



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: AUGUST 12, 2021

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2020/21 ENDED JULY 31, 2021**

Financial performance results for the first month of the new Fiscal Year 2021/22 are below and have been summarized relative to both budget and the prior fiscal year. For the month of July, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 5.0% relative to budget and 4.0% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD July 2021	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	891	↑ 5.0%	↑ 4.0%
Operating Revenues	\$57.5	↑ 23.3%	↑ 9.9%
Operating Expenses	\$20.4	↓ (19.3%)	↑ 15.7%
Operating Income	\$37.1	↑ 73.6%	↑ 7.0%
Net Income	\$34.1	↑ 617.4%	↑ 51.7%

Shipping Services increased relative to both budget and the prior fiscal year due to higher wharfage revenues. Relative to budget, Operating Revenues increased by 23.3% primarily due to higher wharfage, higher space assignments, higher work accommodation revenues, and higher other misc. operating revenues. In comparison to the prior fiscal year, total Operating Revenues increased by 9.9% due to higher shipping services revenue, higher rentals and space assignments, higher work accommodation revenues, higher utility reimbursements, and higher Clean Truck Program revenues.

Operating Expenses were 19.3% lower than budget primarily due to delays in benefit expense recognition and invoicing delays related to outside services. Relative to the prior fiscal year, total Operating Expenses increased by 15.7% as higher insurance and higher

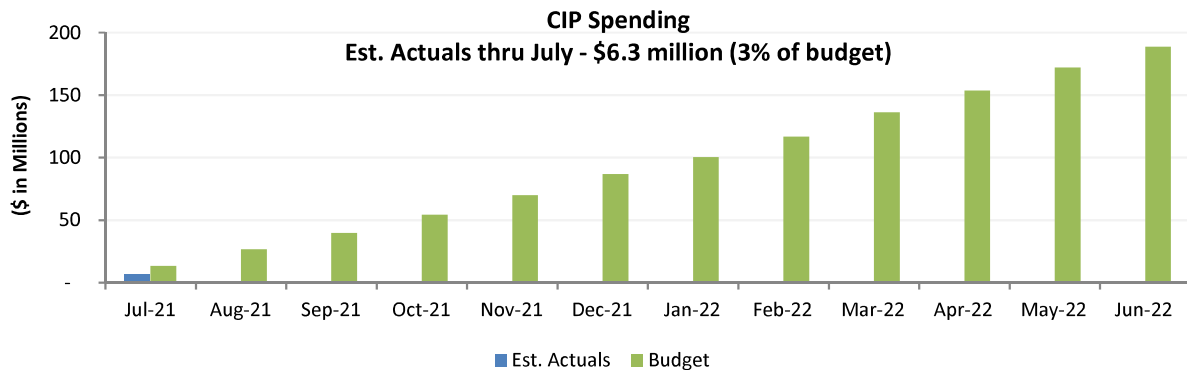
SUBJECT: FINANCIAL PERFORMANCE RESULTS

electricity usage was partially offset by lower outside services and lower promotional/sponsorship activities.

Operating margin for the month of July was 64.5% versus a budget of 45.8% and a prior year figure of 66.3%.

Capital Improvement Program (CIP)

CIP spending for the one-month period ended July 31, 2021 was estimated to reach \$6.3 million or about 3% of the total \$188.7 million CIP adopted budget. At this early stage in the fiscal year, the Harbor Department currently expects to stay within the CIP adopted budget through fiscal year-end.



Marla Bleavins Marla Bleavins
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MARLA BLEAVINS
 Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD July 2021
2. Actual-to-Budget FY 2020/21 – July
3. Year-to-Year Performance Report YTD July 31, 2021 and 2020

Author: E. Estrada

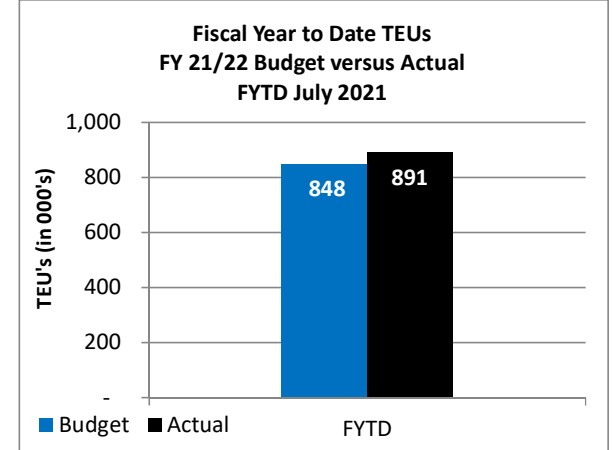
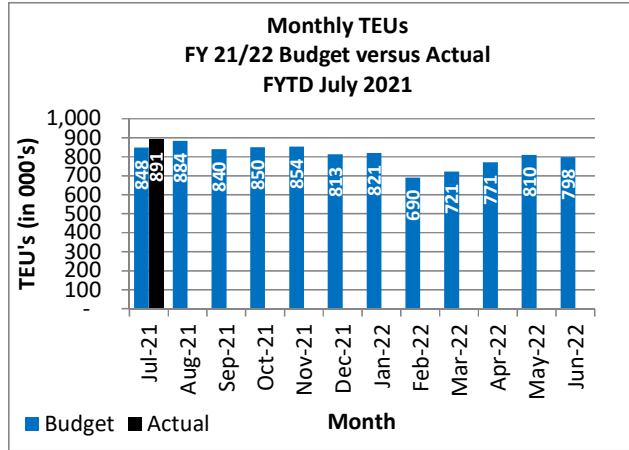
MB:JS:MM/Finance
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES
TEU THROUGHPUT COMPARISON - FYTD JULY 2021

TRANSMITTAL 1

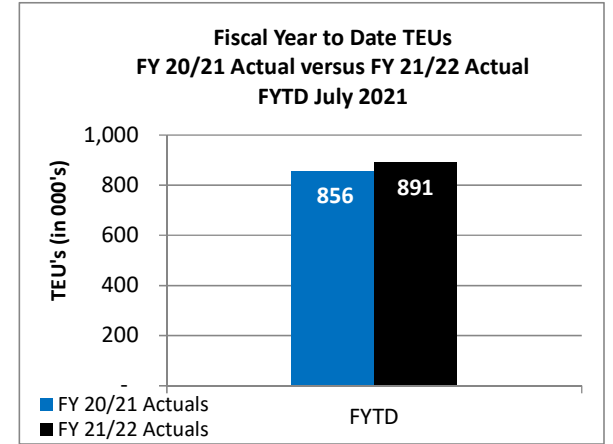
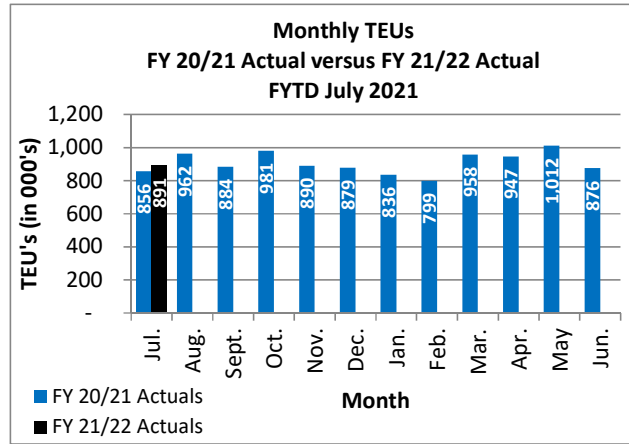
Budget versus Actuals Comparison
FY 21/22 Budget vs. FY 21/22 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 21/22 Budget	FY 21/22 Actuals		
Jul-21	848	891	5.0%	↑
Aug-21	884			
Sep-21	840			
Oct-21	850			
Nov-21	854			
Dec-21	813			
Jan-22	821			
Feb-22	690			
Mar-22	721			
Apr-22	771			
May-22	810			
Jun-22	798			
FYTD	848	891	5.0%	↑
FY 21/22 Budget	9,700			



Year-to-Year Actuals Comparison
FY 20/21 Actuals vs. FY 21/22 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 20/21 Actuals	FY 21/22 Actuals		
Jul.	856	891	4.0%	↑
Aug.	962			
Sept.	884			
Oct.	981			
Nov.	890			
Dec.	879			
Jan.	836			
Feb.	799			
Mar.	958			
Apr.	947			
May	1,012			
Jun.	876			
FYTD	856	891	4.0%	↑
FY 20/21 Actuals	10,879			



	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2021/22	FY 2021/22	Comparison	
			(Unfavorable)/Favorable	
\$ in thousands	Fiscal YTD - July 2021	Fiscal YTD - July 2021	\$	%
Operating Revenues				
Shipping Services	44,089	34,235	9,854	28.8%
Rentals	11,257	11,300	(43)	(0.4%)
Royalties, Fees and Other Revenues	1,856	981	875	89.2%
Clean Truck Program Revenues	341	163	179	110.0%
Total Operating Revenues	57,543	46,678	10,865	23.3%
Operating Expenses				
Gross Salaries & Benefits	12,660	14,541	1,881	12.9%
Capitalization	(2,688)	(1,324)	1,364	(103.1%)
Net Salaries & Benefits	9,972	13,217	3,245	24.6%
Marketing & Public Relations	72	409	336	82.3%
Travel	11	30	19	63.9%
Outside Services	562	2,007	1,445	72.0%
Materials & Supplies	308	476	168	35.4%
City Services	4,387	5,124	737	14.4%
Allocations to Capital - Overhead		(1,624)	(1,624)	100.0%
Other Operating Expenses	4,870	5,514	645	11.7%
Clean Truck Program Expenses	235	141	(94)	(67.2%)
Total Operating Expenses	20,417	25,294	4,877	19.3%
Income Before Depreciation	37,126	21,384	15,742	73.6%
Provision For Depreciation	2,315	13,462	11,146	82.8%
Income From Operations	34,811	7,922	26,889	339.4%
Non-Operating Revenue	1,002	6,060	(5,058)	(83.5%)
Non-Operating Expenses	1,724	9,231	7,507	81.3%
Net Income	34,089	4,751	29,337	617.4%

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year Change	
	FY 2021/22	FY 2020/21	(Unfavorable)/Favorable	
	Fiscal YTD - July 2021	Fiscal YTD - July 2020	\$	%
Operating Revenues				
Shipping Services	44,089	41,167	2,922	7.1%
Rentals	11,257	10,281	976	9.5%
Royalties, Fees and Other Revenues	1,856	704	1,152	163.6%
Clean Truck Program Revenues	341	190	152	79.9%
Total Operating Revenues	57,543	52,342	5,201	9.9%
Operating Expenses				
Gross Salaries & Benefits	12,660	12,411	(249)	(2.0%)
Capitalization	(2,688)	(2,336)	352	(15.1%)
Net Salaries & Benefits	9,972	10,075	103	1.0%
Marketing & Public Relations	72	380	308	81.0%
Travel	11	13	3	20.2%
Outside Services	562	1,107	544	49.2%
Materials & Supplies	308	254	(54)	(21.3%)
City Services	4,387	4,251	(136)	(3.2%)
Other Operating Expenses	4,870	1,567	(3,302)	(210.7%)
Clean Truck Program Expenses	235	4	(231)	(6133.7%)
Total Operating Expenses	20,417	17,651	(2,766)	(15.7%)
Income Before Depreciation	37,126	34,691	2,435	7.0%
Provision For Depreciation	2,315	12,820	10,504	81.9%
Income From Operations	34,811	21,871	12,940	59.2%
Non-Operating Revenue	1,002	2,387	(1,385)	(58.0%)
Non-Operating Expenses	1,724	1,791	67	3.7%
Net Income	34,089	22,466	11,622	51.7%