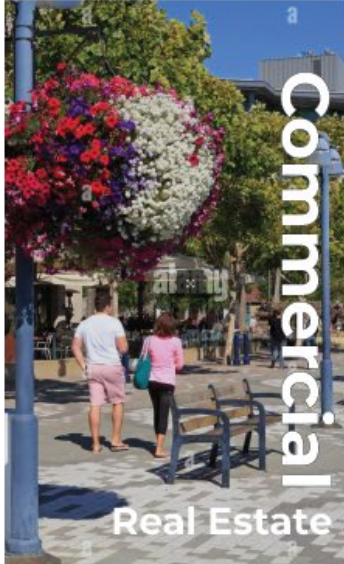


# Annual Comprehensive Financial Report

For the Years Ended June 30, 2025 and 2024



**PORT OF  
OAKLAND**  
Seaport. Airport.  
Everyone's Port.

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



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

Annual Comprehensive Financial Report  
For the Years Ended June 30, 2025 and 2024

Prepared by the Financial Services Division

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**PORT OF OAKLAND**  
**(A Component Unit of the City of Oakland) ANNUAL**  
**COMPREHENSIVE FINANCIAL REPORT**  
**For the Years Ended June 30, 2025 and 2024**

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OAKLAND**

Seaport. Airport.  
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## **INTRODUCTORY SECTION**

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

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# PORT OF OAKLAND

December 29, 2025

## **Board of Port Commissioners and Residents of the City of Oakland Oakland, California**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Port of Oakland (Port), a component unit of the City of Oakland (City), as of and for the years ended June 30, 2025, and 2024. Beginning in the year ended June 30, 2025, the financial results of the Port's Electric Utility Division will be separately reported from the Port's other three business lines in both the audited and unaudited sections of the ACFR. All dollar amounts are rounded to the nearest thousand within this report for presentation purposes.

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

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

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

### **Profile of the Port of Oakland**

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

The Board has exclusive control of all Port facilities and property, real and personal, all income and revenues of the Port, and proceeds of all debt financings initiated by it for seaport, airport, electric utility and other commercial real estate improvements, or for any other purpose. The Board has the power under the Charter to fix, alter, change, or modify the rates, tolls, fees, rentals and other charges for the use of the Port's facilities and any services provided in connection with the Port's facilities.

A substantial portion of the Port's revenues are governed by lease, use, license and other agreements with the tenants and customers of the Port's four business lines: Aviation, Maritime, Electric Utility and Commercial Real Estate (CRE). The Electric Utility business line primarily serves Maritime and Aviation tenants. Through Fiscal Year (FY) 2024, Electric Utility division financial schedules of revenues and expenses were allocated to Maritime and Aviation based on the tenants served. Beginning in the year ended June 30, 2025, Electric Utility Division financial results will be reported separately from the Port's other three business lines.

As required by the Charter, all Port revenues are deposited into a special fund in the City Treasury designated "Port Revenue Fund" and shall be kept separate and apart from all other money of the City.

The Oakland San Francisco Bay Airport (Airport or OAK) is one of three major commercial airports serving the nine-county San Francisco/Oakland/San Jose metropolitan area (Bay Area) and has approximately 2,600 acres of aviation-related facilities. OAK is the third busiest Bay Area airport as measured by passenger activity, and the busiest Bay Area airport for cargo, as measured by weight.

The Airport's facilities consist generally of a terminal complex, airfield facilities, air cargo facilities, business aviation and general aviation facilities, parking facilities, curbsides, a consolidated rental car facility, and maintenance facilities. The Airport's commercial passenger terminals consist of two terminal buildings, which collectively have approximately 556,000 gross square feet of space and 29 contact gates, joined by a post-security connector corridor. The Airport also has ramp parking and ground loading positions. The Airport has a fully instrumented 10,000-foot main commercial runway, long enough to accommodate all types of commercial passenger and air cargo aircraft. This runway primarily serves commercial air carrier operations and business jet departures. In addition, there are three runways of 6,212 feet, 5,458 feet and 3,376 feet used primarily for business and general aviation purposes and as a back-up when the main air carrier runway is closed for maintenance or construction.

Both FedEx and UPS operate major cargo facilities at the Airport. In particular, the Airport houses FedEx's West Coast / Asia Pacific hub for its express package operations, which is among the seven largest FedEx hubs in the world. FedEx operates an approximately 320,000 square foot domestic sorting facility and an approximately 100,000 square foot international clearance station along with adjacent aircraft apron on approximately 75.5 acres. UPS occupies an approximately 49,000 square foot facility and open-air areas where it conducts daily containerized loading activities.

According to the most recent Airports Council International (ACI) statistics for North America, in Calendar Year (CY) 2024 the Airport ranked 48th in the United States in terms of total passengers and 15th in terms of air cargo tonnage. In FY 2025, the Airport served approximately 9.95 million passengers and 1.15 billion pounds of air cargo (freight and mail). In CY 2024, the Airport averaged 121 passenger daily departures, FedEx averaged 17 daily departures and UPS averaged five daily departures.

The Oakland seaport (Seaport) serves as the principal Northern California ocean gateway for international containerized cargo shipments (particularly to and from the Pacific Basin), including shipments from California's agricultural Central Valley and western Nevada. The Seaport is one of several major gateways for such shipments on the West Coast of North America and handles primarily cargo that serves a large local and regional population. The Seaport competes with other West Coast ports for discretionary cargo, which is cargo originating at or bound for inland destinations that could be shipped through any one of several ports. In FY 2025, approximately 2.3 million total (full and empty) Twenty-Foot Equivalent Units (TEUs) moved through the Seaport.

The Seaport comprises approximately 1,300 acres of maritime-related facilities, which include multiple active marine container terminals (operated by various terminal operators under separate agreements) equipped with deep-water berths and modern container cranes, rail facilities for intermodal and bulk cargo handling, areas for truck staging, container staging/storage, transloading, and related maritime support, and public access. These facilities are served by a robust transportation network, which includes an additional intermodal rail facility on private property, deep water navigation channels, and several highways. All major ocean carriers serve the Seaport, connecting the Bay Area with the major trading centers of global commerce around the world.

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

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

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

### **Fiscal Year 2025 Financial Results**

The Port ended FY 2025 with operating revenues totaling \$428.8 million, reflecting a \$21.0 million increase from the previous fiscal year.

At the Seaport, annual container activity (measured as TEUs) at marine terminals increased by 3.7% in FY2025. FY 2025 monthly container throughput peaked in March 2025 at 217,417 TEUs. In April 2025, the same month the federal government announced sweeping tariff increases on imported goods, TEUs at the Seaport totaled 185,499, representing a 14.7% month-to-month decline. From April to May, TEUs grew by 1.0%, followed by a 10.1% decline in June 2025. The drop in container volume at the Seaport in June 2025 was not a seasonal dip but rather reflected softening market demand, which continued to be shaped by tariff uncertainty, shifting sourcing strategies, and cautious ordering behavior. In response, ocean carriers implemented additional blank (i.e., cancelled) sailings and consolidated cargo onto fewer vessels, leading to fewer calls at the Seaport but higher TEUs per ship.

Overall Maritime Division operating revenues totaled \$169.2 million in FY 2025, a decrease of \$15.1 million over FY 2024. Year-over-year revenue decline was primarily driven by a decrease in electrical utility revenues that beginning in FY 2025 are reported in the Electric Utility Division. The decrease in these utility revenues is partially offset by higher rent from marine terminals, higher rail terminal rent, and

lower GASB 87 revenue adjustment. These gains were partially offset by lower space assignment rent, other long-term (agreements of one year or more) lease rentals, and higher bad debt reserve compared with FY 2024.

In FY 2025, the Airport served 9.95 million passengers, a decrease of 11.4% from the prior year and equal to 73.1% of FY 2019 pre-COVID-19 levels. The decline in passenger volume was driven by several factors: (a) reduction in airline seat capacity at OAK due to carrier scheduling optimization and delays in new aircraft deliveries, (b) overall weakness in business travel demand between Northern and Southern California which historically drove a significant amount of the Airport's passenger traffic, (c) public perception of crime in the areas surrounding the Airport, (d) distribution channel challenges with aggregation platforms which often fail to display flights to or from OAK in the search results even when OAK is the closest airport to a traveler's destination, and (e) broader macro-economic pressures such as inflation and the impact of tariffs on consumer purchasing power, prompting consumers to scale back on discretionary spending, including air travel.

Amid these market dynamics, FY 2025 included a mix of new route introductions and service reductions at OAK. In terms of new route launches, Mexico's Viva (formerly known as Viva Aerobus) began service at the Airport on July 1, 2024, providing two or three times weekly nonstop service between OAK and Monterrey, Nuevo Leon, Mexico and added OAK- Guadalajara (GDL) service later in 2024. In March 2025, Volaris Airlines commenced five times weekly service between OAK and Los Cabos, Mexico and added three times weekly service to Zacatecas City, Mexico in July 2025. These new destinations bring the number of international destinations served by Volaris from OAK to seven: six in Mexico and one in El Salvador. Conversely, nonstop services to and from Atlanta (ATL), Nashville (BNA), Baltimore-Washington (BWI), Newark (EWR), Kona (KOA), and St. Louis (STL) were discontinued at OAK in FY 2025.

While passenger activity levels declined relative to FY 2024, Aviation Division revenues increased in several key revenue categories, including terminal rent, landing fees and other non-aeronautical lease rentals. These gains were partially offset by decreases in electrical utility revenues that beginning in FY 2025 are reported in the Electric Utility Division, lower terminal concession, parking, ground access, and rental car revenues, reflecting the reduced passenger volumes at OAK and higher GASB 87 revenue adjustment. Overall, Aviation operating revenues increased by \$8.6 million in FY 2025, a 4.2% year-over-year increase.

In FY 2025, there was a mix of tenant arrivals and departures at Jack London Square (JLS), reflecting broader commercial real estate dynamics in Oakland. Dragon Gate, a new restaurant and karaoke venue located at 1 Franklin Street, opened in November 2024. Forge Pizza and Left Bank Brasserie both closed in December 2024 and the Waterfront Hotel closed in January 2025. Notwithstanding the mix of openings and closures in FY 2025, CRE operating revenues totaled \$15.2 million; a slight decrease of \$0.2 million or -1.1% from the prior year. Increases in revenue were driven by parking, billboard advertising, marinas, office, and retail and land space rentals. These gains, however, were largely offset by declines in electrical utility revenues that beginning in FY 2025 are reported in the Electric Utility Division, other CRE revenue categories, including lower rent from hotel, restaurant, warehouse tenants and higher bad debt reserve.

Reported in the Electric Utility Division are electricity revenues, revenues from sale of Cap-and-Trade allowances, and AB1890 public benefit revenues. Shore Power usage revenues, domestic gas and sewage revenues are reported in the Aviation and Maritime Divisions.

On the expense side, operating expenses excluding depreciation and amortization increased by \$19.5 million across the four business lines which equates to a 7.2% increase compared to FY 2024. The increase was primarily driven by higher personnel expenses reflecting higher retirement benefit costs, salary

adjustments based on labor MOUs, step increases, contractual services, utilities cost of renewable energy certificates, and higher security and consulting costs.

The FY 2025 financial results are discussed in further detail in the MD&A.

### **Operating and Capital Budgets**

The Port's operating budget is an essential component of the Port's financial and operational planning and management. The operating budget serves as a plan for each revenue division's operating revenues and expenses and for Port-wide non-operating income and expenses. Operating budgets are prepared and presented annually to the Board for approval in June prior to the start of the new fiscal year or shortly after the start of the new fiscal year in July. For FY 2026, Port staff prepared a five-year operating forecast. The first year of the operating forecast is presented to the Board for adoption as the Port's operating budget for the upcoming new fiscal year, while the additional four years are presented in concept for informational purposes only.

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

The approved FY 2026 operating and capital budgets, and the five-year operating and CIP forecasts are available on the Port's website located at <https://www.portoakland.com/business/financial-information/> and are discussed at a high level below under Economic Outlook and Financial Planning.

### **Economic Outlook and Financial Planning**

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

The Port's FY 2026 operating and capital budgets were developed to (a) support long-term financial strength, resiliency and sustainability, (b) address immediate operational, recruitment and financial challenges while maintaining flexibility and liquidity against operational, financial, political and economic uncertainties, and (c) strategically identify, prioritize and plan major capital projects focused on regulatory compliance, grant project delivery commitments, zero emissions progress, health and safety, revenue generation, asset management, and essential infrastructure investments.

For FY 2026, the Port budgeted total operating revenues of approximately \$417.3 million; a 2.7% decrease from the \$428.8 million realized in FY 2025. Revenue projections for FY 2026 reflect revenue impact of (a) expected reductions in flights and available seats at OAK due to continued delays in new aircraft deliveries to Southwest Airlines, (b) softer domestic travel demand and overall changes in airline scheduling to more profitable routes away from OAK, (c) lower air freight cargo volume for low value and high value items due to changes in tariff regulations, (d) weakening labor market (e.g. layoffs) and inflation on discretionary spending including demand for air travel and imported goods, and (e) tariff uncertainty and other geopolitical friction with key trading partners in Asia which could reduce cargo volumes and overall

container throughput at the Seaport. Since the start of FY 2026, Spirit Aviation Holdings, Inc., parent company of Spirit Airlines, LLC, filed for Chapter 11 bankruptcy protection on August 29, 2025, and subsequently ceased operations at several West Coast stations, including at OAK. Total TEU activity at the Seaport in the first four months of FY 2026 trails the same period of the prior year by 0.7%.

Operating expenses before depreciation are budgeted at approximately \$299.7 million for FY 2026; a 2.6% increase from \$292.1 million realized in FY 2025. The increases in operating costs are driven in part by anticipated increases in personnel costs, which represent 51.4% of the operating expense budget before depreciation, consulting services and security at the Airport. The Port is anticipating operating expenses before depreciation to increase to \$317.2 million by FY 2030, for a forecasted compound annual growth rate of 1.4%. Increases in expenses are driven by increases in personnel costs due to future assumed cost of living adjustments (COLA), increases in non-personnel operating expenses including contractual services, general and administrative costs and supplies. The Port's pension contribution rates, including employer unfunded liability contributions, are projected to be 34.6% in FY 2026, increasing to 36.0% in FY 2027 and then increasing further to 39.4% in FY 2030 based on CalPERS projections.

On July 10, 2025, a five-year (FY 2026-2030) CIP in the amount of \$1.45 billion was presented to the Board for informational purposes only. The current five-year CIP does not include significant capacity expansion projects and thus will generally not generate significant new revenues. Capital improvements included in the five-year CIP are primarily focused on the Airport perimeter dike project, taxiway, runway, security, pavement and roadway improvements, underground utilities infrastructure upgrades, as well as miscellaneous terminal projects, various electric utility infrastructure investments both at the Airport and Seaport, turning basins widening, marine terminal wharf improvements and redevelopments.

For FY 2026, the Board authorized a capital budget of \$243.3 million. Approximately \$55.4 million of the capital expenditures are expected to be funded with various Aviation grants, \$24.3 million from Maritime grants, \$2.0 million from Electric Utility grants, \$19.9 million is expected to be funded with Passenger Facility Charges (PFC), \$5.0 million to be funded with Low Carbon Fuel Standard (LCFS) credits, and the remainder is anticipated to be funded with cash on hand, cash generated from future operations or new debt in the form of commercial paper notes. A description of the major capital projects is provided below under Major Initiatives.

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

### **Major Initiatives**

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

#### **Aviation**

*Airport Perimeter Dike Improvements.* The Airport Perimeter Dike (APD) separates the OAK airfield from San Francisco Bay waters and protects the South Field of the Airport from storm events and rising Bay waters. The first phase of APD improvements were substantially completed in January 2022 to enhance the 4.5-mile structure to meet Federal Emergency Management Agency (FEMA) certification standards and

meet projected mid-century sea-level rise impacts. Phase 2 of the APD improvements is intended to protect the APD from catastrophic damage during a major earthquake using a soil mixing with cement grout to reinforce and densify granular soils. The construction of the Phase 2 APD seismic improvements has been bid, a contractor has been selected and construction activities began in Spring 2025.

*Restroom Upgrades.* Terminal restrooms at OAK have been in service for over 15 years, have far exceeded their useful life and no longer meet passenger experience and operational needs of the Airport. A complete renovation of the Terminal 1 and Terminal 2 restrooms has been programmed to meet current standards and passenger expectations. The scope of work will include gender-neutral facilities, modernizing finishes and installing low water use fixtures that meet current standards, extend life cycle, and ease maintenance requirements in the future. Phase 1 of the project has been completed and includes the restoration of the women's restroom at Gate 4, a complete renovation of the men's restroom at Gate 3, a conversion of the men's restroom at Gate 7 into gender neutral/family restrooms and a lactation suite and waiting area. Phase 2 includes restroom upgrades in both Terminal 1 and 2 (Gates 12, 15, 23, 27, Terminal 1 pre-security, flex restrooms in Terminal 2 Baggage Claim, and a lactation suite and universal adult changing room in Terminal 2). Construction of Phase 2 will begin in early 2026 and is anticipated to be completed by late 2027. The final Phase 3 includes upgrades in Terminal 1 at Gate 5 and Terminal 2 at Gates 25, 29 and T2 Bag Claim, and is anticipated to be completed in 2028.

*Runway 10R/28L and Taxiway Bravo Pavement Rehabilitation.* Runway 10R-28L and Runway 10L-28R are parallel runways located in OAK's North Field. These runways serve general aviation activity and serve as an alternative to the main air carrier runway, Runway 12-30 during construction, maintenance and other incidents on South Field. Runway 10R-28L is the longest runway on the North Field. Taxiway Bravo serves as the connector between North Field and South Field and serves as access to the North Field runways. The pavement on Runway 28L and on Taxiway Bravo (between Runway 10L-28R and the Ron Cowan Bridge) have been identified as the next priority paving project at OAK.

The Runway 10R-28L and Taxiway Bravo Pavement Rehabilitation project includes design and construction of runway pavement, pavement marking, and lighting. The runway surface is made of asphalt concrete and spans a length of 6,213 feet, with a width of 150 feet and was most recently upgraded in 2007. This section of Taxiway Bravo is 2,200 feet in length and 75 feet wide and was last upgraded in 2003. The Project is expected to be substantially completed in December 2025.

*M103 Roof and Air Handler Replacement.* Both the roof membrane and four roof top air handler units (AHUs) in OAK's Terminal 1 concourse (Building M-103) are nearing the end of their life expectancy and the Port is now planning for their replacement. This project presents an opportunity to reassess all of M-103's HVAC needs to improve the energy performance of the building's envelope and equipment that heats and cools the concourse.

A basis of design was conducted to identify the key components of the project which includes replacement of existing AHU with new raised framing and support, new roofing and insulation, the addition of scuppers, extending hot/cold water loops, relining or replacing existing rainwater leaders, and the addition of perimeter roof railing and roof davits. Once implemented, the project will serve to improve roof top drainage, resolve long standing maintenance challenges with the aging equipment and depressed wells where the AHUs are located, and enhance fall protection and worker safety. The energy design criteria incorporated into this project promotes an improved building envelope and higher performance equipment, resulting in reduced energy usage and fewer carbon emissions. This Project is expected to be completed in 2027.

## Maritime

*Marine Terminal Improvements.* The Port has started planning and designing the redevelopment of the backlands at Berth 24 in the Port's Outer Harbor Terminal. The work planned over the 5-year period will consist of approximately 25 acres of new pavement, LED high mast lighting, runways for rubber tire gantry cranes (RTGs), refrigerated container and grounded storage, and substation improvements, to expand the Port's electrical grid capacity and support power reliability and resiliency. The project is being designed to allow for integration into existing marine terminal operations that will improve the Port's ability to accommodate supply chain uncertainties and surges in imports, exports, empties, and refrigerated cargo, particularly agricultural exports; improve operational efficiencies; and advance zero-emissions goals. This project's environmental review is complete, and design is underway. Construction is anticipated to start in mid-2026.

Work has begun on a project to integrate the backlands of Berths 33 and 34 (i.e., yard areas), which are adjacent but currently separated by a significant elevation difference that prevents the two-yard areas from operating as a unified facility. Although the issue is not problematic today because the yards are leased to different marine terminal operators, it limits future operational flexibility at the Port's 7<sup>th</sup> Street and Outer Harbor Terminals. To resolve this, the Port plans to raise and reconstruct approximately 25 acres of yard area. The scope of work also incorporates other adjacent areas currently used for staging and stockpiling Port-owned materials, placing this land back into productive use. Environmental review and design is complete; the project is currently out for bid.

*Turning Basins Widening.* The Port has partnered with the U.S. Army Corps of Engineers (USACE) to study, and potentially construct, the widening of the two Oakland Harbor turning basins, which are part of the federal waterway that serves the Seaport. Vessels use the Inner and Outer Harbor Turning Basins (Basins) to turn-around upon arrival or departure. The Basins are critical to Seaport operations today and in the future. However, the Basins were designed and constructed in the early 2000s for smaller vessels than those in operation today and in the future.

Due to the inadequate diameter of the Basins, vessels are restricted in when and how they can turn. The United States Army Corps of Engineers (USACE) and the Port will share the cost of the widening project. The project is federally authorized and included in the Water Resource and Development Act of 2024. Environmental review is complete, and the Port has commenced with design work on this project. Federal funding is pending, and necessary to complete the project. The total cost to deliver this project is currently estimated at approximately \$700 million, with the Port expected to contribute approximately \$226 million, and approximately \$474 million in federal funding.

*Green Power Microgrid.* This project consists of a wide range of electrical infrastructure and related assets including electric vehicle chargers, and infrastructure upgrades. Environmental review was completed for this project in late 2023, grant funding was obligated by the State of California in May 2024, and design work is complete; the project is currently out for bid.

*B24 – 26 Crane Rail/Wharf Upgrades.* This project involves wharf strengthening and structural repairs including crane girder upgrades, added piling, beam strengthening, crane rail replacement, and replacing the ship-to-shore crane electrical bus bar system and replacing with a safer and more reliable panzerbelt® cable system. Environmental Review is nearing completion, and design work has commenced. This project is estimated to cost approximately \$59.5 million and includes approximately \$49.5 million in federal grant funding.

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

Seaport. Construction of 7SGSE is underway with construction scheduled for completion in late 2028. Alameda County Transportation Commission is constructing the 7SGSE project with cooperation and oversight from the Port and the City of Oakland. Ownership, operation and maintenance of this asset will be transferred to the Port and City upon completion. The total project cost is anticipated to exceed \$350 million with funding from a combination of the Measure BB Tax Measure, state/local grants, and a very small contribution of (non-capital) Port funds. The project is not included in the Port's 5-Year CIP; however, it is highlighted here because it is a major and long-awaited improvement for the Seaport.

## **Electric Utility**

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

## **Commercial Real Estate**

*Jack London Square.* The Port continues its efforts to strengthen Jack London Square's (JLS) traditional reputation as a restaurant, administration, and transportation center with the addition of complementary retail and entertainment venues, through a partnership with its developer partner, CIM Group. CIM Group is a nationally recognized, well-respected real estate investment company with substantial experience in developing and operating mixed use complexes in urban areas throughout the United States. Recently, CIM Group secured new land-use entitlement approvals for two multi-family residential buildings adjacent to JLS on privately owned land: the first of these two buildings, Channel House (a 333-unit apartment building) was completed and is currently leasing units to new waterfront residents; the second residential building has been approved by the City Planning Division, but permits are pending. CIM Group also has secured final design review approvals including approval of the City Planning Division for a hotel on the last remaining parcel within the JLS Phase II Project. Once operational, the JLS Phase II Project is expected to provide important public benefits, including 650 jobs during the construction phase, up to 2,000 permanent jobs, and an additional annual taxes for the City.

*Brooklyn Basin.* Over the next few years, the Brooklyn Basin waterfront district, an older, underutilized industrial area centrally located on the Oakland Estuary minutes from JLS and downtown Oakland, is expected to continue the substantial redevelopment currently underway to create a new residential neighborhood by a private developer, Zarsion-OHPI, LLC (ZOHP). The concept for the area is to transform the underutilized former maritime industrial district into a revitalized, mixed-use waterfront community known as Brooklyn Basin. The Brooklyn Basin Project site comprises approximately 64 acres of waterfront property bounded by Embarcadero Road, Oak Street, Tenth Avenue, and the Oakland Estuary. When completely built out, the Brooklyn Basin Project will provide up to 3,100 housing units, up to 200,000 square feet of neighborhood serving retail space, approximately 32 acres of public open space and parks, and two renovated recreational marinas. Approximately one half of the property is owned by ZOHP and the other half is still owned by the Port and leased to ZOHP. This project is expected to be completed in three to five phases over the next five to ten years.

## Other Information

### Independent Audit

An independent audit by certified public accountants is important in determining the reliability of the Port's financial statements. The importance of such verification has been recognized by the federal and state governments, the Port's bond holders and the general public. The Port contracted with the accounting firm of Macias Gini & O'Connell LLP for this audit. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The firm's report has been included in the financial section of this report.

### Certificate of Achievement for Excellence in Financial Reporting Award

The Port received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Port's ACFR for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgements

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

Respectfully submitted,



Julie Lam  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Port of Oakland  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

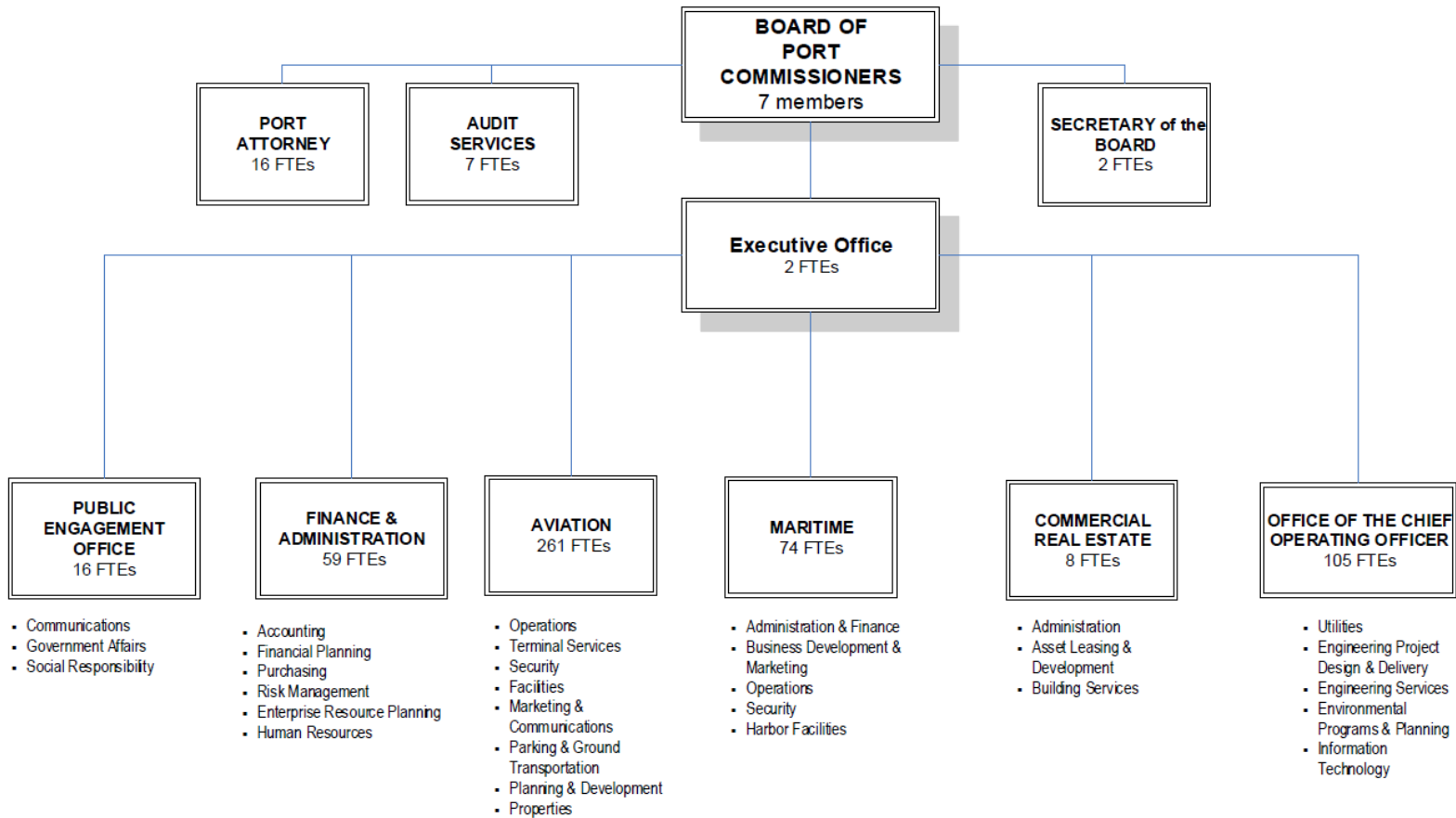
*Christopher P. Morill*

Executive Director/CEO

# PORT OF OAKLAND ORGANIZATION CHART

FISCAL YEAR 2024-25

550 FTES (FULL-TIME EQUIVALENTS)





## PORT OF OAKLAND

### **Appointed Officials, Executive Management and Contributing Staff**

For the Year Ended  
June 30, 2025

#### **Board of Port Commissioners of the City of Oakland**

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

#### **Executive Management**

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

#### **Contributing Staff**

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

530 Water Street  
Oakland, California 94607

Phone: 510-627-1100  
Website: [portfoakland.com](http://portfoakland.com)

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**PORT OF  
OAKLAND**

Seaport. Airport.  
Everyone's Port.

## **FINANCIAL SECTION**

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

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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Port of Oakland (Port), a component unit of the City of Oakland, California, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Port, as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, 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.



Walnut Creek, California  
December 29, 2025

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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## **Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) is intended to provide information concerning known facts and conditions affecting the Port of Oakland's (Port) operations. The following discussion and analysis of the financial performance and activities of the Port provides an introduction and understanding of the financial statements of the Port for the years ended June 30, 2025 and 2024, with comparative information for June 30, 2023. This MD&A has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes, which follow this section. All dollar amounts are expressed in thousands unless otherwise indicated.

### **Financial Statement Overview**

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

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

### **Summary of Net Position**

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

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

**Summary of Net Position (continued)**

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

	2025	\$	Change	%	2024	\$	Change	% Change	2023
Current and other assets	\$ 1,903,485	\$	59,155	3.2%	\$ 1,844,330	\$	(66,151)	-3.5%	\$ 1,910,481
Capital assets, net	1,880,590		32,160	1.7%	1,848,430		2,089	0.1%	1,846,341
Total assets	<u>3,784,075</u>		<u>91,315</u>	2.5%	<u>3,692,760</u>		<u>(64,062)</u>	-1.7%	<u>3,756,822</u>
Deferred outflows of resources	80,855		(17,474)	-17.8%	98,329		6,300	6.8%	92,029
Debt outstanding	490,991		(73,156)	-13.0%	564,147		(88,068)	-13.5%	652,215
Other liabilities	456,959		9,651	2.2%	447,308		(16,413)	-3.5%	463,721
Total liabilities	<u>947,950</u>		<u>(63,505)</u>	-6.3%	<u>1,011,455</u>		<u>(104,481)</u>	-9.4%	<u>1,115,936</u>
Deferred inflows of resources	953,568		18,924	2.0%	934,644		(99,690)	-9.6%	1,034,334
Net investment in capital assets	1,411,882		102,218	7.8%	1,309,664		76,119	6.2%	1,233,545
Restricted for:									
Construction	81,675		19,816	32.0%	61,859		17,954	40.9%	43,905
Unrestricted	469,855		(3,612)	-0.8%	473,467		52,336	12.4%	421,131
Total net position	<u>\$ 1,963,412</u>	\$	<u>118,422</u>	6.4%	<u>\$ 1,844,990</u>	\$	<u>146,409</u>	8.6%	<u>\$ 1,698,581</u>

**2025**

Total assets increased by \$91,315 from \$3,692,760 to \$3,784,075 during the year ended June 30, 2025. This increase is contributed by \$44,414 increase of receivable due to lease extension following their lease expiration dates and \$32,160 increase in net capital assets mainly from completion of restroom upgrade, taxiway improvement projects in Aviation and harbor terminal modernization projects. In addition, higher returns on investments than in the previous year resulted in an increase in the current assets.

Deferred outflows of resources are the effect of pension, other postemployment benefit (OPEB) accounting, and unamortized deferred loss on debt refunding. Deferred outflows of resources in pension decreased by \$18,397 mostly stemming from changes in actuarial assumptions, and deferred loss decreased by \$992 due to amortization of deferred loss on debt refunding, while deferred outflows of resources in OPEB increased by \$1,915 mostly due to changes in expected and actual experiences, resulting in net decrease of \$17,474.

Total liabilities reflect a decrease of \$63,505 mainly due to scheduled payments of bond debts, \$73,156 which was offset by an increase in accounts payable and accrued liabilities at year-end.

Deferred inflows of resources are the result of the deferred lease revenue, and the effect of pension and OPEB accounting which is comprised of changes in proportional share of the Port, and the difference between expected and actual experiences in the CalPERS pension plan and the OPEB plan. The deferred inflows of resources increased by \$18,924 from \$934,644 to \$953,568 during the year ended June 30, 2025, mainly due to an increase of \$23,443 in deferred leases as long-term leases were extended following their lease expiration. Deferred inflows of resources in pension and OPEB decreased by \$4,519 mainly due to changes of assumption and differences between expected and actual experiences.

**Port of Oakland**  
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**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Summary of Net Position (continued)**

Net position restricted for construction consists of mainly Passenger Facilities Charges (PFC) and Customer Facilities Charges (CFC) in the amount of \$78,961 which are restricted for the construction of specific assets at the Airport or for other permitted uses, and restricted funds of \$2,714 which are reserved for Low Carbon Fuel Standards (LCFS) projects.

As of June 30, 2025, the Port's net investment in capital assets totaled \$1,411,882, which is an increase of \$102,218 or 7.8% due to a net decrease of \$70,058 in capital-related debt and an increase of \$32,160 in net capital assets. For a detailed discussion on capital assets and long-term debt, refer to pages 12-16 for more details.

**2024**

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

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

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

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

Net position restricted for construction consists of mainly Passenger Facilities Charges (PFC) and Customer Facilities Charges (CFC) in the amount of \$68,659 which are restricted for the construction of specific assets at the Airport or for other permitted uses, and restricted funds of \$3,012 which are reserved for Low Carbon Fuel Standards (LCFS) projects.

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

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

**Summary of Revenues, Expenses and Changes in Net Position**

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

	2025	\$ Change	% Change	2024	\$ Change	% Change	2023
Operating revenues	\$ 428,769	\$ 21,030	5.2%	\$ 407,739	\$ (948)	-0.2%	\$ 408,687
Passenger facility charges revenue	16,139	(4,539)	-22.0%	20,678	(939)	-4.3%	21,617
Customer facility charges revenue	6,100	2,838	87.0%	3,262	(247)	-7.0%	3,509
Investment income	70,853	(27)	0.0%	70,880	20,388	40.4%	50,492
Operating grant income	2,691	(22,833)	-89.5%	25,524	7,182	39.2%	18,342
Other income	1,154	(917)	-44.3%	2,071	2,071	n/a	-
Total revenues	<u>525,706</u>	<u>(4,448)</u>	<u>-0.8%</u>	<u>530,154</u>	<u>27,507</u>	<u>5.5%</u>	<u>502,647</u>
Operating expenses							
before depreciation	292,102	19,522	7.2%	272,580	32,166	13.4%	240,414
Depreciation	120,165	3,232	2.8%	116,933	(1,293)	-1.1%	118,226
Interest expense	12,308	(1,480)	-10.7%	13,788	(633)	-4.4%	14,421
Customer facility charges expense	5,555	1,978	55.3%	3,577	131	3.8%	3,446
Loss on disposal of capital assets	228	(1,343)	-85.5%	1,571	1,092	228.0%	479
Other expense	8,083	4,210	108.7%	3,873	1,846	91.1%	2,027
Total expenses	<u>438,441</u>	<u>26,119</u>	<u>6.3%</u>	<u>412,322</u>	<u>33,309</u>	<u>8.8%</u>	<u>379,013</u>
Change in net position before capital contributions	87,265	(30,567)	-25.9%	117,832	(5,802)	-4.7%	123,634
Capital contributions - Grants from government agencies	31,157	2,580	9.0%	28,577	12,726	80.3%	15,851
Increase in net position	118,422	(27,987)	-19.1%	146,409	6,924	5.0%	139,485
Net position, beginning of the year	1,844,990	146,409	8.6%	1,698,581	139,485	8.9%	1,559,096
Net position, end of the year	<u>\$ 1,963,412</u>	<u>\$ 118,422</u>	<u>6.4%</u>	<u>\$ 1,844,990</u>	<u>\$ 146,409</u>	<u>8.6%</u>	<u>\$ 1,698,581</u>

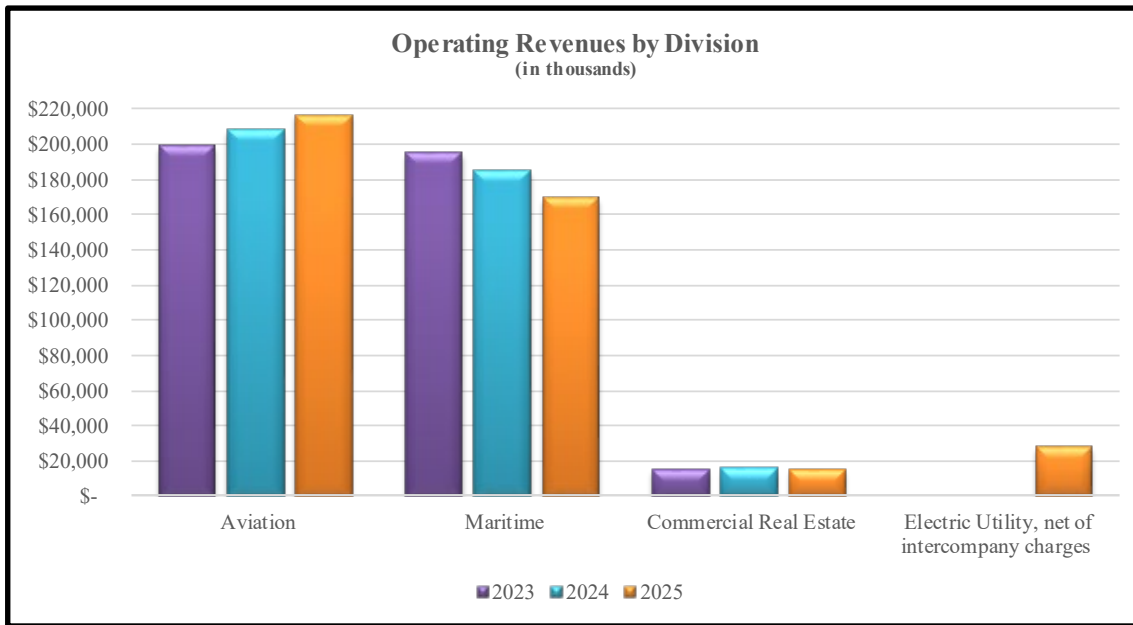
**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Management’s Discussion and Analysis (unaudited)**  
**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

**Operating Revenues by Division**

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

<b>Division</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Aviation	\$ 216,722	\$ 208,080	\$ 198,762
Maritime	169,181	184,263	194,834
Commercial Real Estate	15,226	15,396	15,091
Electric Utility, net of intercompany charges	27,640	-	-
<b>Total</b>	<b>\$ 428,769</b>	<b>\$ 407,739</b>	<b>\$ 408,687</b>

Note: Beginning in fiscal year 2025, the Electric Utility Division is reported as a separate revenue division.



**2025**

The Port’s total operating revenues increased approximately \$21,030 or 5.2% from \$407,739 in fiscal year 2024 to \$428,769 in fiscal year 2025.

The Aviation Division generated \$216,722 or 50.5% of the Port’s total operating revenues in fiscal year 2025. Aviation’s operating revenues increased by approximately \$8,642 or 4.2% from \$208,080 in fiscal year 2024 to \$216,722 in fiscal year 2025. The net increase in Aviation operating revenue was primarily due to an increase in terminal lease revenue of \$6,594, and increase in landing fees revenues of \$9,717, offset by decreases in parking revenues of \$4,658 and fueling and utility revenues of \$4,134. Utility revenue in Aviation decreased mainly due to separating the reporting of the Electric Utility Division starting in fiscal year 2025. Growth in Aviation revenue was driven in part by an increase in the minimum annual guaranty payment by concessionaires which was temporarily paused during the COVID pandemic, and annual fee increases although passenger activity decreased by 1,275,937 passengers from 11,229,355 passengers in 2024 to 9,953,418 in 2025.

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Operating Revenues by Division (continued)**

The Maritime Division generated \$169,181 or 39.5% of the Port's total operating revenues in fiscal year 2025. Maritime's operating revenues decreased by approximately \$15,082 or 8.2% from \$184,263 in fiscal year 2024 to \$169,181 in fiscal year 2025. While marine terminal fixed and variable rents increased in 2025 due, in part, to higher cargo throughput, the Division's gains were offset by the loss of electric utility revenue that is reported in a separate revenue division, the Electric Utility Division, effective fiscal year 2025. Therefore, in aggregate, Maritime's fiscal year 2025 revenue was lower than fiscal year 2024.

The Commercial Real Estate Division generated \$15,226 or 3.6% of the Port's total operating revenues in fiscal year 2025. Commercial Real Estate's operating revenues decreased slightly by \$170 or 1.1% from \$15,396 in fiscal year 2024 to \$15,226 in fiscal year 2025. The decrease in Commercial Real Estate revenue was primarily due to decreases in lease rentals and other revenues.

Beginning in fiscal year 2025, the Electric Utility Division is reported as a separate revenue division. The Electric Utility Division includes electric utility operations only and bills other revenue divisions and their tenants for their electric usages. The intercompany billing is recorded as revenue in the Electric Utility Division and as operating expenses in other revenue division. The intercompany billing is to improve transparency into financial performance of each revenue division. The intercompany billing revenue and expenses are eliminated in the basic financial statements. Operating revenues and expenses in Other Supplementary Information on page 77 includes the intercompany revenues and expenses. Prior to fiscal year 2025, utility revenue and expenses were allocated to each respective revenue division. Utility revenue is comprised of electricity revenue charged to the Port's tenants and generated \$27,640 or 6.4% of the Port's total operating revenues in fiscal year 2025. The electricity revenue is net of intercompany billing revenue of \$5,166.

**2024**

The Port's total operating revenues decreased approximately \$948 or 0.2% from \$407,7397 in fiscal year 2024 to \$407,739 in fiscal year 2024.

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

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**Operating Revenues by Division (continued)**

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

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

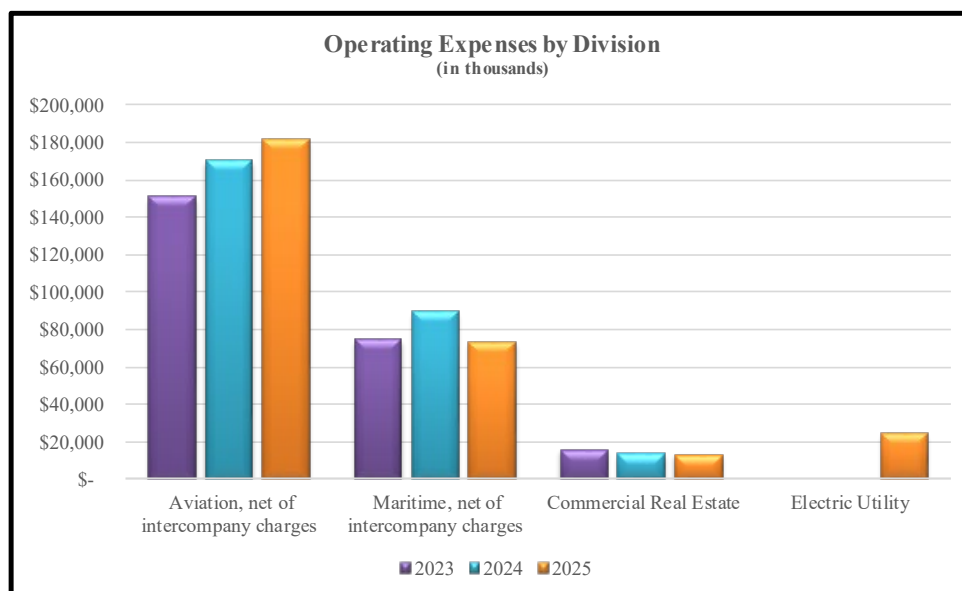
**Operating Expenses by Division**

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

**Operating Expenses by Division**

<u>Division</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Aviation, net of intercompany charges	\$ 181,298	\$ 169,971	\$ 150,585
Maritime, net of intercompany charges	73,126	89,348	74,270
Commercial Real Estate	12,955	13,261	15,559
Electric Utility	24,723	-	-
Total	<u>\$ 292,102</u>	<u>\$ 272,580</u>	<u>\$ 240,414</u>

Note: Beginning in fiscal year 2025, the Electric Utility Division is reported as a separate revenue division.



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**2025**

The Port's operating expenses, excluding depreciation, increased by approximately \$19,522 or 7.2% from \$272,580 in fiscal year 2024 to \$292,102 in fiscal year 2025.

The Aviation Division represented 62.1% of the Port's total operating expenses excluding depreciation in fiscal year 2025. Aviation's operating expenses excluding depreciation expenses increased by \$11,327, or 6.7% from \$169,971 in fiscal year 2024 to \$181,298 in fiscal year 2025. Operating expenses increased across all areas primarily due to increases in retirement benefit costs, salary adjustments and price increases in supply and materials. The increases are offset by a decrease of \$1,658 in utilities, which is a result of separate reporting of Electric Utility Division.

The Maritime Division represented 25.0% of the Port's total operating expenses excluding depreciation in fiscal year 2025. Maritime's operating expenses excluding depreciation expenses decreased by \$16,222 or 18.2% from \$89,348 in fiscal year 2024 to \$73,126 in fiscal year 2025. Overall operating expenses excluding utilities and depreciation increased by \$5,357 primarily due to increases in retirement benefit costs, salary adjustments and price increases in supply and materials. A significant decrease in utilities cost by \$17,041 contributed to the net decrease in operating expense. The decrease in utility cost is a result of separate reporting of Electric Utility Division. Utility cost of \$2,219 reported in fiscal year 2025 includes intercompany charges from Electric Utility Division and other non-electricity utility costs only, compared to fiscal year 2024. Other Supplementary Information on page 77 provides a detail of the intercompany revenues and expenses. Prior to fiscal year 2025, utility revenue and expenses were allocated to each respective revenue division.

The Commercial Real Estate Division represented 4.4% of the Port's total operating expenses excluding depreciation in fiscal year 2025. Commercial Real Estate's operating expenses excluding depreciation expenses decreased by \$306 or 2.3% from \$13,261 in fiscal year 2024 to \$12,955 in fiscal year 2025. The decrease in operating expenses was primarily due to a decrease of \$1,510 in administration and general services, utilities, and security costs. This was due to a decrease in legal costs and a result of a separate reporting of Electric Utility Division. The decrease was offset by increases in personnel, materials and marketing costs due to increases in retirement benefit cost and salary adjustments.

Beginning in fiscal year 2025, electric utility operations are separately reported as a standalone business line. The Electric Utility Division represented 8.5% of the Port's total operating expenses excluding depreciation in fiscal year 2025. Electric Utility's operating expenses excluding depreciation expenses were \$24,723 in fiscal year 2025. Other Supplementary Information on page 77 provides a detail of Electric Utility Division and intercompany revenue and expenses along with the elimination to arrive at the net revenue and expenses excluding intercompany charges.

**2024**

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

The Aviation Division represented 62.4% of the Port's total operating expenses excluding depreciation in fiscal year 2024. Aviation's operating expenses excluding depreciation expenses increased by \$19,386, or 12.9% from \$150,585 in fiscal year 2023 to \$169,971 in fiscal year 2024. The increase in operating expenses was a result of several factors including increase of \$9,273 in maintenance and engineering costs, and \$7,645 in combined increases in retirement benefit costs, salary adjustments based on current labor MOU's cost of living adjustments and step increases, and price increase in supply and materials.

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**Operating Expenses by Division (continued)**

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

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

**Depreciation Expense by Division**

A summary of depreciation expense as of June 30 follows:

Division	2025	2024	2023
Aviation	\$ 66,799	\$ 64,767	\$ 62,248
Maritime	50,136	49,880	53,814
Commercial Real Estate	2,522	2,286	2,164
Electric Utility	708	-	-
Total	\$ 120,165	\$ 116,933	\$ 118,226
Depreciation by funding source:			
Grant, PFC and CFC funded portion	\$ 40,091	\$ 36,755	\$ 36,857
Internal and debt funded portion	80,074	80,178	81,369
Total	\$ 120,165	\$ 116,933	\$ 118,226

In fiscal year 2025, overall depreciation expense increased by \$3,232 or 2.8%, primarily due to increased activities in capital projects being completed and started to depreciate during fiscal year 2025 which resulted in overall increases in depreciation expense. Significant assets additions were Airport Taxiway Whiskey Improvement, Restroom and Ticket Counter Upgrades in airport terminal, and purchase of electric buses for aviation, and Wharf Upgrades for Ultra Large Container Vessels, and Sewer Line and System Improvements for Maritime.

In fiscal year 2024, overall depreciation expense decreased by \$1,293 or 1.1%, primarily due to decrease in Maritime depreciation expense by \$3,934 offset by increases in Aviation and Commercial Real Estate' depreciation expenses by \$2,519 and \$122, respectively. Maritime's depreciation decreased due to assets that were disposed and close to or fully depreciated during the year. Aviation's depreciation expense increased due to assets placed in service during the year, and the most significant assets were Airport

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**Depreciation Expense by Division (continued)**

Taxiway Improvement and Security System Enhancements. Commercial Real Estate's depreciation expenses increased due to Parking Revenue Control System Upgrade and Tenant Improvements at Jack London Square.

**Interest Expense**

Interest expense decreased by \$1,480 or 10.7% in fiscal year 2025, and by \$633 or 4.4% in fiscal year 2024. The decreases in both fiscal years were the result of year-over-year reductions in outstanding revenue bond and commercial paper note principal balances.

**Other Expense**

Other expenses continued to increase by \$4,210 or 108.7% and \$1,846 or 91.1% in fiscal year 2025 and 2024 respectively. The increase in fiscal year 2025 is due to a reimbursement of \$945 paid to a maritime tenant for their improvement, a contribution of \$2,000 made to a community organization for overall improvements in the City of Oakland, and another contribution of \$2,000 to the Hilton Oakland Airport hotel (Hilton) for their demolition effort. In August 2024, the Hilton who has been a long-term tenant for the Commercial Real Estate Division, ceased operations. The Port decided not to assume title and instructed Hilton to demolish the buildings and return the land in its original state per the land lease agreement. To incent Hilton to accelerate demolition and clean-up, the Port contributed \$2,000 to the demolition which is recorded in other expense. The Hilton is planned to complete the demolition in fiscal year 2026. The increase in fiscal year 2024 was due to miscellaneous billing adjustment and a slight increase in general services provided by the City of Oakland.

**Loss on Disposal Capital Assets**

Loss on disposal of capital assets decreased by \$1,343 from \$1,571 in fiscal year 2024 to \$228 in fiscal year 2025, and by \$1,092 from \$479 in fiscal year 2023 to \$1,571 in fiscal year 2024. The decrease in fiscal year 2025 was primarily due to reduced number of abandonments of capital projects compared to fiscal year 2024. The increase in fiscal year 2024 was due to the cancellation of projects, uncapitalizable project costs of \$1,407 and net loss of \$164 in demolished assets.

**Other Income**

Other income reported in fiscal year 2025 was \$1,154 mostly from delinquency charges of late lease payments of \$504 and other various miscellaneous receipts of \$650, following other income of \$2,071 in fiscal year 2024, which was mostly from pollution remediation reimbursement of \$1,389 from Exxon Mobil.

**Capital Contributions**

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
U.S. Department of Transportation:			
Airport Improvement Program	\$23,277	\$18,454	\$13,534
Port Infrastructure Development Program (PIDP)	2,639	-	-
Other grant programs	<u>5,241</u>	<u>10,123</u>	<u>2,317</u>
Total capital contributions	<u>\$31,157</u>	<u>\$28,577</u>	<u>\$15,851</u>

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**Capital Contributions (continued)**

In fiscal year 2025 capital grants from government agencies increased by \$2,580 or 9.0% from \$28,577 in fiscal year 2024 to \$31,157 in fiscal year 2025. The increases are primarily from Aviation’s taxiway rehabilitation projects and Maritime’s Infrastructure Improvement projects.

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

**Capital Assets (net of depreciation) and Capital Improvement Plan**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Capital assets:			
Land	\$ 523,546	\$ 523,546	\$ 523,546
Noise easements and air rights	25,853	25,853	25,853
Construction in progress	100,807	61,473	46,445
Buildings and improvements	259,885	266,942	277,157
Container cranes	11,917	16,104	19,098
Infrastructure	892,876	890,633	906,644
Software and right-to-use intangible	9,100	7,622	9,240
Other equipment	56,606	56,257	38,358
Total	<u>\$1,880,590</u>	<u>\$ 1,848,430</u>	<u>\$1,846,341</u>

Net capital assets increased by approximately \$32,160 or 1.7% in fiscal year 2025, due to capital asset additions of \$152,668 offset by retirements of \$1,365 less related accumulated depreciation and amortization of \$1,024 and an increase in accumulated depreciation and amortization of \$120,166 for depreciation and amortization of existing capital assets. Major additions to capital assets in fiscal year 2025 were related to overlay of Taxiway Whiskey Phase 2, Wharf upgrade for ultra large container vessels, Sewer Customs and Border Protection (CBP) 7<sup>th</sup> St. exit, Berths 55 – 58 sewer system, Terminal 1 ticket counter, Electric Shuttle Buses, Sewer Oakland Army Base (OAB) lift stations.

Net capital assets increased by approximately \$2,089 or 0.1% in fiscal year 2024, due to capital asset additions of \$120,430 offset by retirements and abandoned construction in progress of \$1,407 and an increase in accumulated depreciation of \$116,933. Major additions to capital assets in fiscal year 2024 were related to overlay of Taxiway Whiskey, wharf upgrade for ultra large container vessels, T2 security lane exit, Sewer LS D06, D10, C07, C08, Sewer 7th St. Exit, Sewer JIT B60-63 and B59, Circuit 2 Upgrade, pipeline Rehab at Ben E. Nutter Marine Terminal.

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, 2025, the Port had construction commitments of approximately \$84,186 for current projects including the Electric Shuttle Buses and Charging Stations Phase 1, Runway Pavement Rehabilitative, and various Airport Terminal Improvements; for Maritime are the Port Terminal Pavement, Sanitary Sewer Projects, and various Maritime Terminal Improvements. Additional information on the Port’s construction commitments can be found in Note 13 Commitments.

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**Capital Assets (net of depreciation) and Capital Improvement Plan (continued)**

On July 10, 2025, a five-year (fiscal year 2026-2030) Capital Improvement Plan (CIP) in the amount of \$1,447,434 was presented to the Board of Commissioners (Board) for informational purposes. For fiscal year 2026, the Board adopted a capital budget of \$243,280.

The FY 2026 capital budget reflects prioritization and focus on regulatory compliance, fulfilling grant project delivery commitments, progress toward zero emissions operations, health, safety, on-going or imminent revenue generating projects, asset management, and essential infrastructure investments.

**Debt Administration**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Bond Indebtedness	\$ 458,335	\$ 519,670	\$ 589,800
Commercial Paper	17,535	22,535	32,535
Subtotal debt	475,870	542,205	622,335
Net unamortized premium	15,121	21,942	29,880
Total debt	<u>\$ 490,991</u>	<u>\$ 564,147</u>	<u>\$ 652,215</u>

In fiscal year 2025, the Port’s total debt decreased from \$564,147 in fiscal year 2024 to \$490,991 in fiscal year 2025. The decrease was the result of scheduled principal payments and bond premium amortization on outstanding bonds and commercial paper notes.

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Senior Lien	8.54	9.08	7.13
Intermediate Lien	2.65	3.01	3.24

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

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**Debt Administration (continued)**

In fiscal year 2025, the Port also paid \$2,667 of operating expense from federal and state grants. This payment impacted the above debt service coverage ratio calculations.

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

**Credit Ratings**

The Port's credit ratings as of June 30, 2025 are as follows:

- S&P Global Ratings (S&P) underlying rating on the Port's Senior Lien Bonds is "A+", and the underlying rating on the Intermediate Lien Bonds is "A". The rating on the Port's Commercial Paper Notes for all series is "A-1".
- Moody's Investors Service, Inc. (Moody's) underlying rating on the Port's Senior Lien Bonds is "A1", and the underlying rating on the Intermediate Lien Bonds is "A2". The rating on the Port's Commercial Paper Notes for all series is "P-1". Additionally, 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 22-72 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**

Total passenger activity at the Airport declined in FY 2025 compared to FY 2024 and is projected to decrease further in FY 2026. This multi-year downward trend is driven by several factors, including delays in aircraft deliveries to key airline operators at the Airport such as Southwest Airlines, and airline route scheduling adjustments/optimization, which have collectively reduced available seats and flights at the Airport. Additionally, business travel between Southern and Northern California, a major pre-pandemic driver of passenger activity, remains weak due to continued impact of virtual work trends on air travel, further dampening demand at the Airport.

In the first nine months of FY 2025, activity levels at the Seaport measured in terms of total TEUs exceeded the prior year same period activity levels by a substantial margin. However, the monthly year-over-year growth trend ended and reversed beginning in April 2025 and persisted through the end of the fiscal year, as declining volumes reflected softening market demand driven by tariff uncertainty, shifting sourcing strategies, and more cautious ordering behavior by importers. In response, ocean carriers increased the number of blank sailings and consolidated cargo onto fewer vessels, resulting in fewer ship calls at the Seaport but higher TEU loads per call. For the full fiscal year, the Seaport handled approximately 2.3 million TEUs, representing an increase of about 3.7% over FY 2024 but a decline of roughly 12.5% from the recent peak in FY 2021.

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*Aviation*

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

FY 2025 was a particularly challenging year for the Airport, as passenger activity continued to decline following a post-pandemic peak in FY 2023, when enplanement recovery reached 84.9% of FY 2019 pre-pandemic levels. Several factors are believed to be contributing to the decline in passenger volume at the Airport. Regionally, the San Francisco Bay Area continues to lag other major U.S. metropolitan regions, many of which have already returned to or exceeded pre-pandemic passenger levels. Widespread adoption of remote work and virtual meeting platforms (e.g. Zoom, Microsoft Teams) are often cited as core contributors to the decline in the volume of air travel in the Bay Area. Leisure travel has also softened in recent years. The OAK to LAS route as an example, historically one of the Airport's highest demand leisure corridors, has seen reduction in traffic as rising costs for accommodations, dining, entertainment, and other travel-related expenses have made Las Vegas increasingly expensive, prompting travelers to seek more affordable destination alternatives or skip travel altogether.

Delays in new passenger aircraft deliveries have further affected traffic at the Airport. With fewer aircraft available to serve different markets, airlines have optimized their domestic route networks, sometimes reducing service on less profitable routes to prioritize more profitable ones. In FY 2025, this resulted in substantial reduction in available seats and flights to and from the Airport by carriers such as Southwest and Spirit Airlines. Existing routes had reduced frequencies, and several nonstop long-haul flights were discontinued, including services to Atlanta (ATL), Nashville (BNA), Baltimore-Washington (BWI), Newark (EWR), Kona (KOA), and St. Louis (STL). Nonstop service to Reno (RNO) was also discontinued in July 2025. Adding to these challenges, Spirit Aviation Holdings, Inc., parent company of Spirit Airlines, LLC, filed for Chapter 11 bankruptcy protection on August 29, 2025, and ceased operations at the Airport in October 2025. Sun Country also ceased operations at the Airport in late October 2025. The Airport continues to work closely with domestic airline partners to manage these operational impacts efficiently and to seek new domestic air service development opportunities such as the expansion of Alaska Airlines services to San Diego (SAN) beginning in April 2026 with four new daily, nonstop flights from OAK year-round.

On the international air service front, FY 2025 saw several new route launches. Mexico's Viva (formerly known as Viva Aerobus) began service on July 1, 2024, providing two or three times weekly nonstop flights between OAK and Monterrey, Nuevo Leon, Mexico and later added OAK- Guadalajara (GDL) service. In March 2025, Volaris Airlines commenced five weekly flights between OAK and Los Cabos, Mexico and in July 2025 added three weekly flights to Zacatecas City, Mexico. These new destinations bring the number of international destinations served by Volaris from OAK to seven: six in Mexico and one in El Salvador.

Other factors contributing to lower passenger traffic include public perception of crime in the areas surrounding the Airport, distribution challenges with travel aggregation platforms that may not display OAK flights even when the Airport is closest to a traveler's destination, and broader macro-economic pressures such as inflation and tariffs, which have limited discretionary spending in areas such as air travel.

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***Aviation (continued)***

The decline in passenger traffic has had a measurable financial impact to the Airport, particularly on non-airline revenue streams that are directly dependent on passenger volumes, including terminal concessions, parking, ground transportation and rental car operations. All these passenger dependent revenue streams were lower in FY 2025 compared to FY 2024 vis-à-vis a 11.4% decline in annual passenger traffic. The downward trend is concerning as non-airline revenues are an essential source of revenues to the Airport to pay for expenses not paid from airline revenues (e.g. terminal rent and landing fees). In addition, lower passenger volumes increase the Airport's cost per enplanement, as fixed operating and capital expenses are spread across fewer passengers, potentially making the Airport less competitive to airlines relative to the cost of operating at other neighboring airports.

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

***Maritime***

The Seaport is the principal ocean gateway for international containerized cargo shipments in Northern California. Historically, the Seaport has managed a balance of import and export trade, with a strong export base of California's premium agricultural products, Midwestern protein, and other U.S. goods bound for foreign markets. The Port is a part of the global supply chains for importers and exporters; as such, it is sensitive to fluctuations in the U.S. and global economies and impacted by business decisions of other participants in the supply chain.

In FY 2025, the Seaport handled approximately 3.7% more container cargo than in FY 2024. Full imports increased 5.8%, full exports declined 1.1%, and empty container throughput rose 7.3%. Monthly container throughput peaked in March 2025 at 217,417 TEUs. In April 2025, the same month the federal government announced sweeping tariff increases on imported goods, TEUs fell to 185,499, representing a 14.7% decline from the prior month. From April to May, TEU throughput grew by 1.0%, followed by a decline of 10.1% in June 2025. The June decrease reflected softening market demand rather than seasonal variation, driven by tariff uncertainty, shifting sourcing strategies, and cautious ordering behavior.

In response, ocean carriers implemented additional blank (i.e., cancelled) sailings and consolidated cargo onto fewer vessels, resulting in fewer calls at the Seaport but higher TEUs per ship. The full-year cargo activity outlook at the Seaport for FY 2026 is clouded by the impact of tariffs on global containerized cargo trade. Total TEUs increased by 10.1% in July 2025 compared to July 2024, reflecting front-loading of cargo in anticipation of higher import tariffs scheduled to take effect in August 2025. TEUs then declined by 0.3% in August 2025, 6.6% in September 2025, and 5.5% in October 2025 relative to the same months in the prior year. Overall, total TEU volume in the first four months of FY 2026 (July through October 2025) is down 0.7% compared to the same four months in FY 2025.

About 75% of the full TEU cargo handled at the Port in calendar year 2024 is the result of trade with Asia, and about 31.7% of the Port's trade is with China. The current administration in Washington D.C. has used tariffs on Chinese goods to address China's trade practices and to advance U.S. economic and national security interests. Economic uncertainty regarding trade with China could negatively impact import and export cargo volume at the Seaport. The scope of the impact depends on many factors, including, for example, the flexibility of a company's supply chain (i.e., sourcing and/or manufacturing location options) and consumers' ability to absorb additional costs.

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***Maritime (continued)***

While the Seaport has seen some negative impact from new trade tariffs recently imposed, the Port cannot accurately predict the full scope of the impacts of tariffs at this time. Compared to other U.S. West Coast seaports, the Seaport is anticipated to be better positioned in terms of cargo volumes due to a number of factors including (a) a previously out-of-service berth at the Oakland International Container Terminal is once again operational after being offline for most of FY 2025, (b) potential changes in law that will impose a Harbor Maintenance Tax plus a 10% administrative fee on cargo entering Canada or Mexico but destined to the United States are expected to redirect cargo volumes to U.S. West Coast ports, including the Seaport, (c) increased cargo volumes from other Asian countries in response to higher tariffs vis a vis China, (d) the Port's limited exposure to discretionary cargo diversion, and (e) specific tariff exemptions that mitigate the impact of broader trade restrictions.

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

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

A new labor agreement between the International Longshore and Warehouse Union, the union representing most dockworkers at all United States West Coast ports, and the Pacific Maritime Association, which represents companies engaged in shipping to or through ports on the West Coast of the United States, went into effect in 2023 and expires on July 1, 2028. This new agreement notwithstanding, the maritime industry is vulnerable to strikes and other union activities, particularly activities related to the union labor employed by the marine terminal operators, but also activities of "sympathetic" unions. Historically, certain labor disruptions have affected the competitive position of all West Coast ports, including the Seaport, while others have had port-specific impacts that negatively affected one port while benefiting another port (for example, when cargo is diverted).

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***Maritime (continued)***

The Seaport's marine terminal leases provide certain assurances for revenue collection in the event of a strike or lockout. However, these assurances are inherently limited and are not designed to mitigate the impact of long-term cargo shifts to other ports if a labor disruption resulted in sustained cargo diversion.

***Commercial Real Estate***

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

In early 2024, CIM Group executed a lease with Dave & Buster's for approximately 35,000 square feet of retail space on the ground floor at 55 Harrison in Jack London Square. The restaurant and entertainment venue is projected to open in March 2026 and is expected to have a positive impact on foot traffic and parking revenues in Jack London Square (JLS). While the lease execution with Dave & Buster's marks a positive development, FY 2025 also saw a mix of tenant arrivals and departures at JLS, reflecting broader commercial real estate dynamics in Oakland. Dragon Gate, a new restaurant and karaoke venue located at 1 Franklin Street, opened in November 2024. Hilton hotel on Hegenberger Road next to the Airport closed in August 2024, Forge Pizza and Left Bank Brasserie both closed in December 2024, and Waterfront Hotel closed in January 2025.

***Electric Utility***

The Electric Utility Division operating as Port Public Power, manages a publicly owned electric utility (POU) and provides reliable, cost-effective service to Port-operated and tenant-operated facilities across Aviation and Maritime business lines. All Aviation and 80% of Maritime customers are served exclusively by Port Power, while the remaining Maritime and all Commercial Real Estate (CRE) customers are served by Pacific Gas and Electric Company (PG&E). Port Power rates remain significantly lower than surrounding areas, while meeting all regulatory requirements and supporting programs that enhance reliability and sustainability.

Beginning in FY 2025, electric utility sales are reported under the Electric Utility Division on a standalone basis, rather than within Aviation, Maritime, and CRE divisions. This change improves transparency into financial performance and aligns with other Port business lines. The Port also appointed its first Director of Utilities to lead the division and shape its strategic direction. In FY 2024 and prior, Electric Utility Division operating revenues were included within the Maritime, Aviation and CRE Divisions rather than reported separately.

In FY 2025, Electric Utility Division executed new long-term power supply agreements to stabilize costs and hedge against market volatility. These contracts prioritize renewable and carbon-free resources, consistent with the Port's sustainability goals and California's Renewable Portfolio Standard. While wholesale prices fluctuated moderately during the year, these agreements help maintain competitive retail rates and reinforce the Port's commitment to sustainable energy.

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***Electric Utility (continued)***

Electric Utility Division's relatively small electric load limits direct contracting with generators, and supply chain disruptions in FY 2025, along with lingering COVID 19 impacts, constrained resource availability and delayed additional renewable contracts. To address these challenges, Electric Utility Division maintains prudent oversight of its Load Resource Balance and actively seeks market opportunities to match customer demand with appropriate resources.

FY 2025 also marked the first-rate adjustment in 14 years, with a 26% increase to align revenues with cost of service. Even after this adjustment, rates remain substantially lower than those of neighboring investor-owned utilities. Port Public Power will continue annual rate evaluations to ensure adequate capital investment and long-term stability.

Total energy usage declined by 1% compared to FY 2024. Looking ahead, electrification is expected to drive significant demand growth. Port Public Power is evaluating upstream transmission constraints and substantial capital investment needs, while exploring creative solutions to mitigate these challenges.

**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](http://www.portofoakland.com).

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**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Statements of Net Position**  
**June 30, 2025 and 2024**  
(dollar amounts in thousands)

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Current assets:		
Unrestricted:		
Cash equivalents	\$ 675,421	\$ 678,654
Accounts receivable (less allowance for doubtful accounts of \$4,264 in 2025 and \$2,379 in 2024)	49,416	47,092
Lease receivables	126,483	115,409
Prepaid expenses and other assets	7,852	8,062
Total unrestricted current assets	<u>859,172</u>	<u>849,217</u>
Restricted:		
Cash equivalents	135,198	98,281
Investments	-	17,921
Deposits in escrow	1,489	914
Passenger facility charges and customer facility charges receivable	2,118	2,177
Total restricted current assets	<u>138,805</u>	<u>119,293</u>
Total current assets	<u>997,977</u>	<u>968,510</u>
Non-current assets:		
Capital assets:		
Land	523,546	523,546
Noise easements and air rights	25,853	25,853
Construction in progress	100,807	61,473
Buildings and improvements	1,030,399	1,018,052
Container cranes	130,321	130,321
Infrastructure	2,454,959	2,367,356
Software	22,489	19,671
Right-to-use intangible assets	6,319	6,552
Other equipment	174,147	164,713
Total capital assets, at cost	4,468,840	4,317,537
Less accumulated depreciation and amortization	<u>(2,588,250)</u>	<u>(2,469,107)</u>
Capital assets, net	1,880,590	1,848,430
Other receivables	1,455	837
Lease receivables	886,586	856,188
Other assets	17,467	18,795
Total non-current assets	<u>2,786,098</u>	<u>2,724,250</u>
Total assets	<u>3,784,075</u>	<u>3,692,760</u>
<b>Deferred Outflows of Resources</b>		
Loss on refunding	5,273	6,265
Pensions	42,673	61,070
OPEB	32,909	30,994
Total deferred outflows of resources	<u>\$ 80,855</u>	<u>\$ 98,329</u>

(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, 2025 and 2024**  
(dollar amounts in thousands)

	<u>2025</u>	<u>2024</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 77,033	\$ 53,640
Retentions on construction contracts	3,521	3,054
Environmental and other	13,526	13,547
Accrued interest	2,353	2,791
Long-term debt, net	68,491	68,070
Liability to City of Oakland	8,402	8,996
Unearned revenue	9,513	9,775
Total current liabilities	<u>182,839</u>	<u>159,873</u>
Non-current liabilities:		
Environmental and other	28,715	31,467
Long-term debt, net	422,500	496,077
Net pension liability	196,848	213,152
Net OPEB liability	87,258	83,371
Deposits	26,536	24,715
Unearned revenue	3,254	2,800
Total non-current liabilities	<u>765,111</u>	<u>851,582</u>
Total liabilities	<u>947,950</u>	<u>1,011,455</u>
<b>Deferred Inflows of Resources</b>		
Pensions	4,600	6,395
OPEB	599	3,323
Leases	948,369	924,926
Total deferred inflows of resources	<u>953,568</u>	<u>934,644</u>
<b>Net Position</b>		
Net investment in capital assets	1,411,882	1,309,664
Restricted for:		
Construction	81,675	71,671
Unrestricted	469,855	463,655
Total net position	<u>\$ 1,963,412</u>	<u>\$ 1,844,990</u>

(Concluded)

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

**Port of Oakland**  
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**Statements of Revenues, Expenses and Changes in Net Position**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Lease rentals - terminal	\$ 191,548	\$ 177,740
Lease rentals - other	70,978	70,635
Parking fees and ground access	68,025	72,061
Landing fees	48,206	38,489
Terminal concessions	8,177	8,858
Utility sales	29,449	27,887
Rail terminal rent	4,438	3,722
Fueling	2,807	2,971
Other	5,141	5,376
Total operating revenues	<u>428,769</u>	<u>407,739</u>
Operating expenses:		
Personnel services, materials, services, supplies, and other	113,932	100,485
Maintenance and engineering	80,080	77,949
Marketing and public relations	10,112	8,227
Administration and general services	24,306	24,541
Utilities	23,360	27,962
Security, police and fire	40,312	33,416
Depreciation and amortization	120,165	116,933
Total operating expenses	<u>412,267</u>	<u>389,513</u>
Operating income	<u>16,502</u>	<u>18,226</u>
Non-operating revenues (expenses):		
Investment income	70,853	70,880
Interest expense	(12,308)	(13,788)
Customer facility charges revenue	6,100	3,262
Customer facility charges expense	(5,555)	(3,577)
Passenger facility charges revenue	16,139	20,678
Other income	1,154	2,071
Other expense	(8,083)	(3,873)
Operating grant income	2,691	25,524
Loss on disposal of capital assets	(228)	(1,571)
Total non-operating revenues (expenses), net	<u>70,763</u>	<u>99,606</u>
Increase in net position before capital contributions	87,265	117,832
Capital contributions - Grants from government agencies	<u>31,157</u>	<u>28,577</u>
Increase in net position	118,422	146,409
Net position, beginning of the year	<u>1,844,990</u>	<u>1,698,581</u>
Net position, end of the year	<u>\$ 1,963,412</u>	<u>\$ 1,844,990</u>

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

**Port of Oakland**  
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**Statements of Cash Flows**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Receipts from tenants and customers	\$ 413,217	\$ 369,832
Payments to suppliers	(145,290)	(168,742)
Payments to employees	(89,113)	(86,433)
Payments to employee retirement plans	(27,047)	(28,951)
Payments to employee OPEB plan	(14,386)	(14,422)
Other non-operating payments	(7,825)	(5,324)
Other non-operating receipts	1,154	2,071
Net cash provided by operating activities	130,710	68,030
Cash flows from noncapital financing activities:		
Proceeds from government agencies for recovery of operating costs	5,800	45,033
Payments for grant related expenses	(17,283)	-
Payments for customer facilities charges eligible expenses	(5,555)	(3,577)
Proceeds from insurance and other recoveries	111	1,451
Net cash provided by or (used) in noncapital financing activities	(16,927)	42,907
Cash flows from capital and related financing activities:		
Repayments of debt	(66,335)	(80,132)
Grants from government agencies	43,900	12,125
Interest paid on debt	(18,575)	(21,259)
Purchase of capital assets	(148,964)	(100,965)
Proceeds from sale of capital assets	53	2
Customer facility charges and passenger facility charges receipts	25,103	24,361
Net cash used in capital and related financing activities	(164,818)	(165,869)
Cash flows from investing activities:		
Interest received on investments	67,373	70,652
Purchase of restricted investments	(575)	(18,668)
Proceeds from maturity of restricted investments	17,921	34,811
Net cash provided by investing activities	84,719	86,795
Net increase in cash equivalents	33,685	31,865
Cash equivalents, beginning of year	776,935	745,070
Cash equivalents, end of year	\$ 810,619	\$ 776,935

(Continued)

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

**Port of Oakland**  
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**Statements of Cash Flows (continued)**  
**For the years ended June 30, 2025 and 2024**  
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	<b>2025</b>	<b>2024</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 16,502	\$ 18,226
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	120,165	116,933
Other	(6,668)	(3,251)
Net effects of changes in:		
Accounts receivable, net of grants receivable	(923)	(2,868)
Lease receivables and related deferred inflows of resources	(17,354)	(13,518)
Prepaid expenses	1,538	249
Other receivables and assets	(618)	(303)
Accounts payable and accrued liabilities	22,558	(20,545)
Liability to City of Oakland	(594)	(103)
Unearned revenue	192	(19,520)
Deposits	1,821	(248)
Environmental and other liabilities	(5,455)	(2,693)
Net pension liability and related deferred outflows/inflows of resources	298	(11)
Net OPEB liability and related deferred outflows/inflows of resources	(752)	(4,317)
Net cash provided by operating activities	\$ 130,710	\$ 68,030
Non-cash capital and related financing activities:		
Accounts payable for capital asset purchases	\$ 23,369	\$ 22,534
Retention on capital construction contracts	3,520	3,054
Abandoned capital assets	(203)	(1,573)
Right-to-use intangible capital assets acquired through subscription contracts	(367)	-
		(Concluded)

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

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**Port of Oakland**  
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**Notes to Financial Statements**  
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**(dollar amounts in thousands)**

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**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), commercial real estate holdings, and electric utility.

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 into a special fund in the City Treasury designated "Port Revenue Fund" and shall be kept separate and apart from all other money of the City. The City Treasurer is responsible for investing and managing such funds.

**2. Significant Accounting Policies**

**Basis of Accounting**

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

**Use of Estimates**

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

**Net Position**

Net position represents the residual interest in the Port's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position consists of three sections: net investment in capital assets, restricted for construction and other purposes, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources or deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. As of June 30, 2025, and 2024, the statements of net position reported \$79,557 and \$61,859 respectively, as restricted for construction.

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**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 receivables are recorded for invoices issued to customers and granting agencies in accordance with contractual arrangements. Unbilled receivables are recognized as accrued accounts receivable and revenue when services are provided. The allowance for doubtful accounts is based on a tiered percentage of significantly aged receivables. Accounts receivables 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.

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**Capital Assets (continued)**

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

**Lease Receivables**

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

**Loss on Refunding**

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

**Unearned Revenue**

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

**Compensated Absences**

The Port recognizes a liability for compensated absences for leave time including accumulated vacation and sick leave, as liabilities in the period the benefits are earned. The liability for compensated absences is reported as incurred in the accrued payroll and related liabilities.

**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.

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**Allocation of Expenses to the Port Businesses**

The Port records to each of its revenue divisions (Aviation, Maritime, Commercial Real Estate, and Electric Utility) 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 on 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 have 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.

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### **Customer Facility Charges**

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

### **Reclassification**

Certain amounts for the fiscal year ended June 30, 2024 have been reclassified in order to be consistent with the presentation for the fiscal year ended June 30, 2025. These reclassifications had no effect on the change in net position for the fiscal year ended June 30, 2024.

### **Effects of New Pronouncements**

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

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

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. The requirements of this statement are effective for the Port's year ended June 30, 2024. Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2025.

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**New Accounting Pronouncements Not Yet Adopted (continued)**

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, the statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this statement are effective for the Port's year ending June 30, 2025. Implementation of this statement did not have a significant impact on the Port's financial statements for the year ended June 30, 2025.

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

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**New Accounting Pronouncements Not Yet Adopted (continued)**

goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers. The requirements of this statement are effective for the Port's year ending June 30, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases* and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class. This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (1) the government has decided to pursue the sale of the capital asset and (2) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. The statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for the Port's year ending June 30, 2026.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for the Port's financial statements for fiscal year ending June 30, 2027.

**3. Cash Equivalents, Investments, and Deposits**

**Cash Equivalents and Investments**

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

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

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**Cash Equivalents and Investments (continued)**

On June 30, 2025, the Port had the following cash equivalents and investments:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Fair Value</u>	<u>Credit Rating per Moody's</u>	<u>Maturity Less than 1 Year</u>
City Investment Pool	\$ 675,421	\$ 90,106	\$ 765,527	Unrated	\$ 765,527
Government Securities Money					
Market Mutual Funds	-	45,085	45,085	Unrated	45,085
Cash	-	7	7		7
Total Cash Equivalents and Investments	<u>\$ 675,421</u>	<u>\$ 135,198</u>	<u>\$ 810,619</u>		<u>\$ 810,619</u>

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

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

**Fair Value Hierarchy**

The following is a summary of the fair value hierarchy of investments held by the Port as of June 30, 2025, and 2024:

<b>Investments by Fair Value Level</b>	<b>2025</b>	<b>Investments Exempt from Fair Value Hierarchy</b>	<b>Fair Value Measurements Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
Government Securities Money Market Mutual Funds	\$ 45,085	\$ 45,085	\$ -
Cash	7	7	-
City Investment Pool	765,527	765,527	-
Total Cash Equivalents and Investments	<u>\$ 810,619</u>	<u>\$ 810,619</u>	<u>\$ -</u>

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**Cash Equivalents and Investments (continued)**

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

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

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

**Deposits in Escrow**

Deposits in escrow consist of amounts received from construction contractors that are deposited into an escrow account in-lieu of retention withheld from construction progress billings. Interest on these deposits accrues to the contractor. As of June 30, 2025, and 2024, the Port had deposits in escrow of \$1,489 and \$914, 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/bankers' acceptances, money market mutual funds, long or medium-term corporate debt, repurchase agreements, state-sponsored investment pools, and investment contract agreements.

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**Interest Rate Risk**

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

In order to manage interest rate risk:

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

**Credit Risk**

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

In order to manage credit risk:

- Provisions of the Trust Indentures prescribe restrictions on the types of permitted investments of the monies held by the trustee in the funds and accounts created under the Trust Indentures, including agreements or financial institutions that must meet certain ratings, such as certain investments that must be rated in either of the two highest ratings by S&P and Moody's.
- The deposits with the City Treasury are invested in short-term debt that is rated at least A-1 by S&P, P-1 by Moody's or F-1 by Fitch Ratings. Long-term debt shall be rated at least A by S&P, A2 by Moody's, and A by Fitch Ratings.

**Custodial Credit Risk**

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

To protect against custodial credit risk:

- All securities owned by the Port under the terms of the Trust Indentures are held in the name of the Port for safekeeping by a third-party bank trust department, acting as an agent for the Port. Port had investments held by a third-party bank trust department in the amount of \$45,085 and \$46,704 at June 30, 2025 and 2024, respectively.

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**Custodial Credit Risk (continued)**

- 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 \$765,527 and \$748,145 invested in the City Investment Pool on June 30, 2025, and 2024, respectively.

As of June 30, 2025, the Port had deposits in escrow totaling \$1,489, which were held in California Bank, and US Bank, and of which \$1,000 were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name. As of June 30, 2024, the Port had \$914 in escrow, which were held in Union Bank, California Bank, and Fremont Bank, and of which \$500 were insured or collateralized with securities held by pledging financial institution's trust department in the Port's name.

**Concentration of Credit Risk**

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

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

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

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

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**4. Changes in Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2025, is as follows:

	<b>Beginning Balance July 1, 2024</b>	<b>Additions</b>	<b>Adjustments and Retirements</b>	<b>Transfers</b>	<b>Ending Balance June 30, 2025</b>
Capital assets not being depreciated					
Land	\$ 523,546	\$ -	\$ -	\$ -	\$ 523,546
Intangibles (noise easements and air rights)	25,853	-	-	-	25,853
Construction in progress	61,473	148,055	-	(108,721)	100,807
Total capital assets not being depreciated	<u>610,872</u>	<u>148,055</u>	<u>-</u>	<u>(108,721)</u>	<u>650,206</u>
Capital assets being depreciated					
Buildings and improvements	1,018,052	-	-	12,347	1,030,399
Container cranes	130,321	-	-	-	130,321
Infrastructure	2,367,356	-	-	87,603	2,454,959
Software	19,671	420	-	2,398	22,489
Right-to-use intangible assets	6,552	1,064	(1,297)	-	6,319
Other equipment	164,713	3,129	(68)	6,373	174,147
Total capital assets being depreciated	<u>3,706,665</u>	<u>4,613</u>	<u>(1,365)</u>	<u>108,721</u>	<u>3,818,634</u>
Less accumulated depreciation and amortization for					
Buildings and improvements	(751,110)	(19,404)	-	-	(770,514)
Container cranes	(114,217)	(4,187)	-	-	(118,404)
Infrastructure	(1,476,723)	(85,334)	(25)	-	(1,562,082)
Software	(16,176)	(879)	-	-	(17,055)
Right-to-use intangible assets	(2,425)	(1,209)	981	-	(2,653)
Other equipment	(108,456)	(9,153)	68	-	(117,541)
Total accumulated depreciation and amortization	<u>(2,469,107)</u>	<u>(120,165)</u>	<u>1,024</u>	<u>-</u>	<u>(2,588,250)</u>
Total being depreciated, net	<u>1,237,558</u>	<u>(115,552)</u>	<u>(341)</u>	<u>108,721</u>	<u>1,230,384</u>
Total capital assets, net	<u>\$ 1,848,430</u>	<u>\$ 32,502</u>	<u>\$ (341)</u>	<u>\$ -</u>	<u>\$ 1,880,590</u>

For the year ended June 30, 2025, the Port recognized a \$228 loss, which is due to disposed capital assets offset by cash proceeds from the sale of assets.

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**Changes in Capital Assets (continued)**

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

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

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

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**5. Debt**

Long-term debt consists of the following on June 30, 2025:

	<b>Interest Rate</b>	<b>Fiscal Maturity Year</b>	<b>Original Amount</b>	<b>Beginning Balance July 1, 2024</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2025</b>	<b>Principal Due Within One Year</b>
<b>Senior Lien Bonds</b>								
2020 Revenue Bonds Series R	1.081 - 2.349	2033	\$ 343,755	\$ 271,885	\$ -	\$ 18,830	\$ 253,055	\$ 22,310
Total Senior Lien Bonds			<u>343,755</u>	<u>271,885</u>	<u>-</u>	<u>18,830</u>	<u>253,055</u>	<u>22,310</u>
<b>Intermediate Lien Bonds</b>								
2017 Revenue Bonds Series D	5.00	2030	95,875	62,850	-	15,500	47,350	13,255
2017 Revenue Bonds Series E	5.00	2030	88,985	32,195	-	2,160	30,035	2,485
2017 Revenue Bonds Series G	2.92-3.300	2030	38,355	22,975	-	5,805	17,170	4,970
2021 Revenue Bonds Series H	5.00	2030	182,010	129,765	-	19,040	110,725	19,950
Total Intermediate Lien Bonds			<u>405,225</u>	<u>247,785</u>	<u>-</u>	<u>42,505</u>	<u>205,280</u>	<u>40,660</u>
<b>Commercial Paper<sup>(1)</sup></b>								
Series A, B, C Notes	2.90-3.45	2025	N/A	2,342	-	-	2,342	-
Series D, E, F Notes	2.90-3.45	2025	N/A	20,193	-	5,000	15,193	-
Total Commercial Paper				<u>22,535</u>	<u>-</u>	<u>5,000</u>	<u>17,535</u>	<u>-</u>
Sub-Total				542,205	-	66,335	475,870	62,970
Unamortized bond premium				21,942	-	6,821	15,121	5,521
Total Debt				<u>564,147</u>	<u>-</u>	<u>73,156</u>	<u>490,991</u>	<u>\$ 68,491</u>
Current maturities of long-term debt				<u>(68,070)</u>	<u>(68,491)</u>	<u>(68,070)</u>	<u>(68,491)</u>	
Total Debt - long-term portion				<u>\$ 496,077</u>	<u>\$ (68,491)</u>	<u>\$ 5,086</u>	<u>\$ 422,500</u>	

<sup>(1)</sup> As of June 30, 2025, under the current letter of credit, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to \$200 million.

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**Debt (continued)**

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

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

<sup>(1)</sup> As of June 30, 2024, under the current letter of credit, the Port was authorized to issue an aggregate principal amount of commercial paper notes up to \$200 million.

<sup>(2)</sup> On May 1, 2024, the Port redeemed \$14,690 of 2020 Series R Bonds, defeased \$980 of 2017 Series D Bonds, \$115 of 2017 Series E Bonds, and \$390 of 2021 Series H Bonds.

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**Debt Service**

The Port's long-term debt and final maturity is identified in the schedules at the beginning of Note 5 and consists of taxable bonds, tax-exempt bonds, and short-term commercial paper notes. All of the Port's outstanding bonds and commercial paper notes have been issued to finance or refinance capital improvements to the Port's aviation, maritime, commercial real estate, and electric utility infrastructure. All 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 \$496,484 in fiscal year 2025 and \$476,447 in fiscal year 2024.

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

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

Pursuant to these agreements, the Port may direct US Bank, as escrow agent, to substitute or dispose of the Escrow Securities, but only upon receipt of opinions from bond and tax counsel. In addition, the Port must receive a verification report stating that any substituted Escrow Securities, combined with any interest earnings and available cash, are sufficient to fund principal and interest when due on the defeased bonds through final maturity. As of June 30, 2025, \$1,265 of the original \$1,485 of defeased bonds have not matured or have not been redeemed on their first optional redemption date.

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

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

The Port Senior Lien Bonds' debt service payments are due each May 1 and November 1 through May 1, 2033.

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**Debt Service (continued)**

The Port's Intermediate Lien Bonds are due each May 1 and November 1 through May 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 payments for the outstanding long-term debt for the years ending June 30 are as follow.

<b>Fiscal Year Ending</b>	<b>Long-term Obligations</b>		<b>Commercial Paper<sup>(1)</sup></b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 62,970	\$ 14,660	\$ -	\$ 701	\$ 62,970	\$ 15,361
2027	69,025	12,270	2,923	1,071	71,948	13,341
2028	71,100	9,877	5,845	1,111	76,945	10,988
2029	73,605	7,375	5,845	555	79,450	7,930
2030	76,865	4,119	2,922	69	79,787	4,188
2031-2033	104,770	4,069	-	-	104,770	4,069
Total	<u>\$ 458,335</u>	<u>\$ 52,370</u>	<u>\$ 17,535</u>	<u>\$ 3,507</u>	<u>\$ 475,870</u>	<u>\$ 55,877</u>

(1) For purposes of this schedule, Commercial Paper debt is amortized over four fiscal years, pursuant to the "Term Loan" provisions of the Commercial Paper Reimbursement Agreements, and a LOC Bank advance occurs on January 1, 2027, after the expiration of the current LOC facility on December 31, 2026. Prior to the term loan period, a 4.00% interest rate for Commercial Paper Notes is assumed. For the first 90 days, interest is calculated using the higher of 1) Bank of America National Association (BANA) prime rate plus 1%, or 2) Federal Funds rate plus 2%, or 3) 7.0%. Thereafter, the interest rate specified above is increased by 1.0%.

**Types of Debt and Priority of Payment**

***Senior Lien Bonds***

The 2020 Series R (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, 2025, the reserve fund was invested in government securities money market mutual funds. As of June 30, 2024, the reserve fund was invested in government securities money market mutual funds and US Treasury Notes.

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

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***Senior Lien Bonds (continued)***

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. Failure to observe the covenants provisions or conditions of any specific debt obligation issued under the Senior Lien Indenture, which continues for a period of 60 days after notice, may also be considered a default event. Finally, pursuant to supplemental indentures, the Port will comply with the covenants of the tax certificates of the different bond series issued under the Senior Lien Trust Indenture. Remedies to any default under the Senior Lien Indenture or its supplements can include bringing suit upon the Senior Lien Bonds, or some other legal remedy to enforce the rights of bondholders.

Outstanding balance of Senior Lien Bonds is \$253,055 and \$271,885 as of June 30, 2025 and June 30, 2024, respectively.

***Intermediate Lien Bonds***

Bonds issued under the Intermediate Trust Indenture are next in payment priority after the Senior Lien Bonds and the Division of Boating and Waterways loans, which currently have no outstanding amounts. As of June 30, 2025, the bonds issued under this indenture consist of the 2017 Series D, Series E, and Series G Bonds (Series 2017 Bonds) and the 2021 Series H Bonds (collectively “Intermediate Lien Bonds”). The Intermediate Lien Bonds are paid from the Intermediate Lien Pledged Revenues. The Intermediate Lien Pledged Revenues are the Pledged Revenues after payment first, of all amounts payable for any Senior Lien Bonds. Payment of principal and interest on the Series 2017 and 2021 Series H Bonds are secured by a reserve fund held by the trustee, which includes a reserve surety policy as well as a cash deposit of 2021 Series H Bond proceeds. As of June 30, 2025, cash deposits of the Series H Bond proceeds were invested in government securities money market mutual funds.

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

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

Outstanding balance of Intermediate Lien Bonds is \$205,280 and \$247,785 as of June 30, 2025 and June 30, 2024, respectively.

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*Commercial Paper Notes*

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

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

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

As of June 30, 2025, the outstanding balance of CP Notes under the Port's ABC Series of CP is \$2,342 while the outstanding balance under the Port's DEF Series of CP is \$15,193. As of June 30, 2024, the outstanding balance of CP Notes under the Port's ABC Series of CP is \$2,342 while the outstanding balance under the Port's DEF Series of CP is \$20,193.

The reimbursement agreements between the Port and BANA, which describe the terms and conditions under which BANA issues the commercial LOCs supporting the Port's CP Notes, contain a number of default provisions and remedies. Events of default include the failure to reimburse draws, advances or term loans issued under the LOCs, or to pay LOC related fees to BANA when due. Breaches of any of the covenants, conditions or agreements in the reimbursement agreements and other CP related documents are also considered defaults, as are breaches of the covenants contained in the Senior Lien Indenture or Intermediate Lien Indenture. The reimbursement agreements also contain default provisions for bankruptcy, failure to make payments on other Port debt, the acceleration of other Port debt, legal/administrative changes affecting the Port's ability to pay its debts or comply with its agreements, and material unsatisfied legal judgments. The fee rate in effect in FY 2025 for the LOCs securing the Port's CP Notes is 0.385%.

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

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***Priority of Payment***

The following are the priority of payment tables:

	<u>Maturity Date</u>	<u>Total Debt Service to Maturity</u>	<u>FY 2025 Debt Principal and Interest</u>	<u>FY 2025 Net Pledged Revenues**</u>
<b>Total Net Pledged Revenues</b>				\$ 207,050
Senior Lien Bonds:				
2020 Revenue Bonds Series R	5/1/2033	<u>\$ 278,477</u>	<u>\$ 24,231</u>	
Subtotal Senior Lien Bonds		<u>278,477</u>	<u>24,231</u>	<u>(24,231)</u>
<b>Net Pledged Revenues Remaining after Sr. Lien</b>				182,819
Intermediate Lien Bonds:				
2017 Revenue Bonds Series D	11/1/2029	53,078	18,255	
2017 Revenue Bonds Series E	11/1/2029	33,361	3,716	
2017 Revenue Bonds Series G	11/1/2029	18,474	6,435	
2021 Revenue Bonds Series H	11/1/2029	<u>127,315</u>	<u>25,528</u>	
Subtotal Intermediate Lien Bonds		<u>232,228</u>	<u>53,934</u>	<u>(53,934)</u>
<b>Net Pledged Revenues Remaining after Int. Lien</b>				128,885
Commercial Paper Notes*		<u>21,043</u>	<u>5,743</u>	<u>(5,743)</u>
<b>Net Pledged Revenues Remaining after CP Notes</b>				<u>\$ 123,142</u>
<b>Total</b>		<u>\$ 531,748</u>	<u>\$ 83,908</u>	

\* Total Debt Service to Maturity for Commercial Paper Notes includes principal (\$17,535) and interest (\$2,455) on outstanding Commercial Paper debt pursuant to the "Term Loan" provision of the Commercial Paper Reimbursement Agreements plus \$1,052 of Commercial Paper Notes interest at an assumed rate of 4.0%. Actual Commercial Paper interest rate may vary materially from assumed rate. Of the \$17,535 of Commercial Paper Notes outstanding \$2,342 are eligible to be paid from Passenger Facility Charges.

\*\* Net Pledged Revenues are Revenues less Operation and Maintenance Expenses plus Interest Earned (not including interest earned PFC and CFC funds totaling \$2,526 and \$30, respectively). Excluded from this calculation are Operation and Maintenance Expenses funded by grants. Of the \$5,743 recorded for commercial paper debt service, \$81 was paid from PFCs.

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*Priority of Payment (continued)*

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

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

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

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**Bond Premium**

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

<u>Bond Issue</u>	<u>2025 Premium</u>	<u>2024 Premium</u>
Intermediate Lien Bonds:		
2017 Series D	\$ 2,334	\$ 3,652
2017 Series E	1,561	2,389
2021 Series H	11,226	15,901
Total	<u>\$ 15,121</u>	<u>\$ 21,942</u>

**6. Environmental and Other Liabilities**

Changes in environmental and other liabilities for the years ended June 30, 2025 and 2024 are as follows:

	<u>Beginning Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2025</u>	<u>Amounts Due Within One Year</u>
Accrued vacation, sick leave and compensatory time	\$ 10,996	\$ 2,412	\$ (2,276)	\$ 11,132	\$ 9,195
Pollution liability (Note 14)	15,936	491	(1,343)	15,084	1,179
Workers' compensation (Note 15)	8,910	351	(2,164)	7,097	2,164
Other long-term liabilities	9,172	1,953	(2,197)	8,928	988
Total	<u>\$ 45,014</u>	<u>\$ 5,207</u>	<u>\$ (7,980)</u>	<u>\$ 42,241</u>	<u>\$ 13,526</u>

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

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**7. Leases**

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

The Port has adopted tax-exempt Municipal Market Data (MMD) yield curve rates, as a proxy for the Port's borrowing costs, to measure the present values of future lease receivables. The associated interest income recognized for the years ended June 30, 2025, and 2024 was \$33,364 and \$29,002, respectively.

**Maritime Leases**

The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 66 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payments received during the years ended June 30, 2025, and 2024 were \$18,969 and \$12,113, respectively. Certain maritime facilities are leased under agreements that provide the tenants with preferential, but nonexclusive, use of the facilities. In accordance with GASB No. 87, Maritime leases are based on the minimum fixed rent receivables and discounted to the present value using the tax-exempt MMD yield curve rates as per the lease term.

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**Maritime Leases (continued)**

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

	Lease Revenue	Interest Revenue	Total
2026	\$ 109,486	\$ 20,759	\$ 130,245
2027	109,486	17,744	127,230
2028	107,537	14,545	122,082
2029	105,587	11,226	116,813
2030	90,856	8,153	99,009
2031 - 2035	161,616	14,901	176,517
2036 - 2040	8,285	6,788	15,073
2041 - 2045	5,610	5,686	11,296
2046 - 2050	3,748	4,779	8,527
2051 - 2055	2,507	4,376	6,883
Thereafter	14,541	14,224	28,765
<b>Total</b>	<b>\$ 719,259</b>	<b>\$ 123,181</b>	<b>\$ 842,440</b>

**Aviation Leases**

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

Other non-cancellable and non-regulated leases are recognized in accordance with GASB 87. Variable lease payments received during the years ended June 30, 2025, and 2024 were \$58,774 and \$60,532, respectively.

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**Aviation Leases (continued)**

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

	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total</u>
2026	\$ 20,786	\$ 5,612	\$ 26,398
2027	20,316	4,958	25,274
2028	18,304	4,330	22,634
2029	3,064	3,989	7,053
2030	3,064	3,894	6,958
2031-2035	15,318	17,876	33,194
2036-2040	15,318	14,635	29,953
2041-2045	15,318	10,422	25,740
2046-2050	15,318	4,979	20,297
2051-2052	3,838	217	4,055
Total	<u>\$ 130,644</u>	<u>\$ 70,912</u>	<u>\$ 201,557</u>

**GASB No. 87 Excluded Leases – Regulated Aeronautical Service Providers**

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

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

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

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

	<b>Minimum Lease Revenue</b>	
2026	\$	58,877
2027		37,227
2028		18,334
2029		14,065
2030		14,065
2031-2035		21,097
Total	\$	163,665

**Commercial Real Estate Leases**

Commercial Real Estate (CRE) Division of the Port leases out almost 19 miles or approximately 837 acres of land and waterfront property, along San Francisco Bay and the Oakland Estuary that is not used for maritime or aviation purposes. Much of the commercial land has been converted through private investment into homes, hotels, offices, shops, restaurants, parks, and industrial flex/research spaces. In most cases, the CRE division of the Port has entered into ground lease with development teams. The Port, as a lessor, leases land and facilities at market rates with terms ranging from 1 to 60 years. The leases generally provide for minimum rentals with percentage rent contingent on business sales or activity, and typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. Variable lease payments received during the years ended June 30, 2025, and 2024 were \$707 and \$1,309, respectively.

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

	Lease Revenue	Interest Revenue	Total
2026	\$ 6,819	\$ 3,414	\$ 10,233
2027	6,650	3,255	9,905
2028	5,775	3,108	8,883
2029	5,678	2,947	8,625
2030	5,204	2,791	7,995
2031-2035	22,351	11,764	34,115
2036-2040	16,096	8,589	24,685
2041-2045	8,254	6,425	14,679
2046-2050	5,932	4,936	10,868
2051-2055	5,141	3,388	8,529
Thereafter	8,859	3,991	12,850
Total	\$ 96,759	\$ 54,608	\$ 151,367

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**8. Subscription-Based Information Technology Arrangements (SBITA)**

At June 30, 2025, the Port recorded six qualifying SBITAs in accordance with GASB Statement No. 96. The terms of the agreements range from 2 to 7 years and used the tax-exempt Municipal Market Data (MMD) yield curve rates.

The SBITA asset, net of accumulated amortization as of June 30, 2025, and 2024 was \$3,284 and \$4,127, respectively.

Beginning Balance As of June 30, 2024	SBITA Additions	FY 2025 Amortization	Net Balance As of June 30, 2025	Remaining Liability
\$ 4,127	\$ 367	\$ 1,210	\$ 3,284	\$ 2,682

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

The SBITA liability as of June 30, 2025 and 2024 was \$2,682 and \$2,919, respectively. The Port's required payments for the outstanding SBITA liability for the years ending June 30 are as follows.

Fiscal Year Ending	Cash	Interest Expense	Liability Reduction	Accrued Interest
2026	\$ 1,052	\$ 69	\$ 927	\$ 56
2027	829	39	773	17
2028	463	15	446	2
2029	463	2	461	-
2030	-	-	-	-
	<u>\$ 2,807</u>	<u>\$ 125</u>	<u>\$ 2,607</u>	<u>\$ 75</u>

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**9. Unearned Revenue**

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

Changes in unearned revenue for the years ended June 30, 2025 and 2024 are as follows:

	Beg. Balance July 1, 2024	Additions	Reductions	End. Balance June 30, 2025	Amounts Due Within One Year
Oakland Fuel Facilities Corporation	\$ 2,800	\$ 150	\$ -	\$ 2,950	\$ -
Unearned tenant rent	8,761	159	-	8,920	8,921
Other unearned revenue	1,014	745	(862)	897	592
<b>Total</b>	<b>\$ 12,575</b>	<b>\$ 1,054</b>	<b>\$ (862)</b>	<b>\$ 12,767</b>	<b>\$ 9,513</b>

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

**10. Retirement Plans**

**CalPERS Miscellaneous Unit**

***Plan Description***

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

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

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***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, 2025 and 2024, are summarized as follows:

	Hire date		
	Prior to 6/9/2012	6/9/2012 through 12/31/2012	Employee hired On or After 1/1/2013 <sup>(1)</sup>
Benefit formula	2.7% @ 55	2.5% @ 55	2.0% @ 62
Retirement age	50-55	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0%-2.7%	2.0%-2.5%	1.0%-2.5%
Required employee contribution rates	8.00%	8.00%	8.25%
Required employer contribution rates 2025 <sup>(2)</sup>	12.01%	12.01%	12.01%
Required employer contribution rates 2024 <sup>(2)</sup>	12.28%	12.28%	12.28%

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

(2) Excludes contribution payments for unfunded liability

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

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

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total Miscellaneous Plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. The City and the Port are required to contribute the difference between the actuarially determined rate and the contribution rate of employees. During the years ended June 30, 2025, and 2024, the Port paid contributions to the Miscellaneous Plan of \$27,048 and \$28,949, respectively.

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

As of June 30, 2025 and 2024, the Port reported total net pension liability as follows:

	<b>2025</b>	<b>2024</b>
City's Miscellaneous plan - proportionate share	\$ 196,848	\$ 213,152

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.

	<b>2025</b>	<b>2024</b>
Measurement date	6/30/2024	6/30/2023
Valuation date	6/30/2023	6/30/2022
Measurement period	7/1/23-6/30/24	7/1/22-6/30/23
Proportionate share	21.30%	21.81%

For the years ended June 30, 2025 and 2024, the Port recognized pension expense including amortization of deferred outflows/inflows related pension items of \$27,345 and \$28,939, respectively. On June 30, 2025 and 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2025</b>		<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in assumptions	\$ 521	\$ -	\$ 5,863	\$ -
Net difference between projected and actual earnings on pension plan investments	7,896	-	22,675	-
Change in proportionate share	-	4,441	-	4,595
Differences between expected and actual experience	7,208	159	3,583	1,800
Pension contributions subsequent to the measurement date	27,048	-	28,949	-
	<b>\$ 42,673</b>	<b>\$ 4,600</b>	<b>\$ 61,070</b>	<b>\$ 6,395</b>

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.

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

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

	2025	2024
2024	\$ -	\$ 6,357
2025	1,121	2,680
2026	14,253	16,089
2027	(1,754)	600
2028	(2,595)	-
	\$ 11,025	\$ 25,726

***Actuarial Methods and Assumptions***

For the years ended June 30, 2025, and 2024, the total pension liability was determined by rolling forward the total pension liability from the valuation date to the measurement date. The total pension liabilities were based on the following actuarial methods and assumptions for each measurement date:

	2025	2024
Measurement date	6/30/2024	6/30/2023
Valuation date	6/30/2023	6/30/2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.80%	2.80%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	6.80% net of pension plan investments expenses; includes inflation	7.00% net of pension plan investments expenses; includes inflation
Mortality Rate Table	Based on the 2021 CalPERS Experience Study.	Based on the 2017 CalPERS Experience Study from 1997 to 2015. <sup>(1)</sup>
Post Retirement Benefit Increase	Contract cost-of-living adjustment is the lessor of the rate of inflation based on retirement year or the 2.3% compounded contracted COLA percentage. If the benefit after applying the cost-of-living adjustment falls below a minimum threshold, a Purchasing Power Protection Allowance (PPPA) may apply.	Contract cost-of-living adjustment is the lessor of the rate of inflation based on retirement year or the 2.3% compounded contracted COLA percentage. If the benefit after applying the cost of living adjustment falls below a minimum threshold, a Purchasing Power Protection Allowance (PPPA) may apply.

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of Scale MP 2020.

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***Discount Rate***

The discount rate used to measure the total pension liability as of June 30, 2025, and 2024 is 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, CalPERS determined that the discount rate of 6.90% was appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

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

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

<sup>(1)</sup> An expected price inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2021-22 Asset Liability Management study.

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**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, 2025 and 2024 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:

	1%	Current Discount Rate	1%
	Decrease		Increase
	<u>(5.90%)</u>	<u>(6.90%)</u>	<u>(7.90%)</u>
As of June 30, 2024 (measurement date)			
Port's proportionate share of the City's			
Miscellaneous plan net pension liability	\$285,441	\$196,847	\$123,060
	1%	Current Discount Rate	1%
	Decrease		Increase
	<u>(5.90%)</u>	<u>(6.90%)</u>	<u>(7.90%)</u>
As of June 30, 2023 (measurement date)			
Port's proportionate share of the City's			
Miscellaneous plan net pension liability	\$303,513	\$213,152	\$140,393

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**11. Other Postemployment Benefits**

**Plan Description**

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

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

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

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

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

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

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**Retiree Dental and Vision Coverage**

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

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

**Employees Covered**

The following current and former employees were covered by the benefit terms under the Port's Retiree Healthcare Plan, as of the June 30, 2024 valuation date:

Active employees		450
Inactive employees or beneficiaries currently receiving benefits		619
Total		<u>1,069</u>

**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, 2025 and 2024, the Port's contributions consisted of the following:

	2025	2024
Direct payments (Pay-go)	\$ <u>9,439</u>	\$ <u>8,863</u>
CERBT fund contribution	4,000	4,300
Estimated implicit subsidy	1,409	1,272
Total cash contribution	<u>\$ 14,848</u>	<u>\$ 14,435</u>

**Net OPEB Liability**

For the year ended June 30, 2025, the Port's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was measured by rolling forward the total OPEB liability Valuation from June 30, 2023.

For the year ended June 30, 2024, the Port's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial dated June 30, 2023.

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**Actuarial Assumptions**

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

	2025	2024
Valuation Date	6/30/2023	6/30/2023
Measurement Date	6/30/2024	6/30/2023
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Discount Rate	6.50%	6.50%
Inflation	2.30%	2.30%
Medical Trend <sup>(1)</sup>	Non-Medicare 5.83% in 2025 decreasing to 4.0% in 2070 and later years  Medicare 15.25% in 2025 decreasing to 4.0% in 2070 and later years  Medicare Part B 6.00% in 2025 decreasing to 3.75% in 2091 and later years  Dental and Vision 3% in 2025 and later years	Non-Medicare 6.75% in 2024 decreasing to 4.0% in 2070 and later years  Medicare 7.0% in 2024 decreasing to 4.0% in 2070 and later years  Medicare Part B 6.00% in 2024 decreasing to 3.75% in 2091 and later years  Dental and Vision 3% in 2024 and later years
Investment Rate of Return <sup>(2)</sup>	6.50%	6.50%
Mortality	CalPERS Mortality rates, for Miscellaneous Public Agency Employees, projected generationally using 80 percent of Scale MP-2020 starting in 2017	CalPERS Mortality rates, for Miscellaneous Public Agency Employees, projected generationally using 80 percent of Scale MP-2020 starting in 2017

<sup>(1)</sup> Based on the “Getzen” model published by the Society of Actuaries for purposes of evaluating long-term medical care.

<sup>(2)</sup> Net of plan investment expenses

The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

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**Net OPEB Liability (continued)**

CERBT Strategy 1 – Asset Class Allocation and Benchmarks as of June 30, 2025

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Range</u>	<u>Benchmark</u>
Global Equity	37%	± 5%	MSCI All Country World Index IMI (Net)
Fixed Income	44%	± 5%	Bloomberg Long Liability Index
Treasury Inflation-Protected (Security TIPS)	5%	± 3%	Bloomberg US TIPS Index, Series L
Real Estate Investment Trusts (REITs)	14%	± 5%	FTSE EPRA/NAREIT Developed Index (Net)
Cash	-	± 2%	ICE B of A US 3-month Treasury Bill Index
	<u>100%</u>		

**Discount Rate**

The discount rate used to measure the total OPEB liability for the year ended June 30, 2025 and 2024 was 6.50%, which is equal to the investment rate of return.

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

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**Changes in Net OPEB Liability**

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

	Increase (Decrease)		
	Plan		
	Total OPEB	Fiduciary	Net OPEB
June 30, 2024 Measurement Date:	Liability (a)	Net Position	Liability
	(a)	(b)	(c)=(a)-(b)
Beginning Balance	\$ 199,516	\$ 116,145	\$ 83,371
Changes recognized for the measurement period:			
Service cost	4,656	-	4,656
Interest on the total OPEB liability	12,962	-	12,962
Difference between actual and expected experience with regard to economic or demographic factors	13,055	-	13,055
Changes in assumptions	-	-	-
Benefit payments	(9,674)	(9,674)	-
Contribution from employer	-	13,974	(13,974)
Net investment income	-	12,872	(12,872)
Administrative expense	-	(60)	60
Total changes	20,999	17,112	3,887
Ending Balance	\$ 220,515	\$ 133,257	\$ 87,258
	Increase (Decrease)		
	Plan		
	Total OPEB	Fiduciary	Net OPEB
June 30, 2023 Measurement Date:	Liability (a)	Net Position	Liability
	(a)	(b)	(c)=(a)-(b)
Beginning Balance	\$ 182,047	\$ 109,187	\$ 72,860
Changes recognized for the measurement period:			
Service cost	4,369	-	4,369
Interest on the total OPEB liability	11,803	-	11,803
Difference between actual and expected experience with regard to economic or demographic factors	(80)	-	(80)
Changes in assumptions	11,185	-	11,185
Benefit payments	(9,808)	(9,808)	-
Contribution from employer	-	9,808	(9,808)
Net investment income	-	7,013	(7,013)
Administrative expense	-	(55)	55
Total changes	17,469	6,958	10,511
Ending Balance	\$ 199,516	\$ 116,145	\$ 83,371

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**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, 2025 and 2024, calculated using the current discount rate, as well as what the Port's net OPEB liability would be if it were calculated using a discount rate that is 1% lower to 1% higher than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
As of June 30, 2025, Net OPEB Liability	\$113,713	\$87,258	\$65,119
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
As of June 30, 2024, Net OPEB Liability	\$107,491	\$83,371	\$63,194

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

The following presents the Port's net OPEB liability as of the June 30, 2025 and 2024, calculated using the current healthcare costs trend rates as well as what the Port's net OPEB liability would be if it were calculated using healthcare costs trend rates that are 1% lower to 1% higher than the current rate:

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2025, Net OPEB Liability	\$61,834	\$87,258	\$117,964
	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
As of June 30, 2024, Net OPEB Liability	\$61,733	\$83,371	\$109,424

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

For the years ended June 30, 2025 and 2024, the Port recognized OPEB expenses including amortization of deferred outflows/inflows related to OPEB items of \$13,634 and \$10,105, respectively. The Port reported deferred outflows/inflows of resources related to OPEB from the following sources on June 30:

	2025		2024	
	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	\$ 2,097	\$ -	\$ 7,987	\$ -
Differences between expected and actual experience	10,005	563	-	3,059
Changes of assumptions	5,959	36	8,572	264
OPEB contributions subsequent to the measurement date	14,848	-	14,435	-
	<u>\$ 32,909</u>	<u>\$ 599</u>	<u>\$ 30,994</u>	<u>\$ 3,323</u>

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

	2025	2024
2024	\$ -	\$ 1,628
2025	5,204	3,192
2026	9,685	7,673
2027	2,756	743
2028	(183)	-
	<u>\$ 17,462</u>	<u>\$ 13,236</u>

**12. Agreements with City of Oakland**

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

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

**Port of Oakland**  
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**Notes to Financial Statements**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Agreements with City of Oakland (continued)**

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

**Special Services and ARFF**

Payments for Special Services and ARFF are treated as a cost of Port operations pursuant to City Charter Section 717(3) Clause Third and have priority over certain other expenditures of Port revenues. Special Services and ARFF from the City totaled \$9,204 and \$9,072 in the years ended June 30, 2025, and 2024, respectively, and are included in operating expenses. At June 30, 2025 and 2024, \$4,623 and \$5,301, 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, 2025, and 2024 the Port accrued approximately \$1,269 and \$1,937, respectively, of payments for General Services. Additionally, the Port accrued approximately \$1,849 and \$1,119 to reimburse the City for Lake Merritt Trust Services in fiscal years 2025 and 2024, respectively. Subject to availability of surplus monies, the Port expects that it will continue to reimburse the City annually for General Services and Lake Merritt Trust Services.

**13. Commitments**

**Capital Program**

As of June 30, 2025, the Port had construction commitments for the acquisition and construction of assets as follows:

Aviation	\$ 58,140
Maritime	<u>26,046</u>
Total	<u>\$ 84,186</u>

The most significant projects for which the Port has contractual commitments for Aviation are the procurement of Electric Shuttle Buses and Infrastructure for Electric Bus Charging Stations Phase 1 \$2,339; Runway Pavement Rehabilitative \$19,231; Perimeter Dike Seismic Improvement Phase 2 \$31,210; and, Terminal Restroom Renovation Phase 1 \$4,251; for Maritime Port Terminal Pavement Services \$8,037; Sanitary Sewer Projects \$2,215; Replacement of Fenders and Bollards, and Crane Shops Oil, and Water Separator \$110; and, Switchgear Replacement and Trash Captive Devices \$15,684.

**Port of Oakland**  
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**(dollar amounts in thousands)**

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**Power Purchases**

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

Counterparty	Contract Ending Year	Contract Structure	Estimated Annual Output	Estimated Annual Cost
East Bay Municipal Utility District (EBMUD)	2025	Take and Pay – (Pay contract price only if energy is received)	11,300 MWh	Approx. \$1,896 with no Annual Escalator from 2017-2025
Western Area Power Administration (WAPA)	2054	Monthly Fixed price plus Energy Received	17,000 MWh	Approx. \$800 (Changes annually depending on revenue requirement for power generation projects)
EDP Renewables	2027	Take and Pay – (Pay contract price only if energy is received)	1,200 MWh	Approx. \$200 with annual escalator
NCPA - Antelope Valley Solar Energy Farm	2041	Take and Pay – (Pay contract price only if energy is received)	11,300 MWh	Approx. \$382 with no annual escalator
NCPA - South Feather Water and Power Agency	2031	Monthly Fixed price plus Energy Received	11,781 MWh	Approx. \$350 with no annual escalator
NCPA - Geysers Power Company, LLC	2036	Take or Pay	20,148 MWh	Approx. \$1,125 with no escalation
NCPA – Grace Orchard Energy Center, LLC	2047	Take and Pay	22,724 MWh	Approx. \$965 with no escalation
East Bay Municipal Utility District (EBMUD)	2035	Take and Pay (Pay contract price only if Renewable Energy Certificate is received)	11,300 MWh	Approx. \$406 with no escalation

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**14. Contingencies**

**Environmental**

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

A summary of the Port's environmental liability accounts, net of the estimated recoveries, included as Environmental and other liability on the statements of net position at June 30, 2025 and 2024, is as follows:

Obligating Event	2025 Liability net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	\$ 1,285	\$ -
Identified as responsible to clean-up pollution	13,010	-
Begins or legally obligates to clean-up or post clean-up activities	789	-
<b>Total by Obligating Event</b>	<b>\$ 15,084</b>	<b>\$ -</b>
Obligating Event	2024 Liability net of recovery	Estimated Recovery
Pollution poses an imminent danger to the public or environment	\$ 1,220	\$ -
Identified as responsible to clean-up pollution	13,915	111
Begins or legally obligates to clean-up or post clean-up activities	801	-
<b>Total by Obligating Event</b>	<b>\$ 15,936</b>	<b>\$ 111</b>

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).

**Port of Oakland**  
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**Notes to Financial Statements**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Environmental (continued)**

***Methods and Assumptions***

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

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

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

***Recoveries***

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

**Litigation**

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

**Port of Oakland**  
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**Notes to Financial Statements**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Grants**

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

**15. Insurance**

The Port purchases insurance on certain risk exposures including but not limited to property, automobiles liability, airport liability, umbrella liability, environmental liability, fidelity, fiduciary liability, and public official's liability. Port deductibles for the various insured programs range from \$10 to \$2,000 for each claim. The Port is self-insured for other general liability and liability/litigation-type claims, workers' compensation of the Port's employees and most first party exposures. During fiscal years 2025 and 2024, the Port carried excess insurance over \$1,000 for the self-insured general liability and workers' compensation exposures. There have been no claim payments related to these programs that exceeded insurance limits in the last three years.

**Workers' Compensation**

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

Workers' compensation liability at June 30, 2022	\$ 10,902
Current year changes in estimates	(443)
Claim payments	<u>(1,575)</u>
Workers' compensation liability at June 30, 2023	8,884
Current year changes in estimates	2,078
Claim payments	<u>(2,052)</u>
Workers' compensation liability at June 30, 2024	8,910
Current year changes in estimates	351
Claim payments	<u>(2,164)</u>
Workers' compensation liability at June 30, 2025	<u><u>\$ 7,097</u></u>

The workers' compensation liability of \$7,097 on June 30, 2025 is based upon an actuarial study valued as of June 30, 2025 that assumed a probability level of 80% and a discount rate of 0.00%. The workers' compensation liability balance of \$8,910 on June 30, 2024 is based upon an actuarial study valued as of June 30, 2024 that assumed a probability level of 80% and a discount rate of 0.00%.

**Port of Oakland**  
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**Notes to Financial Statements**  
**For the years ended June 30, 2025 and 2024**  
**(dollar amounts in thousands)**

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**Capital Improvement Projects**

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

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

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



**PORT OF  
OAKLAND**

**REQUIRED SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

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**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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion of the net pension liability	21.30%	21.81%	22.39%	22.85%	23.29%	23.84%	24.20%	24.80%	25.00%	25.00%
Covered payroll (measurement period) <sup>(1)</sup>	\$ 70,589	\$ 65,145	\$ 59,357	\$ 58,496	\$ 61,374	\$ 58,104	\$ 54,813	\$ 54,114	\$ 53,400	\$ 50,093
Proportionate share of net pension liability	\$ 196,848	\$ 213,152	\$ 216,083	\$ 137,879	\$ 217,954	\$ 215,522	\$ 203,202	\$ 219,306	\$ 200,186	\$ 172,915
Proportionate share of net pension liability as a percentage of covered payroll	278.86%	327.20%	364.04%	235.71%	355.12%	370.92%	370.72%	405.27%	374.88%	345.19%
Plan fiduciary net position	\$ 2,498,735	\$ 2,316,141	\$ 2,213,858	\$ 2,434,692	\$ 2,016,394	\$ 1,960,494	\$ 1,883,680	\$ 1,787,314	\$ 1,651,356	\$ 1,693,857
Total pension liability	\$ 3,422,994	\$ 3,293,550	\$ 3,178,946	\$ 3,038,001	\$ 2,952,224	\$ 2,864,529	\$ 2,723,357	\$ 2,671,613	\$ 2,452,219	\$ 2,385,421
Plan fiduciary net position as a percentage of total pension liability	73.00%	70.32%	69.64%	80.14%	68.30%	68.44%	69.17%	66.90%	67.34%	71.01%

**Notes:**

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

Change in assumptions -

Discount rate was changed as follows:

July 2021 to present - 6.90%

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

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

**City of Oakland CalPERS Miscellaneous Unit - Pension Plan**

Fiscal year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution (ADC)	\$ 27,048	\$ 28,949	\$ 29,030	\$ 27,389	\$ 25,787	\$ 24,588	\$ 21,832	\$ 19,253	\$ 18,906	\$ 15,989
Contributions in relation to the ADC	(27,048)	(28,949)	(29,030)	(27,389)	(25,787)	(24,588)	(21,832)	(19,253)	(18,906)	(15,989)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (for the fiscal year) <sup>(1)</sup>	\$ 75,167	\$ 70,589	\$ 65,145	\$ 59,357	\$ 58,496	\$ 61,374	\$ 58,104	\$ 54,813	\$ 54,114	\$ 53,400
Contributions as a percentage of covered payroll	35.98%	41.01%	44.56%	46.14%	44.08%	40.06%	37.57%	35.12%	34.94%	29.94%

**Notes:**

**Methods and assumptions used to determine contributions:**

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

ADC for fiscal year	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarial valuation date	6/30/2023	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013

Actuarial cost method      Entry Age Normal

Asset valuation method      In fiscal years 2024-2016 the fair value of assets was used.

Inflation                      2.3%

Salary increases              Varies by entry age and services

Payroll growth                2.8%

Investment Rate of return    6.8% net pension plan investment an administrative expenses; includes inflation

Retirement age              The probabilities of retirement are based on the 2021 CalPERS Experience Study and review of Actuarial Assumptions

Mortality                        The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

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

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

<i>Measurement Period</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability</b>								
Service cost	\$ 4,656	\$ 4,369	\$ 4,091	\$ 4,636	\$ 4,416	\$ 4,621	\$ 4,329	\$ 4,055
Interest on the total OPEB liability	12,962	11,803	11,824	12,158	11,793	11,995	11,521	11,089
Differences between actual and expected experience	13,055	(80)	-	(10,433)	-	(3,665)	-	-
Changes in assumptions	-	11,185	-	(724)	(896)	(6,179)	-	-
Benefit payments	(9,674)	(9,808)	(9,746)	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
<b>Net change in total OPEB liability</b>	20,999	17,469	6,169	(4,676)	5,372	(2,421)	6,805	6,144
<b>Total OPEB liability - beginning</b>	199,516	182,047	175,878	180,554	175,182	177,603	170,798	164,654
<b>Total OPEB liability - ending (a)</b>	<u>220,515</u>	<u>\$ 199,516</u>	<u>\$ 182,047</u>	<u>\$ 175,878</u>	<u>\$ 180,554</u>	<u>\$ 175,182</u>	<u>\$ 177,603</u>	<u>\$ 170,798</u>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 13,974	\$ 9,808	\$ 10,149	\$ 14,513	\$ 14,141	\$ 14,693	\$ 14,542	\$ 15,400
Net investment income (loss)	12,872	7,013	(16,812)	26,194	3,143	4,821	5,351	5,773
Benefits payments	(9,674)	(9,808)	(9,746)	(10,313)	(9,941)	(9,193)	(9,045)	(9,000)
Administrative expense	(60)	(55)	(63)	(54)	(44)	(38)	(35)	(22)
<b>Net change in plan fiduciary net position</b>	\$ 17,112	\$ 6,958	\$ (16,472)	30,340	7,299	10,283	10,816	12,151
<b>Plan fiduciary net position - beginning</b>	116,145	109,187	125,659	95,319	88,020	77,737	66,921	54,770
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 133,257</u>	<u>\$ 116,145</u>	<u>\$ 109,187</u>	<u>\$ 125,659</u>	<u>\$ 95,319</u>	<u>\$ 88,020</u>	<u>\$ 77,737</u>	<u>\$ 66,921</u>
<b>Net OPEB liability - ending (a) - (b)</b>	<u>\$ 87,258</u>	<u>\$ 83,371</u>	<u>\$ 72,860</u>	<u>\$ 50,219</u>	<u>\$ 85,235</u>	<u>\$ 87,162</u>	<u>\$ 99,866</u>	<u>\$ 103,877</u>
Plan fiduciary net position as a percentage of the total OPEB liability	60.43%	58.21%	59.98%	71.45%	52.79%	50.24%	43.77%	39.18%
Covered-employee payroll (for the measurement period) <sup>(1)</sup>	\$ 70,589	\$ 65,145	\$ 61,097	\$ 61,112	\$ 66,473	\$ 63,359	\$ 61,326	\$ 58,516
Net OPEB liability as a percentage of covered-employee payroll	123.61%	127.98%	119.25%	82.18%	128.22%	137.57%	162.84%	177.52%

**Note:**

\*Historical information is required only for measurement periods for which GASB 75 is applicable. 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.

**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)**

<b>Fiscal Year</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially Determined Contribution (ADC)	\$ 13,666	\$ 12,525	\$ 11,254	\$ 8,815	\$ 12,350	\$ 12,149	\$ 13,310	\$ 13,203
Contribution in relation to the ADC	<u>(14,848)</u>	<u>(14,435)</u>	<u>(9,822)</u>	<u>(10,149)</u>	<u>(14,418)</u>	<u>(14,145)</u>	<u>(14,894)</u>	<u>(14,732)</u>
Contribution deficiency/(excess)	<u>\$ (1,182)</u>	<u>\$ (1,910)</u>	<u>\$ 1,432</u>	<u>\$ (1,334)</u>	<u>\$ (2,068)</u>	<u>\$ (1,996)</u>	<u>\$ (1,584)</u>	<u>\$ (1,529)</u>
Covered payroll (for the fiscal year) <sup>(1)</sup>	\$ 75,167	\$ 70,589	\$ 65,145	\$ 61,097	\$ 61,112	\$ 66,473	\$ 63,359	\$ 61,326
Contributions as a percentage of covered payroll	19.75%	20.45%	15.08%	16.61%	23.59%	21.28%	23.51%	24.02%

**Notes:**

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

**Methods and assumptions used to determine contributions:**

ADC for fiscal year	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarial valuation date	6/30/2023	6/30/2023	6/30/2021	6/30/2021	6/30/2019	6/30/2019	6/30/2017	6/30/2017
Actuarial Cost Method	Entry Age Normal							
Amortization Method/Period	30 year level dollar amount on a "closed" basis							
Asset Valuation Method	Market Value of Assets							
Inflation	2.5%							
Payroll Growth	CalPERS salary scale for Miscellaneous employees hired at age 30							
Investment Rate of Return	6.50% net of investment expense							
Healthcare Cost Trend Rates	- Medical is based on the "Getzen" model published by the Society of Actuaries. - Dental and vision are based on an 3% increase per year.							
Retirement Age and Mortality	Based on CalPERS Mortality rates for Miscellaneous Public Agency Employees projected generationally using 80 percent of Scale MP-2020 starting in 2017.							



**PORT OF  
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**OTHER SUPPLEMENTARY  
INFORMATION**

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**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Other Supplementary Information - Schedules of Revenues and Expenses by Business Line**  
For the years ended June 30, 2025 and 2024  
(dollar amounts in thousands)

	2025						2024			
	Aviation	Maritime	Commercial Real Estate	Electric Utility	Inter Company Elimination	Total	Aviation	Maritime	Commercial Real Estate	Total
<b>Operating revenues:</b>										
Lease rentals - terminal	\$ 64,487	\$ 127,061	\$ -	\$ -	\$ -	\$ 191,548	\$ 57,893	\$ 119,847	\$ -	\$ 177,740
Lease rentals - other	33,659	25,485	11,834	-	-	70,978	33,845	24,527	12,263	70,635
Parking fees and ground access	54,258	11,093	2,674	-	-	68,025	58,916	10,989	2,156	72,061
Landing fees	48,206	-	-	-	-	48,206	38,489	-	-	38,489
Terminal concessions	8,177	-	-	-	-	8,177	8,858	-	-	8,858
Utility sales	213	1,596	-	32,806	(5,166)	29,449	3,502	24,283	102	27,887
Rail terminal rent	-	4,438	-	-	-	4,438	-	3,722	-	3,722
Fueling	2,807	-	-	-	-	2,807	2,971	-	-	2,971
Other	4,915	(492)	718	-	-	5,141	3,606	895	875	5,376
<b>Total operating revenues</b>	<b>216,722</b>	<b>169,181</b>	<b>15,226</b>	<b>32,806</b>	<b>(5,166)</b>	<b>428,769</b>	<b>208,080</b>	<b>184,263</b>	<b>15,396</b>	<b>407,739</b>
<b>Operating expenses:</b>										
Personnel services, materials, services, supplies, and other	75,218	30,465	6,126	2,123	-	113,932	70,878	23,752	5,855	100,485
Maintenance and engineering	45,234	31,733	2,098	1,015	-	80,080	43,266	32,953	1,730	77,949
Marketing and public relations	7,123	1,733	1,033	223	-	10,112	5,981	1,778	468	8,227
Administration and general services	11,066	9,096	2,722	1,422	-	24,306	12,020	9,137	3,384	24,541
Utilities	6,367	2,219	-	19,940	(5,166)	23,360	8,026	19,260	676	27,962
Security, police and fire	36,918	2,418	976	-	-	40,312	29,800	2,468	1,148	33,416
Depreciation	66,799	50,136	2,522	708	-	120,165	64,767	49,880	2,286	116,933
<b>Total operating expenses</b>	<b>248,725</b>	<b>127,800</b>	<b>15,477</b>	<b>25,431</b>	<b>(5,166)</b>	<b>412,267</b>	<b>234,738</b>	<b>139,228</b>	<b>15,547</b>	<b>389,513</b>
<b>Operating income/(loss)</b>	<b>(32,003)</b>	<b>41,381</b>	<b>(251)</b>	<b>7,375</b>	<b>-</b>	<b>16,502</b>	<b>(26,658)</b>	<b>45,035</b>	<b>(151)</b>	<b>18,226</b>
<b>Non-operating revenues (expenses):</b>										
Investment income	9,754	56,627	3,920	552	-	70,853	24,545	40,964	5,371	70,880
Interest expense	(2,236)	(9,768)	(94)	(210)	-	(12,308)	(2,916)	(10,735)	(137)	(13,788)
Customer facility charges revenue	6,100	-	-	-	-	6,100	3,262	-	-	3,262
Customer facility charges expense	(5,555)	-	-	-	-	(5,555)	(3,577)	-	-	(3,577)
Passenger facility charges revenue	16,139	-	-	-	-	16,139	20,678	-	-	20,678
Other income	789	283	26	56	-	1,154	210	1,635	226	2,071
Other expense	(1,992)	(3,488)	(2,122)	(481)	-	(8,083)	(1,770)	(2,032)	(71)	(3,873)
Operating grant income	346	2,345	-	-	-	2,691	25,180	344	-	25,524
Gain/(loss) on disposal of capital assets	(281)	47	-	6	-	(228)	(664)	(756)	(151)	(1,571)
<b>Total non-operating revenues (expenses), net</b>	<b>23,064</b>	<b>46,046</b>	<b>1,730</b>	<b>(77)</b>	<b>-</b>	<b>70,763</b>	<b>64,948</b>	<b>29,420</b>	<b>5,238</b>	<b>99,606</b>
<b>Increase in net position before capital contributions</b>	<b>(8,939)</b>	<b>87,427</b>	<b>1,479</b>	<b>7,298</b>	<b>-</b>	<b>87,265</b>	<b>38,290</b>	<b>74,455</b>	<b>5,087</b>	<b>117,832</b>
<b>Capital contributions - Grants from government agencies</b>	<b>25,298</b>	<b>5,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,157</b>	<b>18,463</b>	<b>10,114</b>	<b>-</b>	<b>28,577</b>
<b>Increase in net position</b>	<b>\$ 16,359</b>	<b>\$ 93,286</b>	<b>\$ 1,479</b>	<b>\$ 7,298</b>	<b>\$ -</b>	<b>\$ 118,422</b>	<b>\$ 56,753</b>	<b>\$ 84,569</b>	<b>\$ 5,087</b>	<b>\$ 146,409</b>

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

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**PORT OF  
OAKLAND**

**STATISTICAL SECTION  
(Unaudited)**

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

**Statistical Section**

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

**Contents**

**Schedule**

**Financial Trends**

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

Net Position by Components .....	1
Statements of Revenues, Expenses and Changes in Net Position .....	2

**Revenue Capacity**

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

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

**Aviation Division:**

Principal Revenue Sources and Airline Revenue per Enplaned Passenger .....	3
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Top Ten Individual Sources of Aviation Revenue .....	5
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Maritime operating revenues are principal customers, revenue per TEU, and container trends. Schedules included are:

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**Electric Utility Division:**

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## Debt Capacity

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

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Outstanding Debt by Debt Type.....	14

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

Demographic and Economic Statistics for the City of Oakland .....	15
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## Operating Information

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

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

	<u>2025</u>	<u>2024</u>	<u>2023 <sup>(3)</sup></u>	<u>2022 <sup>(2)</sup></u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 <sup>(1)</sup></u>	<u>2017</u>	<u>2016</u>
Net position:										
Net investment in capital assets	\$ 1,411,882	\$ 1,309,664	\$ 1,233,545	\$ 1,227,661	\$ 1,165,696	\$ 1,169,486	\$ 1,155,256	\$ 1,155,086	\$ 1,106,547	\$ 1,097,049
Restricted for:										
Construction	81,675	61,859	43,905	27,248	13,872	6,275	9,035	10,457	22,392	14,840
Unrestricted	<u>469,855</u>	<u>473,467</u>	<u>421,131</u>	<u>304,187</u>	<u>208,656</u>	<u>134,156</u>	<u>99,395</u>	<u>35,444</u>	<u>72,797</u>	<u>30,657</u>
Total net position	<u>\$ 1,963,412</u>	<u>\$ 1,844,990</u>	<u>\$ 1,698,581</u>	<u>\$ 1,559,096</u>	<u>\$ 1,388,224</u>	<u>\$ 1,309,917</u>	<u>\$ 1,263,686</u>	<u>\$ 1,200,987</u>	<u>\$ 1,201,736</u>	<u>\$ 1,142,546</u>

## Notes:

<sup>(1)</sup> The beginning balance decreased \$84,505 due to the adoption of GASB 75.

<sup>(2)</sup> The beginning balance decreased \$6,446 due to the adoption of GASB 87.

<sup>(3)</sup> The Port did not restate the beginning balance for the adoption of GASB 96.

**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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues:										
Aviation	\$ 216,722	\$ 208,080	\$ 198,762	\$ 193,659	\$ 152,105	\$ 186,589	\$ 208,022	\$ 204,293	\$ 190,657	\$ 173,067
Maritime	169,181	184,263	194,834	194,250	188,109	172,740	170,976	159,458	151,377	148,772
Commercial real estate	15,226	15,396	15,091	14,100	13,925	16,586	17,999	17,260	16,673	16,198
Utility Operation <sup>(1)</sup>	32,806	-	-	-	-	-	-	-	-	-
Inter Company Elimination <sup>(2)</sup>	(5,166)	-	-	-	-	-	-	-	-	-
Total operating revenues	<u>428,769</u>	<u>407,739</u>	<u>408,687</u>	<u>402,009</u>	<u>354,139</u>	<u>375,915</u>	<u>396,997</u>	<u>381,011</u>	<u>358,707</u>	<u>338,037</u>
Operating expenses:										
Aviation	248,725	234,738	212,833	179,832	184,550	201,087	201,920	193,377	176,591	165,344
Maritime	127,800	139,228	128,084	115,005	117,827	120,890	115,691	111,365	106,302	107,135
Commercial real estate	15,477	15,547	17,723	11,436	12,362	13,385	13,342	12,835	12,148	12,755
Utility Operation <sup>(1)</sup>	25,431	-	-	-	-	-	-	-	-	-
Inter Company Elimination <sup>(2)</sup>	(5,166)	-	-	-	-	-	-	-	-	-
Total operating expenses <sup>(3)</sup>	<u>412,267</u>	<u>389,513</u>	<u>358,640</u>	<u>306,273</u>	<u>314,739</u>	<u>335,362</u>	<u>330,953</u>	<u>317,577</u>	<u>295,041</u>	<u>285,234</u>
Operating income	<u>16,502</u>	<u>18,226</u>	<u>50,047</u>	<u>95,736</u>	<u>39,400</u>	<u>40,553</u>	<u>66,044</u>	<u>63,434</u>	<u>63,666</u>	<u>52,803</u>
Non-operating revenues (expenses):										
Investment income	70,853	70,880	50,492	21,204	507	11,013	13,363	5,109	2,713	2,149
Interest expense	(12,308)	(13,788)	(14,421)	(16,622)	(26,246)	(34,162)	(36,604)	(39,695)	(47,695)	(49,889)
Customer facility charges revenue	6,100	3,262	3,509	3,155	2,181	3,890	5,421	5,525	6,010	5,939
Customer facility charges expenses <sup>(4)</sup>	(5,555)	(3,577)	(3,446)	(2,549)	(3,906)	(4,741)	(5,440)	(4,678)	(4,531)	(4,307)
Passenger facility charges	16,139	20,678	21,617	19,363	10,913	16,285	25,819	25,903	24,520	22,929
Operating grant income	2,691	25,524	18,342	46,827	10,103	-	454	324	1,001	1,419
Other expenses	(8,083)	(3,873)	-	-	-	-	(454)	(324)	(1,001)	(1,419)
Other income (expenses)	1,154	2,071	(2,027)	(6,309)	4,525	8,632	(3,278)	(22,009)	(1,844)	3,744
Gain on lease termination	-	-	-	-	16,597	-	-	-	5,526	35,200
Gain (loss) on disposal of capital assets	(228)	(1,571)	(479)	(3,227)	(123)	(2,616)	(10,864)	(5)	(2,869)	(629)
Total net non-operating revenues (expenses)	<u>70,763</u>	<u>99,606</u>	<u>73,587</u>	<u>61,842</u>	<u>14,551</u>	<u>(1,699)</u>	<u>(11,583)</u>	<u>(29,850)</u>	<u>(18,170)</u>	<u>15,136</u>
Change in net position before capital contributions	<u>87,265</u>	<u>117,832</u>	<u>123,634</u>	<u>157,578</u>	<u>53,951</u>	<u>38,854</u>	<u>54,461</u>	<u>33,584</u>	<u>45,496</u>	<u>67,939</u>
Capital contributions:										
Grants from government agencies	31,157	28,577	15,851	19,740	24,356	7,377	8,238	50,172	13,694	34,849
Total capital contributions	<u>31,157</u>	<u>28,577</u>	<u>15,851</u>	<u>19,740</u>	<u>24,356</u>	<u>7,377</u>	<u>8,238</u>	<u>50,172</u>	<u>13,694</u>	<u>34,849</u>
Change in net position	<u>118,422</u>	<u>146,409</u>	<u>139,485</u>	<u>177,318</u>	<u>78,307</u>	<u>46,231</u>	<u>62,699</u>	<u>83,756</u>	<u>59,190</u>	<u>102,788</u>
Net position, beginning of the year	<u>1,844,990</u>	<u>1,698,581</u>	<u>1,559,096</u>	<u>1,381,778</u>	<u>1,309,917</u>	<u>1,263,686</u>	<u>1,200,987</u>	<u>1,117,231</u>	<u>1,142,546</u>	<u>1,039,758</u>
Net position, end of the year	<u>\$ 1,963,412</u>	<u>\$ 1,844,990</u>	<u>\$ 1,698,581</u>	<u>\$ 1,559,096</u>	<u>\$ 1,388,224</u>	<u>\$ 1,309,917</u>	<u>\$ 1,263,686</u>	<u>\$ 1,200,987</u>	<u>\$ 1,201,736</u>	<u>\$ 1,142,546</u>

## Notes:

<sup>(1)</sup> Beginning in fiscal year 2025, the Electric Utility Division is reported as a separate revenue division.

<sup>(2)</sup> Beginning in fiscal year 2025, the Electric Utility Division bills other revenue divisions for their share of electricity consumption and records as revenue in the Utility Operation Revenue Division, and as expenses in other revenue divisions. Inter Company revenue and expenses are eliminated for the Statement of Revenues, Expenses and Changes in Net Position at the Port level.

<sup>(3)</sup> Total operating expenses includes depreciation.

<sup>(4)</sup> 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.

<sup>(5)</sup> The beginning net position balance in fiscal year 2018 decreased \$84,505 due to the adoption of GASB 75.

<sup>(6)</sup> The beginning net position balance in fiscal year 2022 decreased \$6,446 due to the adoption of GASB 87.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Aviation revenues:										
Terminal rental <sup>(1)</sup>	\$ 59,958	\$ 53,870	\$ 50,827	\$ 49,668	\$ 48,039	\$ 60,891	\$ 59,705	\$ 56,064	\$ 47,555	\$ 41,719
Landing fees (excludes cargo airlines)	29,967	24,846	25,564	25,078	16,595	18,443	23,441	25,724	23,492	19,876
Total airline revenues	89,925	78,716	76,391	74,746	64,634	79,334	83,146	81,788	71,047	61,595
Concessions <sup>(3)(4)</sup>	8,177	8,858	2,536	5,776	3,558	7,056	9,930	22,775	24,563	23,408
Parking and ground access <sup>(3)</sup>	54,258	58,916	54,888	47,271	22,905	41,442	56,231	43,400	40,867	36,826
Lease rentals	33,659	35,555	35,312	33,030	32,279	33,505	31,614	30,790	30,505	29,836
Landing fees--cargo airlines	16,460	11,994	13,479	16,413	15,577	11,058	11,512	11,277	9,770	9,333
Aviation fueling	2,807	2,971	3,346	4,123	2,174	2,313	2,582	2,414	2,422	2,335
Utility sales	213	3,418	3,741	3,498	3,081	3,489	4,120	4,301	4,359	4,257
Other <sup>(2)(4)</sup>	11,223	7,652	9,069	8,802	7,897	8,392	8,887	7,548	7,124	5,475
Total revenues	\$ 216,722	\$ 208,080	\$ 198,762	\$ 193,659	\$ 152,105	\$ 186,589	\$ 208,022	\$ 204,293	\$ 190,657	\$ 173,065
Enplaned passengers	4,967	5,603	5,782	4,996	2,628	4,736	6,808	6,677	6,296	5,812
Airline revenue per enplaned passenger	\$ 18.10	\$ 14.05	\$ 13.21	\$ 14.96	\$ 24.59	\$ 16.75	\$ 12.21	\$ 12.25	\$ 11.28	\$ 10.60



Notes:

- <sup>(1)</sup> Terminal rentals are for airlines only. Non-airline terminal rental revenues are classified under "Other".
- <sup>(2)</sup> Includes non-airline terminal revenues, miscellaneous revenues and other field revenues.
- <sup>(3)</sup> Beginning in fiscal year 2019, Car Rental revenue is recorded with Parking and Ground Access revenue. In 2018 and prior Car Rental revenue was reported with Concessions revenue.
- <sup>(4)</sup> 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**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>PASSENGERS</b>										
Enplaned	4,966,882	5,603,253	5,782,323	4,995,668	2,627,875	4,735,801	6,807,835	6,676,712	6,296,349	5,812,058
Deplaned	4,986,536	5,626,102	5,784,946	4,981,098	2,595,006	4,757,836	6,807,936	6,680,091	6,297,022	5,802,787
Total	<u>9,953,418</u>	<u>11,229,355</u>	<u>11,567,269</u>	<u>9,976,766</u>	<u>5,222,881</u>	<u>9,493,637</u>	<u>13,615,771</u>	<u>13,356,803</u>	<u>12,593,371</u>	<u>11,614,845</u>
<b>FREIGHT ( in 000 lb)</b>										
Inbound	550,044	554,213	605,288	692,632	586,737	624,894	654,577	651,641	582,548	575,796
Outbound	526,056	552,707	574,855	660,287	568,246	610,244	662,614	658,541	592,279	605,329
Total	<u>1,076,100</u>	<u>1,106,920</u>	<u>1,180,143</u>	<u>1,352,919</u>	<u>1,154,983</u>	<u>1,235,138</u>	<u>1,317,191</u>	<u>1,310,182</u>	<u>1,174,827</u>	<u>1,181,125</u>
<b>TOTAL AIR CARGO (in 000 lb)</b> (Freight and mail)	1,153,004	1,114,125	1,197,040	1,370,101	1,163,789	1,246,477	1,329,820	1,320,948	1,183,119	1,190,372
<b>LANDED WEIGHT (in 000 lb) <sup>(1)</sup></b>										
Passenger carriers	5,971,070	6,592,292	6,834,456	5,900,152	4,056,894	6,026,349	7,746,063	7,833,331	7,347,655	6,670,725
Cargo carriers	3,278,803	3,167,483	3,588,756	3,847,789	3,795,663	3,646,975	3,651,806	3,519,152	3,136,160	3,173,690
Total	<u>9,249,873</u>	<u>9,759,775</u>	<u>10,423,212</u>	<u>9,747,941</u>	<u>7,852,557</u>	<u>9,673,324</u>	<u>11,397,869</u>	<u>11,352,483</u>	<u>10,483,815</u>	<u>9,844,415</u>
<b>AIRCRAFT MOVEMENTS</b>	207,424	206,243	210,624	206,033	166,592	199,364	243,261	241,035	225,526	224,074
<b>PARKING</b>										
Number of stalls <sup>(2)</sup>	6,888	6,888	6,888	6,888	6,907	6,907	6,805	6,895	6,898	6,898
Average revenue per stall	\$ 6,056	\$ 6,605	\$ 5,304	\$ 4,489	\$ 1,950	\$ 3,230	\$ 4,797	\$ 4,883	\$ 4,856	\$ 4,544

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 2025 and Fiscal Year 2016**  
**(dollar amounts in thousands)**

<b><u>Fiscal Year 2025</u></b>	<b><u>Revenue</u></b>	<b><u>Percent of Total Aviation Revenue</u></b>	<b><u>Fiscal Year 2016</u></b>	<b><u>Revenue</u></b>	<b><u>Percent of Total Aviation Revenue</u></b>
Southwest Airlines	\$ 64,325	29.7%	Southwest Airlines	\$ 41,036	23.7%
On-Airport Public Parking <sup>(1)</sup>	34,986	16.1%	On-Airport Public Parking <sup>(1)</sup>	32,505	18.8%
Federal Express Corporation	26,327	12.1%	Federal Express Corporation	18,683	10.8%
Signature Flight Support Acquisition Co. LLC	7,996	3.7%	Signature Flight Support Acquisition Co. LLC	6,397	3.7%
United Parcel Service	7,359	3.4%	Avis Budget Group, Inc.	6,103	3.5%
Volaris	7,259	3.3%	Hertz Corporation	4,942	2.9%
Enterprise Rent-A-Car	6,078	2.8%	HMS Host Corporation	4,634	2.7%
Avis Budget Group, Inc.	5,864	2.7%	Alaska Airlines	4,485	2.6%
Hertz Corporation	4,898	2.3%	United Parcel Service	3,811	2.2%
Alaska Airlines	3,976	1.8%	DTG Operations, Inc.	3,112	1.8%

Notes:

<sup>(1)</sup> Operated by LAZ Parking, beginning December 1, 2012

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

Signatory Airline Rates and Charges for Period: <sup>(1)</sup>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Landing Fees (per 1,000 lbs. MGLW)<sup>(2)</sup></u>										
Basic Landing Rate	\$ 5.00	\$ 3.77	\$ 3.74	\$ 4.25	\$ 4.09	\$ 3.02	\$ 3.14	\$ 3.19	\$ 3.13	\$ 2.94
<u>Terminal Space Rental (per square foot per year)</u>										
Type 1 - Ticket Counter	\$ 367.55	\$ 343.86	\$ 326.44	\$ 315.14	\$ 350.71	\$ 387.88	\$ 354.12	\$ 335.77	\$ 299.90	\$ 268.00
Type 2 - Office Space	330.79	309.47	293.80	283.63	315.64	349.08	318.71	302.20	269.91	241.20
Type 3 - Baggage Space <sup>(3)</sup>	294.04	275.09	261.16	252.11	280.57	310.30	283.30	268.62	239.92	214.40
Type 4 - Baggage Make-Up	257.28	240.70	228.50	220.60	245.50	271.51	247.88	235.04	209.93	187.60
Type 5 - Ticket Counter (Others)	183.77	171.92	163.22	157.57	175.36	193.93	177.06	167.89	149.95	134.00
Type 6 - Office Space (Others)	165.40	154.74	146.90	155.18	157.82	174.54	159.35	151.09	134.96	120.60
Type 7 - Baggage Make-Up (Others)	128.64	120.35	114.25	110.30	122.75	135.76	123.84	117.52	104.97	93.80
<u>Primary Holdroom, Loading Bridge Rental (per holdroom per month)</u>										
Holdroom, Loading Bridge	\$ 73,715	\$ 68,722	\$ 62,715	\$ 60,989	\$ 65,371	\$ 72,009	\$ 65,005	\$ 61,651	\$ 56,491	\$ 54,479

## Notes:

<sup>(1)</sup> Rates and charges are established at the beginning of each fiscal year and calculated using budgeted expenses for the forthcoming fiscal year.

<sup>(2)</sup> MGLW - Maximum Gross Landing Weight

<sup>(3)</sup> 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 deplaned passengers utilizing the baggage claim features.

**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)**

	<u>2025<sup>(1)</sup></u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Maritime revenues:										
Lease rentals - terminal	\$ 127,061	\$ 119,847	\$ 127,041	\$ 128,573	\$ 127,601	\$ 122,672	\$ 120,550	\$ 112,526	\$ 108,710	\$ 113,864
Lease rentals - other	25,485	24,527	34,686	32,092	29,836	26,309	23,963	25,198	23,260	17,335
Parking fees	11,093	10,989	7,005	6,411	7,992	7,745	8,046	7,422	6,916	6,137
Rail terminal rent <sup>(2)</sup>	4,438	3,722	2,319	4,338	3,899	2,492	3,979	3,173	3,065	-
Other revenues or (loss)	(492)	895	559	600	84	415	54	150	(315)	1,443
Utility sales	1,596 <sup>(4)</sup>	24,283	23,224	22,236	18,697	13,107	14,384	10,989	9,741	9,993
	<u>\$ 169,181</u>	<u>\$ 184,263</u>	<u>\$ 194,834</u>	<u>\$ 194,250</u>	<u>\$ 188,109</u>	<u>\$ 172,740</u>	<u>\$ 170,976</u>	<u>\$ 159,458</u>	<u>\$ 151,377</u>	<u>\$ 148,772</u>
Full TEUs	1,742,131 <sup>(1)</sup>	1,697,527 <sup>(1)</sup>	1,558,308 <sup>(1)</sup>	1,850,264 <sup>(3)</sup>	2,010,566 <sup>(3)</sup>	1,886,128 <sup>(3)</sup>	1,888,381	1,852,216	1,850,296	1,784,387
Maritime revenue per Full TEU	<u>\$ 97.11</u>	<u>\$ 108.55</u>	<u>\$ 125.03</u>	<u>\$ 104.99</u>	<u>\$ 93.56</u>	<u>\$ 91.58</u>	<u>\$ 90.54</u>	<u>\$ 86.09</u>	<u>\$ 81.81</u>	<u>\$ 83.37</u>

## Notes:

<sup>(1)</sup> Subject to change pending completion of operational audits.

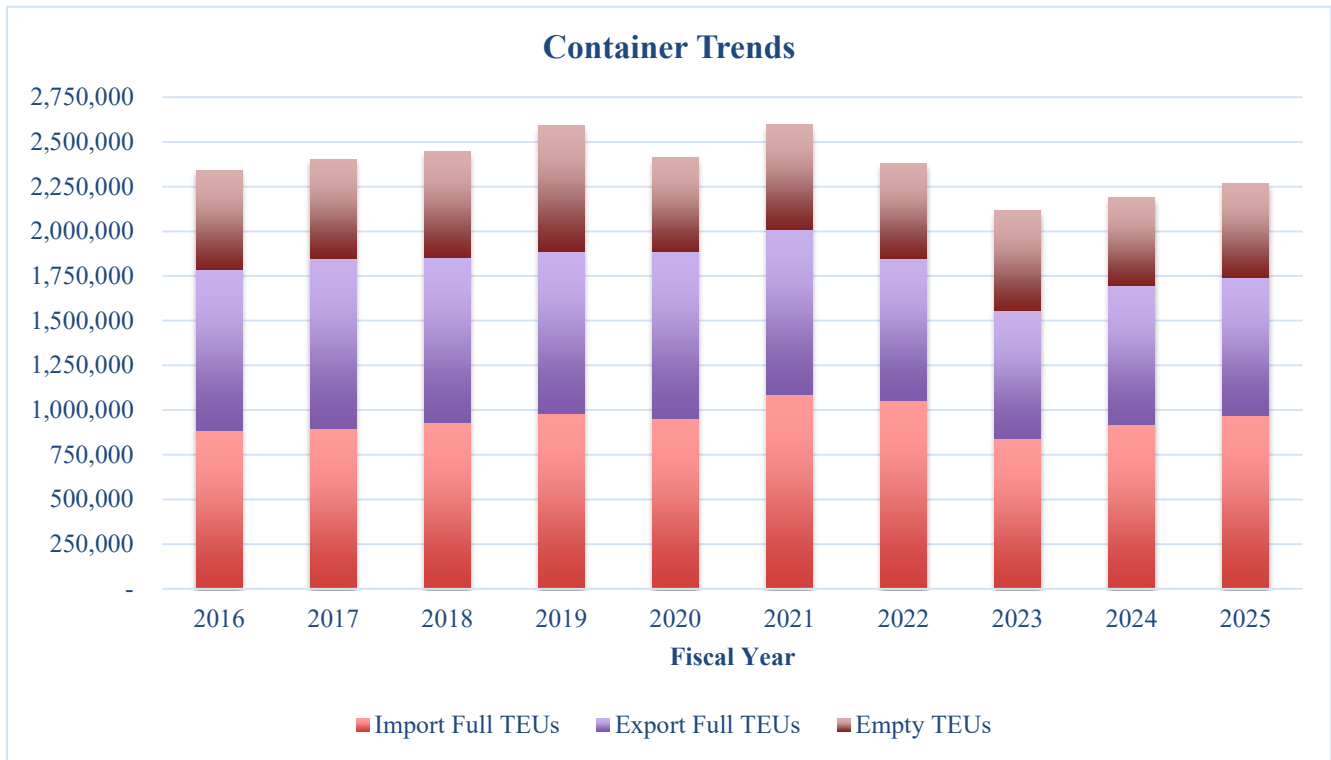
<sup>(2)</sup> Prior to fiscal year 2017, rail terminal rent was reported as other revenue.

<sup>(3)</sup> Full TEUs revised as of June 30, 2023 due to the results of operational audits.

<sup>(4)</sup> Beginning in fiscal year 2025, electric utility revenue is reported in the new business line, Electric Utility Division. Gas, water, and sewer revenue remained in Maritime.

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

Fiscal Year	Full TEUs					Empty TEUs	Total TEUs
	Import	%	Export	%	Total Full		
2025	971,085	56%	771,046	44%	1,742,131	527,794	2,269,925
2024	917,623	54%	779,905	46%	1,697,527 <sup>(1)</sup>	491,942	2,189,469 <sup>(1)</sup>
2023	841,097	54%	717,212	46%	1,558,308 <sup>(1)</sup>	560,174	2,118,482 <sup>(1)</sup>
2022	1,053,753	57%	796,511	43%	1,850,264 <sup>(2)</sup>	527,786	2,378,050 <sup>(2)</sup>
2021	1,086,261	54%	924,305	46%	2,010,566 <sup>(2)</sup>	584,290	2,594,856 <sup>(2)</sup>
2020	955,582	51%	930,547	49%	1,886,128 <sup>(2)</sup>	528,163	2,414,291 <sup>(2)</sup>
2019	979,602	52%	908,778	48%	1,888,381	701,367	2,589,748
2018	929,841	50%	922,375	50%	1,852,216	596,252	2,448,468
2017	898,674	49%	951,622	51%	1,850,296	550,698	2,400,994
2016	884,184	50%	900,203	50%	1,784,387	558,294	2,342,681



Notes:

- <sup>(1)</sup> Subject to change pending completion of operational audits.
- <sup>(2)</sup> Prior FY data revised as of June 30, 2023 due to operational audits.

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Top Ten Individual Sources of Maritime Revenue by Alphabetical Order**  
**Fiscal Year 2025 and Fiscal Year 2016**

**Fiscal Year 2025**

BNSF Railway Company  
 CenterPoint Properties  
 ConGlobal Industries  
 Everport Terminal Services, Inc.  
 GSC Logistics, Inc.  
 Pacific Coast Container, Inc.  
 Shippers Transport Express, Inc.  
 SSA Terminals, LLC  
 TraPac, LLC  
 Truck Parking <sup>(1)</sup>

**Fiscal Year 2016**

BNSF Railway Company  
 ConGlobal Industries  
 Everport Terminal Services, Inc.  
 Impact Transportation  
 Pacific Coast Container, Inc.  
 Ports America Outer Harbor Terminal, LLC  
 Shippers Transport Express, Inc.  
 SSA Terminals, LLC and SSA Terminals (Oakland), LLC (combined)  
 TraPac, Inc.  
 Truck Parking <sup>(1)</sup>

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.

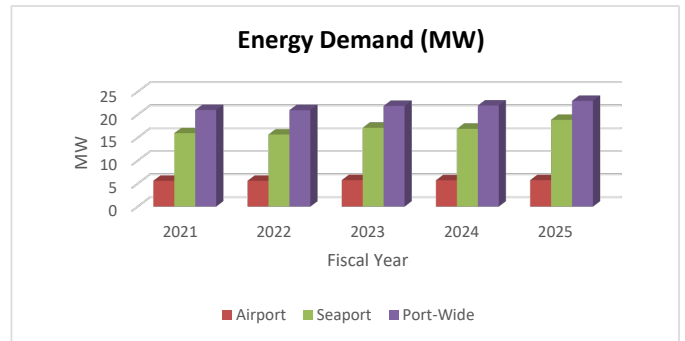
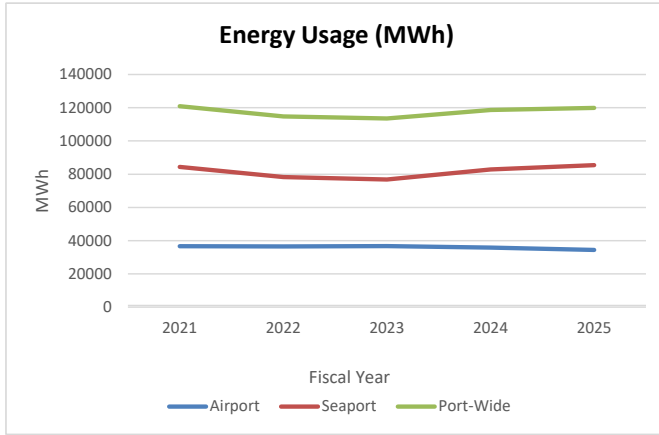
Note:

<sup>(1)</sup> Operated by ABM Industry Groups LLC

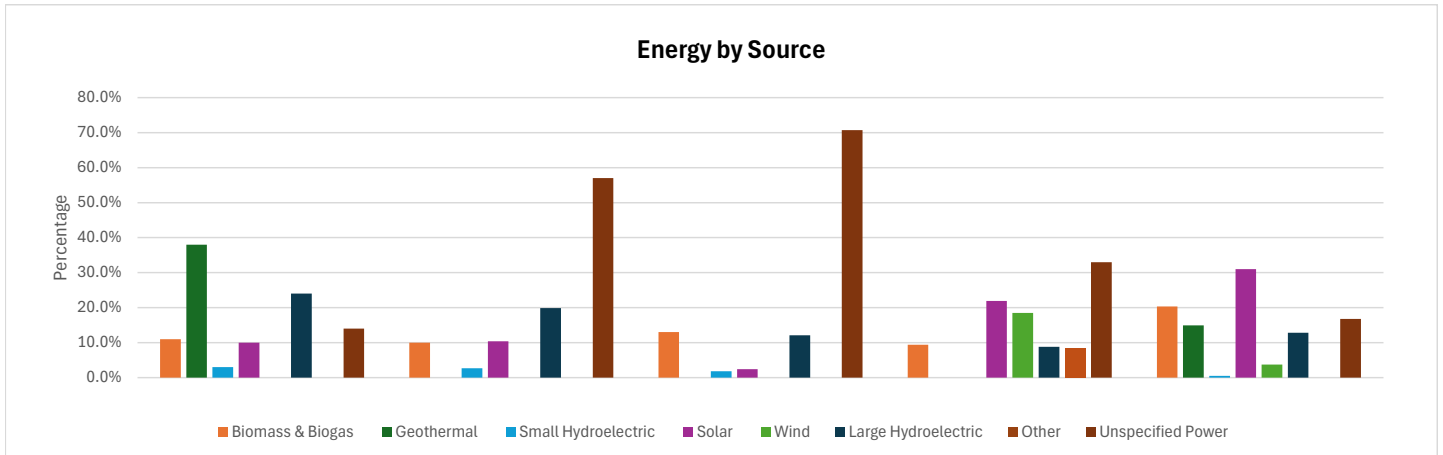
**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Electric Utility Division - Energy Usage, Demand, and Sources of Energy**

Energy Usage and Demand						
Fiscal Year	Airport		Seaport		Port-Wide	
	MWh	MW	MWh	MW	MWh	MW
2021	36,602	5.622	84,316	15.979	120,918	21.013
2022	36,473	5.613	78,338	15.690	114,811	20.982
2023	36,727	5.761	76,801	17.147	113,528	21.904
2024	35,766	5.726	82,811	16.916	118,577	21.983
2025	34,411	5.753	85,444	18.869	119,855	23.000

Note: PG&E passthrough is not included in this figure.



Energy by source	Calendar Year				
	2024	2023	2022	2021	2020
Biomass & Biogas	11.0%	10.0%	13.0%	9.4%	20.3%
Geothermal	38.0%	-	-	-	14.9%
Small Hydroelectric	3.0%	2.7%	1.8%	-	0.5%
Solar	10.0%	10.4%	2.4%	21.9%	31.0%
Wind	-	-	-	18.5%	3.7%
Large Hydroelectric	24.0%	19.9%	12.1%	8.8%	12.8%
Other	-	-	-	8.4%	-
Unspecified Power	14.0%	57.0%	70.7%	33.0%	16.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



**Port of Oakland**  
(A Component Unit of the City of Oakland)  
**Electric Utility Revenue**  
**Last Ten Fiscal Years**  
(dollar amounts in thousands)

	<u>2025<sup>(1)</sup></u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Electric Utility revenues:										
Electricity revenue	\$ 18,339	\$ 17,136	\$ 15,951	\$ 15,506	\$ 11,988	\$ 9,423	\$ 9,408	\$ 8,800	\$ 8,673	\$ 8,594
Electricity billed to Port's other divisions <sup>(2)</sup>	5,023	-	-	-	-	-	-	-	-	-
Shore power usage	7,895	8,155	7,740	7,374	8,100	5,815	6,732	5,788	4,672	4,814
Electrical system capacity charge	165	161	230	148	144	141	988	275	270	371
Sale of Cap-and-Trade <sup>(3)</sup>	699	-	954	929	-	-	-	-	-	-
AB 1890 Fees <sup>(4)</sup>	685 <sup>(4)</sup>	520	454	500	-	-	-	-	-	-
	<u>\$ 32,806</u>	<u>\$ 25,972</u>	<u>\$ 25,329</u>	<u>\$ 24,457</u>	<u>\$ 20,232</u>	<u>\$ 15,379</u>	<u>\$ 17,128</u>	<u>\$ 14,863</u>	<u>\$ 13,615</u>	<u>\$ 13,779</u>

## Notes:

- (1) Beginning in fiscal year 2025, the Electric Utility Division is reported as a separate revenue division. Prior to the fiscal year 2025, electrical utility revenue was included in the other revenue divisions as utility revenue.
- (2) Prior to fiscal year 2025, the Port did not bill Port's own electricity usage. Port's own electricity usage is billed by the Electrical Utility Division to other divisions and recorded as revenue in the Electrical Utility Division. Accordingly, other revenue divisions record corresponding amounts as utility expenses. These intercompany billing is eliminated in the basic financial schedules to report at the Port level.
- (3) California's Global Warming Solutions Act of 2006, Assembly Bill 32, established a statewide cap on greenhouse gas emissions. Because the Port does not own in-state power generation facilities and does not import electricity directly across California's grid border, it holds no direct compliance obligations under the program. However, its electricity suppliers are subject to cap & trade compliance costs, which may be reflected in the Port's electricity rates. In accordance with CARB's allowance allocation methodology, the Port receives free allowances on behalf of its ratepayers to offset those costs. Revenue derived from the sale of allowances is restricted by law and must be expended on programs that further reduce greenhouse gas emissions and provide public benefit.
- (4) Under Assembly Bill 1890 (Brulte, 1996), the Port is required to levy a non-bypassable public goods surcharge equal to 2.85% of electricity revenue, which funds eligible programs in four categories: cost effective energy efficiency, new renewable energy investments, low-income energy assistance, and research, development & demonstration of new electric technologies. Expenditures are disbursed on a "first-come, first-served" basis for projects that meet statutory program criteria and are within available funding limits.

**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)**

	<u>2025</u>	<u>2024</u>	<u>2023<sup>(6)</sup></u>	<u>2022<sup>(5)</sup></u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016<sup>(4)</sup></u>
Operating Revenues	\$ 428,772	\$ 407,739	\$ 408,687	\$ 402,009	\$ 354,139	\$ 375,915	\$ 396,997	\$ 381,011	\$ 358,707	\$ 338,037
Operating Expenses	412,267	389,513	358,640	306,273	314,739	335,362	330,953	317,577	295,041	285,234
Less: Depreciation and Amortization Expense	(120,165)	(116,933)	(118,226)	(109,581)	(112,855)	(113,983)	(114,921)	(112,032)	(106,255)	(104,077)
Less: CFC and Grant Reimbursed Operating Expense	(2,667)	(8,130)	(10,712)	(9,389)	(10,103)	-	-	-	-	-
Adjusted Operating Expenses	<u>289,435</u>	<u>264,450</u>	<u>229,702</u>	<u>187,303</u>	<u>191,781</u>	<u>221,379</u>	<u>216,032</u>	<u>205,545</u>	<u>188,786</u>	<u>181,157</u>
Adjusted Operating Income	139,337	143,290	178,986	214,706	162,358	154,536	180,965	175,466	169,921	156,880
Gross Interest Earned	70,853	70,884	50,492	21,204	507	11,013	13,363	5,109	2,713	2,149
Less: Interest Earned on PFC and CFC Funds	(3,140)	(2,176)	(813)	(64)	(16)	(248)	(224)	(153)	(82)	(47)
Adjusted Interest Income	<u>67,713</u>	<u>68,708</u>	<u>49,679</u>	<u>21,140</u>	<u>491</u>	<u>10,765</u>	<u>13,139</u>	<u>4,956</u>	<u>2,631</u>	<u>2,102</u>
Net Pledged Revenues Available for Debt Service	<u>\$ 207,050</u>	<u>\$ 211,998</u>	<u>\$ 228,665</u>	<u>\$ 235,846</u>	<u>\$ 162,849</u>	<u>\$ 165,301</u>	<u>\$ 194,104</u>	<u>\$ 180,422</u>	<u>\$ 172,552</u>	<u>\$ 158,982</u>
Debt Service										
Senior Bonds <sup>(1)</sup>	\$ 24,231	\$ 23,337	\$ 32,077	\$ 33,569	\$ 48,033	\$ 47,185	\$ 46,133	\$ 45,293	\$ 44,365	\$ 48,193
Senior Bonds, DBW Loan, and Intermediate Bonds <sup>(1)</sup>	78,165	70,515	70,516	70,520	71,071	93,160	93,188	98,902	99,454	98,880
Debt Service Coverage Ratio										
Senior Lien <sup>(2)</sup>	8.54	9.08	7.13	7.03	3.39	3.50	4.21	3.98	3.89	3.30
Intermediate Lien <sup>(3)</sup>	2.65	3.01	3.24	3.34	2.29	1.77	2.08	1.82	1.73	1.61

## Notes:

<sup>(1)</sup> In fiscal years 2021, 2022, 2023 and 2024, Senior, DBW Loan and Intermediate Bond Debt Service is less \$13.4 million, \$11.8 million, \$2.6 million and \$2.6 million, respectively. These amounts were paid from grants and other debt proceeds, which are excluded from the calculation of debt service coverage.

<sup>(2)</sup> Senior Lien Debt Service Coverage Ratio is calculated by dividing Net Pledged Revenues Available for Debt Service by Senior Bonds Debt Service.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> Starting in FY 2022 and thereafter, calculations reflect the implementation of GASB 87.

<sup>(6)</sup> Starting in FY 2023 and thereafter, calculations reflect the implementation of GASB 96.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Debt Service</b>										
Senior Revenue Bonds <sup>(1)</sup>										
Aviation	\$ 550	\$ 858	\$ 858	\$ 6,728	\$ 6,580	\$ 4,938	\$ 4,859	\$ 4,785	\$ 4,712	\$ 4,988
Maritime	22,604	22,874	31,611	33,072	48,010	42,245	41,272	40,506	39,651	43,203
Commercial Real Estate	463	463	466	497	23	2	2	2	2	2
Utilities	614	-	-	-	-	-	-	-	-	-
Total Senior Revenue Bonds Debt Service	<u>24,231</u>	<u>24,195</u>	<u>32,935</u>	<u>40,297</u>	<u>54,613</u>	<u>47,185</u>	<u>46,133</u>	<u>45,293</u>	<u>44,365</u>	<u>48,193</u>
Department of Boating & Waterways										
Commercial Real Estate	-	-	-	-	457	457	457	457	457	457
Intermediate Revenue Bonds										
Aviation	6,755	1,708	1,705	5,084	6,867	17,524	19,240	21,506	21,520	18,844
Maritime	46,353	46,887	38,152	36,695	21,719	24,783	23,745	27,674	29,183	28,018
Commercial Real Estate	291	291	287	255	862	3,211	3,613	3,972	3,928	3,367
Utilities	536	-	-	-	-	-	-	-	-	-
Total Intermediate Revenue Bonds Debt Service	<u>53,935</u>	<u>48,886</u>	<u>40,144</u>	<u>42,034</u>	<u>29,448</u>	<u>45,518</u>	<u>46,598</u>	<u>53,152</u>	<u>54,631</u>	<u>50,229</u>
Commercial Paper										
Aviation	81	5,214	5,181 <sup>(3)</sup>	10,673 <sup>(3)</sup>	17,481 <sup>(3)</sup>	19,908 <sup>(3)</sup>	17,926 <sup>(3)</sup>	1,601	296	42
Maritime	5,662	5,734	5,590	5,061	78	4,421	4,638	3,534	4,317	4,103
Total Commercial Paper Debt Service <sup>(2)</sup>	<u>5,743</u>	<u>10,948</u>	<u>10,771</u>	<u>15,734</u>	<u>17,559</u>	<u>24,329</u>	<u>22,564</u>	<u>5,135</u>	<u>4,613</u>	<u>4,145</u>
Debt Service by Division										
Aviation	7,385	7,780	7,744	22,485	30,928	42,370	42,025	27,892	26,528	23,874
Maritime	74,619	75,495	75,354	74,828	69,807	71,449	69,655	71,714	73,151	75,324
Commercial Real Estate	754	754	752	752	1,342	3,670	4,072	4,431	4,387	3,826
Electric Utility <sup>(4)</sup>	1,150	-	-	-	-	-	-	-	-	-
Total Debt Service	<u>\$ 83,908</u>	<u>\$ 84,029</u>	<u>\$ 83,850</u>	<u>\$ 98,065</u>	<u>\$ 102,077</u>	<u>\$ 117,489</u>	<u>\$ 115,752</u>	<u>\$ 104,037</u>	<u>\$ 104,066</u>	<u>\$ 103,024</u>
<b>Aviation Debt Service per Enplaned Passenger</b>										
Enplaned passengers (in 000's)	4,949	5,603	5,782	4,996	2,628	4,736	6,807	6,677	6,296	5,812
Aviation Debt Service per Enplaned Passenger (not in 000's)	<u>\$ 1.49</u>	<u>\$ 1.39</u>	<u>\$ 1.34</u>	<u>\$ 4.50</u>	<u>\$ 11.77</u>	<u>\$ 8.95</u>	<u>\$ 6.17</u>	<u>\$ 4.18</u>	<u>\$ 4.21</u>	<u>\$ 4.11</u>

## Notes:

<sup>(1)</sup> Senior Revenue Bond debt service is less capitalized interest.

<sup>(2)</sup> Includes principal payments of \$4 million in 2016, 2017, and 2018, \$20.9 million in 2019, \$23.4 million in 2020, \$17.4 million in 2021, \$15.6 million in 2022, \$10.0 million in 2023, and \$10 million in 2024, and \$5 million in 2025.

<sup>(3)</sup> In 2025, 2024, 2023, 2022, 2021, 2020, and 2019 Aviation commercial paper debt service includes \$0.08 million, \$5.2 million, \$5.2 million, \$4.8 million, \$2.9 million, \$16.8 million, and \$15.5 million, respectively, of payments funded with PFC Revenues.

<sup>(4)</sup> Starting in 2025, Electric Utility Division debt service is presented separately. In prior years, Electric Utility Division debt service was included within the debt service of the other three Port revenue divisions.

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

<u>Fiscal Year</u>	<u>Senior Bonds</u>	<u>Intermediate Bonds</u>	<u>Department of Boating &amp; Waterways</u>	<u>Commercial Paper</u>	<u>Total</u>
2025	\$ 253,055	\$ 220,401	\$ -	\$ 17,535	\$ 490,991
2024	271,885	269,727	-	22,535	564,147
2023	304,920	314,760	-	32,535	652,215
2022	331,785	349,239	-	42,535	723,559
2021	373,709	393,379	-	58,175	825,263
2020	628,110	200,248	3,621	75,585	907,564
2019	648,410	240,871	3,903	84,470	977,654
2018	667,591	282,079	4,173	105,355	1,059,198
2017	689,841	328,508	4,431	97,841	1,120,621
2016	705,315	367,607	4,678	84,586	1,162,186

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

<u>Year</u>	<u>Population<sup>(1)</sup></u>	<u>Personal Income (\$000s)<sup>(2)</sup></u>	<u>Per Capita Personal Income<sup>(3)</sup></u>	<u>School Enrollment<sup>(4)</sup></u>	<u>Unemployment Rate (%)<sup>(5)</sup></u>
2025	426,457	\$ 55,451,975	\$ 130,730	44,647	5.2
2024	425,093	55,451,975	130,730	45,086	5.1
2023	419,556	55,451,975	130,730	45,741	4.7
2022	424,464	52,225,183	123,736	46,600	3.5
2021	435,514	53,307,095	123,711	48,704	7.7
2020	432,327	48,009,913	111,050	49,588	10.5
2019	429,932	45,360,302	104,921	50,202	3.4
2018	428,750	43,094,688	100,236	50,231	3.5
2017	427,493	39,944,451	93,165	49,760	4.2
2016	424,717	37,289,279	87,228	49,098	4.9

## Source and Notes:

<sup>(1)</sup> California Department of Finance.

<sup>(2)</sup> US Department of Commerce, Bureau of Economic Analysis. Data are available only for the San Francisco-Oakland-Berkeley Metropolitan Statistical Area (MSA) and have been adjusted by the proportion of the population within the City of Oakland. Data for 2024 and 2025 are not yet available; 2023 data are reported for these years instead.

<sup>(3)</sup> US Department of Commerce, Bureau of Economic Analysis. Data are presented for the San Francisco-Oakland-Berkeley Metropolitan Statistical Area. Data for 2024 and 2025 are not yet available; 2023 data are reported for these years instead.

<sup>(4)</sup> California Department of Education.

<sup>(5)</sup> California Employment Development Department. Annual data are not yet available for 2025, but June 2025 data is reported above.

**Port of Oakland**  
**(A Component Unit of the City of Oakland)**  
**Principal Employers in the City of Oakland - FY 2025 vs FY 2016**

Employer	2025			2016		
	Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Kaiser Permanente Medical Group, Kaiser Foundation Hospitals and Health Plan	11,000+	1	4.9%	12,287	1	6.1%
County of Alameda	8,000 +	2	3.5%	4,490	3	2.2%
Oakland Unified School District	5,500 +	3	2.4%	5,080	2	2.5%
City of Oakland	4,500 +	4	2.0%	3,500	4	1.8%
State of California	4,000 +	5	1.8%	3,168	6	1.6%
San Francisco Bay Area Rapid Transit District	3,500 +	6	1.5%	3,288	5	1.6%
Southwest Airlines	2,500 +	7	1.1%	2,256	9	1.1%
UCSF Benioff Children's Hospital & Research Center	2,500 +	8	1.1%	2,675	7	1.3%
Alameda Health System	2,000+	9	0.9%	2,300	8	1.2%
United Parcel Service	1,500 +	10	0.7%	N/A		
Sutter Hospitals, Medical Foundation, & Support Services	N/A			2,257	10	1.1%

Source: City of Oakland Economic & Workforce Development Department.

Note: Employment data for FY 25 is based on the latest available estimates for calendar year 2024, since actual figures are not available yet.

Percent of total employment is based on December 2024 employment of 225,900 and 2016 annual employment of 200,500 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**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Aviation	226	218	215	219	220	239	239	233	236	232
Maritime <sup>(1)(4)</sup>	72	71	62	65	64	20	17	20	18	20
Commercial Real Estate	8	8	7	8	8	8	7	8	8	8
Electric Utility <sup>(5)</sup>	6	-	-	-	-	-	-	-	-	-
Engineering & Environmental <sup>(3)(4)(6)</sup>	71	-	-	-	-	105	111	106	105	102
Operations Office <sup>(3)(6)</sup>	-	82	81	73	72	-	-	-	-	-
Information Technology (IT) <sup>(6)</sup>	14	-	-	-	-	-	-	-	-	-
Financial Services & Administration <sup>(2)</sup>	47	49	47	44	42	51	54	56	57	58
Others <sup>(7)</sup>	30	38	38	35	36	37	39	37	37	39
Total	<u>474</u>	<u>466</u>	<u>450</u>	<u>444</u>	<u>442</u>	<u>460</u>	<u>467</u>	<u>460</u>	<u>461</u>	<u>459</u>

Source:  
 Port of Oakland Records

Notes:

- <sup>(1)</sup> In fiscal year 2016, Harbor Facilities was moved to the Engineering Division from the Maritime Division.
- <sup>(2)</sup> Financial Services & Administration Division consists of Human Resources, Enterprise Business Systems, and Financial Services.
- <sup>(3)</sup> Operations Office consists of Engineering, Environmental, Information Technology, and Operations Office
- <sup>(4)</sup> In fiscal year 2021, Harbor Facilities was moved back to Maritime Division.
- <sup>(5)</sup> In fiscal year 2025, Electric Utility became a division at the Port of Oakland, and no longer is a department of Engineering.
- <sup>(6)</sup> In fiscal year 2025, Engineering, Environmental, and Information Technology moved from Operations Office.
- <sup>(7)</sup> Others consist of Executive Office, Public Engagement Division, Board of Port Commissioners, and Legal Department.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
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 <sup>(1)</sup>	6,888	6,888	6,888	6,888	6,907	6,907	6,805	6,895	6,898	6,898
Harbor facilities										
Miles of waterfront	19	19	19	19	19	19	19	19	19	19
Berthing length at wharves (in feet)	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100
Maritime terminal area (in acres)	779	779	779	779	779	779	779	779	779	779
Commercial Real Estate										
Owned acreage	837	837	837	837	837	837	837	837	837	837
Parking stalls <sup>(1)</sup>	1,309	1,309	1,309	1,309	1,309	1,309	1,333	1,333	1,333	1,429

Source:  
Port of Oakland Records

Note:

<sup>(1)</sup> Available parking stalls are increased or decreased due to market demand or to make space available for construction projects.

