

**PORT OF OAKLAND
RENTAL CAR FACILITY PROJECT**

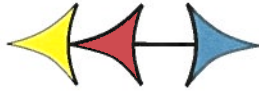
**STATEMENT OF DISBURSEMENTS ELIGIBLE FOR
REIMBURSEMENT BY CUSTOMER FACILITY CHARGES**

FOR THE YEAR ENDED JUNE 30, 2011



Kevin W. Harper CPA & Associates





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Independent Auditors' Report

Board of Port Commissioners,
Port of Oakland:

We have audited the accompanying Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges of the Port of Oakland's Terminal Expansion Program – Rental Car Facility Project for the year ended June 30, 2011. This Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges is the responsibility of the Port's management. Our responsibility is to express an opinion on this Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges is free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the Port of Oakland prepares its Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges referred to above presents fairly, in all material respects, the disbursements eligible for reimbursement by customer facility charges of the Port of Oakland's Terminal Expansion Program – Rental Car Facility Project for the year ended June 30, 2011, in conformity with the basis of accounting described in Note 2.

Kevin W. Harper CPA & Associates

August 6, 2012

**Port of Oakland
Terminal Expansion Program - Rental Car Facility Project
Statement of Disbursements Eligible for Reimbursement
by Customer Facility Charges
Year Ended June 30, 2011**

Contractual Services - Shuttle Bus	3,722,657
Audit Services	17,028
Total Disbursements	<u>\$ 3,739,685</u>

The accompanying notes are an integral part of this Statement of Disbursements Eligible
for Reimbursement by Customer Facility Charges.

**Notes to Statement of Disbursements Eligible for
Reimbursement by Customer Facility Charges
For the Year Ended June 30, 2011**

NOTE 1 – BACKGROUND AND REPORTING ENTITY

The Port of Oakland (the “Port”) is undertaking an Airport Terminal Expansion Program (the “Program”), which includes an additional seven gates in an extended and renovated Terminal 2, a central utility plant, an expanded airport apron, an airport operations control center, a redeveloped roadway system, a financial information system, and reconfigured surface parking lots. In anticipation of construction of the parking garage and consolidated rental car facility, the Port constructed an interim rental car facility 2.7 miles away from the terminals, and began operating a common busing system to/from the interim rental car facility. In August 2003, the seven rental car companies operating at the Oakland International Airport were relocated to the interim rental car facility. One new rental car company commenced Oakland operations at the interim rental car facility and two rental car companies operating near the airport commenced use of the common busing system. Subsequently in January 2005, the Board of Port Commissioners and Port senior management decided to abandon further design and development of the parking garage and consolidated rental car facility.

State legislation (AB 491) that became effective January 2002 enables rental car companies in California to pass through to its customers a \$10 per contract customer facility charge that is imposed by an airport. The Board of Port Commissioners passed Ordinance No. 3685 on March 5, 2002 that established such customer facility charge at Oakland International Airport. The rental car companies began collecting the customer facility charges on behalf of the Port on April 1, 2002. The customer facility charges must be used to finance, design and construct consolidated airport rental car facilities and to provide common use transportation systems that move passengers between airport terminals and those rental car facilities.

The accompanying Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges includes only those costs that are eligible for reimbursement by rental car company customers under the customer facility charges legislation. During the year ended June 30, 2011, such eligible costs were primarily related to operations of the common shuttle busing system.

NOTE 2 – BASIS OF ACCOUNTING

Basis of accounting refers to when expenses are recognized. The accompanying Statement of Disbursements Eligible for Reimbursement by Customer Facility Charges is prepared using the cash basis of accounting. Under the cash basis, expenses are recognized when cash is paid.