



PORT OF OAKLAND

Six Months Ending
December 31, 2019
Financial Highlights
Unaudited Results

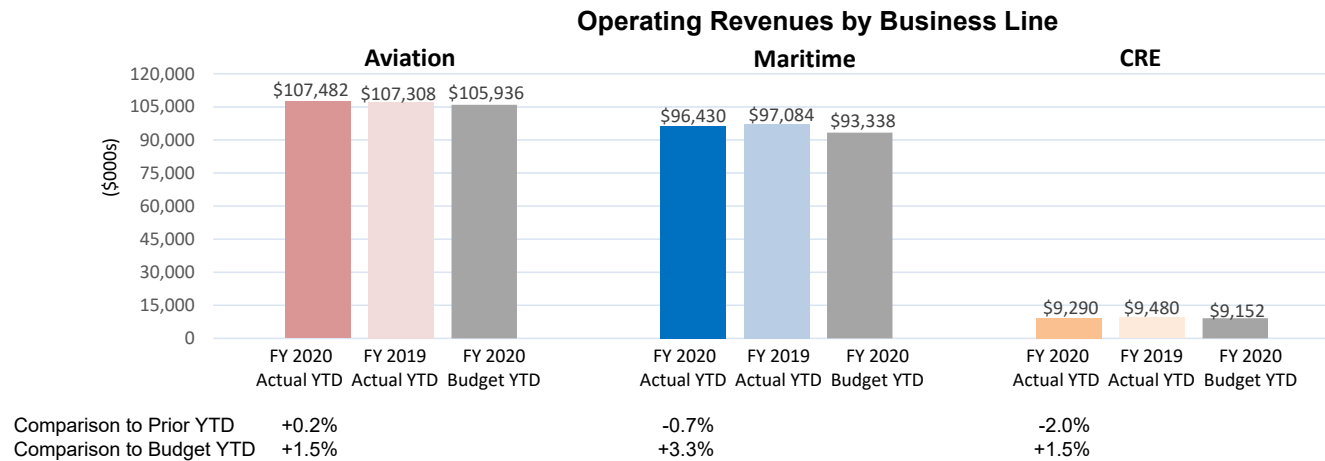
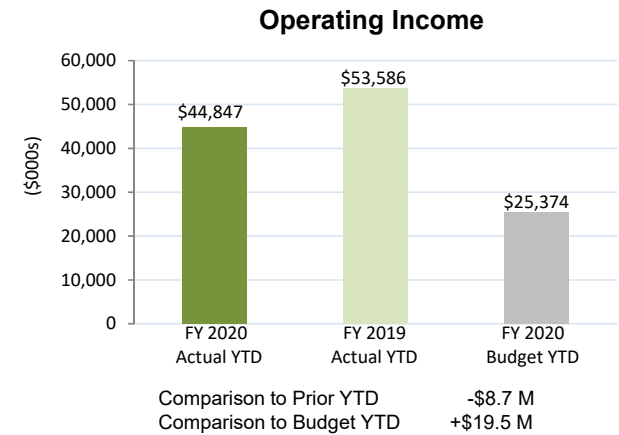
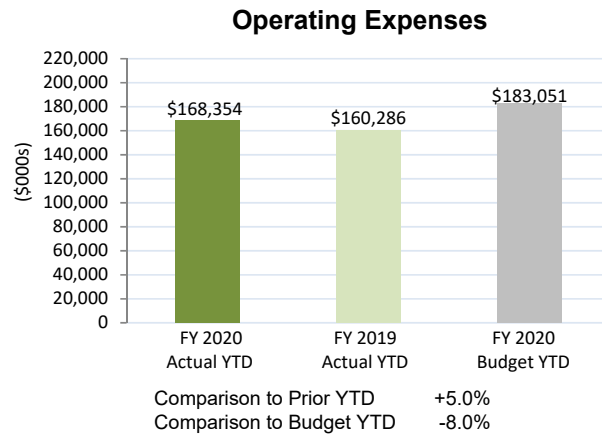
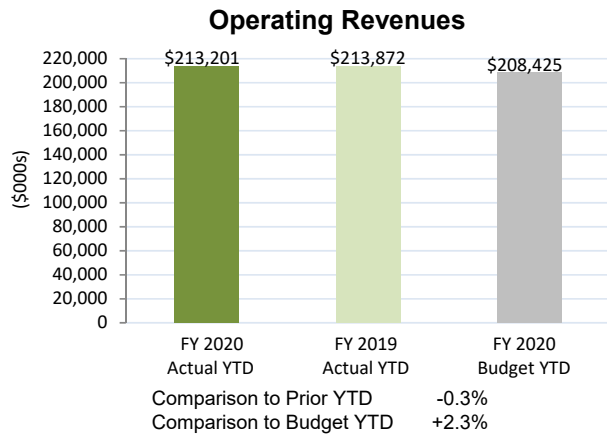
Board of Port Commissioners Meeting
February 27, 2020

Unaudited, Preliminary Numbers – Subject to Change

The information contained in this presentation is disclosed publicly for general information relating to the Port only. The information and figures herein include projections and forecasts that are based upon certain assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such projections and forecasts. The information and figures herein are subject to change without notice after the date thereof, and may differ from the information and figures contained in the Port's final audited financial statements. The overall cost of the Port's capital projects is subject to change, and the variance from the cost estimates reflected herein could be material. The Port is not obligated to and does not plan to issue any updates or revisions to this presentation.

Unaudited, Preliminary Numbers – Subject to Change

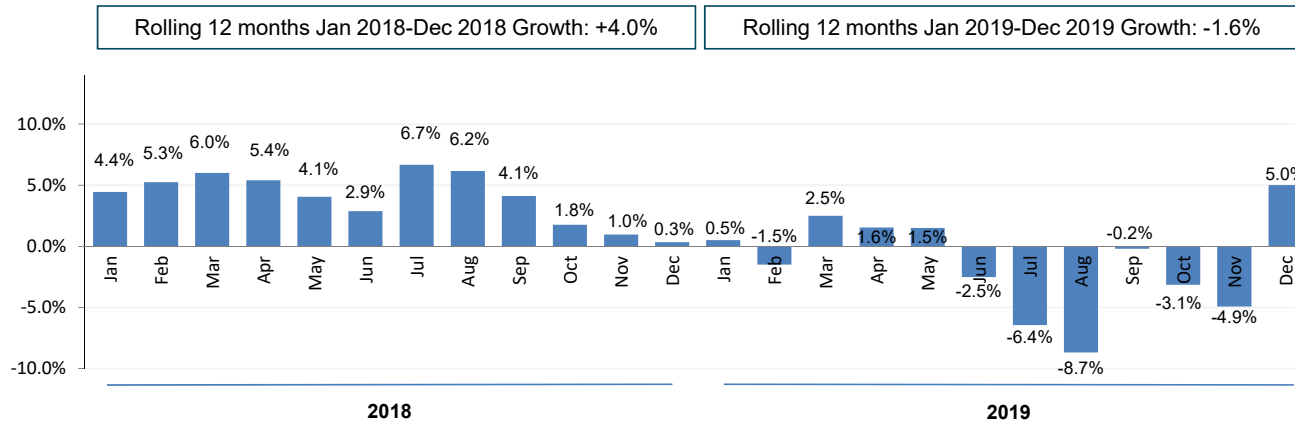
For the first 6 months of FY 2020, Port-wide financial performance is flat to last year's performance but meets this year's budget/expectations.



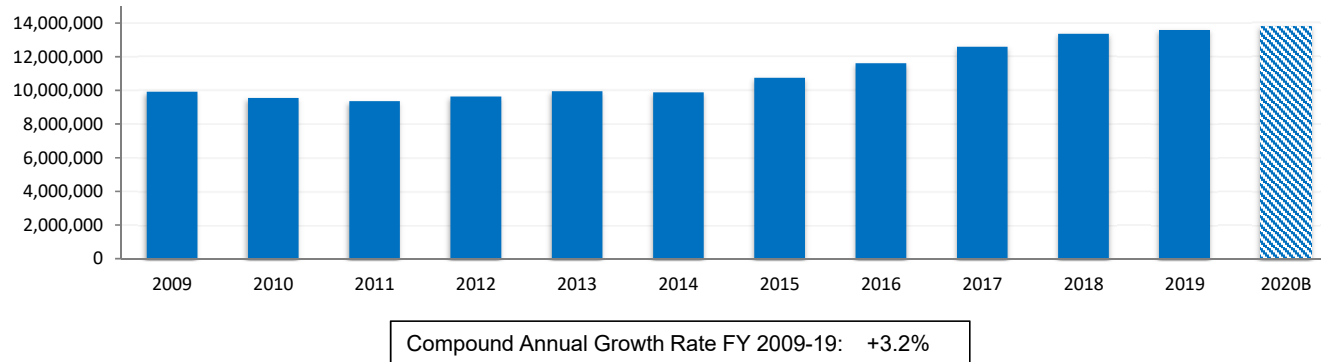
Unaudited, Preliminary Numbers – Subject to Change

For the first 6 months of FY 2020, passenger activity declined by 3.3%, which lags the budget / expectations.

OAK Monthly Passengers - YoY Growth



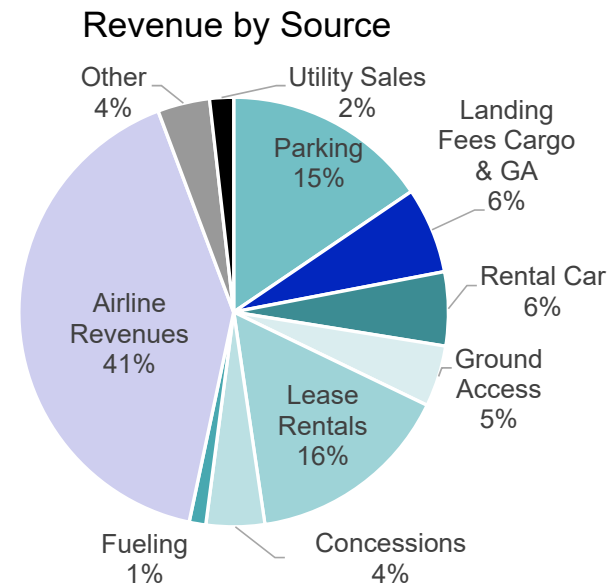
Passenger Activity



Unaudited, Preliminary Numbers – Subject to Change

Aviation Revenues (\$000s)

| Aviation Revenue Breakdown | Unaudited 6 Months Ended Dec 2019 \$ | Comparison to 6 Months Ended Dec 2019 Budget Better / (Worse) | | Comparison to 6 Months Ended Dec 2018 Actual Better / (Worse) | |
|-------------------------------------|---|--|-------------|--|-------------|
| | | \$ | % | \$ | % |
| Passenger Airline Revenue | | | | | |
| Terminal Rental ⁽¹⁾ | \$32,071 | \$228 | 0.7% | \$1,617 | 5.3% |
| Landing Fees (excl. Cargo Airlines) | 11,946 | (1,029) | (7.9) | (798) | (6.3) |
| Total Airline Revenues | 44,017 | (801) | (1.8) | 818 | 1.9 |
| Lease Rentals | 16,685 | 332 | 2.0 | 1,483 | 9.8 |
| Parking | 16,665 | (595) | (3.4) | (1,203) | (6.7) |
| Landing Fees - Cargo Airline & GA | 6,958 | 758 | 12.2 | 120 | 1.8 |
| Rental Car | 5,976 | (89) | (1.5) | (346) | (5.5) |
| Ground Access | 4,953 | 117 | 2.4 | 326 | 7.0 |
| Concessions | 4,737 | 750 | 18.8 | (809) | (14.6) |
| Other ⁽²⁾ | 4,218 | 596 | 16.4 | (94) | (2.2) |
| Utility Sales | 1,931 | 601 | 45.1 | (254) | (11.6) |
| Aviation Fueling | 1,342 | (122) | (8.4) | 131 | 10.8 |
| Total Operating Revenues | \$107,482 | \$1,546 | 1.5% | \$174 | 0.2% |

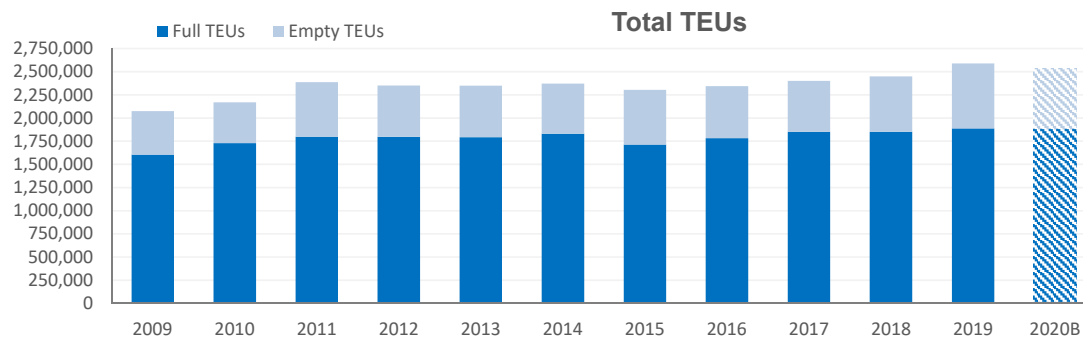
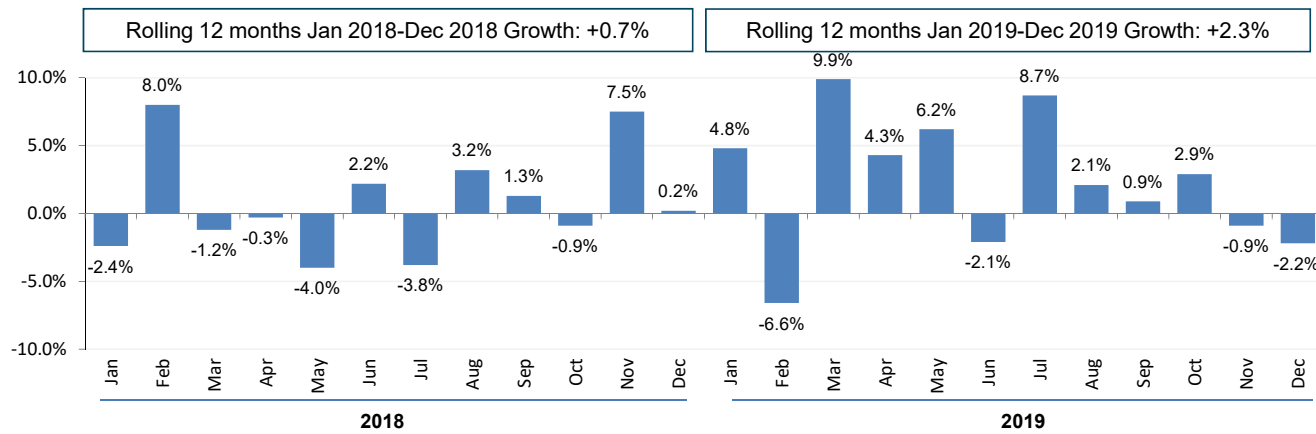


(1) Includes passenger airline rentals only. Non-airline terminal rental revenues are classified under "Other".
(2) Includes non-airline terminal revenues, miscellaneous revenues, and other field revenue, offset by bad debt.

Unaudited, Preliminary Numbers – Subject to Change

For the first 6 months of FY 2020, full TEU growth was 1.9%, which is consistent with the budget / expectations.

Monthly Full TEUs - YoY Change



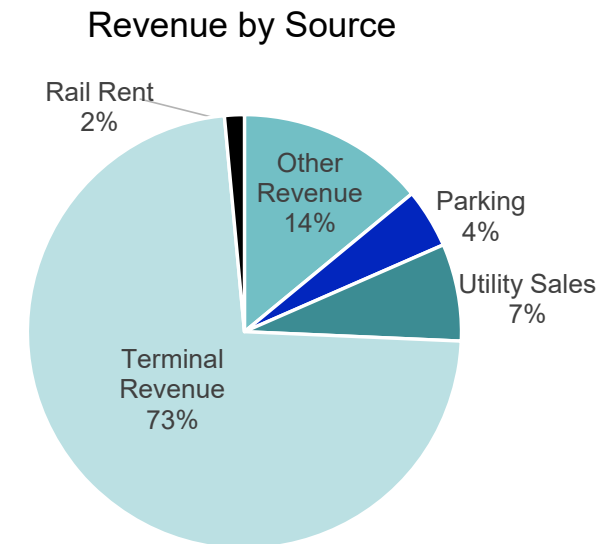
| | FY 2020 YTD |
|--------------|-------------|
| Full Exports | 5.0% |
| Full Imports | -0.9% |
| Full TEUs | 1.9% |
| Empty TEUs | -27.9% |
| Total TEUs | -6.7% |

| Compound Annual Growth Rate FY 2009-19: | Full TEUs | Total TEUs |
|---|-----------|------------|
| | 1.6% | 2.2% |

Unaudited, Preliminary Numbers – Subject to Change

Maritime Revenues (\$000s)

| Maritime Revenue Breakdown | Unaudited 6 Months Ended Dec 2019 \$ | Comparison to 6 Months Ended Dec 2019 Budget Better / (Worse) | | Comparison to 6 Months Ended Dec 2018 Actual Better / (Worse) | |
|---|---|--|-------------|--|---------------|
| | | \$ | % | \$ | % |
| Marine Terminal Revenue | | | | | |
| Minimum Annual Guarantee (MAG) | \$45,463 | \$0 | 0.0% | \$1,080 | 2.4% |
| Revenues in excess of MAG | 23,842 | 3,419 | 16.7 | (1,845) | (7.2) |
| Miscellaneous Terminal Rentals ⁽¹⁾ | 920 | (70) | (7.0) | 426 | 86.3 |
| Total Terminal Revenues | 70,225 | 3,350 | 5.0 | (338) | (0.5) |
| Other Revenue ⁽²⁾ | 13,233 | (407) | (3.0) | (66) | (0.5) |
| Utility Sales | 6,988 | 1,046 | 17.6 | (224) | (3.1) |
| Parking/Container Depot Rent | 4,260 | (17) | (0.4) | 366 | 9.4 |
| Rail Terminal Rent | 1,429 | (581) | (28.9) | (688) | (32.5) |
| Miscellaneous Revenue ⁽³⁾ | 297 | (298) | (50) | 297 | n/a |
| Total Operating Revenues | \$96,430 | \$3,092 | 3.3% | (\$654) | (0.7%) |



(1) Includes crane raising surcharge, bunkering fuel and water lease.

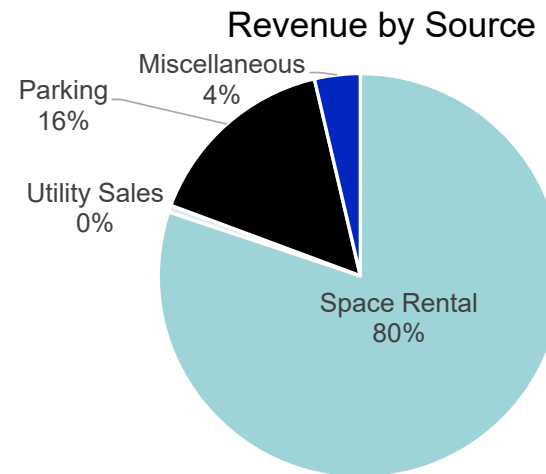
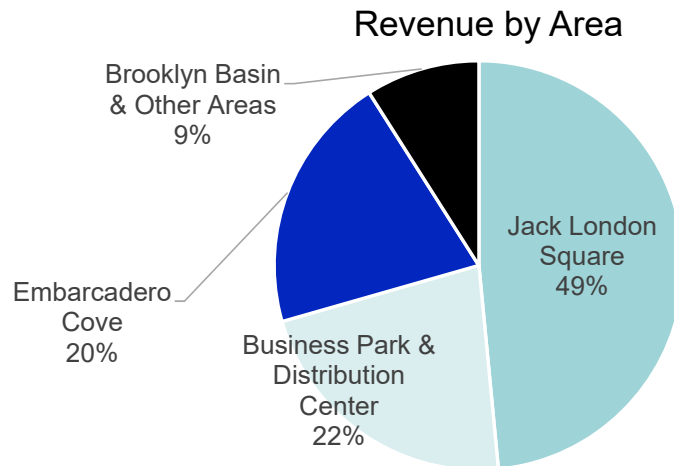
(2) Includes month-to-month space assignment agreements and lease agreements over one year

(3) Includes CTMP registry fees

Unaudited, Preliminary Numbers – Subject to Change

CRE Revenues (\$000s)

| CRE Revenue Breakdown | Unaudited 6 Months Ended Dec 2019 | 6 Months Ended Dec 2019 Budget Better / (Worse) | | 6 Months Ended Dec 2018 Actual Better / (Worse) | |
|---------------------------------|---|---|-------------|---|---------------|
| | \$ | \$ | % | \$ | % |
| Space Rental | \$7,382 | \$155 | 2.1% | \$151 | 2.1% |
| Parking | 1,445 | (29) | (1.9) | (388) | (21.2) |
| Miscellaneous Revenue | 412 | 12 | 3.0 | 47 | 12.7 |
| Utility Sales | 51 | 0 | 0.0 | 0 | 0.0 |
| Total Operating Revenues | \$9,290 | \$139 | 1.5% | (\$190) | (2.0%) |



Unaudited, Preliminary Numbers – Subject to Change

Operating Expenses (\$000s)

| | Unaudited 6 Months Ended Dec 2019 \$ | Comparison to 6 Months Ended Dec 2019 Budget Better / (Worse) | | Comparison to 6 Months Ended Dec 2018 Actual Better / (Worse) | |
|--------------------------------------|---|--|-------------|--|---------------|
| | | \$ | % | \$ | % |
| Personnel Costs | \$59,819 | \$2,524 | 4.0% | (3,200) | (5.7%) |
| Contractual Services | 40,458 | 8,897 | 18.0 | (4,058) | (11.1) |
| General & Administrative | 7,378 | 1,871 | 20.2 | (524) | (7.6) |
| Supplies | 2,718 | (451) | (19.9) | 264 | 8.8 |
| Utility Cost of Sales | 3,442 | 617 | 15.2 | (135) | (4.1) |
| Departmental Credits | (2,513) | (1,135) | (31.1) | (358) | (12.5) |
| Operating Expenses excl. Dep. | \$111,302 | \$12,324 | 10.0 | (\$8,011) | (7.8) |
| Depreciation | 57,052 | 2,373 | 4.0 | (58) | (0.1) |
| Total Operating Expenses | \$168,354 | \$14,697 | 8.0% | (\$8,069) | (5.0%) |

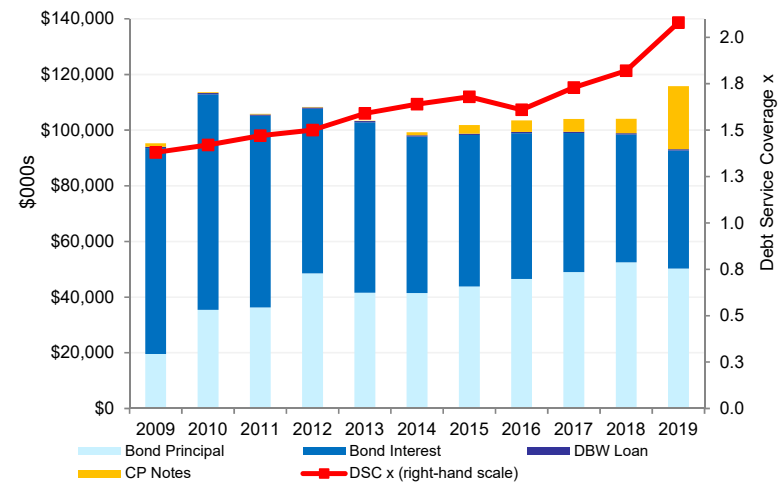
The Port’s debt service payments are budgeted to total \$119.8 million in FY 2020.

(\$000s)

| Type of Debt | FY 2020 Debt Service | Outstanding Debt as of 12/31/19 ⁽¹⁾ |
|--|----------------------|--|
| Bonds | \$92,702 | \$804,445 |
| Department of Boating & Waterways Loan | 458 | 3,620 |
| Commercial Paper Notes | 26,597 | 80,475 |
| Total | \$119,757 | \$888,540 |

(1) Outstanding bonds are scheduled to be fully repaid in FY 2033.

Debt Service and Debt Service Coverage



- **Debt Service Coverage (DSC)** measures the Port’s ability to meet day-to-day operating costs and debt service payments and resiliency to weather downturns in the economy and Port businesses. DSC is net revenues divided by debt service (excluding repayments of outstanding CP Notes). Net revenues is operating revenues less operating expenses (excluding depreciation).

Unaudited, Preliminary Numbers – Subject to Change

General Fund and Restricted Cash Balance (\$000s)

| General Fund | Unaudited Dec 2019 | Unaudited Dec 2018 | Audited June 2019 |
|-------------------|-----------------------|-----------------------|----------------------|
| Debt Service Fund | 26,891 | 30,408 | 41,561 |
| Other | 376,161 | 285,461 | 333,025 |
| Total | \$403,052 | \$315,869 | \$374,586 |

| Restricted | Unaudited Dec 2019 | Unaudited Dec 2018 | Audited June 2019 |
|--------------------------------|-----------------------|-----------------------|----------------------|
| Board Reserves | 77,455 | 74,402 | 74,402 |
| Passenger Facility Charges | 11,987 | 6,741 | 1,589 |
| Customer Facility Charges | 3,143 | 3,947 | 3,296 |
| Contractor Retention in Escrow | 151 | 916 | 94 |
| Trustee Held Bond Reserves | 58,412 | 58,288 | 59,268 |
| Total | \$151,149 | \$144,294 | 138,649 |

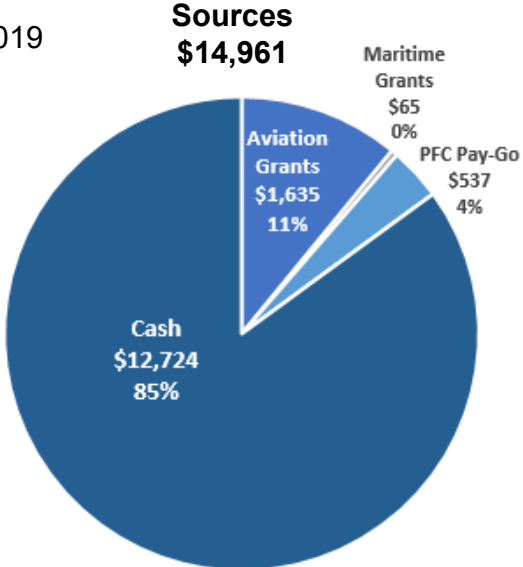
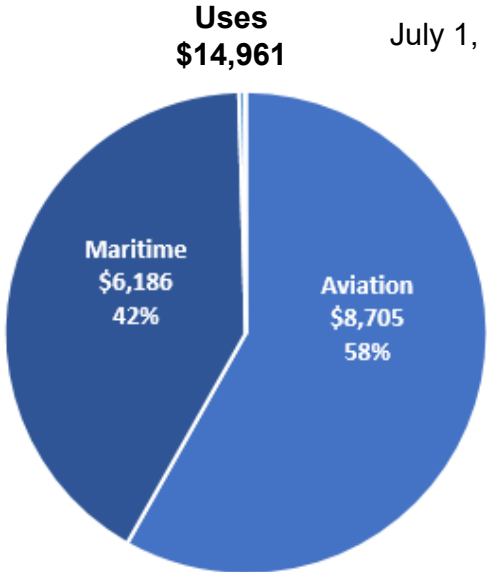
Note: Totals may not add due to rounding.

Unaudited, Preliminary Numbers – Subject to Change

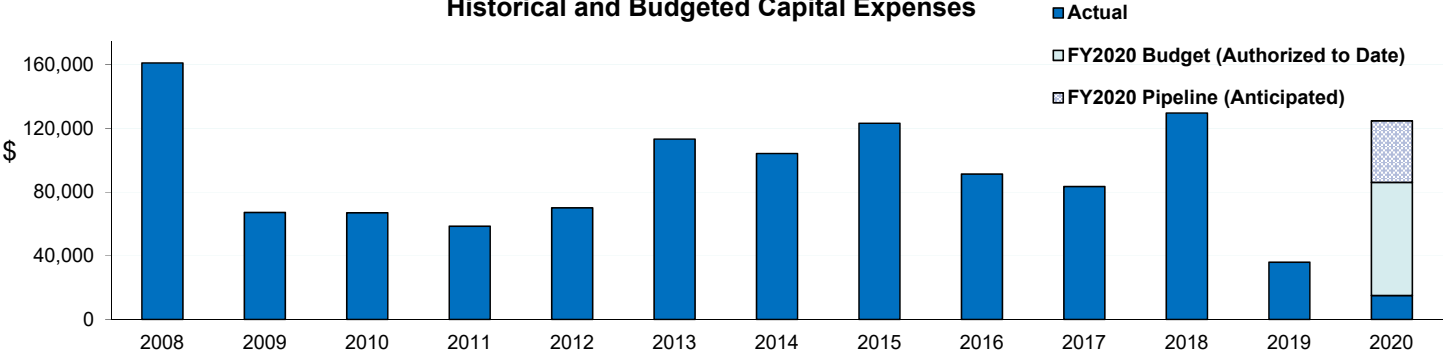
Capital Expenses

(\$000s)

July 1, 2019 – December 31, 2019



Historical and Budgeted Capital Expenses



**PORT OF OAKLAND
CASH
DECEMBER 31, 2019, 2018 AND JUNE 30, 2019**

**UNAUDITED
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| | Unaudited 12/31/19 | Audited 06/30/19 | Unaudited 12/31/18 |
|---|-------------------------------|-----------------------------|-------------------------------|
| Unrestricted Cash: | | | |
| Board Reserves | \$ 77,454,847 | \$ 74,402,003 | \$ 74,402,003 |
| General Fund: | | | |
| Debt Service Fund | 26,891,523 | 41,560,895 | 30,407,873 |
| Other | 376,160,617 | 333,025,079 | 285,461,068 |
| Sub-total | 403,052,140 | 374,585,974 | 315,868,941 |
| Sub-total | 480,506,987 | 448,987,977 | 390,270,944 |
| Restricted Cash & Investments: | | | |
| Bond Reserves/Trustee Deposits (a) | 58,412,051 | 59,267,939 | 58,287,779 |
| Passenger Facility Charges | 11,987,459 | 1,589,308 | 6,741,279 |
| Customer Facility Charges | 3,143,255 | 3,295,552 | 3,947,203 |
| Other (b) | 151,235 | 93,829 | 916,154 |
| Sub-total | 73,694,000 | 64,246,628 | 69,892,414 |
| TOTAL | \$ 554,200,987 | \$ 513,234,605 | \$ 460,163,358 |

(a) Funds on deposit with the Bond Trustee. Reserve Funds are only available for debt service as specified in the Trust Indenture. Other amounts may include upcoming debt service payments deposited with the Trustee and IRS rebate amounts.

(b) Escrow accounts related to the Port's capital program.

**PORT OF OAKLAND
STATEMENTS OF NET POSITION
DECEMBER 31, 2019, 2018 AND JUNE 30, 2019**

**UNAUDITED
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| | Unaudited 12/31/19 | Audited 06/30/19 | Unaudited 12/31/18 |
|---|--------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | | | |
| Designated | \$ 77,454,847 | \$ 74,402,003 | \$ 74,402,003 |
| Undesignated | 403,052,140 | 374,585,974 | 315,868,941 |
| Accounts receivable (less allowance) (12/19 \$1,059,657; 06/19 \$1,063,000; 12/18 \$540,000) | 30,273,072 | 30,617,939 | 44,640,372 |
| Restricted deposits with fiscal agent for current debt service | 3,473 | 15,445 | 19,300 |
| Accrued interest receivable | 1,603,868 | 330,376 | 1,630,209 |
| Prepaid expenses and other assets | 11,781,098 | 3,906,442 | 10,495,257 |
| Total current assets | <u>524,168,498</u> | <u>483,858,178</u> | <u>447,056,082</u> |
| RESTRICTED CASH AND INVESTMENTS: | | | |
| Bond funds and other | 58,559,813 | 59,346,323 | 59,184,633 |
| Passenger facility charges | 11,987,459 | 1,589,308 | 6,741,279 |
| Customer facility charges | 3,143,255 | 3,295,552 | 3,947,203 |
| Total restricted cash and investments | <u>73,690,527</u> | <u>64,231,184</u> | <u>69,873,114</u> |
| PROPERTY, PLANT AND EQUIPMENT: | | | |
| Land improvements | 542,483 | 542,483 | 542,483 |
| Buildings and improvements | 990,896,863 | 990,898,280 | 986,990,354 |
| Container cranes | 159,197,264 | 159,197,264 | 159,197,264 |
| Systems and structures | 2,136,360,476 | 2,135,375,527 | 2,116,472,461 |
| Intangibles - depreciable | 13,843,567 | 13,843,567 | 13,843,567 |
| Other equipment | 121,632,190 | 120,916,436 | 105,422,819 |
| | 3,422,472,842 | 3,420,773,557 | 3,382,468,948 |
| Less accumulated depreciation | (1,973,466,081) | (1,916,413,637) | (1,859,837,200) |
| | 1,449,006,761 | 1,504,359,919 | 1,522,631,748 |
| Land | 523,400,030 | 523,400,030 | 523,382,116 |
| Intangibles - nondepreciable | 25,852,647 | 25,852,647 | 25,852,647 |
| Construction in progress | 29,064,100 | 18,665,685 | 56,244,790 |
| Total property, plant and equipment | <u>2,027,323,538</u> | <u>2,072,278,281</u> | <u>2,128,111,301</u> |
| OTHER ASSETS | 32,087,732 | 30,234,844 | 30,479,751 |
| DEFERRED OUTFLOWS - PENSION CONTRIBUTIONS | <u>48,462,552</u> | <u>48,462,552</u> | <u>63,384,404</u> |
| TOTAL ASSETS | <u>\$ 2,705,732,846</u> | <u>\$ 2,699,065,038</u> | <u>\$ 2,738,904,652</u> |
| LIABILITIES AND NET POSITION | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable and accrued expenses | \$ 47,893,353 | \$ 46,889,415 | \$ 42,600,831 |
| Liability to City of Oakland | 7,784,318 | 10,135,998 | 8,634,106 |
| Unearned income-current portion | 7,920,332 | 7,787,690 | 7,833,285 |
| Payable from restricted assets: | | | |
| Accrued interest payable | 6,655,329 | 7,060,489 | 7,138,356 |
| Current maturities of long-term debt | 39,808,307 | 60,598,735 | 55,494,618 |
| Retentions on construction contracts | 1,196,160 | 1,416,087 | 2,800,510 |
| Total current liabilities | <u>111,257,799</u> | <u>133,888,414</u> | <u>124,501,706</u> |
| LONG-TERM LIABILITIES: | | | |
| Long-term debt | 887,509,309 | 911,106,929 | 949,422,771 |
| Unearned income | 24,894,511 | 24,894,511 | 26,117,789 |
| Environmental liabilities and other | 56,819,283 | 48,929,270 | 49,901,895 |
| Net pension liabilities | 308,272,447 | 305,977,741 | 326,618,147 |
| Deferred inflows - Non-pension contributions | 10,577,940 | 10,577,940 | 4,057,068 |
| Total long-term liabilities | <u>1,288,073,490</u> | <u>1,301,486,391</u> | <u>1,356,117,670</u> |
| NET POSITION: | | | |
| Reserved retained earnings: | | | |
| Grants from government agencies | 421,501,887 | 419,946,958 | 440,510,811 |
| Passenger facility charges | 306,457,842 | 294,199,997 | 298,422,898 |
| Customer facility charges | 20,348,909 | 17,603,143 | 20,316,151 |
| Port equity: | | | |
| City of Oakland | (58,477,544) | (58,477,544) | (58,477,544) |
| Appraisal surplus | 3,004,335 | 3,004,335 | 3,004,335 |
| Land conveyed to Port | 24,746,000 | 24,746,000 | 24,746,000 |
| Retained earnings | 588,820,129 | 562,667,344 | 529,762,625 |
| Total net position | <u>1,306,401,557</u> | <u>1,263,690,233</u> | <u>1,258,285,277</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 2,705,732,846</u> | <u>\$ 2,699,065,038</u> | <u>\$ 2,738,904,652</u> |

**PORT OF OAKLAND
ACTUAL VS. BUDGET REVENUE AND EXPENSES
SIX MONTHS ENDED DECEMBER 31, 2019**

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| Division | Actual 12/31/19 | Budget 12/31/19 | \$ Variance | % Variance | Actual 12/31/18 |
|---------------------------------------|----------------------|----------------------|----------------------|---------------|----------------------|
| <u>Operating Revenues</u> | | | | | |
| Aviation | \$ 107,481,637 | \$ 105,935,864 | \$ 1,545,772 | 1.5% | \$ 107,307,864 |
| Maritime | 96,429,866 | 93,338,240 | 3,091,626 | 3.3% | 97,084,032 |
| CRE | 9,289,783 | 9,151,163 | 138,620 | 1.5% | 9,479,728 |
| Total Operating Revenue | 213,201,285 | 208,425,267 | 4,776,018 | 2.3% | 213,871,624 |
| <u>Operating Expenses</u> | | | | | |
| Aviation | (52,374,930) | (56,522,371) | 4,147,441 | 7.3% | (48,460,115) |
| Maritime | (5,331,549) | (7,908,865) | 2,577,315 | 32.6% | (5,052,503) |
| CRE | (3,425,952) | (3,572,352) | 146,400 | 4.1% | (3,316,830) |
| Engineering & Environmental | (20,532,898) | (22,837,599) | 2,304,701 | 10.1% | (17,631,483) |
| Utilities Cost of Sales | (3,441,951) | (4,059,383) | 617,432 | 15.2% | (3,307,229) |
| Executive | (3,174,888) | (3,267,186) | 92,298 | 2.8% | (2,615,361) |
| Board of Port Commissioners | (288,732) | (294,092) | 5,361 | 1.8% | (226,050) |
| Audit Services | (760,621) | (801,916) | 41,296 | 5.1% | (513,382) |
| Port Attorney | (2,046,387) | (2,742,678) | 696,290 | 25.4% | (2,416,667) |
| Finance & Administration | (9,588,958) | (10,224,777) | 635,819 | 6.2% | (9,318,159) |
| Non-Departmental Expenses | (12,545,458) | (14,886,790) | 2,341,332 | 15.7% | (13,197,000) |
| Absorption of Labor and Overhead to | | | | | |
| Capital Assets | 2,210,446 | 3,492,476 | (1,282,031) | -36.7% | 2,763,741 |
| Depreciation & Amortization | (57,052,444) | (59,425,563) | 2,373,119 | 4.0% | (56,994,491) |
| Total Operating Expenses | (168,354,322) | (183,051,096) | 14,696,773 | 8.0% | (160,285,528) |
| Operating Income (A) | 44,846,963 | 25,374,172 | 19,472,791 | 76.7% | 53,586,096 |
| <u>Non-Operating Items</u> | | | | | |
| Interest Income | 3,903,883 | 3,390,094 | 513,789 | 15.2% | 5,207,017 |
| Interest Expense | (17,569,782) | (17,697,990) | 128,208 | 0.7% | (18,686,027) |
| Passenger Facility Charges (PFCs) | 12,257,844 | 13,715,693 | (1,457,849) | -10.6% | 13,143,329 |
| Customer Facility Charges (CFCs) | 2,745,766 | 2,649,672 | 96,094 | 3.6% | 2,878,378 |
| Abandoned/Demolished Capital Assets | - | (200,000) | 200,000 | 100.0% | - |
| Other Income (Expenses) | (2,369,023) | (1,713,246) | (655,777) | -38.3% | (2,115,851) |
| CFC Reimbursements Expense | (2,659,256) | (2,593,000) | (66,256) | -2.6% | (3,009,341) |
| Grant Reimbursable Costs | - | (19,000) | 19,000 | 100.0% | - |
| (B) | (3,690,568) | (2,467,777) | (1,222,791) | -49.6% | (2,582,494) |
| Change in Net Position before | | | | | |
| Capital Contributions (A+B) | 41,156,395 | 22,906,395 | 18,250,000 | | 51,003,601 |
| <u>Capital Contributions</u> | | | | | |
| Grants from Government Agencies | 1,554,929 | 6,771,000 | (5,216,071) | -77.0% | 6,294,783 |
| (C) | 1,554,929 | 6,771,000 | (5,216,071) | -77.0% | 6,294,783 |
| CHANGE IN NET POSITION (A+B+C) | \$ 42,711,324 | \$ 29,677,395 | \$ 13,033,929 | 43.9% | \$ 57,298,384 |

PORT OF OAKLAND
Actual vs. Budget Expenses by Category
Six Months Ended December 31, 2019

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| | <u>Actual</u> <u>12/31/19</u> | <u>Budget</u> <u>12/31/19</u> | <u>\$</u> <u>Variance</u> | <u>%</u> <u>Variance</u> |
|----------------------------------|----------------------------------|----------------------------------|------------------------------|-----------------------------|
| <u>Operating Expenses</u> | | | | |
| Personnel Services | \$ (59,819,019) | \$ (62,343,214) | \$ 2,524,195 | 4.0% |
| Contractual Services | (40,458,026) | (49,354,932) | 8,896,906 | 18.0% |
| Supplies | (2,717,515) | (2,266,522) | (450,993) | -19.9% |
| General and Administrative | (7,378,127) | (9,249,227) | 1,871,100 | 20.2% |
| Utilities Cost of Sales | (3,441,951) | (4,059,383) | 617,432 | 15.2% |
| Departmental Credits | 2,512,759 | 3,647,746 | (1,134,987) | -31.1% |
| Subtotal | (111,301,878) | (123,625,532) | 12,323,654 | 10.0% |
| Depreciation & Amortization | (57,052,444) | (59,425,563) | 2,373,119 | 4.0% |
| Total Operating Expenses | \$ (168,354,322) | \$ (183,051,096) | \$ 14,696,773 | 8.0% |

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Six Months Ended December 31, 2019

**UNAUDITED
DRAFT**

| | ACTUAL 12/31/19 | BUDGET 12/31/19 | \$ VARIANCE | % VARIANCE |
|---|-----------------------|-----------------------|---------------------|---------------|
| TERMINAL RENT | \$ 25,967,529 | \$ 25,726,681 | \$ 240,848 | 0.9% |
| TERMINAL CONCESSIONS | 4,736,605 | 3,986,877 | 749,728 | 18.8% |
| OTHER TERMINAL REVENUE (a) | 7,959,530 | 7,870,963 | 88,567 | 1.1% |
| TERMINAL RENTALS & CONCESSIONS | 38,663,664 | 37,584,521 | 1,079,143 | 2.9% |
| PARKING | 16,664,526 | 17,259,343 | (594,817) | -3.4% |
| GROUND ACCESS | 4,953,321 | 4,836,042 | 117,279 | 2.4% |
| RENTAL CAR REVENUE | 5,976,357 | 6,065,700 | (89,343) | -1.5% |
| PARKING, RAC AND GROUND ACCESS | 27,594,203 | 28,161,085 | (566,882) | -2.0% |
| OTHER AIRPORT RENTALS (b) | 16,685,277 | 16,352,852 | 332,425 | 2.0% |
| LANDING FEES | 18,904,353 | 19,175,316 | (270,963) | -1.4% |
| OTHER FIELD REVENUE (c) | 2,209,740 | 1,753,712 | 456,028 | 26.0% |
| AVIATION FUELING | 1,341,582 | 1,463,881 | (122,299) | -8.4% |
| MISCELLANEOUS REVENUE (d) | 151,535 | 113,886 | 37,649 | 33.1% |
| UTILITIES REVENUE | 1,931,283 | 1,330,612 | 600,671 | 45.1% |
| TOTAL AVIATION OPERATING REVENUE | 107,481,637 | 105,935,864 | 1,545,772 | 1.5% |
| BAD DEBT RESERVE | | | - | 0.0% |
| TOTAL AVIATION REVENUE | \$ 107,481,637 | \$ 105,935,864 | \$ 1,545,772 | 1.5% |

(Continued)

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Six Months Ended December 31, 2019

UNAUDITED
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(a) **Other Terminal Revenue**

This category includes primarily terminal use fees for charter/itinerant airlines, baggage carousel/conveyor fees, customs room usage, identification badge sales & fingerprinting, and vending machine sales not associated with concession tenants.

(b) **Other Airport Rentals**

This category includes rental of land (e.g., vehicle/aircraft parking, rights-of-way); billboards; buildings; hangar and hangar areas; commercial filming; tank farm fuel fees; as well as cargo building, land, and apron rental.

(c) **Other Field Revenue**

This category includes plane storage, in-flight catering, ground handling, and cargo handling revenue.

(d) **Miscellaneous Revenue**

This category includes one-time and recurring revenues that are usually not directly related to Airport operations. The majority of miscellaneous revenue is associated with the Port's Materials Management Program and janitorial services provided by the Port at TSA's Airport offices. Other revenue may include, for example, payments for the rental of Airport conference rooms.

**Port of Oakland
Actual vs. Budget Maritime Revenue
For the Six Months Ended December 31, 2019**

**UNAUDITED
DRAFT**

| | ACTUAL 12/31/19 | BUDGET 12/31/19 | \$ VARIANCE | % VARIANCE |
|---|----------------------|----------------------|---------------------|---------------|
| MARINE TERMINAL RENT | \$ 70,224,768 | \$ 66,874,876 | \$ 3,349,892 | 5.0% |
| RAIL TERMINAL RENT | 1,428,162 | 2,009,522 | (581,360) | -28.9% |
| LEASE RENT (a) (d) | 7,914,801 | 8,885,821 | (971,020) | -10.9% |
| SPACE ASSIGNMENT RENT (b) (d) | 5,317,845 | 4,753,652 | 564,193 | 11.9% |
| PARKING/CONTAINER DEPOT RENT (c) | 4,260,208 | 4,277,375 | (17,167) | -0.4% |
| MISCELLANEOUS REVENUE | 296,519 | 595,000 | (298,481) | -50.2% |
| UTILITIES REVENUE | 6,987,563 | 5,941,993 | 1,045,570 | 17.6% |
| TOTAL MARITIME OPERATING REVENUE | 96,429,866 | 93,338,240 | 3,091,626 | 3.3% |
| BAD DEBT RESERVE | - | - | - | 0.0% |
| TOTAL MARITIME REVENUE | \$ 96,429,866 | \$ 93,338,240 | \$ 3,091,626 | 3.3% |

(a) Lease Rent consists of land and facility rent from non-marine/rail terminal tenants with agreements terms that are typically longer than 1 year.

(b) Space Assignment Rent consists of land and facility rent from non-marine/rail terminal tenants with agreements terms that are typically month to month or less than 1 year.

(c) Parking/Container Depot Rent only consists of such facilities that are Port owned and operated.

(d) Facilities include a variety of maritime ancillary services such as transloading, crossdocking, near-dock support yards and vessel layup.

**Port of Oakland
Actual vs. Budget CRE Revenue
For the Six Months Ended December 31, 2019**

**UNAUDITED
DRAFT**

| | ACTUAL 12/31/19 | BUDGET 12/31/19 | \$ VARIANCE | % VARIANCE |
|---------------------------------------|----------------------------|----------------------------|------------------------|-----------------------|
| SPACE RENTAL | | | | |
| Land | \$ 826,583 | \$ 770,920 | \$ 55,663 | 7.2% |
| Building with Land | 482,627 | 340,195 | 142,432 | 41.9% |
| Warehouse Lease | 913,898 | 885,772 | 28,126 | 3.2% |
| Hotel | 2,028,191 | 1,982,782 | 45,409 | 2.3% |
| Restaurant | 879,086 | 947,909 | (68,823) | -7.3% |
| Retail | 959,295 | 1,051,541 | (92,246) | -8.8% |
| Office Lease | 1,230,533 | 1,234,229 | (3,696) | -0.3% |
| Marinas Revenue | 46,150 | 13,266 | 32,884 | 247.9% |
| Subtotal | 7,366,362 | 7,226,614 | 139,748 | 1.9% |
| PARKING REVENUE | | | | |
| Parking Revenue - Parking Lot Revenue | 1,445,316 | 1,473,986 | (28,670) | -1.9% |
| Subtotal | 1,445,316 | 1,473,986 | (28,670) | -1.9% |
| MISCELLANEOUS REVENUE | | | | |
| Miscellaneous Revenue (a) | 94,799 | 92,761 | 2,038 | 2.2% |
| Billboard Advertising Revenue | 332,444 | 306,940 | 25,504 | 8.3% |
| Subtotal | 427,243 | 399,701 | 27,542 | 6.9% |
| UTILITIES REVENUE | 50,861 | 50,862 | (1) | 0.0% |
| TOTAL CRE OPERATING REVENUE | 9,289,783 | 9,151,163 | 138,620 | 1.5% |
| BAD DEBT RESERVE | - | - | - | 0.0% |
| TOTAL CRE REVENUE | \$ 9,289,783 | \$ 9,151,163 | \$ 138,620 | 1.5% |

(a) Miscellaneous Revenue

This category includes recurring and one-time revenues that are not part of the Space Rental revenue category. Examples include: easements, antennae and bank teller machines on/in Port-owned buildings, and ancillary development-related transactions.

**Port of Oakland
Activity Summary Report
For the Six Months Ended December 31, 2019**

**UNAUDITED
DRAFT**

| | Actual | Budget | Variance to Budget | Variance to Budget (%) | Prior Year Actual | Variance to Prior Year Actual | Variance to Prior Year Actual (%) |
|---|-----------|-----------|-----------------------|------------------------------|----------------------|-------------------------------------|--|
| AVIATION ACTIVITY | | | | | | | |
| Total Passengers | | | | | | | |
| July | 1,233,165 | 1,265,863 | (32,698) | -2.6% | 1,318,052 | (84,887) | -6.4% |
| August | 1,189,199 | 1,221,658 | (32,459) | -2.7% | 1,302,300 | (113,101) | -8.7% |
| September | 1,125,752 | 1,112,151 | 13,601 | 1.2% | 1,127,927 | (2,175) | -0.2% |
| October | 1,124,507 | 1,173,435 | (48,928) | -4.2% | 1,161,056 | (36,549) | -3.1% |
| November | 1,066,656 | 1,141,286 | (74,630) | -6.5% | 1,121,937 | (55,281) | -4.9% |
| December | 1,144,702 | 1,113,156 | 31,546 | 2.8% | 1,090,069 | 54,633 | 5.0% |
| January | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year to Date | 6,883,981 | 7,027,549 | (143,568) | -2.0% | 7,121,341 | (237,360) | -3.3% |
| Aircraft Landing Weights * (000 lbs) | | | | | | | |
| July | 988,006 | 976,697 | 11,309 | 1.2% | 1,029,991 | (41,985) | -4.1% |
| August | 981,185 | 967,778 | 13,407 | 1.4% | 1,050,019 | (68,834) | -6.6% |
| September | 909,733 | 1,014,607 | (104,874) | -10.3% | 930,560 | (20,827) | -2.2% |
| October | 974,529 | 896,040 | 78,489 | 8.8% | 979,803 | (5,274) | -0.5% |
| November | 892,896 | 988,191 | (95,295) | -9.6% | 953,229 | (60,333) | -6.3% |
| December | 1,049,619 | 1,011,993 | 37,626 | 3.7% | 1,032,437 | 17,182 | 1.7% |
| January | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year to Date | 5,795,968 | 5,855,306 | (59,338) | -1.0% | 5,976,039 | (180,071) | -3.0% |

* Includes passenger and air cargo carriers. Excludes non-revenue passenger flights.

**Port of Oakland
Activity Summary Report
For the Six Months Ended December 31, 2019**

**UNAUDITED
DRAFT**

| | Actual | Budget | Variance to Budget | Variance to Budget (%) | Prior Year Actual | Variance to Prior Year Actual | Variance to Prior Year Actual (%) |
|------------------------------|---------|---------|-----------------------|------------------------------|----------------------|-------------------------------------|--|
| MARITIME ACTIVITY | | | | | | | |
| Loaded (Full) TEUs** | | | | | | | |
| July | 167,012 | 153,156 | 13,856 | 9.0% | 153,636 | 13,376 | 8.7% |
| August | 163,403 | 159,514 | 3,888 | 2.4% | 160,014 | 3,389 | 2.1% |
| September | 156,958 | 155,054 | 1,904 | 1.2% | 155,540 | 1,418 | 0.9% |
| October | 165,975 | 160,746 | 5,229 | 3.3% | 161,249 | 4,726 | 2.9% |
| November | 159,130 | 160,147 | (1,017) | -0.6% | 160,649 | (1,519) | -0.9% |
| December | 155,942 | 158,947 | (3,006) | -1.9% | 159,446 | (3,504) | -2.2% |
| January | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year to Date | 968,420 | 947,566 | 20,855 | 2.2% | 950,535 | 17,886 | 1.9% |
| Vessel Calls | | | | | | | |
| July | 128 | 145 | (17) | -11.7% | 137 | (9) | -6.6% |
| August | 120 | 146 | (26) | -17.8% | 138 | (18) | -13.0% |
| September | 116 | 133 | (17) | -12.8% | 126 | (10) | -7.9% |
| October | 121 | 140 | (19) | -13.6% | 132 | (11) | -8.3% |
| November | 111 | 132 | (21) | -15.9% | 125 | (14) | -11.2% |
| December | 115 | 129 | (14) | -10.9% | 122 | (7) | -5.7% |
| January | | | | | | | |
| February | | | | | | | |
| March | | | | | | | |
| April | | | | | | | |
| May | | | | | | | |
| June | | | | | | | |
| Year to Date | 711 | 825 | (114) | -13.8% | 780 | (69) | -8.8% |

** Loaded TEUs does not include restows/shifts

Port of Oakland
Revenue Actual vs. Budget Variance
Six Months Ended December 31, 2019

UNAUDITED
DRAFT

OPERATING REVENUE

Port Operating Revenue = **\$213.2 million**
Variance to Budget (\$) = **\$4.8 million (better)**
Variance to Budget (%) = **2.3% (better)**

Aviation - \$107.5 million

Better than budget by \$1.5 million or 1.5%

- Higher restaurant and bar revenue (\$0.8 million)
- Higher electricity revenues (\$0.6 million)
- Higher ground handling revenues (\$0.5 million)
- Higher cargo landing fees (\$0.4 million)
- Higher general aviation landing fees (\$0.3 million)
- Higher TNC revenues (\$0.2 million)
- Higher cargo rents (\$0.2 million)
- Higher terminal rents (\$0.2 million)
- Lower passenger landing fees (-\$1.0 million)
- Lower parking revenues (-\$0.6 million)
- Lower fueling revenues (-\$0.1 million)

Maritime - \$96.4 million

Better than budget by \$3.1 million or 3.3%

- Higher than budgeted terminal over MAG activity (\$3.4 million)
- Higher wholesale electricity revenues (\$0.9 million)
- Higher Shore Power revenues (\$0.1 million)
- Lower fixed rail terminal rent (-\$0.6 million)
- Lower combined space assignment and lease revenue (net -\$0.4 million)
- Lower CTMP license registrations (-\$0.3 million)
- Lower other terminal revenues (-\$0.1 million)

Commercial Real Estate - \$9.3 million

Better than budget by \$0.1 million or 1.5%

- Higher building with land rent (\$142k)
- Higher land rent (\$56k)
- Higher hotel rent (\$45k)
- Higher Marinas rent (\$33k)
- Higher warehouse rent (\$28k)
- Higher billboards rent (\$25k)
- Lower retail rent (-\$92k)
- Lower restaurant rent (-\$69k)
- Lower parking revenues (-\$29k)

Port of Oakland
Expense Actual vs. Budget Variance
Six Months Ended December 31, 2019

UNAUDITED
DRAFT

EXPENSES by CATEGORY

Port Operating Expenses* = **\$111.3 million**
Variance to Budget (\$) = **\$12.3 million (better)**
Variance to Budget (%) = **10.0% (better)**

Personnel Services - \$59.8 million

Better than budget by \$2.5 million or 4.0%

- 465 FTEs as of 12/31/19 vs. budgeted 514 FTEs (with vacancy factor of 25 FTEs)
- Open headcount savings (\$2.0 million) - *Various divisions*
- Lower retiree medical premiums (\$0.7 million) - *Non-departmental*
- Lower vacation/sick leave accrual (\$0.6 million) - *Non-departmental*
- Lower workers compensation accrual (\$0.2 million) - *Non-departmental*
- Lower professional development and training (net \$0.2 million) - *Various divisions*
- Higher overtime and temporary help (-\$1.2 million) - *Aviation, Finance, Executive*

Contractual Services - \$40.5 million

Better than budget by \$8.9 million or 18.0%

- Lower consulting, computer systems, and legal costs (net \$4.2 million) - *Various divisions*
- Lower contractual services with tenants (\$1.2 million) - *Maritime*
- Lower maintenance and repairs (net \$0.9 million) - *Engineering and Aviation*
- Lower parking and ground transportation (\$0.9 million) - *Aviation and CRE*
- Lower maintenance dredging (\$0.8 million) - *Engineering*
- Lower environmental costs (\$0.6 million) - *Engineering and Maritime*
- Lower security costs (net \$0.2 million) - *Aviation*
- Lower Alameda County Sheriff (\$0.2 million) - *Aviation*
- Higher Airport Rescue and Firefighting (-\$0.1 million) - *Aviation*

Supplies - \$2.7 million

Worse than budget by -\$0.4 million or -19.9% - *Aviation*

General and Administrative - \$7.4 million

Better than budget by \$1.9 million or 20.2%

- Lower legal contingency (\$1.1 million) - *Non-departmental*
- Lower marketing & advertising (\$0.3 million) - *Aviation*
- Lower Port-use Utilities (\$0.2 million) - *Non-departmental*
- Lower insurance and insurance claims (net \$0.1 million) - *Finance and non-departmental*
- Lower dues & registrations, community outreach, and sponsorships (net \$0.1 million) - *Various*
- Lower travel (net \$0.1 million) - *Aviation, Maritime, Legal, and Executive*

Utilities Cost of Sales - \$3.4 million

Better than budget by \$0.6 million or 15.2%

- Lower wholesale electricity for shore power, Harbor Transportation Center, North Airport, and Seaport Logistics Center (net \$0.5 million)

Departmental Credits - (\$2.5 million)

- Worse than budget by \$1.1 million or -31.1% due to less direct labor charged to capital projects from airport facilities-utilities, cranes/special projects, maritime design civil and electrical, and environmental project & planning partially offset by higher environmental permit fee recoveries.

* Excludes depreciation & amortization

General Notes:

- "Revenue divisions" are collectively Aviation, Maritime, Commercial Real Estate (CRE)
- Where applicable, primary source of variance by division is noted after each item.

**FY 2019-20 CAPITAL IMPROVEMENT PLAN (CIP)
SUMMARY FOR THE QUARTER ENDING 12/31/19**

(\$ Thousands)

Total Planned Budget = \$124.7

Actual Capital Expenditures in Comparison to Planned Budget = 12%

15% of Expenditures funded with Grants and PFCs

EXPENDITURE SUMMARY

| Divisions | Expenditures 7/1/19 - 12/31/19 | Total Approved Budget | Remaining Approved Budget | Remaining Pipeline Budget | FY 19-20 CIP | 5 Year CIP¹ |
|------------------|---|--------------------------------------|--|--|---------------------|-------------------------------|
| | [A] | [B] | [B-A] | [C] | [B +C] | |
| Aviation | 8,705 | 57,864 | 49,159 | 19,866 | 77,730 | 391,008 |
| Maritime | 6,186 | 22,766 | 16,580 | 17,615 | 40,381 | 169,756 |
| CRE | 63 | 5,218 | 5,155 | 34 | 5,252 | 8,624 |
| Support | 7 | 200 | 193 | 1,150 | 1,350 | 2,750 |
| Total | 14,961 | 86,047 | 71,086 | 38,665 | 124,712 | 572,138 |

FUNDING SUMMARY

| Funding Source | Funding Sources 7/1/19 - 12/31/19 | FY 19-20 Total Approved Budget | 5 Year CIP¹ |
|------------------------------------|--|---|-------------------------------|
| Aviation Grants ² | 1,635 | 12,911 | 97,728 |
| Maritime Grants/Other ² | 65 | 2,450 | 2,450 |
| PFC Pay-Go ³ | 537 | 4,558 | 83,198 |
| Debt Proceeds (PFC) | - | - | - |
| CFCs ⁴ | - | - | 200 |
| Cash | 12,724 | 66,129 | 388,562 |
| Total | 14,961 | 86,047 | 572,138 |

¹ 5-Year CIP includes FY 2019-20 through FY 2023-24.

² Includes grant eligible costs for which reimbursement by the granting agencies is pending. Reimbursement timing lags vary by grant.

³ Includes PFC eligible costs for which reimbursement is lagging.

⁴ The negative variance with budget is due to timing but the projects are within Board approved budget.

5-YEAR CAPITAL IMPROVEMENT PLAN
Annual Expenditure By Division and Projects
FY 2019-20 to FY 2023-24
(\$ Thousands)

| DIVISIONS | Expenditures 7/1/19-12/31/19 | FY19-20 Total Approved | FY19-20 Remaining Approved | FY19-20 Remaining Pipeline | FY19-20 CIP¹ | 5YR CIP |
|---|---|---------------------------------------|---|---|------------------------------------|----------------|
| AVIATION | | | | | | |
| Perimeter Dike Improvements | 29 | 8,780 | 8,751 | - | 8,780 | 56,600 |
| FEMA Northfield Vulnerability Upgrades | - | - | - | - | - | 3,750 |
| Airfield | | | | | | |
| Pavement, Taxiway and Runway Improvements | 2,906 | 15,605 | 12,699 | 1,566 | 17,171 | 111,485 |
| Other Support Projects | 494 | 4,120 | 3,626 | 430 | 4,550 | 11,150 |
| Subtotal Airfield | 3,400 | 19,725 | 16,325 | 1,996 | 21,721 | 122,635 |
| Terminal | | | | | | |
| Efficiency and Capacity Upgrades | 1,970 | 8,287 | 6,317 | 380 | 8,667 | 31,310 |
| Building System Infrastructure Improvements | 697 | 5,374 | 4,677 | 770 | 6,144 | 17,885 |
| Other Projects | 145 | 1,480 | 1,335 | 2,824 | 4,304 | 18,030 |
| Subtotal Terminal | 2,812 | 15,141 | 12,329 | 3,974 | 19,115 | 67,225 |
| Leased Area | | | | | | |
| Ground Access and Parking | 150 | 909 | 759 | 3,196 | 4,105 | 21,090 |
| Security | 316 | 1,450 | 1,134 | 2,850 | 4,300 | 36,360 |
| Utilities | 333 | 4,352 | 4,019 | 6,598 | 10,950 | 51,525 |
| Facilities Maintenance | 71 | 632 | 561 | 986 | 1,618 | 3,732 |
| Other | 1,595 | 6,875 | 5,280 | 266 | 7,141 | 9,191 |
| | 8,705 | 57,864 | 49,159 | 19,866 | 77,730 | 391,008 |
| MARITIME | | | | | | |
| Marine Terminals | 10 | 175 | 165 | 1,450 | 1,625 | 18,875 |
| Cranes | 3,793 | 4,210 | 417 | 3,150 | 7,360 | 14,950 |
| Security | 90 | 2,950 | 2,860 | - | 2,950 | 2,950 |
| Seaport Logistics Complex | 334 | 1,770 | 1,436 | 6,630 | 8,400 | 27,100 |
| Dredging | 41 | 250 | 209 | 1,250 | 1,500 | 11,500 |
| Utilities | 602 | 9,055 | 8,453 | 4,635 | 13,690 | 52,075 |
| Roadway | 133 | 825 | 692 | - | 825 | 23,000 |
| Other Projects | 1,182 | 3,531 | 2,349 | 500 | 4,031 | 19,306 |
| | 6,186 | 22,766 | 16,580 | 17,615 | 40,381 | 169,756 |
| COMMERCIAL REAL ESTATE | | | | | | |
| Jack London Square | 63 | 3,323 | 3,260 | - | 3,323 | 4,266 |
| Embarcadero Cove | - | 720 | 720 | - | 720 | 825 |
| Business Park | - | 850 | 850 | - | 850 | 1,440 |
| Other | - | 325 | 325 | 34 | 359 | 2,093 |
| | 63 | 5,218 | 5,155 | 34 | 5,252 | 8,624 |
| SUPPORT - Equipment and Systems | 7 | 200 | 193 | 1,150 | 1,350 | 2,750 |
| TOTAL | 14,961 | 86,047 | 71,086 | 38,665 | 124,712 | 572,138 |

¹ Includes FY 2020 Capital Budget - Approved and FY 2020 Pipeline Projects.