



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: AUGUST 23, 2022

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2022/23 ENDED JULY 31, 2022**

Financial performance results for the first month of the new Fiscal Year 2022/23 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 10.2% relative to budget and 5.0% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD July 2022	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	935	↑ 10.2%	↑ 5.0%
Operating Revenues	\$60.5	↑ 6.4%	↑ 5.1%
Operating Expenses	\$21.7	↓ (24.6%)	↑ 6.4%
Operating Income	\$38.8	↑ 38.2%	↑ 4.4%
Net Income	\$26.2	↑ 147.4%	↓ (23.1%)

Shipping Services increased relative to both budget and the prior fiscal year due to a higher demand in space assignments and higher wharfage revenues, which were only partially offset by lower pilotage and lower dockage. Relative to budget, Operating Revenues increased by 6.4% primarily due to higher wharfage and higher space assignments, which were partially offset by delayed utility reimbursements, lower one-time operating reimbursements, and lower other miscellaneous operating revenues. In comparison to the prior fiscal year, total Operating Revenues increased by 5.1% due to higher Clean Truck Program collections and higher space assignments revenue, which were partially offset by delayed utility reimbursements and lower other miscellaneous operating revenues.

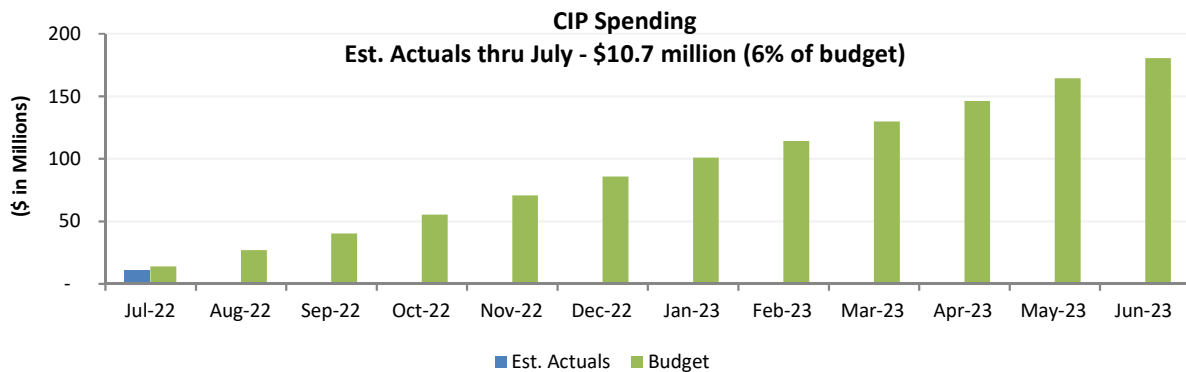
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 24.6% lower than budget primarily due to lower salaries and benefits, higher insurance expense transferred to prepaid insurance, lower Clean Truck Program expenses, and other favorable variances, which were only partially offset by higher electricity. Relative to the prior fiscal year, total Operating Expenses increased by 6.4% as higher electricity usage was partially offset by higher insurance expense transferred to prepaid insurance.

Operating margin for the month of July was 64.1% versus a budget of 49.3% and a prior year figure of 64.5%.

Capital Improvement Program (CIP)

CIP spending for the one-month period ended July 31, 2022 was estimated to reach \$10.7 million or about 6% of the total \$180.5 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
Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD July 2022
2. Actual-to-Budget FY 2022/23 – July
3. Year-to-Year Performance Report YTD July 31, 2022 and 2021

Author: E. Estrada

MB:JS:MM/Finance

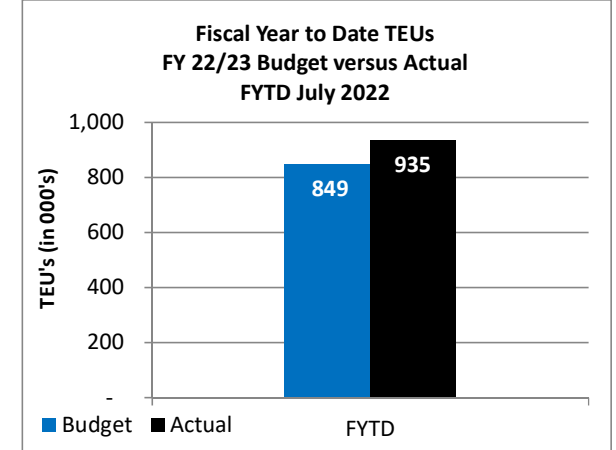
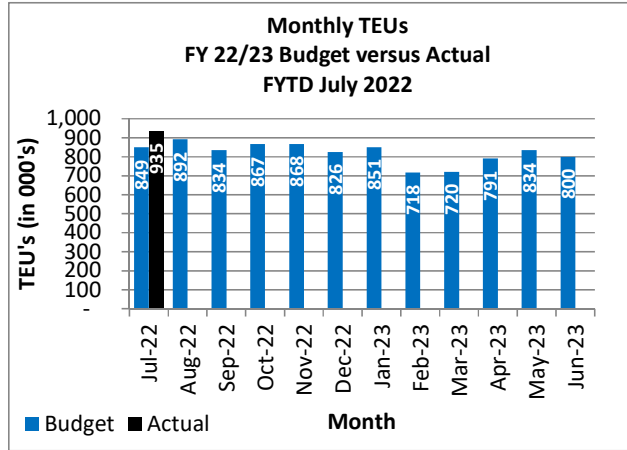
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES
TEU THROUGHPUT COMPARISON - FYTD JULY 2022

TRANSMITTAL 1

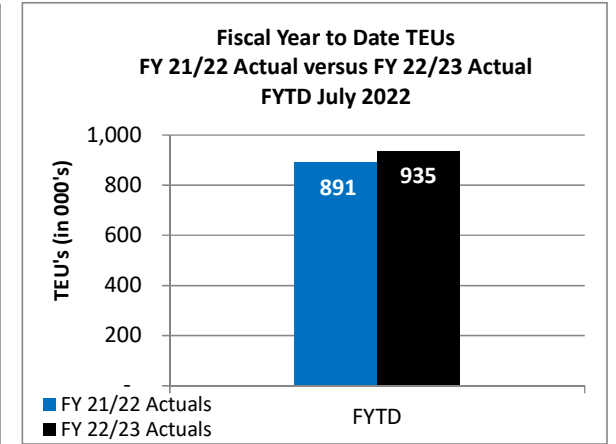
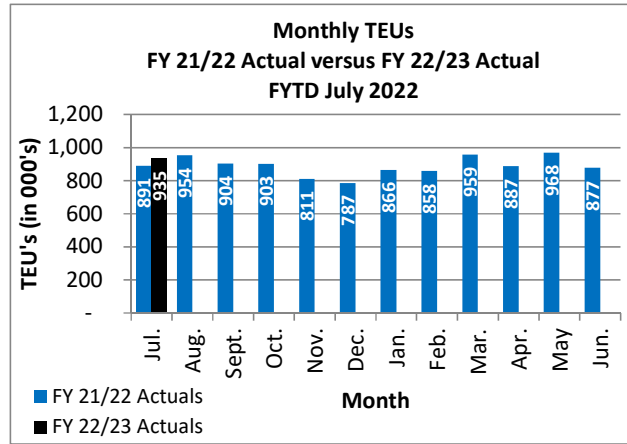
Budget versus Actuals Comparison
FY 22/23 Budget vs. FY 22/23 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 22/23 Budget	FY 22/23 Actuals		
Jul-22	849	935	10.2%	↑
Aug-22	892			
Sep-22	834			
Oct-22	867			
Nov-22	868			
Dec-22	826			
Jan-23	851			
Feb-23	718			
Mar-23	720			
Apr-23	791			
May-23	834			
Jun-23	800			
FYTD	849	935	10.2%	↑
FY 22/23 Budget	9,850			



Year-to-Year Actuals Comparison
FY 21/22 Actuals vs. FY 22/23 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 21/22 Actuals	FY 22/23 Actuals		
Jul.	891	935	5.0%	↑
Aug.	954			
Sept.	904			
Oct.	903			
Nov.	811			
Dec.	787			
Jan.	866			
Feb.	858			
Mar.	959			
Apr.	887			
May	968			
Jun.	877			
FYTD	891	935	5.0%	↑
FY 21/22 Actuals	10,664			



\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2022/23	FY 2022/23	Comparison	
	Fiscal YTD - July 2022	Fiscal YTD - July 2022	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	45,516	37,424	8,092	21.6%
Rentals	11,624	12,057	(433)	(3.6%)
Royalties, Fees and Other Revenues	(803)	3,394	(4,196)	(123.6%)
Clean Truck Program Revenues	4,151	3,975	176	4.4%
Total Operating Revenues	60,488	56,849	3,639	6.4%
Operating Expenses				
Gross Salaries & Benefits	12,054	15,159	3,105	20.5%
Capitalization	(2,041)	(1,400)	641	(45.8%)
Net Salaries & Benefits	10,013	13,759	3,746	27.2%
Marketing & Public Relations	(26)	189	215	113.8%
Travel	19	43	25	56.8%
Outside Services	924	2,964	2,040	68.8%
Materials & Supplies	248	348	101	28.9%
City Services	4,698	5,218	520	10.0%
Allocations to Capital - Overhead		(1,623)	(1,623)	100.0%
Other Operating Expenses	5,813	6,735	923	13.7%
Clean Truck Program Expenses	32	1,167	1,134	97.2%
Total Operating Expenses	21,720	28,800	7,080	24.6%
Income Before Depreciation	38,768	28,050	10,718	38.2%
Provision For Depreciation	12,912	13,354	442	3.3%
Income From Operations	25,856	14,695	11,161	75.9%
Non-Operating Revenue	1,874	4,034	(2,161)	(53.6%)
Non-Operating Expenses	1,500	8,128	6,628	81.5%
Net Income	26,230	10,602	15,627	147.4%

\$ in thousands	Current Fiscal Year		Prior Fiscal Year		Year-over-Year Change	
	FY 2022/23		FY 2021/22		(Unfavorable)/Favorable	
	Fiscal YTD - July 2022	Fiscal YTD - July 2021	\$	%		
Operating Revenues						
Shipping Services	45,516	44,089	1,427	3.2%		
Rentals	11,624	11,257	367	3.3%		
Royalties, Fees and Other Revenues	(803)	1,856	(2,658)	(143.2%)		
Clean Truck Program Revenues	4,151	341	3,810	1116.5%		
Total Operating Revenues	60,488	57,543	2,945	5.1%		
Operating Expenses						
Gross Salaries & Benefits	12,054	12,660	606	4.8%		
Capitalization	(2,041)	(2,688)	(647)	24.1%		
Net Salaries & Benefits	10,013	9,972	(41)	(0.4%)		
Marketing & Public Relations	(26)	72	98	136.1%		
Travel	19	11	(8)	(74.2%)		
Outside Services	924	562	(362)	(64.3%)		
Materials & Supplies	248	308	60	19.6%		
City Services	4,698	4,387	(311)	(7.1%)		
Other Operating Expenses	5,813	4,870	(943)	(19.4%)		
Clean Truck Program Expenses	32	235	203	86.2%		
Total Operating Expenses	21,720	20,417	(1,303)	(6.4%)		
Income Before Depreciation	38,768	37,126	1,642	4.4%		
Provision For Depreciation	12,912	2,315	(10,596)	(457.6%)		
Income From Operations	25,856	34,811	(8,954)	(25.7%)		
Non-Operating Revenue	1,874	1,002	872	87.0%		
Non-Operating Expenses	1,500	1,724	224	13.0%		
Net Income	26,230	34,089	(7,859)	(23.1%)		