



PORT OF OAKLAND

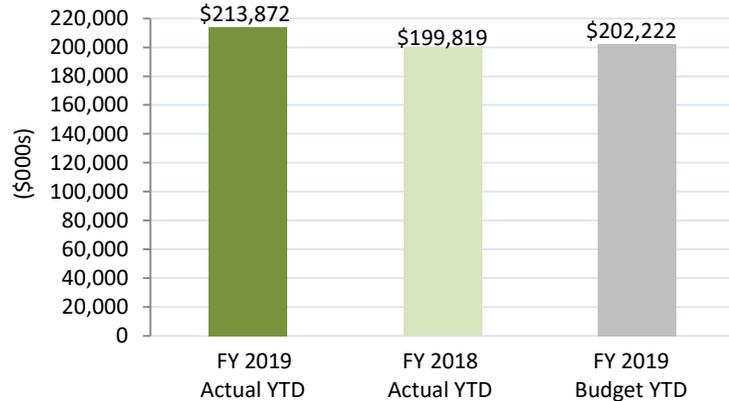
Six Months Ending
December 31, 2018
Financial Highlights
Unaudited Results

Board of Port Commissioners Meeting
February 28, 2019

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

For the first 6 months of FY 2019, Port-wide financial performance has exceeded last year's performance and this year's budget/expectations.

Operating Revenues



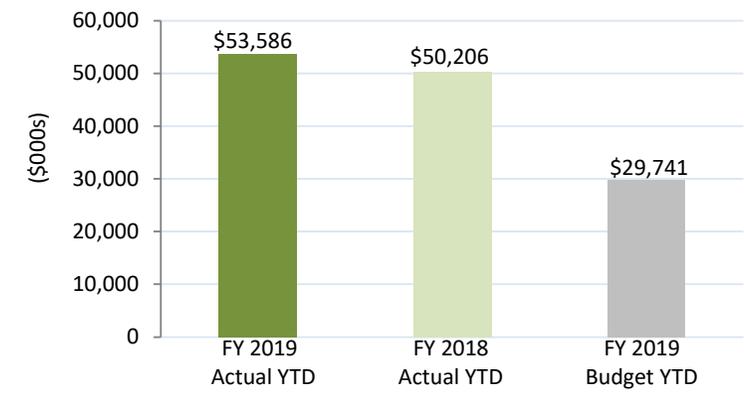
Comparison to Prior YTD +7.0%
Comparison to Budget YTD +5.8%

Operating Expenses incl. Dep.



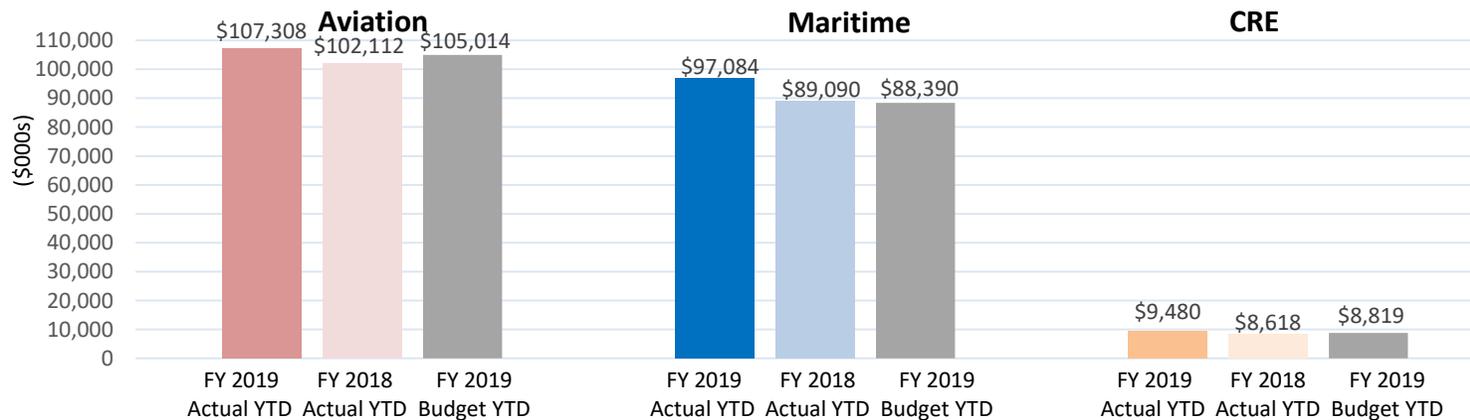
Comparison to Prior YTD +7.1%
Comparison to Budget YTD -7.1%

Operating Income



Comparison to Prior YTD +\$3.4 M
Comparison to Budget YTD +\$23.8 M

Operating Revenues by Business Line



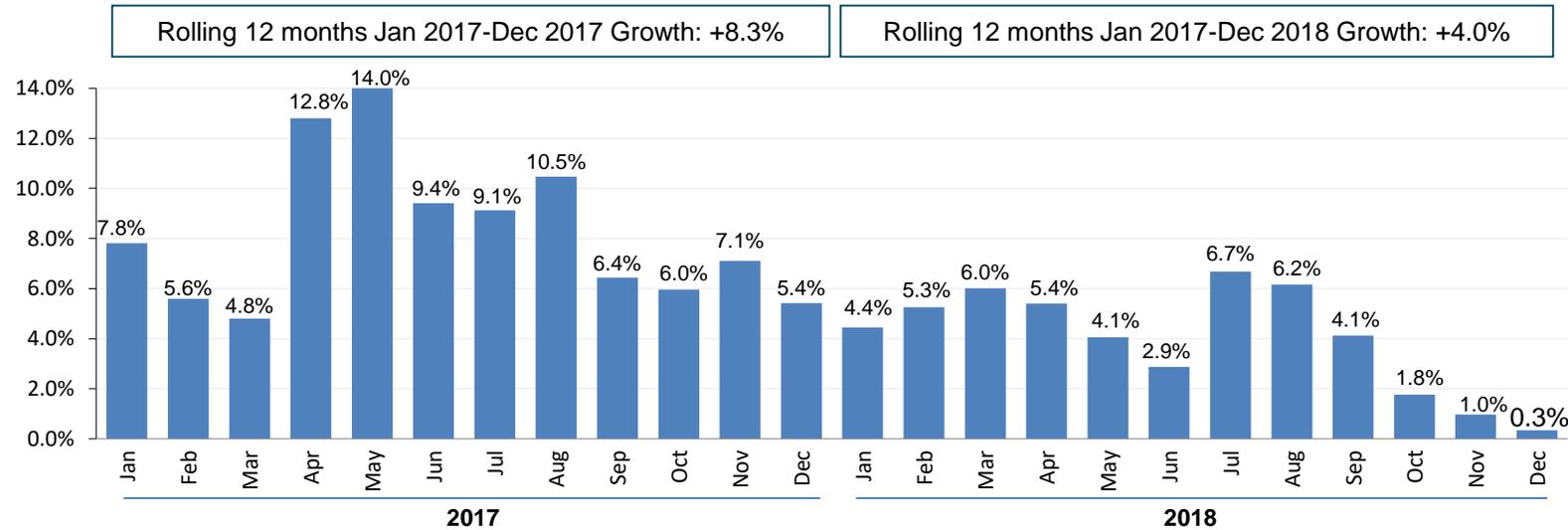
Comparison to Prior YTD +5.1%
Comparison to Budget YTD +2.2%

+9.0%
+9.8%

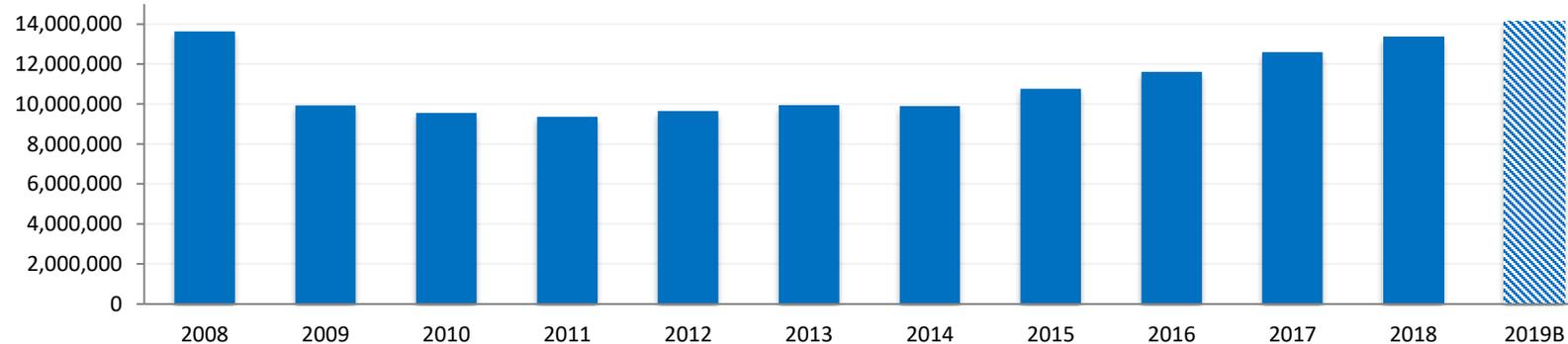
+10%
+7.5%

For the first 6 months of FY 2019, passenger growth was 3.4%, which is lagging the budget / expectations.

OAK Monthly Passengers - YoY Growth



Passenger Activity



Compound Annual Growth Rate FY 2008-18: -0.2%

Aviation Revenues

(\$000s)

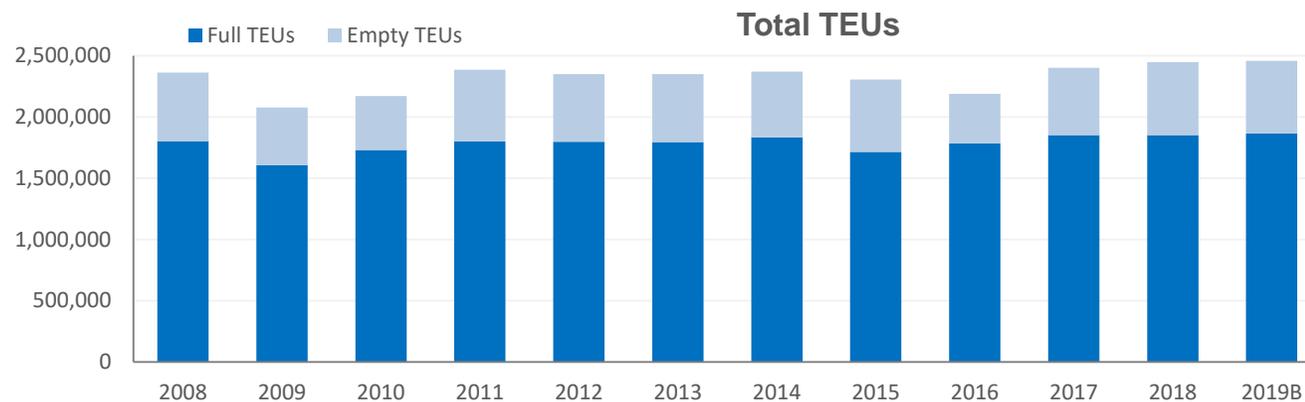
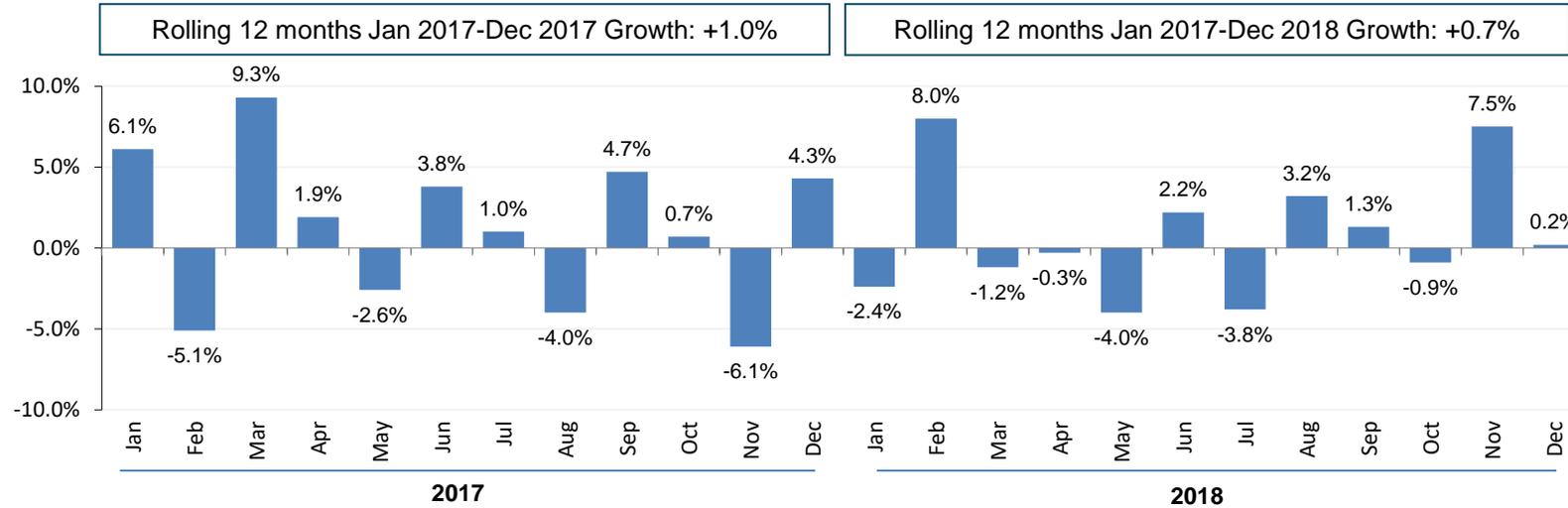
Aviation Revenue Breakdown	Unaudited	Comparison to		Comparison to	
	6 Months Ended Dec 2018	6 Months Ended Dec 2018 Budget		6 Months Ended Dec 2017 Actual	
	\$	\$	%	\$	%
Passenger Airline Revenue					
Terminal Rental ⁽¹⁾	\$30,454	\$1,012	3.4%	\$2,728	9.8%
Landing Fees (excl. Cargo Airlines)	13,592	(123)	(0.9)	736	5.7
Total Airline Revenues	44,046	889	2.1	3,464	8.5
Parking	17,867	(181)	(1.0)	34	0.2
Lease Rentals	15,202	(845)	(5.3)	119	0.8
Rental Car	6,322	322	5.4	241	4.0
Landing Fees - Cargo Airline	5,991	287	5.0	238	4.1
Concessions	5,545	598	12.1	(130)	(2.3)
Ground Access	4,628	355	8.3	1,032	28.7
Other ⁽²⁾	4,312	684	18.9	205	5.0
Utility Sales	2,185	459	26.6	(46)	(2.1)
Aviation Fueling	1,210	(273)	(18.4)	39	3.4
Total Operating Revenues	\$107,308	\$2,294	2.2%	\$5,196	5.1%

(1) Includes passenger airline rentals only. Non-airline terminal rental revenues are classified under "Other".

(2) Includes non-airline terminal revenues, miscellaneous revenues, and other field revenue, offset by bad debt.

For the first 6 months of FY 2019, full TEU growth was 1.2%, which is consistent with the budget / expectations.

Monthly Full TEUs - YoY Change



Compound Annual Growth Rate FY 2008-18:	Full TEUs	Total TEUs
	0.3%	0.4%

	FY 2019 YTD
Full Exports	(5.2%)
Full Imports	7.6%
Full TEUs	1.2%
Empty TEUs	29.2%
Total TEUs	7.9%

Maritime Revenues

(\$000s)

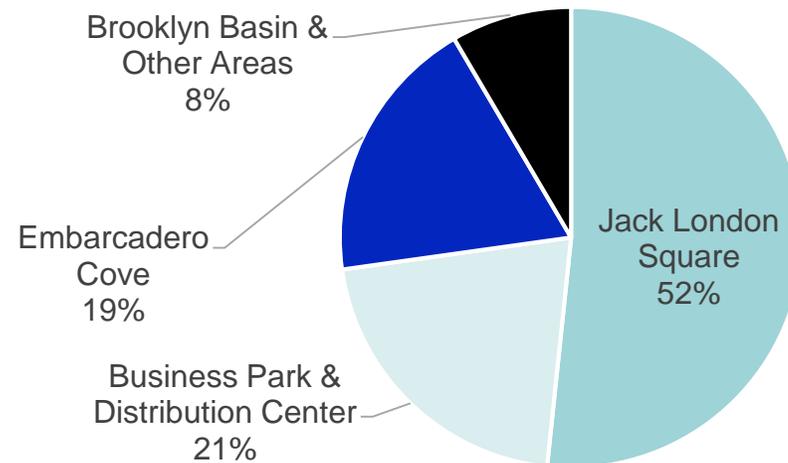
Maritime Revenue Breakdown	Unaudited 6 Months Ended Dec 2018	Comparison to 6 Months Ended Dec 2018 Budget		Comparison to 6 Months Ended Dec 2017 Actual	
	\$	\$	%	\$	%
Marine Terminal Revenue					
Minimum Annual Guarantee (MAG)	\$45,211	\$93	0.2%	\$5,598	14.1%
Revenues in excess of MAG	25,687	3,882	17.8	71	0.3
Miscellaneous Terminal Rentals ⁽¹⁾	494	(87)	(15.0)	345	232.8
Total Terminal Revenues	71,392	3,888	5.8	6,014	9.2
Space Assignment	12,470	2,560	25.8	(676)	(5.1)
Utility Sales	7,212	1,058	17.2	1,581	28.1
Ancillary Services	3,894	422	12.2	422	12.2
Oakland International Gateway	2,116	766	56.8	653	44.6
Total Operating Revenues	97,084	8,694	9.8%	7,994	9.0%

(1) Includes bunkering fuel and water lease.

CRE Revenues (\$000s)

CRE Revenue Breakdown	Unaudited 6 Months Ended Dec 2018 \$	Comparison to 6 Months Ended Dec 2018 Budget Better / (Worse)		Comparison to 6 Months Ended Dec 2017 Actual Better / (Worse)	
		\$	%	\$	%
Space Rental	\$7,233	\$186	4.4%	\$355	5.2%
Parking	1,831	522	30.5	522	39.9
Miscellaneous Revenue	365	(46)	(2.3)	(15)	(3.9)
Utilities	51	(0)	(0.3)	0	0.0
Total Operating Revenues	\$9,480	\$661	7.5%	\$862	10.0%

Revenue By Area



Operating Expenses

(\$000s)

	Unaudited 6 Months Ended Dec 2018 \$	Comparison to 6 Months Ended Dec 2018 Budget Better / (Worse)		Comparison to 6 Months Ended Dec 2017 Actual Better / (Worse)	
		\$	%	\$	%
Personnel Costs	\$56,619	\$1,951	3.3%	(2,597)	(4.8%)
Contractual Services	36,400	7,957	17.9	(1,633)	(4.7)
General & Administrative	6,854	2,680	28.1	(468)	(7.3)
Supplies	2,981	(847)	(39.7)	(640)	(27.3)
Utility Cost of Sales	3,307	637	16.1	68	2.0
Departmental Credits	(2,871)	(1,686)	(37.0)	(1,115)	(28.0)
Operating Expenses excl. Dep.	\$103,291	\$10,691	9.4	(\$6,384)	(6.6)
Depreciation	56,994	1,505	2.6	(4,287)	(8.1)
Total Operating Expenses	\$160,286	\$12,196	7.1%	(\$10,672)	(7.1%)

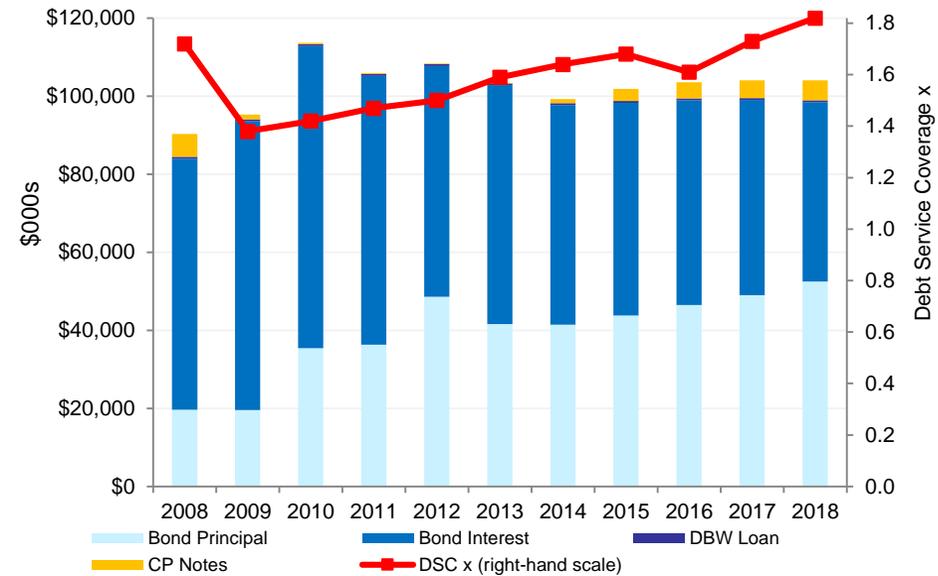
The Port's debt service payments are budgeted to total \$112.8 million in FY 2019.

(\$000s)

Type of Debt	FY 2019 Debt Service	Outstanding Debt as of 12/31/18 ⁽¹⁾
Bonds	\$92,731	\$855,355
Department of Boating & Waterways Loan	458	3,902
Commercial Paper Notes	19,608	98,826
Total	\$112,797	\$958,033

(1) Outstanding bonds are scheduled to be fully repaid in FY 2033. Includes \$645 thousand defeasance of Series 2012 P Bonds on 9/5/18.

Debt Service and Debt Service Coverage



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

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

General Fund	Unaudited Dec 2018	Unaudited Dec 2017	Unaudited June 2018
Debt Service Fund	30,408	29,655	41,250
Other	285,461	227,859	254,452
Total	\$315,869	\$257,514	\$295,701

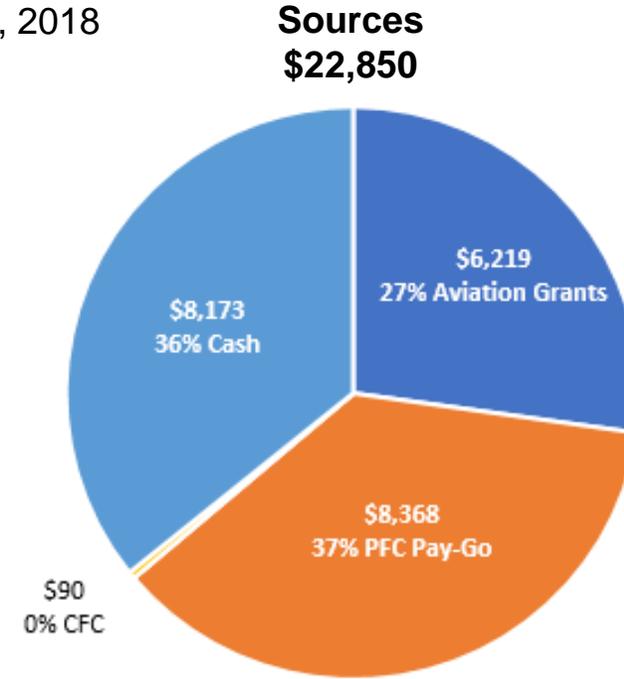
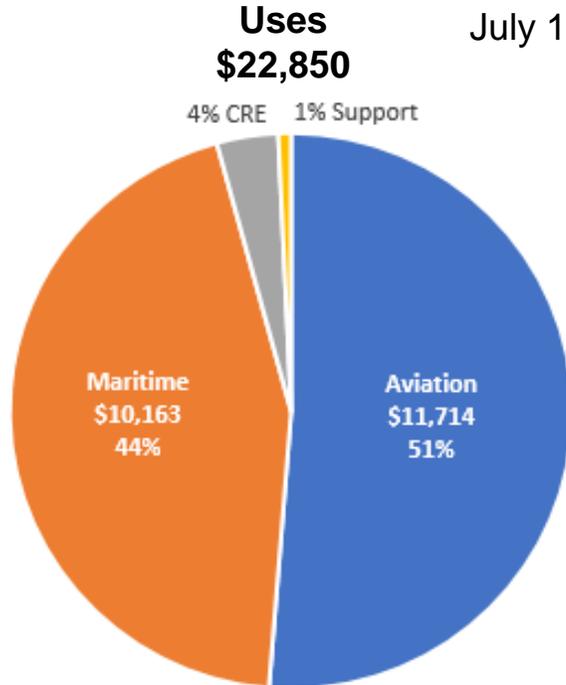
Restricted	Unaudited Dec 2018	Unaudited Dec 2017	Unaudited June 2018
Board Reserves	74,402	72,456	72,456
Passenger Facility Charges	6,741	6,241	13
Customer Facility Charges	3,947	5,850	5,142
Contractor Retention in Escrow	916	4,864	2,376
Trustee Held Bond Reserves	58,288	58,125	58,545
Total	\$144,294	\$147,537	\$138,531

Note: Totals may not add due to rounding.

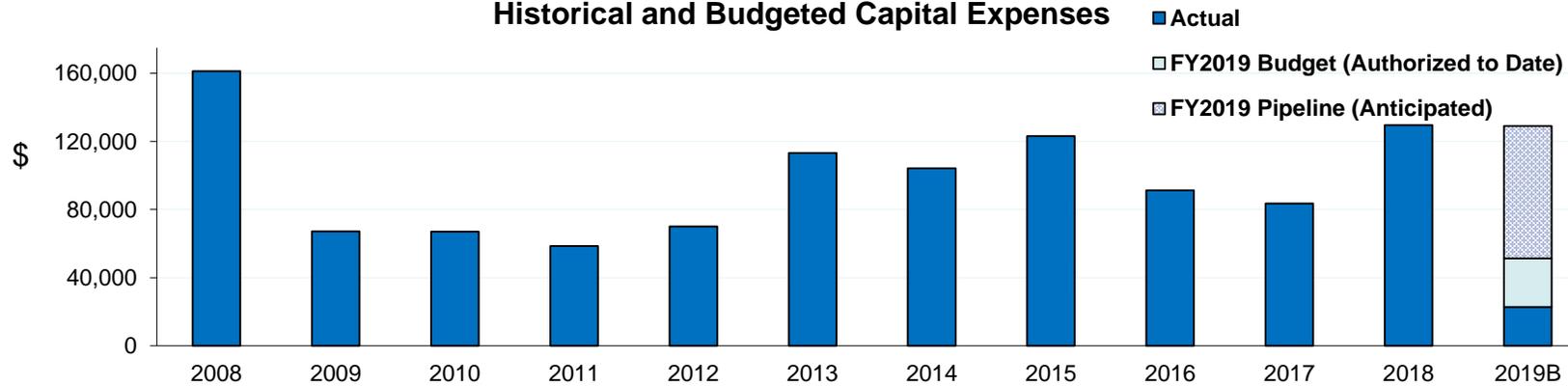
Capital Expenses

(\$000s)

July 1, 2018 – December 31, 2018



Historical and Budgeted Capital Expenses



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PORT OF OAKLAND

Unaudited
Financial Results

December 31, 2018

- Cash Recap
- Statements of Net Position
- YTD Revenue & Expenses (Actual vs. Budget)
- YTD Expenses by Category (Actual vs. Budget)
- Aviation Revenue (Actual vs. Budget)
- Maritime Revenue (Actual vs. Budget)
- CRE Revenue (Actual vs. Budget)
- Activity Summary Report
- YTD Revenue & Expenses Variance Explanations

**PORT OF OAKLAND
CASH
DECEMBER 31, 2018, 2017 AND JUNE 30, 2018**

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	Unaudited 12/31/18	Audited 06/30/18	Unaudited 12/31/17
Unrestricted Cash:			
Board Reserves	\$ 74,402,003	\$ 72,455,762	\$ 72,455,762
General Fund:			
Debt Service Fund	30,407,873	41,249,944	29,654,991
Other	285,461,068	254,451,630	227,859,397
Sub-total	315,868,941	295,701,574	257,514,388
Sub-total	390,270,944	368,157,336	329,970,150
Restricted Cash & Investments:			
Bond Reserves/Trustee Deposits (a)	58,287,779	58,544,548	58,125,393
Passenger Facility Charges	6,741,279	12,608	6,241,191
Customer Facility Charges	3,947,203	5,141,837	5,850,098
Other (b)	916,154	2,375,879	4,864,358
Sub-total	69,892,414	66,074,872	75,081,041
TOTAL	\$ 460,163,358	\$ 434,232,208	\$ 405,051,191

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

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

**PORT OF OAKLAND
STATEMENTS OF NET POSITION
DECEMBER 31, 2018, 2017 AND JUNE 30, 2018**

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	<u>Unaudited 12/31/18</u>	<u>Audited 06/30/18</u>	<u>Unaudited 12/31/17</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents			
Designated	\$ 74,402,003	\$ 72,455,762	\$ 72,455,762
Undesignated	315,868,941	295,701,574	257,514,388
Accounts receivable (less allowance) (12/18 \$540,000; 06/18 \$540,000; 12/17 \$515,959)	44,640,372	47,501,050	37,700,368
Restricted deposits with fiscal agent for current debt service	19,300	26,789	194
Accrued interest receivable	1,630,209	330,376	966,352
Prepaid expenses and other assets	10,495,257	3,663,299	9,475,171
Total current assets	<u>447,056,082</u>	<u>419,678,851</u>	<u>378,112,235</u>
RESTRICTED CASH AND INVESTMENTS:			
Bond funds and other	59,184,633	60,893,638	62,989,557
Passenger facility charges	6,741,279	12,608	6,241,191
Customer facility charges	3,947,203	5,141,837	5,850,098
Total restricted cash and investments	<u>69,873,114</u>	<u>66,048,083</u>	<u>75,080,847</u>
PROPERTY, PLANT AND EQUIPMENT:			
Land improvements	542,483	542,483	542,483
Buildings and improvements	986,990,354	986,180,713	852,272,530
Container cranes	159,197,264	155,697,264	148,697,264
Systems and structures	2,116,472,461	2,116,925,742	2,061,219,079
Intangibles - depreciable	13,843,567	13,843,567	13,843,567
Other equipment	105,422,819	103,536,713	97,817,164
	<u>3,382,468,948</u>	<u>3,376,726,482</u>	<u>3,174,392,087</u>
Less accumulated depreciation	<u>(1,859,837,200)</u>	<u>(1,802,842,709)</u>	<u>(1,744,198,707)</u>
	1,522,631,748	1,573,883,773	1,430,193,379
Land	523,382,116	523,382,116	523,382,116
Intangibles - nondepreciable	25,852,647	25,852,647	25,852,647
Construction in progress	56,244,790	41,451,199	221,747,970
Total property, plant and equipment	<u>2,128,111,301</u>	<u>2,164,569,735</u>	<u>2,201,176,112</u>
OTHER ASSETS	30,479,751	30,296,796	30,665,298
DEFERRED OUTFLOWS - PENSION CONTRIBUTIONS	63,384,404	63,384,404	56,311,079
TOTAL ASSETS	<u>\$ 2,738,904,652</u>	<u>\$ 2,743,977,869</u>	<u>\$ 2,741,345,571</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	\$ 42,600,831	\$ 54,190,092	\$ 57,254,254
Liability to City of Oakland	8,634,106	8,674,684	8,685,694
Unearned income-current portion	7,833,285	8,085,774	4,698,475
Payable from restricted assets:			
Accrued interest payable	7,138,356	7,568,413	7,465,751
Current maturities of long-term debt	55,494,618	59,136,625	18,119,067
Retentions on construction contracts	2,800,510	4,434,732	7,448,363
Total current liabilities	<u>124,501,706</u>	<u>142,090,320</u>	<u>103,671,604</u>
LONG-TERM LIABILITIES:			
Long-term debt	949,422,771	993,223,189	1,055,421,541
Unearned income	26,117,789	26,117,789	27,341,068
Environmental liabilities and other	49,901,895	50,884,464	48,157,803
Net pension liabilities	326,618,147	326,618,147	204,078,476
Deferred inflows - Non-pension contributions	4,057,068	4,057,068	20,809,319
Total long-term liabilities	<u>1,356,117,670</u>	<u>1,400,900,657</u>	<u>1,355,808,206</u>
NET POSITION:			
Reserved retained earnings:			
Grants from government agencies	440,510,811	434,216,028	444,399,127
Passenger facility charges	298,422,898	285,279,569	289,084,283
Customer facility charges	20,316,150.72	17,437,773	19,857,056
Port equity:			
City of Oakland	(58,477,544)	(58,477,544)	(58,477,544)
Appraisal surplus	3,004,335	3,004,335	3,004,335
Land conveyed to Port	24,746,000	24,746,000	24,746,000
Retained earnings	529,762,625	494,780,731	559,252,504
Total net position	<u>1,258,285,277</u>	<u>1,200,986,892</u>	<u>1,281,865,761</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 2,738,904,652</u>	<u>\$ 2,743,977,869</u>	<u>\$ 2,741,345,571</u>

**PORT OF OAKLAND
ACTUAL VS. BUDGET REVENUE AND EXPENSES
SIX MONTHS ENDED DECEMBER 31, 2018**

**UNAUDITED
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Division	Actual 12/31/18	Budget 12/31/18	\$ Variance	% Variance	Actual 12/31/17
Operating Revenues					
Aviation	\$ 107,307,864	\$ 105,013,852	\$ 2,294,012	2.2%	\$ 102,111,878
Maritime	97,084,032	88,389,776	8,694,256	9.8%	89,089,985
CRE	9,479,728	8,818,747	660,981	7.5%	8,617,602
Total Operating Revenue	213,871,624	202,222,375	11,649,248	5.8%	199,819,465
Operating Expenses					
Aviation	(48,460,115)	(52,972,191)	4,512,075	8.5%	(46,396,895)
Maritime	(5,052,503)	(5,515,819)	463,316	8.4%	(4,783,547)
CRE	(3,316,830)	(3,313,346)	(3,483)	-0.1%	(3,035,868)
Engineering & Environmental	(17,631,483)	(20,730,224)	3,098,741	14.9%	(15,971,246)
Utilities Cost of Sales	(3,307,229)	(3,943,790)	636,562	16.1%	(3,375,488)
Executive	(2,615,361)	(3,068,109)	452,748	14.8%	(2,262,984)
Board of Port Commissioners	(226,050)	(264,174)	38,124	14.4%	(204,165)
Audit Services	(513,382)	(723,179)	209,797	29.0%	(606,725)
Port Attorney	(2,416,667)	(2,565,669)	149,003	5.8%	(2,006,258)
Finance & Administration	(9,318,159)	(10,489,706)	1,171,547	11.2%	(9,203,854)
Non-Departmental Expenses	(13,197,000)	(14,805,153)	1,608,153	10.9%	(12,748,205)
Absorption of Labor and Overhead to Capital Assets	2,763,741	4,409,208	(1,645,467)	-37.3%	3,688,410
Depreciation & Amortization	(56,994,491)	(58,499,500)	1,505,008	2.6%	(52,707,123)
Total Operating Expenses	(160,285,528)	(172,481,652)	12,196,124	7.1%	(149,613,947)
Operating Income (A)	53,586,096	29,740,724	23,845,372	80.2%	50,205,518
Non-Operating Items					
Interest Income	5,207,017	2,264,465	2,942,552	129.9%	2,012,915
Interest Expense	(18,686,027)	(18,875,881)	189,855	1.0%	(20,992,706)
Passenger Facility Charges (PFCs)	13,143,329	14,079,724	(936,395)	-6.7%	12,864,066
Customer Facility Charges (CFCs)	2,878,378	2,872,711	5,667	0.2%	2,853,614
Abandoned/Demolished Capital Assets	-	(75,000)	75,000	100.0%	-
Other Income (Expenses)	(2,115,851)	(2,559,347)	443,496	17.3%	(1,217,775)
CFC Reimbursements Expense	(3,009,341)	(2,428,500)	(580,841)	-23.9%	(2,551,207)
Grant Reimbursable Costs	-	(28,000)	28,000	100.0%	-
(B)	(2,582,494)	(4,749,828)	2,167,334	45.6%	(7,031,093)
Change in Net Position before Capital Contributions (A+B)	51,003,601	24,990,896	26,012,706		43,174,424
Capital Contributions					
Grants from Government Agencies	6,294,783	6,629,000	(334,217)	-5.0%	36,955,446
(C)	6,294,783	6,629,000	(334,217)	-5.0%	36,955,446
CHANGE IN NET POSITION (A+B+C)	\$ 57,298,384	\$ 31,619,896	\$ 25,678,489	81.2%	\$ 80,129,870

PORT OF OAKLAND
Actual vs. Budget Expenses by Category
Six Months Ended December 31, 2018

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	<u>Actual</u> <u>12/31/18</u>	<u>Budget</u> <u>12/31/18</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
<u>Operating Expenses</u>				
Personnel Services	\$ (56,619,170)	\$ (58,569,738)	\$ 1,950,568	3.3%
Contractual Services	(36,399,989)	(44,356,900)	7,956,911	17.9%
Supplies	(2,981,163)	(2,133,972)	(847,191)	-39.7%
General and Administrative	(6,853,986)	(9,534,117)	2,680,131	28.1%
Utilities Cost of Sales	(3,307,229)	(3,943,790)	636,561	16.1%
Departmental Credits	2,870,500	4,556,365	(1,685,865)	-37.0%
Subtotal	(103,291,037)	(113,982,152)	10,691,115	9.4%
Depreciation & Amortization	(56,994,491)	(58,499,500)	1,505,009	2.6%
Total Operating Expenses	\$ (160,285,528)	\$ (172,481,652)	\$ 12,196,124	7.1%

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Six Months Ended December 31, 2018

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	ACTUAL 12/31/18	BUDGET 12/31/18	\$ VARIANCE	% VARIANCE
TERMINAL RENT	\$ 24,125,859	\$ 23,655,707	\$ 470,151	2.0%
TERMINAL CONCESSIONS	5,545,153	4,947,320	597,834	12.1%
OTHER TERMINAL REVENUE (a)	8,259,158	7,666,508	592,650	7.7%
TERMINAL RENTALS & CONCESSIONS	37,930,170	36,269,535	1,660,635	4.6%
PARKING	17,867,345	18,048,601	(181,256)	-1.0%
GROUND ACCESS	4,627,737	4,273,197	354,540	8.3%
RENTAL CAR REVENUE	6,321,872	6,000,000	321,872	5.4%
PARKING, RAC AND GROUND ACCESS	28,816,954	28,321,797	495,157	1.7%
OTHER AIRPORT RENTALS (b)	15,202,086	16,047,045	(844,959)	-5.3%
LANDING FEES	19,582,719	19,418,910	163,809	0.8%
OTHER FIELD REVENUE (c)	2,184,730	1,685,541	499,189	29.6%
AVIATION FUELING	1,210,323	1,483,178	(272,855)	-18.4%
MISCELLANEOUS REVENUE (d)	195,967	61,847	134,120	216.9%
UTILITIES REVENUE	2,184,916	1,726,000	458,916	26.6%
TOTAL AVIATION OPERATING REVENUE	107,307,864	105,013,852	2,294,012	2.2%
BAD DEBT RESERVE	-	-	-	0.0%
TOTAL AVIATION REVENUE	\$ 107,307,864	\$ 105,013,852	\$ 2,294,012	2.2%

(Continued)

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Six Months Ended December 31, 2018

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(a) **Other Terminal Revenue**

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

(b) **Other Airport Rentals**

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

(c) **Other Field Revenue**

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

(d) **Miscellaneous Revenue**

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

Port of Oakland
Actual vs. Budget Maritime Revenue
For the Six Months Ended December 31, 2018

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	ACTUAL 12/31/18	BUDGET 12/31/18	\$ VARIANCE	% VARIANCE
MARINE TERMINAL RENT	\$ 71,391,633	\$ 67,503,563	\$ 3,888,070	5.8%
RAIL TERMINAL RENT	2,115,885	1,349,842	766,043	56.8%
OTHER RENT (a)	16,364,513	13,382,437	2,982,076	22.3%
UTILITIES REVENUE	7,212,000	6,153,934	1,058,066	17.2%
TOTAL MARITIME OPERATING REVENUE	97,084,032	88,389,776	8,694,256	9.8%
BAD DEBT RESERVE	-	-	-	0.0%
TOTAL MARITIME REVENUE	\$ 97,084,032	\$ 88,389,776	\$ 8,694,256	9.8%

(a) **Other Rent**

This category primarily includes land and facility rental revenue from non-marine/rail terminal tenants.
Examples include: truck parking and transloading tenants.

Port of Oakland
Actual vs. Budget CRE Revenue
For the Six Months Ended December 31, 2018

UNAUDITED
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	ACTUAL 12/31/18	BUDGET 12/31/18	\$ VARIANCE	% VARIANCE
SPACE RENTAL				
Land	\$ 783,140	\$ 750,471	\$ 32,669	4.4%
Building with Land	305,614	305,616	(2)	0.0%
Warehouse Lease	907,659	905,992	1,666	0.2%
Hotel	1,982,787	1,988,085	(5,298)	-0.3%
Restaurant	944,692	908,193	36,499	4.0%
Retail	1,105,117	1,074,198	30,919	2.9%
Office Lease	1,189,734	1,102,016	87,718	8.0%
Marinas Revenue	13,760	12,420	1,340	10.8%
Subtotal	7,232,501	7,046,991	185,510	2.6%
PARKING REVENUE				
Parking Revenue - Parking Lot Revenue	1,831,164	1,309,169	521,995	39.9%
Subtotal	1,831,164	1,309,169	521,995	39.9%
MISCELLANEOUS REVENUE				
Miscellaneous Revenue (a)	57,319	81,814	(24,495)	-29.9%
Billboard Advertising Revenue	307,882	329,772	(21,890)	-6.6%
Delinquency Charge	-	-	-	100.0%
Subtotal	365,201	411,586	(46,385)	-11.3%
UTILITIES REVENUE	50,861	51,000	(139)	-0.3%
TOTAL CRE OPERATING REVENUE	9,479,728	8,818,747	660,981	7.5%
BAD DEBT RESERVE	-	-	-	0.0%
TOTAL CRE REVENUE	\$ 9,479,728	\$ 8,818,747	\$ 660,981	7.5%

(a) **Miscellaneous Revenue**

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

**Port of Oakland
Activity Summary Report
For the Six Months Ended December 31, 2018**

**UNAUDITED
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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
AVIATION ACTIVITY							
Total Passengers							
July	1,318,052	1,306,138	11,914	0.9%	1,235,511	82,541	6.7%
August	1,302,300	1,286,530	15,770	1.2%	1,226,648	75,652	6.2%
September	1,127,927	1,158,891	(30,964)	-2.7%	1,083,301	44,626	4.1%
October	1,161,056	1,184,828	(23,772)	-2.0%	1,140,921	20,135	1.8%
November	1,121,937	1,162,528	(40,591)	-3.5%	1,111,124	10,813	1.0%
December	1,090,069	1,196,857	(106,788)	-8.9%	1,086,388	3,681	0.3%
January							
February							
March							
April							
May							
June							
Year to Date	7,121,341	7,295,772	(174,431)	-2.4%	6,883,893	237,448	3.4%
Aircraft Landing Weights * (000 lbs)							
July	1,029,991	1,051,920	(21,929)	-2.1%	964,788	65,203	6.8%
August	1,050,019	1,085,254	(35,235)	-3.2%	1,000,732	49,287	4.9%
September	930,560	959,681	(29,121)	-3.0%	912,995	17,565	1.9%
October	979,803	1,007,392	(27,589)	-2.7%	954,911	24,892	2.6%
November	953,229	989,137	(35,908)	-3.6%	942,173	11,056	1.2%
December	1,032,437	1,075,286	(42,849)	-4.0%	1,042,427	(9,990)	-1.0%
January							
February							
March							
April							
May							
June							
Year to Date	5,976,039	6,168,670	(192,631)	-3.1%	5,818,026	158,013	2.7%

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

**Port of Oakland
Activity Summary Report
For the Six Months Ended December 31, 2018**

**UNAUDITED
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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
MARITIME ACTIVITY							
Loaded (Full) TEUs**							
July	153,636	160,740	(7,104)	-4.4%	159,656	(6,020)	-3.8%
August	160,014	156,091	3,923	2.5%	155,039	4,975	3.2%
September	155,540	154,538	1,002	0.6%	153,496	2,044	1.3%
October	161,249	163,738	(2,489)	-1.5%	162,634	(1,385)	-0.9%
November	160,649	150,386	10,263	6.8%	149,372	11,277	7.5%
December	159,446	160,273	(828)	-0.5%	159,193	253	0.2%
January							
February							
March							
April							
May							
June							
Year to Date	950,534	945,768	4,767	0.5%	939,390	11,144	1.2%
Vessel Calls							
July	137	137	0	0.0%	137	0	0.0%
August	138	138	0	0.0%	138	0	0.0%
September	126	134	(8)	-6.0%	134	(8)	-6.0%
October	132	133	(1)	-0.8%	133	(1)	-0.8%
November	125	128	(3)	-2.3%	128	(3)	-2.3%
December	122	139	(17)	-12.2%	140	(18)	-12.9%
January							
February							
March							
April							
May							
June							
Year to Date	780	809	(29)	-3.6%	810	(30)	-3.7%

** Loaded TEUs does not include restows/shifts

Port of Oakland
Revenue Actual vs. Budget Variance
Six Months Ended December 31, 2018

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OPERATING REVENUE

Port Operating Revenue = **\$213.9 million**
Variance to Budget (\$) = **\$11.6 million (better)**
Variance to Budget (%) = **5.8% (better)**

Aviation - \$107.3 million

Better than budget by \$2.3 million or 2.2%

- Higher customs room use (\$0.6 million)
- Higher concessions revenue primarily for restaurant/bar revenue reflecting the timing of the new food & beverage program and higher newsstands revenues (\$0.6 million)
- Higher in-flight catering and ground handling revenue (net \$0.5 million)
- Higher terminal rents (\$0.5 million)
- Higher TNC revenue (\$0.4 million)
- Higher car rental revenues (\$0.3 million)
- Higher cargo carrier landing fees (\$0.2 million)
- Higher electricity revenue at the airport (\$0.4 million)
- Lower hangar rent (-\$0.7 million)
- Lower fueling rent at OFFC (-\$0.3 million)
- Lower parking revenues (-\$0.2 million)

Maritime - \$97.1 million

Better than budget by \$8.7 million or 9.8%

- Higher than budgeted over MAG activity (net \$3.9 million)
- Higher space assignment revenue (\$2.5 million)
- Higher over MAG rail rent (\$0.8 million)
- Higher electrical capacity charge (\$0.4 million)
- Higher truck parking revenue (\$0.4 million)
- Higher shore power maintenance fees (\$0.4 million)
- Higher shore power and vessel commissioning revenue (net \$0.2 million)
- Higher electricity revenue at Seaport Logistics Center (\$0.1 million)

Commercial Real Estate - \$9.5 million

Better than budget by \$0.7 million or 7.5%

- Higher parking revenue at JLS (\$0.5 million)
- Higher office rent (\$0.1 million)
- Higher restaurant rent (\$36k)
- Higher land rent (\$33k)
- Higher retail rent (\$31k)

Port of Oakland
Expense Actual vs. Budget Variance
Six Months Ended December 31, 2018

UNAUDITED
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EXPENSES by CATEGORY

Port Operating Expenses* = **\$103.3 million**
Variance to Budget (\$) = **\$10.7 million (better)**
Variance to Budget (%) = **9.4% (better)**

Personnel Services - \$56.6 million

Better than budget by \$1.9 million or 3.3%

- 461 FTEs as of 12/31/18 vs. budgeted 507 FTEs (with vacancy factor of 25 FTEs)
- Open headcount savings (\$2.7 million) - *Various divisions*
- Lower retiree medical expense (\$0.3 million) - *Non-departmental*
- Lower continuing education/training/seminar (\$0.2 million) - *Various divisions*
- Lower medical premiums (\$0.2 million) - *Various divisions*
- Lower professional development (\$0.1 million) - *Various divisions*
- Higher overtime and temporary help (-\$1.3 million) - *Aviation, Engineering, Finance*
- Higher workers' compensation (-\$0.2 million) - *Non-departmental*
- Higher vacation/sick leave accrual (-\$0.1 million)

Contractual Services - \$36.4 million

Better than budget by \$7.9 million or 17.9%

- Lower maintenance and repairs (net \$2.4 million) - *Engineering and Aviation*
- Lower consulting, computer systems, and environmental costs (net \$2.1 million) - *Various divisions*
- Lower maintenance dredging (\$1.2 million) - *Engineering*
- Lower parking and ground transportation (\$1.1 million) - *Aviation and CRE*
- Lower Airport Rescue and Firefighting (\$0.5 million) - *Aviation*
- Lower security costs (\$0.4 million) - *Aviation*
- Lower Alameda County Sheriff (\$0.2 million) - *Aviation*

Supplies - \$3.0 million

Worse than budget by \$0.8 million or -39.7% - *Aviation and Engineering*

General and Administrative - \$6.9 million

Better than budget by \$2.7 million or 28.1%

- Lower legal contingency (\$0.8 million) - *Non-departmental*
- Lower pollution remediation (\$0.6 million) - *Non-departmental*
- Lower cooperative marketing expenses (\$0.5 million) - *Aviation*
- Lower special events, dues & registrations, and exhibits & displays (net \$0.4 million) - *Various*
- Lower insurance (\$0.1 million) - *Finance*
- Lower travel (\$0.1 million) - *Various*
- Lower Port-use utilities (\$0.1 million) - *Non-departmental*

Utilities Cost of Sales - \$3.3 million

Better than budget by \$0.6 million or 16.1%

- Lower wholesale electricity rates in maritime (\$0.4 million) and shore power (\$0.2 million)

Departmental Credits - (\$2.9) million

- Worse than budget by \$1.7 million or -37.0% due to less direct labor charged to capital projects from maritime design, airport facilities maintenance, cranes, airport construction, and environmental.

* Excludes depreciation & amortization

General Notes:

- "Revenue divisions" are collectively Aviation, Maritime, Commercial Real Estate (CRE)
- Where applicable, primary source of variance by division is noted after each item.
- In general, the Port's annual budget is seasonally adjusted. However, certain line items that cannot be seasonally adjusted with any level of predictability (e.g. legal contingency) and are simply allocated equally over 12 months.

**FY 2018-19 CAPITAL IMPROVEMENT PLAN (CIP)
SUMMARY FOR THE QUARTER ENDING 12/31/18**

(\$ Thousands)

Total Planned Budget = \$129 M

Actual Capital Expenditures in Comparison to Planned Budget = 17.7%

64% of Expenditures funded with Grants, PFCs, and CFCs

EXPENDITURE SUMMARY

Divisions	Expenditures 7/1/18 - 12/31/18	Total Approved Budget	Remaining Approved Budget	Remaining Pipeline Budget	FY 18-19 CIP	5 Year CIP¹
	[A]	[B]	[B-A]	[C]	[B +C]	
Aviation	11,714	31,520	19,806	57,653	89,173	361,061
Maritime	10,163	16,751	6,588	18,032	34,783	128,713
CRE	805	2,535	1,730	1,880	4,415	7,299
Support	169	668	499	0	668	1,868
Total	22,850	51,474	28,624	77,565	129,039	498,941

FUNDING SUMMARY

Funding Source	Funding Sources 7/1/18 - 12/31/18	FY 18-19 Total Approved Budget	5 Year CIP¹
Aviation Grants ²	6,219	11,806	104,079
Maritime Grants/Other	0	238	2,940
PFC Pay-Go ³	8,368	2,649	66,082
Debt Proceeds (PFC)	0	0	0
CFCs ⁴	90	10	4,410
Cash	8,173	13,922	321,430
Total	22,850	28,624	498,941

¹ 5-Year CIP includes FY 2018-19 through FY 2022-23.

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

³ Includes PFC eligible prior costs for which reimbursement is lagging.

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

FY 2018 - 2019 CAPITAL IMPROVEMENT PLAN SUMMARY
Expenditure By Division and Projects
For the Quarter Ending 12/31/18
(\$ Thousands)

DIVISIONS	Expenditures 7/1/18- 12/31/18	FY18-19 Total Approved	FY18-19 Remaining Approved	FY18-19 Remaining Pipeline	FY18-19 CIP¹	5YR CIP
AVIATION						
Perimeter Dike Improvements	65	0	(65)	15,445	15,445	52,395
Airfield						
Taxiway and Runway Improvements	1,374	4,630	3,256	1,016	5,646	70,406
Other Projects	50	5,592	5,542	535	6,127	53,507
Subtotal Airfield	1,424	10,222	8,798	1,551	11,773	123,913
Terminal						
Terminal 2 Projects	5,470	7,570	2,100	5,880	13,450	43,710
Terminal 1 Projects	198	2,630	2,432	10,100	12,730	36,610
Terminal 1 GSE Electrification	846	1,469	623	0	1,469	1,469
Other Projects ²	1,902	1,870	(32)	3,630	5,500	12,000
Subtotal Terminal	8,416	13,539	5,123	19,610	33,149	93,789
Leased Area ²	106	10	(96)	0	10	17,650
Ground Access and Parking						
Airport Drive	0	677	677	123	800	5,300
Other Projects	704	1,569	865	800	2,369	8,739
Subtotal Ground Access & Parking	704	2,246	1,542	923	3,169	14,039
Security	460	898	438	8,977	9,875	17,105
Utilities	156	3,048	2,892	6,881	9,929	31,629
Facilities Maintenance	0	207	207	750	957	3,675
Other	383	1,350	967	3,516	4,866	6,866
TOTAL AVIATION	11,714	31,520	19,806	57,653	89,173	361,061

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

² The negative variance is due to timing of the delivery but the project is within the approved budget.

FY 2018 - 2019 CAPITAL IMPROVEMENT PLAN SUMMARY

Expenditure By Division and Projects

For the Quarter Ending 12/31/18

(\$ Thousands)

DIVISIONS	Expenditures 7/1/18- 12/31/18	FY18-19 Total Approved	FY18-19 Remaining Approved	FY18-19 Remaining Pipeline	FY18-19 CIP¹	5YR CIP
MARITIME						
Marine Terminals	818	2,524	1,706	0	2,524	18,074
Cranes	3,713	4,100	387	500	4,600	16,700
Security	13	330	317	870	1,200	3,300
Seaport Logistics Complex	326	800	474	11,050	11,850	20,300
Dredging	5	0	(5)	1,000	1,000	2,000
Utilities	93	975	882	1,550	2,525	28,950
Roadway	469	1,310	841	900	2,210	19,240
Other Projects	4,726	6,712	1,986	2,162	8,874	20,149
TOTAL MARITIME	10,163	16,751	6,588	18,032	34,783	128,713
COMMERCIAL REAL ESTATE						
Jack London Square	0	511	511	1,880	2,391	3,030
Embarcadero Cove	805	1,558	753	0	1,558	1,558
Business Park	0	141	141	0	141	618
Other	0	325	325	0	325	2,093
TOTAL COMMERCIAL REAL ESTATE	805	2,535	1,730	1,880	4,415	7,299
SUPPORT						
Equipment and Systems	169	668	499	0	668	1,868
TOTAL SUPPORT	169	668	499	0	668	1,868
TOTAL	22,850	51,474	28,624	77,565	129,039	498,941

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