

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

Single Audit, Passenger Facility Charge, and Customer  
Facilities Charge Reports

Year Ended June 30, 2024



Certified  
Public  
Accountants

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Single Audit, Passenger Facility Charge, and  
Customer Facility Charge Reports

Year Ended June 30, 2024

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**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

Board of Port Commissioners  
of the City of Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Port of Oakland, California (Port), a component unit of the City of Oakland, California, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements, and have issued our report thereon dated December 16, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Port's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Macias Gini E O'Connell LPA". The signature is written in a cursive, flowing style.

Walnut Creek, California  
December 16, 2024

**Independent Auditor's Report on Compliance for the Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Port Commissioners  
of the City of Oakland, California

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Port of Oakland, California's (Port), a component unit of the City of Oakland, California, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Port's major federal program for the year ended June 30, 2024. The Port's major federal program is identified in the summary of auditor's results section of the accompanying federal awards schedule of findings and questioned costs.

In our opinion, the Port complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Port's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Port's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Port as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements. We issued our report thereon dated December 16, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California  
March 26, 2025

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**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Agency and Program Description	Federal Assistance Listing Number	Federal Expenditures
U.S. Department of Transportation:		
Direct Program:		
Airport Improvement Program (AIP)		
AIP-82	20.106	\$ 153,032
AIP-83	20.106	239,121
AIP-93	20.106	1,372,961
AIP-96	20.106	18,414,279
COVID-19 - Airport Improvement Program (AIP)		
AIP-84	20.106	16,266,052
AIP-90	20.106	8,333,255
AIP-92	20.106	138,040
Airport Terminal Program (ATP) - Airport Improvement Program (AIP)		
AIP-97	20.106	831,343
Total Airport Improvement Program		45,748,083
Total U.S. Department of Transportation		45,748,083
U.S. Department of Homeland Security		
Direct Program:		
Port Security Grant Program		
FY 2022 (Round 22) (EMW-2022-PU-00460)	97.056	312,129
FY 2023 (Round 23) (EMW-2023-PU-00329)	97.056	31,800
Total U.S. Department of Homeland Security		343,929
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 46,092,012

The accompanying notes are an integral part of this schedule.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

**(1) General**

The schedule of expenditures of federal awards (Schedule) presents the activity of the federal award programs of the Port of Oakland, California (Port). The reporting entity is defined in Note 1 of the Port's basic financial statements. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Schedule identifies federal programs by the Assistance Listing number (ALN). In addition, expenditures funded from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), American Rescue Plan Act (ARPA) and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) are denoted by the prefix COVID-19 in the federal program title in the Schedule.

**(2) Basis of Accounting**

The Schedule is presented using the accrual basis of accounting as described in Note 2 to the Port's basic financial statements. Expenditures of federal awards are reported in the Port's financial statements as operating grant expenses or as additions to capital assets. Payments to subrecipients, of which there were none during the year ended June 30, 2024, are included in the Schedule when the disbursement is made by the Port to the subrecipient.

The Port has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Relationship to Federal Financial Reports**

Amounts reported in the Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Federal Awards Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section I      Summary of Auditor's Results**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America: Unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? No
- ◆ Significant deficiency(ies) identified? None reported

Noncompliance material to the basic financial statements noted? No

*Federal Awards*

Internal control over major federal program:

- ◆ Material weakness(es) identified? No
- ◆ Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal program: ALN 20.106  
Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs \$1,382,760

Auditee qualified as a low-risk auditee? Yes

**Section II      Financial Statement Findings**

None reported in the current year.

**Section III      Federal Award Findings and Questioned Costs**

None reported in the current year.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

None reported in the prior year.

**Independent Auditor's Report on Compliance With Applicable Requirements of the  
Passenger Facility Charge Program; Report on Internal Control Over Compliance in Accordance  
With the *Passenger Facility Charge Audit Guide for Public Agencies*; and Report on Schedule of  
Passenger Facility Charge Cash Receipts, Cash Disbursements, and Interest by Quarter**

Board of Port Commissioners  
of the City of Oakland, California

**Report on Compliance for the Passenger Facility Charge Program**

***Opinion***

We have audited the Port of Oakland, California's (Port), a component unit of the City of Oakland, California, compliance with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (PFC Guide), issued by the Federal Aviation Administration (FAA), applicable to the Port's passenger facility charge (PFC) program for the year ended June 30, 2024.

In our opinion, the Port complied, in all material respects, with the compliance requirements referred to above that are applicable to the Port's PFC program for the year ended June 30, 2024.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the PFC Guide issued by the FAA. Our responsibilities under those standards and the PFC Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the PFC program. Our audit does not provide a legal determination of the Port's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The Port's management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Port's PFC program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. 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, *Government Auditing Standards*, and the PFC Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of the PFC program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the PFC Guide, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the PFC Guide issued by the FAA. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Passenger Facility Charge Cash Receipts, Cash Disbursements, and Interest by Quarter**

We have audited the financial statements of the Port as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements. We issued our report thereon dated December 16, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements. The accompanying Schedule of Passenger Facility Charge Cash Receipts, Cash Disbursements, and Interest by Quarter (PFC Schedule) is presented for purposes of additional analysis as specified by the PFC Guide and is not a required part of the Port's 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the PFC Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.



Walnut Creek, California  
March 26, 2025

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**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Schedule of Passenger Facility Charge Cash Receipts,  
Cash Disbursements, and Interest by Quarter  
Year Ended June 30, 2024

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>
Cash receipts	\$ 5,596,335	\$ 5,088,948	\$ 4,875,662	\$ 5,418,816	\$ 20,979,761
Cash disbursements	(68,533)	(30,373)	-	(5,134,857)	(5,233,763)
Interest income	420,737	502,086	578,026	655,678	<u>2,156,527</u>
Excess of cash receipts and interest over cash disbursements					17,902,525
Unexpended cash balance at June 30, 2023					<u>38,176,396</u>
Unexpended cash balance at June 30, 2024					<u>\$ 56,078,921</u>

The accompanying notes are an integral part of this schedule.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Notes to Schedule of Passenger Facility Charge Cash Receipts,  
Cash Disbursements, and Interest by Quarter  
Year Ended June 30, 2024

**(1) General**

The Port of Oakland, California (Port), as authorized by the Federal Aviation Administration (FAA) pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (Act), as amended, imposes a Passenger Facility Charge (PFC) of \$4.50 per enplaning passenger at the Oakland International Airport. Under the Act, air carriers are responsible for the collection of PFC charges and are required to remit PFC collections 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. Current authority goes through December 1, 2035.

PFC funds, 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 funds may be used to pay debt service and related expenditures associated with FAA approved projects, and the Port has received FAA approval to pay certain debt service if debt proceeds are used for qualifying projects.

**(2) Significant Accounting Policies**

**Basis of Accounting**

The accompanying Schedule of Passenger Facility Cash Receipts, Cash Disbursements, and Interest by Quarter is presented using the cash basis of accounting. Receipts represent amounts received from air carriers' enplaning passenger ticket sales. Disbursements represent Port payments for projects that have been authorized by the FAA under the Act.

**Basis for Quarterly Reporting**

The Port prepares quarterly reports, which are submitted to the FAA and to the airlines, of PFC amounts received and expended on the cash basis of accounting. The Port reimburses PFC related disbursements by transferring cash to the Port Revenue Fund from the Restricted PFC Fund.

**(3) Cash, Investments, and Deposits**

The City of Oakland (City) Charter requires all revenues, including PFC revenues, to be deposited with the City Treasurer. These funds are pooled in a citywide pool and invested by the City Treasurer pursuant to the investment policy adopted by the City Council and guidelines specified in the California Government Code. The Port receives a monthly interest allocation from investment earnings of the City pool based on the average daily PFC balance on deposits and the earnings of the pool investments. PFC cash, investments, and deposits held by the City totaled \$56,078,921 (at cost) at June 30, 2024.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Passenger Facility Charge Program  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section I      Summary of Auditor's Results**

*Passenger Facility Charges*

Internal control over the PFC program:

- |  |               |
|--|---------------|
| ◆ Material weakness(es) identified?    | No            |
| ◆ Significant deficiencies identified? | None reported |

Type of auditor's report issued on compliance for PFC program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the PFC Guide?

No

**Section II      PFC Program Findings and Questioned Costs**

None reported in the current year.

**Section III      PFC Program Prior Year Findings**

None reported in the prior year.

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**Independent Auditor's Report on Compliance With Applicable Requirements of the  
Customer Facility Charge Program; Report on Internal Control over Compliance; and  
Report on Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements**

Board of Port Commissioners  
of the City of Oakland, California

**Report on Compliance for the Customer Facility Charge Program**

***Opinion***

We have audited the Port of Oakland, California's (Port), a component unit of the City of Oakland, California, compliance with the compliance requirements described in California Civil Code Chapter 1.5 (commencing with Section 1939.01) to Title 5 of Part 4 of Division 3, and California Government Code Section 50474.1 through Section 50474.3 (CFC Codes), applicable to the Port's customer facility charge (CFC) program for the year ended June 30, 2024.

In our opinion, the Port complied, in all material respects, with the compliance requirements referred to above that are applicable to the Port's CFC program for the year ended June 30, 2024.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the State of California's CFC Codes. Our responsibilities under those standards and the CFC Codes are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the CFC program. Our audit does not provide a legal determination of the Port's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The Port's management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Port's CFC program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. 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, *Government Auditing Standards*, and the CFC Codes will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Port's compliance with the requirements of the CFC program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the CFC Code, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's CFC Codes. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements**

We have audited the financial statements of the Port as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Port's basic financial statements. We issued our report thereon dated December 16, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements. The accompanying Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements (CFC Schedule) is presented for purposes of additional analysis as specified by the CFC Codes, and is not a required part of the Port's 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the CFC Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in dark ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California  
March 26, 2025

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**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements  
Year Ended June 30, 2024

Cash receipts:	
Customer facility charges	\$ 3,574,310
Net investment income	<u>18,863</u>
Total cash receipts	<u>3,593,173</u>
Cash disbursements:	
Contractual services - shuttle bus operations	<u>3,577,355</u>
Excess of cash receipts over cash disbursements	15,818
Unexpended cash at June 30, 2023	<u>531,599</u>
Unexpended cash at June 30, 2024	<u>\$ 547,417</u>

The accompanying notes are an integral part of this schedule.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Notes to Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements  
Year Ended June 30, 2024

**(1) General**

The Port of Oakland, California (Port), as authorized by California Civil Code Chapter 1.5 (commencing with Section 1939.01) to Title 5 of Part 4 of Division 3, and California Government Code Section 50474.1 through section 50474.3 (CFC Codes), imposes a Customer Facility Charge (CFC) of \$10 per rental contract on rental car companies operating at Oakland International Airport and \$8 per rental contract on rental car companies operating off the airport property, but utilizing the common-use shuttle bus service to transport customers. Under the CFC Codes, rental car companies are responsible for the collection of CFC charges from renters and are required to remit CFC collections to the Port.

CFC funds, including any interest earned thereon, are restricted solely to finance, design and construct a consolidated airport rental car facility; to finance, design, construct and operate common-use transportation systems that move passengers between airport terminals and those consolidated car rental facilities; to acquire vehicles for use in that system; and to finance, design and construct terminal modifications solely to accommodate and provide customer access to common-use transportation systems.

**(2) Basis of Accounting**

The accompanying Schedule of Customer Facility Charge Cash Receipts and Cash Disbursements is presented using the cash basis of accounting. Receipts represent amounts received from rental car companies based on their collections from customers. Disbursements represent the Port's reimbursement from the CFC cash account for projects that are eligible under the CFC Codes.

**(3) Cash, Investments and Deposits**

The City of Oakland (City) Charter requires all revenues, including CFC revenues, to be deposited with the City Treasurer. These funds are pooled in a citywide pool and invested by the City Treasurer pursuant to the investment policy adopted by the City Council and guidelines specified in the California Government Code. The Port receives a monthly interest allocation from investment earnings of the City pool based on the average daily CFC balance on deposits and the earnings of the investments in the pool. CFC cash, investments and deposits held by the City totaled \$547,417 (at cost) at June 30, 2024. This amount is planned to be used for previously incurred shuttle bus operating costs that have not yet been reimbursed with CFC funds.

**(4) Subsequent Event**

Effective October 1, 2024, the CFC changed for each rental contract to \$7.50 per day up to five days (maximum \$37.50) for companies operating on airport property and \$7.42 per day up to five days (maximum \$37.10) for companies operating off airport property.

**PORT OF OAKLAND, CALIFORNIA**  
(A Component Unit of the City of Oakland)  
Customer Facility Charge Program  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

**Section I      Summary of Auditor's Results**

*Customer Facility Charges*

Internal control over the CFC program:

- |  |               |
|--|---------------|
| ◆ Material weakness(es) identified?    | No            |
| ◆ Significant deficiencies identified? | None reported |

Type of auditor's report issued on compliance for CFC program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the CFC Codes?

No

**Section II      CFC Program Findings and Questioned Costs**

None reported in the current year.

**Section III      CFC Program Prior Year Findings**

None reported in the prior year.