread of the virus have had, and continue to have, a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and Airport concessionaires, and have caused, and continue to cause, record-high unemployment and significant contraction of global and international economies, which has negatively affected Seaport shipping volumes and revenues. Although Port operations have continued largely uninterrupted throughout the pandemic due to the essential nature of its core businesses, the Port's operations, as well as the finances and operations of many of its tenants and operators, have been materially adversely affected by the impacts of the COVID-19 pandemic and the measures taken and imposed to counter it.

Of the Port's three revenue divisions, the Aviation division has been most severely impacted by the COVID-19 pandemic. Before air travel restrictions were put in place to slow the spread of COVID-19, the Airport averaged 155 passenger aircraft departures a day by 15 marketing airlines to 54 domestic and international destinations. As of October 2020, nine airlines collectively operated an average of 75 passenger aircraft departures to 31 destinations within California and across the United States and Mexico. This decline was due to passenger airlines reducing their schedules in response to lower consumer demand, including JetBlue Airways and American Airlines ceasing operations at the Airport entirely, in April 2020 and June 2020, respectively. Between March 2020 (when Alameda County shelter-in-place orders were first enacted) and June 2020, passenger enplanements declined by a total of 1.9 million relative to the same period in the prior year, resulting in a decrease in total enplanements for fiscal year 2020 of approximately 30.4% from fiscal year 2019. Passenger enplanements in the first quarter of fiscal year 2021 were 488,968, a decrease of 72.3% from the first quarter of fiscal year 2020. Passenger activity levels affect PFCs, concessions, rental car, parking, and ground transportation revenues, as well as long-term demand for Airport facilities, airlines' cost per enplanement, and the financial condition of Aviation tenants, and therefore of the Port. Multiple Airport tenants have requested rent concessions or abatements since the onset of the COVID-19 pandemic. The Port agreed to grant three-month rent deferrals to certain tenants, to allow certain food and beverage and retail concessions to close or reduce operating hours, and to waive the obligation to pay Minimum Annual Guarantees ("MAGs") for certain concessions from May 2020 through the end of fiscal year 2021.

Passenger activity at the Airport is projected to ramp up gradually from the low observed in April 2020 as shelter-in-place health order restrictions are loosened or rescinded, and demand for air

COVID-19 Impact on Port (continued)

travel increases. The Airport is expecting an increase in scheduled service and passenger activity due to the resumption of service to Hawaii beginning November 2020. Total passenger activity growth remains uncertain as airlines will continue to adjust their schedules to match overall market demand.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law on March 27, 2020 and includes $10 billion to be awarded to impacted airports. A portion of the CARES Act funding will be used to eliminate the 20% local matching requirements to qualify for 2020 federal Airport Improvement Program ("AIP") grants. The remainder may be applied to any eligible airport expenses (both operating and non-operating, including debt service payments) that would otherwise be funded with airport revenues. The Airport has been allocated $44.7 million of CARES Act grant funding and plans to apply the majority of the CARES Act grant to pay for aviation-related debt service over the next three fiscal years (fiscal years 2021–2023), and the remainder to pay for aviation related operating expenses in fiscal year 2021. Actual application of CARES Act funds is subject to change based on changing needs at the Airport.

The COVID-19 pandemic has also impacted several Commercial Real Estate tenants' ability to operate their businesses. The shelter-in-place order issued March 2020 initially limited many restaurants, including the six restaurants located on Commercial Real Estate properties, to take-out or delivery services. While restaurants were able to offer on-premise dining starting June 19, 2020, only outdoor dining was initially permitted. Beginning October 26, 2020, indoor dining is allowed at reduced occupancy. In July 2020, the Board authorized a Rent Relief Program for the six direct restaurant tenants of the Port managed by the Commercial Real Estate Division, which includes the equivalent of three months of rent abatement for April-June of 2020 and a rent deferral program for the entirety of fiscal year 2021, which equates to a reduction of approximately 75% of the minimum monthly rent for these restaurants for the fiscal year, but with all deferred rents owed for the following two fiscal years, paid in equal monthly installments in addition to regular contract rent. Commercial Real Estate's revenues are expected to decrease in fiscal year 2021 as the number of visitors frequenting Port-owned public parking facilities in Jack London Square, will continue to be reduced due to the cancellation of all public festivals and waterfront celebration events that are typically scheduled during the summer and fall months in Jack London Square.

The global fight to contain the spread of COVID-19 has disrupted global demand for goods, impacted manufacturing supply chains, and limited the overall movement of marine cargo and the number of vessel calls around the world. The Seaport observed declines in loaded container volume in May and June 2020 due to impacts of the COVID-19 pandemic on global shipping, however, increases in loaded container volume in August and September 2020 have recovered most of those losses. Because a large portion of Maritime revenue is fixed with the potential for additional variable revenue above pre-determined MAGs, Maritime revenues have not been impacted to date. At present, none of the marine terminals or other major, long-term lessees (i.e., lessees with leases of more than one year) have requested rent relief, and the Port does not currently anticipate requests for rent relief from marine terminal operators. The Port has not granted requests for maritime-related rent relief but has offered to reduce leasehold area as an indirect way to reduce rent and also to free up space for potential new or expanding tenants; while some short-term tenants expanded and some shrunk their leaseholds in the last three months of fiscal year 2020, there was no clear indication that these changes are out of the norm and or directly related to the COVID-19 pandemic.

PORT OF OAKLAND

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

This page left intentionally blank.

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	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	23.84%	24.20%	24.80%	25.00%	25.00%	24.86%
Covered payroll (measurement period)	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093	$ 48,524
Proportionate share of net pension liability	$ 215,522	$ 203,202	$ 219,306	$ 200,186	$ 172,915	$ 160,287
Proportionate share of net pension liability as a percentage of covered payroll	370.92%	370.72%	405.27%	374.88%	345.19%	330.33%
Plan fiduciary net position as a percentage of total pension liability	68.44%	69.17%	66.90%	67.34%	71.01%	72.55%

Notes:

*Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year ended June 30, 2015 was the first year of implementation. Future years' information, up to ten years, will be displayed as information becomes available.

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:
Fiscal year 2015 - 7.5%, net of administrative expenses
Fiscal year 2016 through 2017 - 7.65%, without reduction for pension plan administrative expenses.
Fiscal year 2018 through 2020 - 7.15%

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	2020	2019	2018	2017	2016	2015
Actuarially determined contribution (ADC)	$ 24,588	$ 21,832	$ 19,253	$ 18,906	$ 15,989	$ 14,735
Contributions in relation to the ADC	(24,588)	(21,832)	(19,253)	(18,906)	(15,989)	(14,735)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll (for the fiscal year)	$ 61,374	$ 58,104	$ 54,813	$ 54,114	$ 53,400	$ 50,093
Contributions as a percentage of covered payroll	40.06%	37.57%	35.12%	34.94%	29.94%	29.42%

Notes:

*Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year ended June 30, 2015 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 each fiscal year was established by an actuarial valuation report for the fiscal years as follows:

ADC for fiscal year	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarial valuation date	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 2019-2016 the market value of assets was used. In fiscal year 2015 the actuarial value of assets was used.
Inflation	In fiscal year 2020, 2.625% compounded annually. In fiscal years 2015-2019, 2.75% compounded annually.
Salary increases	Varies by entry age and services
Payroll growth	In fiscal year 2020, 2.875% compounded annually. In fiscal years 2015 - 2019, 3% compounded annually.
Investment Rate of return	In fiscal year 2020, 7.375%, net of administrative expenses, including inflation. In fiscal year 2019, 7.35%, net of administrative expenses, including inflation. In fiscal year 2018 through 2015, 7.50%, net of administrative expenses, including inflation.
Retirement age	In fiscal year 2019 through 2017, the probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011. In fiscal year 2016 and 2015, the probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007.
Mortality	In fiscal year 2020, post-retirement mortality rates included 15 years of projected ongoing mortality improvement 90% of Sacale MP 2016 published by the Society of Actuaries. In fiscal year 2019 through 2017, the probabilities of retirement are based on the 2014 CalPERS Experience Study for the period 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. In fiscal year 2016 and 2015, the probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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	2019	2018	2017
Total OPEB Liability			
Service cost	$ 4,621	$ 4,329	$ 4,055
Interest on the total OPEB liability	11,995	11,521	11,089
Actual and expected experience difference	(3,665)	-	-
Changes in assumptions	(6,179)	-	-
Changes in benefit terms	-	-	-
Benefit payments	(9,193)	(9,045)	(9,000)
Net change in total OPEB liability	(2,421)	6,805	6,144
Total OPEB liability - beginning	177,603	170,798	164,654
Total OPEB liability - ending (a)	$ 175,182	$ 177,603	$ 170,798
Plan Fiduciary Net Position			
Contributions - employer	$ 14,693	$ 14,542	$ 15,400
Net investment income	4,821	5,351	5,773
Benefits payments	(9,193)	(9,045)	(9,000)
Administrative expense	(38)	(35)	(22)
Net change in plan fiduciary net position	10,283	10,816	12,151
Plan fiduciary net position - beginning	77,737	66,921	54,770
Plan fiduciary net position - ending (b)	$ 88,020	$ 77,737	$ 66,921
Net OPEB liability - ending (a) - (b)	$ 87,162	$ 99,866	$ 103,877
Plan fiduciary net position as a percentage of the total OPEB liability	50.24%	43.77%	39.18%
Covered-employee payroll (for the measurement period)	$ 63,359	$ 61,326	$ 58,516
Net OPEB liability as a percentage of covered-employee payroll	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.

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)

	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 12,149	$ 13,310	$ $ 13,203
Contribution in relation to the ADC	(14,145)	(14,894)	(14,732)
Contribution deficiency/(excess)	$ (1,996)	$ (1,584)	$ $ (1,529)
Covered-employee payroll (for the fiscal year)	$ 66,473	$ 63,359	$ 61,326
Contributions as a percentage of covered-employee payroll	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	6/30/2019	6/30/2018	6/30/2017
Actuarial valuation date	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	2.50%
Payroll Growth	CalPERS salary scale for Miscellaneous employees hired at age 30
Investment Rate of Return	6.75% net of investment expense
Healthcare Cost-Trend Rates	For fiscal year 2020, 3.25%-6.00% per year increase for medical, 3.0% per year increase for vision and dental, and 4.25%-6.00% per year increase for Medicare Part B. For Fiscal year 2019 and 2018, 3.50-6.25% per year increase for medical, 4.0% per year increase for vision and dental, and 0.0%-5.5% per year increase for Medicare Part B
Retirement Age and Mortality	For fiscal year 2020, based upon the CalPERs valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP-2016. For fiscal year 2019-2018, based upon the CalPERs valuation experience study. CalPERs mortality rates include 15 years of projected on-going improvement using 90 percent of Scale MP-2016.

OTHER SUPPLEMENTARY INFORMATION

This page left intentionally blank.

Port of Oakland

(A Component Unit of the City of Oakland)
Supplementary Information - Schedule of Revenues and Expenses by Business Line
For the years ended June 30, 2020 and 2019
(dollar amounts in thousands)

	2020				2019			
	Aviation	Maritime	Commercial Real Estate	Total	Aviation	Maritime	Commercial Real Estate	Total
Operating revenues:								
Lease rentals - terminal	$ 64,581	$ 122,672	$ -	$ 187,253	$ 63,373	$ 120,550	$ -	$ 183,923
Lease rentals - other	33,505	26,309	13,468	73,281	31,614	23,963	14,343	69,920
Parking fees and ground access	41,442	7,745	2,062	51,249	56,231	8,046	2,800	67,077
Landing fees	31,334	-	-	31,334	36,849	-	-	36,849
Terminal concessions	7,057	-	-	7,057	9,930	-	-	9,930
Utility sales	3,489	13,107	102	16,698	4,120	14,384	102	18,606
Rail terminal rent	-	2,492	-	2,492	-	3,979	-	3,979
Fueling	2,313	-	-	2,313	2,582	-	-	2,582
Other	2,868	415	954	4,238	3,323	54	754	4,131
Total operating revenues	186,589	172,740	16,586	375,915	208,022	170,976	17,999	396,997
Operating expenses:								
Personnel services, materials, services supplies, and other	54,628	16,660	4,910	76,198	54,292	15,187	5,467	74,946
Maintenance and engineering	35,713	31,251	756	67,720	37,428	28,548	750	66,726
Marketing and public relations	4,002	1,479	433	5,914	4,203	1,469	685	6,357
Administration and general services	10,685	7,078	2,836	20,599	10,485	6,946	2,412	19,843
Utilities	5,471	7,189	569	13,229	5,354	6,038	495	11,887
Security, police and fire	34,569	1,933	1,217	37,719	33,581	1,569	1,123	36,273
Depreciation	56,019	55,300	2,664	113,983	56,577	55,934	2,410	114,921
Total operating expenses	201,087	120,890	13,385	335,362	201,920	115,691	13,342	330,953
Operating income/(loss)	(14,498)	51,850	3,201	40,553	6,102	55,285	4,657	66,044
Non-operating revenues (expenses):								
Interest income	4,764	5,361	888	11,013	1,432	10,632	1,299	13,363
Interest expense	(5,331)	(28,564)	(267)	(34,162)	(6,375)	(29,879)	(350)	(36,604)
Customer facility charges revenue	3,890	-	-	3,890	5,421	-	-	5,421
Customer facility charges expenses	(4,741)	-	-	(4,741)	(5,440)	-	-	(5,440)
Passenger facility charges	16,285	-	-	16,285	25,819	-	-	25,819
Other income	800	9,609	1,786	12,195	246	2,511	18	2,775
Other expense	(1,814)	(1,617)	(132)	(3,563)	(884)	(4,976)	(193)	(6,053)
Grant income	-	-	-	-	203	251	-	454
Grant expenses	-	-	-	-	(203)	(251)	-	(454)
Loss on disposal of capital assets	(250)	(2,361)	(5)	(2,616)	(10,864)	-	-	(10,864)
Total non-operating revenues (expenses), net	13,603	(17,572)	2,270	(1,699)	9,355	(21,712)	774	(11,583)
Increase/(decrease) in net position before capital contributions	(895)	34,278	5,471	38,854	15,457	33,573	5,431	54,461
Capital contributions - Grants from government agencies	5,410	1,967	-	7,377	8,238	-	-	8,238
Increase in net position	$ 4,515	$ 36,245	$ 5,471	$ 46,231	$ 23,695	$ 33,573	$ 5,431	$ 62,699

This page left intentionally blank.

PORT OF OAKLAND

STATISTICAL SECTION
(Unaudited)

This page left intentionally blank.

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

Statistical Section

This part of the comprehensive annual 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**

Port of Oakland

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

	2020	2019	2018 (1)	2017	2016	2015 (2)	2014	2013	2012	2011 (3)
Net position:										
Net investment in capital assets	$ 1,169,486	$ 1,155,256	$ 1,155,086	$ 1,106,547	$ 1,097,049	$ 1,053,882	$ 986,959	$ 944,974	$ 882,351	$ 869,014
Restricted	6,275	9,035	10,457	22,392	14,840	12,066	10,072	14,178	20,553	17,187
Unrestricted	134,156	99,395	35,444	72,797	30,657	(26,190)	113,160	69,267	39,430	19,774
Total net position	$ 1,309,917	$ 1,263,686	$ 1,200,987	$ 1,201,736	$ 1,142,546	$ 1,039,758	$ 1,110,191	$ 1,028,419	$ 942,334	$ 905,975

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 $20,989 due to the adoption of GASB 65.

Port of Oakland

(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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues:										
Aviation	$ 186,589	$ 208,022	$ 204,293	$ 190,657	$ 173,067	$ 162,135	$ 157,220	$ 150,871	$ 140,309	$ 135,173
Maritime	172,740	170,976	159,458	151,377	148,772	158,684	152,657	151,869	152,988	151,854
Commercial real estate	16,586	17,999	17,260	16,673	16,198	15,768	13,163	12,778	12,841	10,956
Total operating revenues	375,915	396,997	381,011	358,707	338,037	336,587	323,040	315,518	306,138	297,983
Operating expenses:										
Aviation	201,087	201,920	193,377	176,591	165,344	161,489	153,989	150,461	152,064	152,086
Maritime	120,890	115,691	111,365	106,302	107,135	100,609	96,605	87,683	85,156	83,383
Commercial real estate	13,385	13,342	12,835	12,148	12,755	13,324	12,991	11,713	11,590	11,349
Total operating expenses (1)	335,362	330,953	317,577	295,041	285,234	275,422	263,585	249,857	248,810	246,818
Operating income	40,553	66,044	63,434	63,666	52,803	61,165	59,455	65,661	57,328	51,165
Non-operating revenues (expenses):										
Interest income	11,013	13,363	5,109	2,713	2,149	1,783	1,373	1,095	1,755	2,876
Interest expense	(34,162)	(36,604)	(39,695)	(47,695)	(49,889)	(51,636)	(53,977)	(59,598)	(66,798) (5)	(70,714)
Customer facility charges revenue	3,890	5,421	5,525	6,010	5,939	6,253	5,625	5,387	5,184	4,764
Customer facility charges expenses (2)	(4,741)	(5,440)	(4,678)	(4,531)	(4,307)	(4,137)	(4,219)	-	-	-
Passenger facility charges	16,285	25,819	25,903	24,520	22,929	21,478	19,698	19,924	19,758	19,106
Grant income	-	454	324	1,001	1,419	3,874	-	-	-	-
Grant expenses	-	(454)	(324)	(1,001)	(1,419)	(3,874)	-	-	-	-
Other income (expenses)	8,632	(3,278)	(22,009)	(1,844)	3,744	3,176	(2,727)	3,668	(1,809)	1,438
Gain on lease termination	-	-	-	5,526	35,200	-	-	-	-	-
Gain (loss) on disposal of capital assets	(2,616)	(10,864)	(5)	(2,869)	(629)	84	(3,791)	12,052	(2,276)	-
Total net non-operating revenues (expenses)	(1,699)	(11,583)	(29,850)	(18,170)	15,136	(22,999)	(38,018)	(17,472)	(44,186)	(42,530)
Change in net position before capital contributions	38,854	54,461	33,584	45,496	67,939	38,166	21,437	48,189	13,142	8,635
Capital contributions:										
Grants from government agencies	7,377	8,238	50,172	13,694	34,849	73,725	60,335	37,896	23,217	27,343
Total capital contributions	7,377	8,238	50,172	13,694	34,849	73,725	60,335	37,896	23,217	27,343
Change in net position	46,231	62,699	83,756	59,190	102,788	111,891	81,772	86,085	36,359	35,978
Net position, beginning of the year	1,263,686	1,200,987	1,117,231 (3)	1,142,546	1,039,758	927,867 (4)	1,028,419	942,334	905,975	869,997
Net position, end of the year	$ 1,309,917	$ 1,263,686	$ 1,200,987	$ 1,201,736	$ 1,142,546	$ 1,039,758	$ 1,110,191	$ 1,028,419	$ 942,334	$ 905,975

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) Interest expense was increased by $964 in fiscal year 2011 and decreased by $1,088 in fiscal year 2012 due to the adoption of GASB 65.

(6) The beginning net position balance in fiscal year 2011 decreased $20,989 due to the adoption of GASB 65.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Aviation revenues:										
Terminal rental [1]	$ 60,891	$ 59,705	$ 56,064	$ 47,555	$ 41,719	$ 36,194	$ 35,657	$ 31,232	$ 26,501	$ 27,364
Landing fees (excludes cargo airlines)	18,443	23,441	25,724	23,492	19,876	20,136	19,903	19,902	19,700	19,626
Total airline revenues	79,334	83,146	81,788	71,047	61,595	56,330	55,560	51,134	46,201	46,990
Concession [3] [4]	7,056	9,930	22,775	24,563	23,408	22,019	20,845	20,104	19,372	19,128
Parking and ground access [3]	41,442	56,231	43,400	40,867	36,826	33,349	31,848	30,548	29,252	28,813
Lease rentals	33,505	31,614	30,790	30,505	29,836	28,572	26,635	26,779	24,272	20,707
Landing fees--cargo airlines	11,058	11,512	11,277	9,770	9,333	9,647	9,449	8,860	8,640	8,673
Aviation fueling	2,313	2,582	2,414	2,422	2,335	2,940	3,914	3,918	3,984	3,561
Utility sales	3,489	4,120	4,301	4,359	4,257	4,201	4,212	5,324	3,846	4,427
Other [2] [4]	8,392	8,887	7,548	7,124	5,475	5,077	4,758	4,205	4,740	2,873
Total revenues	$ 186,589	$ 208,022	$ 204,293	$ 190,657	$ 173,065	$ 162,135	$ 157,221	$ 150,872	$ 140,307	$ 135,172
Enplaned passengers	4,736	6,808	6,677	6,296	5,812	5,374	4,950	4,973	4,826	4,688
Airline revenue per enplaned passenger	$ 16.75	$ 12.21	$ 12.25	$ 11.28	$ 10.60	$ 10.48	$ 11.22	$ 10.28	$ 9.57	$ 10.02

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 revenue.
(3) Beginning in fiscal year 2019, Car Rental revenue is recorded with Parking & 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PASSENGERS										
Enplaned	4,735,801	6,807,835	6,676,712	6,296,349	5,812,058	5,374,187	4,949,628	4,973,107	4,825,802	4,687,878
Deplaned	4,757,836	6,807,936	6,680,091	6,297,022	5,802,787	5,380,369	4,940,643	4,977,749	4,817,753	4,679,699
Total	9,493,637	13,615,771	13,356,803	12,593,371	11,614,845	10,754,556	9,890,271	9,950,856	9,643,555	9,367,577
FREIGHT (in 000 lb)										
Inbound	624,894	654,577	651,641	582,548	575,796	581,482	563,601	529,605	532,724	536,601
Outbound	610,244	662,614	658,541	592,279	605,329	594,450	571,474	543,928	552,475	568,082
Total	1,235,138	1,317,191	1,310,182	1,174,827	1,181,125	1,175,932	1,135,075	1,073,533	1,085,199	1,104,683
TOTAL AIR CARGO (in 000 lb) (Freight & mail)	1,246,477	1,329,820	1,320,948	1,183,119	1,190,372	1,188,335	1,147,454	1,087,140	1,104,388	1,124,605
LANDED WEIGHT (in 000 lb) (1)										
Passenger carriers	6,026,349	7,746,063	7,833,331	7,347,655	6,670,725	6,247,035	5,946,026	6,090,830	6,076,945	5,957,187
Cargo carriers	3,646,975	3,651,806	3,519,152	3,136,160	3,173,690	2,978,823	2,832,982	2,691,589	2,634,870	2,624,269
Total	9,673,324	11,397,869	11,352,483	10,483,815	9,844,415	9,225,858	8,779,008	8,782,419	8,711,815	8,581,456
AIRCRAFT MOVEMENTS	77,220	121,631	120,518	112,763	112,037	104,592	100,384	102,470	107,652	106,260
PARKING										
Number of stalls (2)	6,907	6,805	6,895	6,898	6,898	6,878	6,621	6,516	6,516	6,950
Average revenue per stall	$3,230	$4,797	$4,883	$4,856	$4,544	$4,203	$4,016	$3,900	$3,688	$3,391

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 2020 and Fiscal Year 2011
(dollar amounts in thousands)

Fiscal Year 2020	Revenue	Percent of Total Aviation Revenue	Fiscal Year 2011	Revenue	Percent of Total Aviation Revenue
Southwest Airlines	$ 55,804	29.9%	Southwest Airlines	$ 32,635	24.1%
On-Airport Public Parking (1)	22,307	12.0%	On-Airport Public Parking (2)	28,240	20.9%
Federal Express Corp.	21,224	11.4%	Federal Express Corp.	12,402	9.2%
Signature Flight Support Acquisition Co. LLC	7,640	4.1%	Avis Rent-A-Car Systems, Inc.	5,558	4.1%
Alaska Airlines	6,207	3.3%	Hertz Corporation	4,741	3.5%
United Parcel Service	5,424	2.9%	HMS Host Corp.	4,641	3.4%
Enterprise Rent-A-Car	5,421	2.9%	United Parcel Service	3,314	2.5%
Avis Budget Group, Inc.	5,077	2.7%	Alaska Airlines	3,130	2.3%
Hertz Corporation	4,280	2.3%	DTG Operations Inc.	3,097	2.3%
Spirit Airlines	3,694	2.0%	Jet Blue Airways	3,066	2.3%

Notes:
(1) Operated by LAZ Parking, beginning December 1, 2012
(2) Operated by Five Star Parking.

Port of Oakland

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

Rates & Charges for Period:[1]	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Landing Fees (per 1,000 lbs. MGLW) [2]										
Basic Landing Rate	$ 3.02	$ 3.14	$ 3.19	$ 3.13	$ 2.94	$ 3.24	$ 3.33	$ 3.29	$ 3.27	$ 3.30
Terminal Space Rental (per square foot per year)										
Type1 - Ticket Counter	$ 387.88	$ 354.12	$ 335.77	$ 299.90	$ 268.00	$ 241.62	$ 242.93	$ 211.56	$ 176.26	$ 176.81
Type2 - Office Space	349.08	318.71	302.20	269.91	241.20	217.46	218.64	190.40	158.63	159.13
Type3 - Baggage Space [3]	310.30	283.30	268.62	239.92	214.40	193.30	194.34	169.24	141.00	141.45
Type4 - Baggage Make-Up	271.51	247.88	235.04	209.93	187.60	169.13	170.06	148.10	123.39	123.77
Type5 - Ticket Counter (Others)	193.93	177.06	167.89	149.95	134.00	120.81	121.47	105.78	88.13	88.41
Type6 - Office Space (Others)	174.54	159.35	151.09	134.96	120.60	108.73	109.32	95.21	79.32	79.56
Type7 - Baggage Make-Up (Others)	135.76	123.84	117.52	104.97	93.80	84.57	85.03	74.05	61.69	61.88
Primary Holdroom, Loading Bridge Rental (per holdroom per month)										
Holdroom, Loading Bridge	$ 72,009	$ 65,005	$ 61,651	$ 56,491	$ 54,479	$ 46,794	$ 46,835	$ 41,907	$ 36,080	$ 36,006

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)

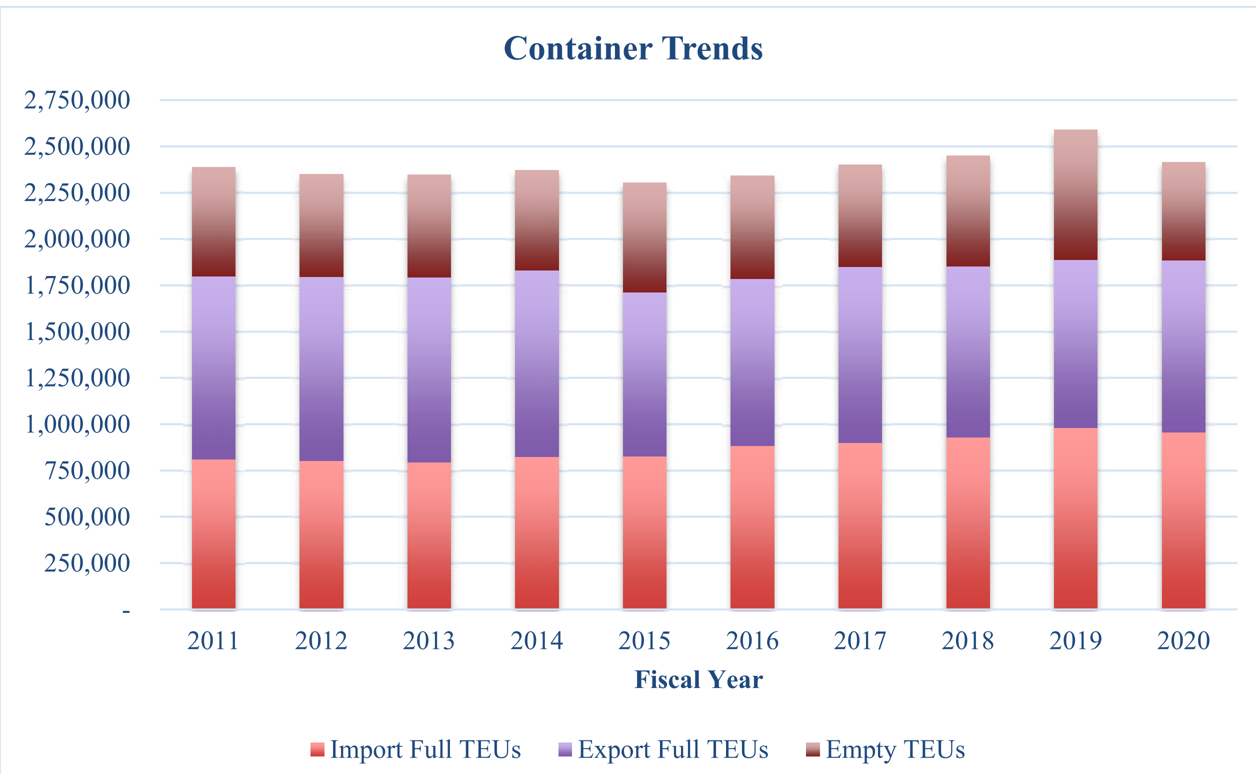
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Maritime revenues:										
Lease rentals - terminal	$ 122,672	$ 120,550	$ 112,526	$ 108,710	$ 113,864	$ 133,689	$ 134,845	$ 139,415	$ 140,777	$ 138,964
Lease rentals - other	26,309	23,963	25,198	23,260	17,335	12,984	8,665	6,518	5,726	5,771
Parking fees [2]	7,745	8,046	7,422	6,916	6,137	-	-	-	-	-
Rail terminal rent [3]	2,492	3,979	3,173	3,065	-	-	-	-	-	-
Other revenues	415	54	150	(315)	1,443	2,571	3,313	1,921	2,203	2,881
Utility sales	13,107	14,384	10,989	9,741	9,993	9,440	5,834	4,015	4,282	4,238
	$ 172,740	$ 170,976	$ 159,458	$ 151,377	$ 148,772	$ 158,684	$ 152,657	$ 151,869	$ 152,988	$ 151,854
Full TEUs	1,885,279 [1]	1,888,331	1,852,212	1,850,296	1,784,387	1,713,809	1,832,559	1,793,749	1,796,849	1,798,960
Maritime revenue per Full TEU	$ 91.63	$ 90.54	$ 86.09	$ 81.81	$ 83.37	$ 92.59	$ 83.30	$ 84.67	$ 85.14	$ 84.41

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 2018, rail terminal rent was reported as other revenue.

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
2020	955,396	51%	929,884	49%	1,885,280 (2)	528,361	2,413,641
2019	979,553	52%	908,778	48%	1,888,331	701,367	2,589,698
2018	929,837	50%	922,375	50%	1,852,212	596,252	2,448,464
2017	898,674	49%	951,622	51%	1,850,296	550,698	2,400,994
2016	884,186	50%	900,201	50%	1,784,387	558,294	2,342,681
2015	827,141	48%	886,668 (1)	52%	1,713,809	590,736	2,304,545
2014	824,310	45%	1,008,249	55%	1,832,559	538,146	2,370,705
2013	794,511	44%	999,238	56%	1,793,749	554,155	2,347,904
2012	802,914	45%	993,935	55%	1,796,849	553,103	2,349,952
2011	811,096	45%	987,864	55%	1,798,960	587,077	2,386,037



Notes:
(1) Decrease in full container exports was driven by a strengthening U.S. dollar, impacts of the drought on California agriculture, and cargo diverted from the west coast during labor disruptions.
(2) Subject to change pending completion of 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 2020 and Fiscal Year 2011

Fiscal Year 2020	Fiscal Year 2011
BNSF Railway Company	AMPCO-Truck Parking
ConGlobal Industries	Burlington Northern/Santa Fe (OIG)
Everport Terminal Services, Inc.	Eagle Marine Services
GSC Logistics, Inc.	Evergreen Marine Corp (Taiwan) Ltd.
Impact Transportation	International Transportation Service
Pacific Coast Container, Inc.	Ports America outer Harbor Terminal, LLC
Shippers Transport Express, Inc.	Shipper's Transport Express
SSA Terminals, LLC and SSA Terminals (Oakland), LLC (combined)	SSA Terminals, LLC
TraPac, Inc.	Total Terminals International
Truck Parking (1)	Trans Pacific Container Service Corporation

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 Ampco System Parking, Inc.

Port of Oakland

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

	2020	2019	2018	2017	2016 [7]	2015 [7]	2014	2013	2012	2011
Operating Revenues	$ 375,915	$ 396,997	$ 381,011	$ 358,707	$ 338,037	$ 336,587	$ 323,040	$ 315,518	$ 306,138	$ 297,983
Operating Expenses	335,362	330,953	317,577	295,041	285,234	275,422	263,585	249,857	248,810	246,818
Less: Depreciation Expense	(113,983)	(114,921)	(112,032)	(106,255)	(104,077)	(101,759)	(99,259)	(98,234)	(98,032)	(98,816)
Less: CFC and Grant Reimbursed Operating Expense [1]	-	-	-	-	-	-	(736)	(5,197)	(4,217)	(3,724)
Adjusted Operating Expenses	221,379	216,032	205,545	188,786	181,157	173,663	163,590	146,426	146,561	144,278
Adjusted Operating Income	154,536	180,965	175,466	169,921	156,880	162,924	159,450	169,092	159,577	153,705
Gross Interest Earned [2]	11,014	13,363	5,109	2,713	2,149	1,783	1,373	1,095	1,755	1,865
Less: Interest Earned on PFC and CFC Funds	(248)	(224)	(153)	(82)	(47)	(42)	(54)	(59)	(78)	(68)
Adjusted Interested Income	10,766	13,139	4,956	2,631	2,102	1,741	1,319	1,036	1,677	1,797
Net Pledged Revenues Available for Debt Service	$ 165,302	$ 194,104	$ 180,422	$ 172,552	$ 158,982	$ 164,665	$ 160,769	$ 170,128	$ 161,254	$ 155,502
Debt Service										
Senior Bonds [3]	$ 47,184	$ 46,133	$ 45,293	$ 44,365	$ 48,193	$ 50,150	$ 48,069	$ 68,263	$ 69,173	$ 66,641
Senior Bonds, DBW Loan, and Intermediate Bonds	93,160	93,188	98,902	99,454	98,880	98,197	98,191	107,268	108,175	105,645
Debt Service Coverage Ratio										
Senior Lien [4]	3.50	4.21	3.98	3.89	3.30	3.28	3.34	2.49	2.33	2.33
Intermediate Lien [5] [6]	1.77	2.08	1.82	1.73	1.61	1.68	1.64	1.59	1.50	1.47

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 2014 and 2015 operating expenses have been restated to conform with fiscal year 2016 presentation. The Debt Service Coverage Ratios in fiscal year 2014 and 2015 do not change.

(2) Starting in fiscal year 2011, the amortization of bond premium is no longer included in Gross Interest Earned.

(3) Senior Bonds Debt Service is less capitalized interest.

(4) Senior Lien Debt Service Coverage Ratio is calculated by dividing Net Pledged Revenues Available for Debt Service by Senior Bonds Debt Service.

(5) 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.

(6) Intermediate Lien Debt Service Coverage Ratio include the following:

- In fiscal year 2010, debt service was reduced $9.5 million due to the release of funds from Series F, Series K, Series L and Series N bond reserves funds.
- In fiscal year 2012, $0.6 million of Series M unspent bond proceeds were applied to the debt service payment.

(7) 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.

Port of Oakland

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Service										
Senior Revenue Bonds [1]										
Aviation	$ 4,938	$ 4,859	$ 4,785	$ 4,712	$ 4,988	$ 5,718	$ 6,550	$ 13,014	$ 13,206	$ 12,551
Maritime [3]	42,245	41,272	40,506	39,651	43,203	44,430	41,517	55,242	55,960	54,085
Commercial Real Estate	2	2	2	2	2	2	2	7	7	5
Total Senior Revenue Bonds Debt Service	47,185	46,133	45,293	44,365	48,193	50,150	48,069	68,263	69,173	66,641
Department of Boating & Waterways										
Commercial Real Estate	457	457	457	457	457	457	457	457	457	457
Intermediate Revenue Bonds										
Aviation	17,524	19,240	21,506	21,520	18,844	12,924	13,304	12,018	12,033	8,867
Maritime	24,783	23,745	27,674	29,183	28,018	32,894	34,568	25,289	25,271	29,128
Commercial Real Estate	3,211	3,613	3,972	3,928	3,367	1,771	1,792	1,241	1,241	552
Total Intermediate Revenue Bonds Debt Service	45,518	46,598	53,152	54,631	50,229	47,589	49,664	38,548	38,545	38,547
Commercial Paper										
Aviation	19,908 [4]	17,926 [4]	1,601	296	42	23	189	41	40	68
Maritime	4,421	4,638	3,534	4,317	4,103	3,069	897	115	116	165
Commercial Real Estate	-	-	-	-	-	-	-	-	3	-
Total Commercial Paper Debt Service [2]	24,329	22,564	5,135	4,613	4,145	3,092	1,086	156	159	233
Debt Service by Division										
Aviation	42,370	42,025	27,892	26,528	23,874	18,665	20,043	25,073	25,279	21,486
Maritime	71,449	69,655	71,714	73,151	75,324	80,393	76,982	80,646	81,347	83,378
Commercial Real Estate	3,670	4,072	4,431	4,387	3,826	2,230	2,251	1,705	1,708	1,014
Total Debt Service	$ 117,489	$ 115,752	$ 104,037	$ 104,066	$ 103,024	$ 101,288	$ 99,276	$ 107,424	$ 108,334	$ 105,878
Aviation Debt Service per Enplaned Passenger										
Enplaned passengers (in 000's)	4,736	6,807	6,677	6,296	5,812	5,374	4,950	4,973	4,826	4,688
Aviation Debt Service per Enplaned Passenger (not in 000's)	$ 8.95	$ 6.17	$ 4.18	$ 4.21	$ 4.11	$ 3.47	$ 4.05	$ 5.04	$ 5.24	$ 4.58

Notes:
(1) Senior Revenue Bond debt service is less capitalized interest.
(2) Includes principal payments of $1 million in 2014, $3 million in 2015, and $4 million in 2016 , 2017, and 2018, $20.9 million in 2019, and $23.4 million in 2020.
(3) Beginning in 2015, Maritime debt service on Senior Revenue Bonds includes the payment of accrued interest on bond defeasance transactions.
(4) In 2020 and 2019 Aviation commercial paper debt service includes $16.8 million and $15.5 million, respectively, of payments funded with PFC revenue.

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
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
2013	762,025	460,681	5,357	78,398	1,306,461
2012 (1)	803,761	478,977	5,564	87,268	1,375,570
2011	834,230	479,850	5,762	87,268	1,407,110

Note:

(1) Starting in fiscal year 2012, amounts include bond discount/premium.

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)]
2020	433,697	42,827,015	99,424	49,588	15.7
2019	430,753	42,827,015	99,424	50,202	3.4
2018	429,145	42,827,015	99,424	50,231	3.5
2017	428,165	39,755,032	92,638	49,760	4.2
2016	425,115	37,186,935	86,852	49,098	4.9
2015	419,571	35,117,883	82,608	48,077	5.9
2014	414,091	32,022,935	76,323	47,194	7.2
2013	409,200	29,495,838	71,230	46,486	8.9
2012	399,927	28,813,140	70,413	46,472	10.7
2011	394,694	26,206,735	65,529	46,584	12.3

Source:
(1) California Department of Finance. Population figures for 2011 through 2019 have been updated to reflecttotals at calendar year end.
(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 are not yet available for 2019 and 2020 are not yet available; 2018 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 Statistial Area. Data are not yet available for 2019 and 2020 are not yet available; 2018 data are reported for these years insteads.
(4) California Department of Education. School enrollment amounts have been updted from prior years based on this data source.
(5) California Employment Development Department. Annual data are not yet available for 2020, but June 2020 data are reported above. Prior year data have been updated based on annual unemployment rates.

Port of Oakland

(A Component Unit of the City of Oakland)
Principal Employers in the City of Oakland - FY 2020 vs FY 2011

	2020			2011		
Employer	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Kaiser Fondation Health Plan, Hospitals, and Kaiser Permanente Medical Group	12,500	1	6.9%	N/A		
County of Alameda	8,000	2	4.4%	9,611	1	5.4%
Oakland Unified School District	5,000	3	2.8%	5,570	2	3.1%
City of Oakland	4,500	4	2.5%	4,073	5	2.3%
San Francisco Bart District	4,000	5	2.2%	N/A		
State of California	3,500	6	1.9%	N/A		
Children's Hospital & Research Center	2,500	7	1.4%	2,070	9	1.2%
Southwest Airlines Co.	2,500	8	1.4%	N/A		
Alameda County Medical Center	2,000	9	1.1%	N/A		
Sutter Bay Hospitals and Foundation	2,000	10	1.1%	N/A		
Peralta Community College District	1,000		0.8%	2,759	7	1.5%
World Savings & Loan Assn.	N/A			4,389	3	2.4%
Cost Plus, Inc.	N/A			4,148	4	2.3%
Dreyer's Grand Ice Cream Inc	N/A			3,700	6	2.1%
Internal Revenue Service	N/A			2,500	8	1.4%
Itron	N/A			2,000	10	1.1%
Total	47,500			40,820		

Source:
City of Oakland Economic & Workforce Development Department.
Note: Employment data for affiliated entities of Kaiser Permanente are combined. Percent of total employment is based on June 2020 employment of 180,700 and 2011 annual employment of 179,200 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Aviation	239	239	233	236	232	222	236	233	242	228
Maritime	20	17	20	18	20 (1)	68	69	69	63	61
Commercial Real Estate	8	7	8	8	8	8	8	7	7	8
Engineering & Environmental	105	111	106	105	102 (1)	57	54	50	50	48
Financial Services & Administration (2)	51	54	56	57	58	56	54	59	53	53
Others	37	39	37	37	39	41	37	38	36	39
Total	460	467	460	461	459	452	458	456	451	437

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, Information Technology, and Financial Services.

Port of Oakland

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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)	6,907	6,805	6,895	6,898	6,898	6,878	6,621	6,516	6,516	6,950
Harbor facilities										
Miles of waterfront	19	19	19	19	19	19	19	19	19	19
Berthing length at wharves (in feet)	25100	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	865	874
Parking stalls(1)	1,309	1,333	1,333	1,333	1,429	1,429	1,429	1,429	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.

This page left intentionally blank.