DATE:    FEBRUARY 23, 2022
TO:      BOARD OF HARBOR COMMISSIONERS
SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
         FISCAL YEAR 2021/22 ENDED JANUARY 31, 2022

Financial performance results for the first seven months of the Fiscal Year 2021/22 are
below and have been summarized relative to both budget and the prior fiscal year. For
the month of January, cargo volumes (as measured by TEUs or twenty-foot equivalent
units) increased by 3.5% relative to budget but decreased by 2.7% relative to the prior
fiscal year. In summary, performance results for the Harbor Department are as follows:

<table>
<thead>
<tr>
<th>FYTD January 2022</th>
<th>Actuals (Cargo Volumes in Thousands, $ in Millions)</th>
<th>Actual-to-Budget Comparison</th>
<th>Year-on-Year Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo Volumes</td>
<td>6,115</td>
<td>↑ 3.5%</td>
<td>↓ (2.7%)</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$354.3</td>
<td>↑ 11.8%</td>
<td>↑ 4.2%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$149.4</td>
<td>↓ (14.7%)</td>
<td>↑ 5.6%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$204.9</td>
<td>↑ 44.5%</td>
<td>↑ 3.2%</td>
</tr>
<tr>
<td>Net Income</td>
<td>$105.8</td>
<td>↑ 324.4%</td>
<td>↑ 0.3%</td>
</tr>
</tbody>
</table>

Shipping Services increased relative to budget, but decreased relative to the prior fiscal
year due to lower cargo volumes and higher accruals for year-end compensation
adjustments. Relative to budget, Operating Revenues increased by 11.8% primarily due
to higher shipping services, higher utility reimbursements, higher CTP revenues, and
higher one-time operating reimbursements. In comparison to the prior fiscal year, total
Operating Revenues increased by 4.2% due to higher utility reimbursements, higher
rentals, higher CTP revenues, and higher one-time reimbursements, which was only
partially offset by lower shipping services.
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 14.7% lower than budget primarily due to lower salaries and benefits, lower container incentives, and invoicing delays related to city services, which were only partially offset by higher electricity. Relative to the prior fiscal year, total Operating Expenses increased by 5.6% due to higher electricity, higher outside services, and higher container incentives, which were only partially offset by lower salaries and benefits.

Operating margin for the FYTD period through January was 57.8% versus a budget of 44.8% and a prior year figure of 58.4%.

Capital Improvement Program (CIP)
CIP spending for the seven-month period ended January 31, 2022 was estimated to reach $55.6 million or about 29% of the total $188.7 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.

Transmittals:
1. TEU Throughput Comparison – FYTD January 2022
2. Actual-to-Budget FY 2021/22 – January
3. Year-to-Year Performance Report YTD January 31, 2022 and 2021

Author: E. Estrada
MB:JS:MM/Finance
cc: Deputy Executive Directors
### Budget versus Actuals Comparison
FY 21/22 Budget vs. FY 21/22 Actuals

#### (in 000's) TEUs

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 21/22 Budget</th>
<th>FY 21/22 Actuals</th>
<th>% ∆</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-21</td>
<td>848</td>
<td>891</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>Aug-21</td>
<td>884</td>
<td>954</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>Sep-21</td>
<td>840</td>
<td>904</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Oct-21</td>
<td>850</td>
<td>903</td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>Nov-21</td>
<td>854</td>
<td>811</td>
<td>-5.0%</td>
<td></td>
</tr>
<tr>
<td>Dec-21</td>
<td>813</td>
<td>787</td>
<td>-3.2%</td>
<td></td>
</tr>
<tr>
<td>Jan-22</td>
<td>821</td>
<td>866</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>Feb-22</td>
<td>690</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar-22</td>
<td>721</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-22</td>
<td>771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May-22</td>
<td>810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun-22</td>
<td>798</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FYTD</td>
<td>5,910</td>
<td>6,115</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>FY 21/22 Budget</td>
<td>9,700</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

#### (in 000's) TEUs

<table>
<thead>
<tr>
<th>Month</th>
<th>FY 20/21 Actuals</th>
<th>FY 21/22 Actuals</th>
<th>% ∆</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>856</td>
<td>891</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td>962</td>
<td>954</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td>Sept</td>
<td>884</td>
<td>904</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>Oct</td>
<td>981</td>
<td>903</td>
<td>-8.0%</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>890</td>
<td>811</td>
<td>-8.8%</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>879</td>
<td>787</td>
<td>-10.5%</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>836</td>
<td>866</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>799</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>958</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>947</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>1,012</td>
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</tr>
<tr>
<td>Jun</td>
<td>876</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FYTD</td>
<td>6,287</td>
<td>6,115</td>
<td>-2.7%</td>
<td></td>
</tr>
<tr>
<td>FY 20/21 Actuals</td>
<td>10,879</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Actual-to-Budget Performance Report

### The Port of Los Angeles - Harbor Department

**FYTD January 31, 2022**

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Fiscal YTD - January 2022</th>
<th>Fiscal YTD - January 2022</th>
<th>Actual-to-Budget Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>ER</em></td>
<td>Fiscal 2021/22</td>
<td>$ in thousands</td>
<td>$ in thousands</td>
</tr>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping Services</td>
<td>276,699</td>
<td>253,650</td>
<td>23,049</td>
</tr>
<tr>
<td>Rentals</td>
<td>54,762</td>
<td>54,633</td>
<td>129</td>
</tr>
<tr>
<td>Royalties, Fees and Other Revenues</td>
<td>18,766</td>
<td>7,459</td>
<td>11,308</td>
</tr>
<tr>
<td>Clean Truck Program Revenues</td>
<td>4,092</td>
<td>1,138</td>
<td>2,954</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>354,319</td>
<td>316,880</td>
<td>37,440</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Fiscal 2021/22</th>
<th>$ in thousands</th>
<th>$ in thousands</th>
<th>$ in thousands</th>
<th>$ in thousands</th>
<th>$ in thousands</th>
<th>$ in thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Salaries &amp; Benefits</td>
<td>92,692</td>
<td>101,779</td>
<td>9,086</td>
<td>8.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalization</td>
<td>(15,642)</td>
<td>(9,265)</td>
<td>6,377</td>
<td>(68.8%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Salaries &amp; Benefits</td>
<td>77,051</td>
<td>92,514</td>
<td>15,463</td>
<td>16.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing &amp; Public Relations</td>
<td>1,196</td>
<td>1,640</td>
<td>443</td>
<td>27.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>118</td>
<td>396</td>
<td>278</td>
<td>70.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside Services</td>
<td>11,414</td>
<td>19,226</td>
<td>7,812</td>
<td>40.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>2,154</td>
<td>3,848</td>
<td>1,695</td>
<td>44.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Services</td>
<td>31,110</td>
<td>35,583</td>
<td>4,473</td>
<td>12.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allocations to Capital - Overhead</td>
<td>(11,370)</td>
<td>(11,370)</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>25,548</td>
<td>32,376</td>
<td>6,828</td>
<td>21.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Clean Truck Program Expenses | 766 | 810 | 45 | 5.5% | |
| **Total Operating Expenses** | 149,356 | 175,023 | 25,667 | 14.7% | |

<p>| Income Before Depreciation | 204,964 | 141,857 | 63,107 | 44.5% | |
| Provision For Depreciation | 78,967 | 94,233 | 15,266 | 16.2% | |
| Income From Operations | 125,997 | 47,623 | 78,374 | 164.6% | |
| Non-Operating Revenue | 14,260 | 42,423 | (28,163) | (66.4%) | |
| <strong>Non-Operating Expenses</strong> | 34,493 | 65,124 | 30,631 | 47.0% | |
| <strong>Net Income</strong> | 105,764 | 24,922 | 80,842 | 324.4% | |</p>
<table>
<thead>
<tr>
<th></th>
<th>Current Fiscal Year FY 2021/22</th>
<th>Prior Fiscal Year FY 2020/21</th>
<th>Year-over-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fiscal YTD - January 2022</td>
<td>Fiscal YTD - January 2021</td>
<td>$</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td>$ in thousands</td>
</tr>
<tr>
<td>Shipping Services</td>
<td>276,699</td>
<td>278,631</td>
<td>(1,932)</td>
</tr>
<tr>
<td>Rentals</td>
<td>54,762</td>
<td>51,603</td>
<td>3,160</td>
</tr>
<tr>
<td>Royalties, Fees and Other Revenues</td>
<td>18,766</td>
<td>8,717</td>
<td>10,049</td>
</tr>
<tr>
<td>Clean Truck Program Revenues</td>
<td>4,092</td>
<td>1,228</td>
<td>2,863</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>354,319</td>
<td>340,179</td>
<td>14,140</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td>$ in thousands</td>
</tr>
<tr>
<td>Gross Salaries &amp; Benefits</td>
<td>92,692</td>
<td>95,245</td>
<td>2,553</td>
</tr>
<tr>
<td>Capitalization</td>
<td>(15,642)</td>
<td>(14,433)</td>
<td>1,208</td>
</tr>
<tr>
<td>Net Salaries &amp; Benefits</td>
<td>77,051</td>
<td>80,812</td>
<td>3,761</td>
</tr>
<tr>
<td>Marketing &amp; Public Relations</td>
<td>1,196</td>
<td>962</td>
<td>(234)</td>
</tr>
<tr>
<td>Travel</td>
<td>118</td>
<td>39</td>
<td>(79)</td>
</tr>
<tr>
<td>Outside Services</td>
<td>11,414</td>
<td>8,627</td>
<td>(2,787)</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>2,154</td>
<td>2,392</td>
<td>238</td>
</tr>
<tr>
<td>City Services</td>
<td>31,110</td>
<td>29,798</td>
<td>(1,312)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>25,548</td>
<td>18,495</td>
<td>(7,053)</td>
</tr>
<tr>
<td>Clean Truck Program Expenses</td>
<td>766</td>
<td>355</td>
<td>(411)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>149,356</td>
<td>141,479</td>
<td>(7,877)</td>
</tr>
<tr>
<td>Income Before Depreciation</td>
<td>204,964</td>
<td>198,700</td>
<td>6,264</td>
</tr>
<tr>
<td>Provision For Depreciation</td>
<td>78,967</td>
<td>89,169</td>
<td>10,201</td>
</tr>
<tr>
<td>Income From Operations</td>
<td>125,997</td>
<td>109,531</td>
<td>16,465</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>14,260</td>
<td>12,121</td>
<td>2,139</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>34,493</td>
<td>16,255</td>
<td>(18,238)</td>
</tr>
<tr>
<td>Net Income</td>
<td>105,764</td>
<td>105,398</td>
<td>366</td>
</tr>
</tbody>
</table>