



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### “FOR INFORMATION ONLY”

**DATE: MARCH 11, 2021**

**TO: BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR  
FISCAL YEAR 2020/21 ENDED FEBRUARY 28, 2021**

Financial performance results for the first eight months of Fiscal Year 2020/21 are below and have been summarized relative to both budget and the prior fiscal year. For the Fiscal Year-to-Date (FYTD) period through February, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 31.1% relative to budget and 15.2% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD February 2021	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	7,086	↑ 31.1%	↑ 15.2%
Operating Revenues	\$374.7	↑ 20.3%	↑ 17.8%
Operating Expenses	\$161.5	↓ (13.6%)	↑ 0.7%
Operating Income	\$213.2	↑ 71.1%	↑ 35.2%
Net Income	\$106.7	↑ 33,027.9%	↑ 117.4%

Shipping Services revenue increased relative to both budget and the prior fiscal year primarily due to higher cargo volumes. Relative to budget, total Operating Revenues increased by 20.3% as higher wharfage, higher rentals, and higher utility reimbursements were only partially offset by lower parking fees, lower one-time operating reimbursements, lower pilotage, and lower space assignments. In comparison to the prior fiscal year, total Operating Revenues increased by 17.8% as higher wharfage revenues and higher rentals were partially offset by lower one-time reimbursements and lower parking fees.

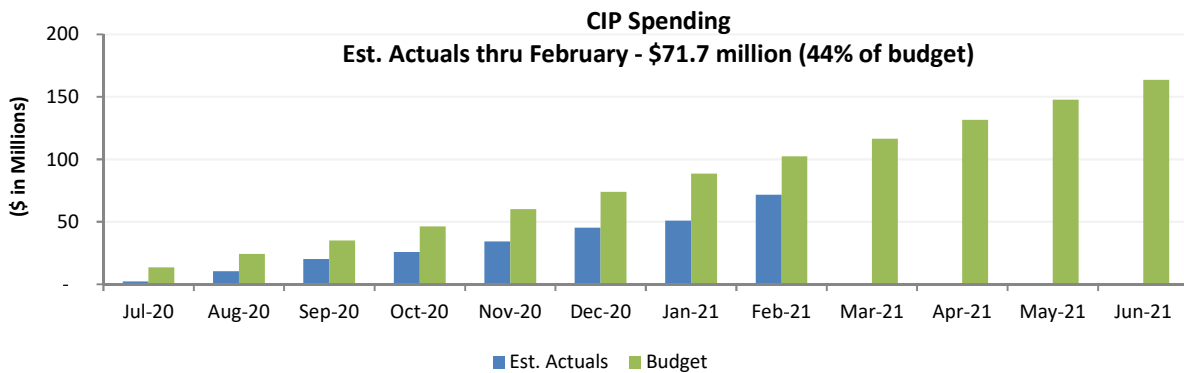
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 13.6% lower than budget but 0.7% higher relative to the prior fiscal year-to-date period. In comparison to budget, invoicing delays with respect to outside services and city services, as well as, lower average salaries and benefits per employee drove operating expenses lower. Relative to the prior fiscal year, the year-over-year increase was driven by higher salaries and benefits and higher electricity expenses which were only partially offset by lower container incentives, lower outside services, and lower promotional expenses.

Operating margin for the FYTD period through February was 56.9% versus a budget of 40.0% and a prior year figure of 49.6%.

Capital Improvement Program (CIP)

CIP spending for the eight-month period ended February 28, 2021 is estimated to have reached \$71.7 million or 44% of the total \$163.6 million CIP adopted budget. At this stage in the fiscal year, the Harbor Department currently expects to stay within the CIP adopted budget through fiscal year-end.



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

Transmittals:

1. TEU Throughput Comparison – FYTD February 2021
2. Actual-to-Budget FY 2020/21 – February
3. Year-to-Year Performance Report YTD February 28, 2021 and February 29, 2020

Author: E. Estrada

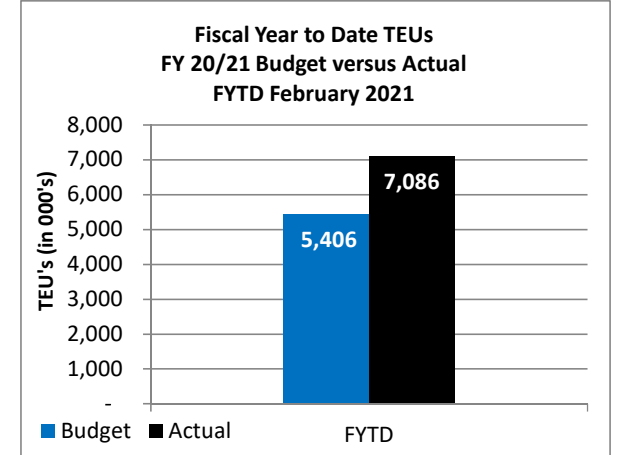
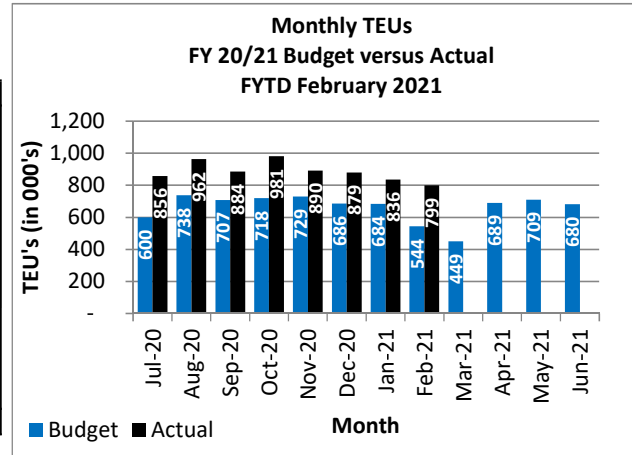
MB:JS:MM/Finance  
 cc: Deputy Executive Directors

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

TRANSMITTAL 1

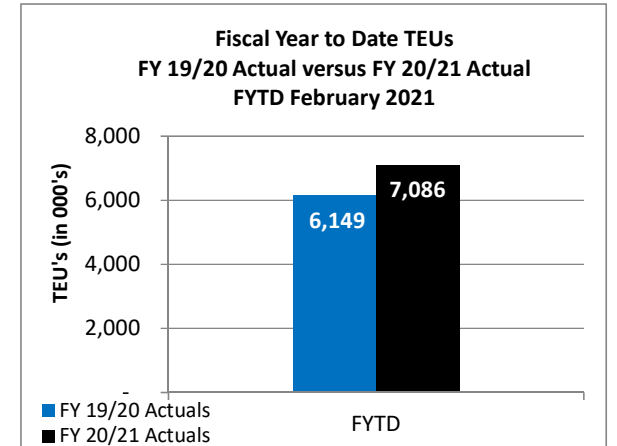
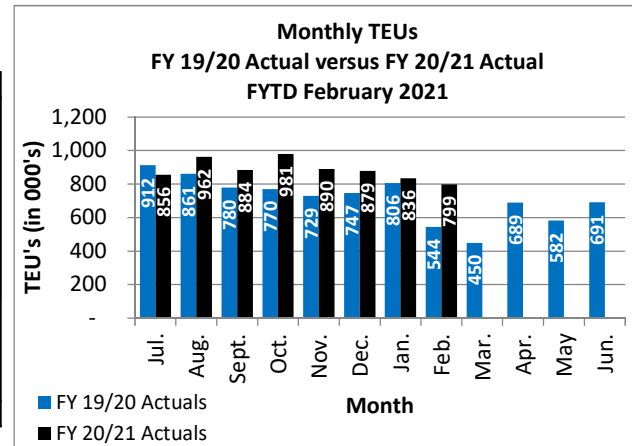
Budget versus Actuals Comparison  
FY 20/21 Budget vs. FY 20/21 Actuals

(in 000's)	TEU's			
Month	FY 20/21 Budget	FY 20/21 Actuals	% Δ	Δ
Jul-20	600	856	42.7%	↑
Aug-20	738	962	30.4%	↑
Sep-20	707	884	24.9%	↑
Oct-20	718	981	36.5%	↑
Nov-20	729	890	22.1%	↑
Dec-20	686	879	28.2%	↑
Jan-21	684	836	22.2%	↑
Feb-21	544	799	46.9%	↑
Mar-21	449			
Apr-21	689			
May-21	709			
Jun-21	680			
FYTD	5,406	7,086	31.1%	↑
FY 20/21 Budget	7,934			



Year-to-Year Actuals Comparison  
FY 19/20 Actuals vs. FY 20/21 Actuals

(in 000's)	TEU's			
Month	FY 19/20 Actuals	FY 20/21 Actuals	% Δ	Δ
Jul.	912	856	-6.1%	↓
Aug.	861	962	11.7%	↑
Sept.	780	884	13.3%	↑
Oct.	770	981	27.3%	↑
Nov.	729	890	22.1%	↑
Dec.	747	879	17.7%	↑
Jan.	806	836	3.6%	↑
Feb.	544	799	46.9%	↑
Mar.	450			
Apr.	689			
May	582			
Jun.	691			
FYTD	6,149	7,086	15.2%	↑
FY 19/20 Actuals	8,561			



\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2020/21	FY 2020/21	Comparison	
	Fiscal YTD - Feb. 2021	Fiscal YTD - Feb. 2021	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	307,128	249,134	57,994	23.3%
Rentals	55,618	50,961	4,658	9.1%
Royalties, Fees and Other Revenues	10,299	10,072	227	2.3%
Clean Truck Program Revenues	1,609	1,383	225	16.3%
<b>Total Operating Revenues</b>	<b>374,654</b>	<b>311,550</b>	<b>63,104</b>	<b>20.3%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	107,267	111,585	4,319	3.9%
Capitalization	(16,223)	(9,023)	7,200	(79.8%)
Net Salaries & Benefits	91,043	102,562	11,519	11.2%
Marketing & Public Relations	1,035	2,235	1,199	53.7%
Travel	38	329	291	88.5%
Outside Services	11,621	23,285	11,664	50.1%
Materials & Supplies	2,543	4,776	2,233	46.8%
City Services	33,443	37,992	4,549	12.0%
Allocations to Capital - Overhead		(12,197)	(12,197)	100.0%
Other Operating Expenses	21,307	27,235	5,928	21.8%
Clean Truck Program Expenses	508	808	301	37.2%
<b>Total Operating Expenses</b>	<b>161,537</b>	<b>187,024</b>	<b>25,487</b>	<b>13.6%</b>
<b>Income Before Depreciation</b>	<b>213,117</b>	<b>124,526</b>	<b>88,591</b>	<b>71.1%</b>
Provision For Depreciation	102,098	111,695	9,596	8.6%
<b>Income From Operations</b>	<b>111,019</b>	<b>12,831</b>	<b>98,187</b>	<b>765.2%</b>
Non-Operating Revenue	13,828	50,904	(37,076)	(72.8%)
Non-Operating Expenses	18,188	63,413	45,225	71.3%
<b>Net Income</b>	<b>106,659</b>	<b>322</b>	<b>106,337</b>	<b>33027.9%</b>

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2020/21	FY 2019/20	Change	
	Fiscal YTD - Feb. 2021	Fiscal YTD - Feb. 2020	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	307,128	253,379	53,749	21.2%
Rentals	55,618	50,407	5,211	10.3%
Royalties, Fees and Other Revenues	10,299	11,696	(1,397)	(11.9%)
Clean Truck Program Revenues	1,609	2,498	(889)	(35.6%)
<b>Total Operating Revenues</b>	<b>374,654</b>	<b>317,980</b>	<b>56,675</b>	<b>17.8%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	107,267	98,894	(8,373)	(8.5%)
Capitalization	(16,223)	(14,938)	1,286	(8.6%)
Net Salaries & Benefits	91,043	83,956	(7,087)	(8.4%)
Marketing & Public Relations	1,035	1,912	877	45.9%
Travel	38	496	458	92.4%
Outside Services	11,621	14,646	3,025	20.7%
Materials & Supplies	2,543	3,340	797	23.9%
City Services	33,443	33,185	(258)	(0.8%)
Other Operating Expenses	21,307	22,378	1,071	4.8%
Clean Truck Program Expenses	508	470	(38)	(8.0%)
<b>Total Operating Expenses</b>	<b>161,537</b>	<b>160,384</b>	<b>(1,154)</b>	<b>(0.7%)</b>
<b>Income Before Depreciation</b>	<b>213,117</b>	<b>157,596</b>	<b>55,521</b>	<b>35.2%</b>
Provision For Depreciation	102,098	105,074	2,976	2.8%
<b>Income From Operations</b>	<b>111,019</b>	<b>52,522</b>	<b>58,497</b>	<b>111.4%</b>
Non-Operating Revenue	13,828	24,242	(10,413)	(43.0%)
Non-Operating Expenses	18,188	27,710	9,522	34.4%
<b>Net Income</b>	<b>106,659</b>	<b>49,053</b>	<b>57,605</b>	<b>117.4%</b>