



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### “FOR INFORMATION ONLY”

**DATE: DECEMBER 16, 2020**

**TO: BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR  
FISCAL YEAR 2020/21 ENDED NOVEMBER 30, 2020**

Financial performance results for the first five 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 November, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 30.9% relative to budget and 12.8% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

<b>FYTD November 2020</b>	<b>Actuals</b> (Cargo Volumes in Thousands, \$ in Millions)	<b>Actual-to- Budget Comparison</b>	<b>Year-on-Year Comparison</b>
<b>Cargo Volumes</b>	4,572	↑ 30.9%	↑ 12.8%
<b>Operating Revenues</b>	\$253.5	↑ 29.3%	↑ 23.1%
<b>Operating Expenses</b>	\$100.4	↓ (14.2%)	↓ (1.0%)
<b>Operating Income</b>	\$153.1	↑ 93.5%	↑ 46.4%
<b>Net Income</b>	\$88.0	↑ 5,409.2%	↑ 159.4%

Shipping Services revenue increased relative to both budget and the prior fiscal year primarily due to higher volumes. Relative to budget, total Operating Revenues increased by 29.3% as higher wharfage and higher rentals were only partially offset by lower space assignments, lower one-time operating reimbursements, and lower pilotage fees. In comparison to the prior fiscal year, total Operating Revenues increased by 23.1% as higher wharfage revenues and higher rentals were partially offset by lower one-time reimbursements, lower annual Clean Truck Program fees, lower space assignments, and higher credits for tenant services.

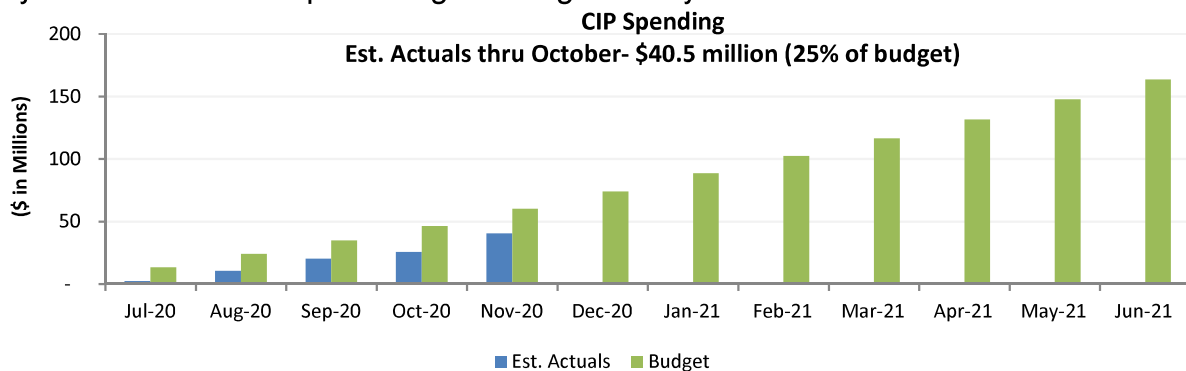
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 14.2% lower than budget primarily due to invoicing delays with respect to outside services and materials and supplies, as well as, lower average salaries and benefits per employee and lower city services. Relative to the prior fiscal year, total Operating Expenses decreased by 1.0% primarily due to lower container incentives and lower outside services, which were only partially offset by higher salaries and benefits.

Operating margin for the FYTD period through November was 60.4% versus a budget of 40.4% and a prior year figure of 50.8%.

Capital Improvement Program (CIP)

CIP spending for the five-month period ended November 30, 2020 is estimated to have reached \$40.5 million or about 25% 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 November 2020
2. Actual-to-Budget FY 2020/21 – November
3. Year-to-Year Performance Report YTD November 30, 2020 and 2019

Author: E. Estrada

MB:JS:MM/Finance

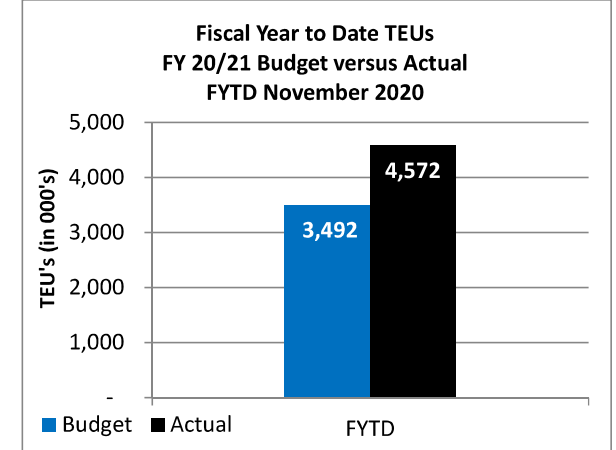
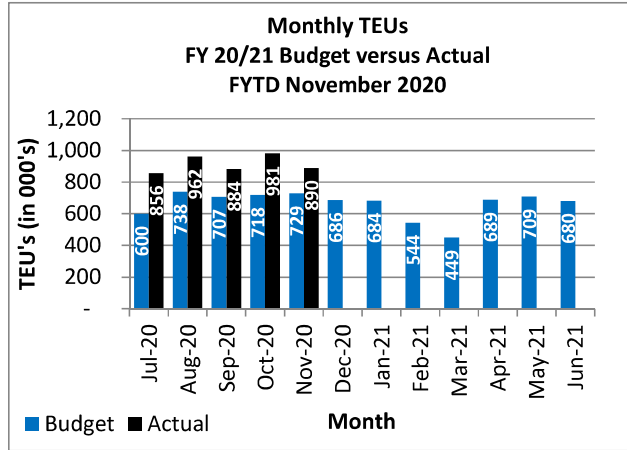
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES  
TEU THROUGHPUT COMPARISON - FYTD NOVEMBER 2020

TRANSMITTAL 1

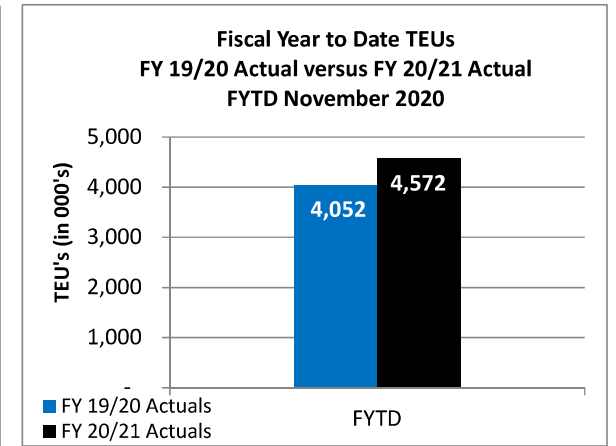
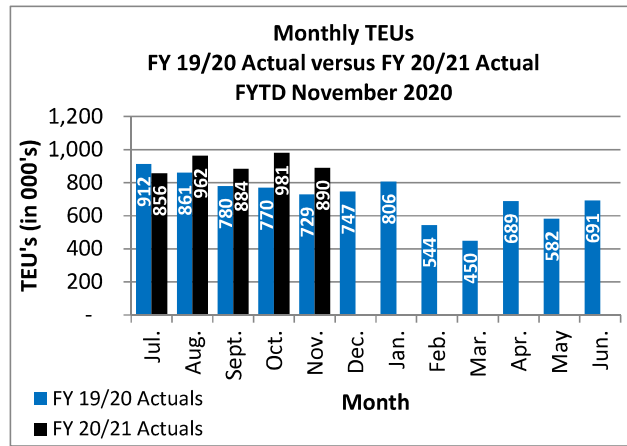
Budget versus Actuals Comparison  
FY 20/21 Budget vs. FY 20/21 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 20/21 Budget	FY 20/21 Actuals		
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			
Jan-21	684			
Feb-21	544			
Mar-21	449			
Apr-21	689			
May-21	709			
Jun-21	680			
FYTD	3,492	4,572	30.9%	↑
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		% Δ	Δ
Month	FY 19/20 Actuals	FY 20/21 Actuals		
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			
Jan.	806			
Feb.	544			
Mar.	450			
Apr.	689			
May	582			
Jun.	691			
FYTD	4,052	4,572	12.8%	↑
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 - Nov. 2020	Fiscal YTD - Nov. 2020	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	212,442	158,438	54,004	34.1%
Rentals	35,013	30,981	4,032	13.0%
Royalties, Fees and Other Revenues	5,124	5,874	(750)	(12.8%)
Clean Truck Program Revenues	956	865	92	10.6%
<b>Total Operating Revenues</b>	<b>253,535</b>	<b>196,157</b>	<b>57,377</b>	<b>29.3%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	69,188	70,129	942	1.3%
Capitalization	(10,556)	(5,640)	4,917	(87.2%)
Net Salaries & Benefits	58,632	64,490	5,858	9.1%
Marketing & Public Relations	888	1,685	797	47.3%
Travel	28	135	107	79.4%
Outside Services	5,439	14,851	9,412	63.4%
Materials & Supplies	1,561	2,967	1,406	47.4%
City Services	20,710	23,752	3,042	12.8%
Allocations to Capital - Overhead		(7,623)	(7,623)	100.0%
Other Operating Expenses	12,887	16,187	3,301	20.4%
Clean Truck Program Expenses	251	556	305	54.9%
<b>Total Operating Expenses</b>	<b>100,395</b>	<b>117,001</b>	<b>16,605</b>	<b>14.2%</b>
<b>Income Before Depreciation</b>	<b>153,139</b>	<b>79,157</b>	<b>73,983</b>	<b>93.5%</b>
Provision For Depreciation	63,796	69,809	6,013	8.6%
<b>Income From Operations</b>	<b>89,343</b>	<b>9,348</b>	<b>79,995</b>	<b>855.8%</b>
Non-Operating Revenue	9,513	31,684	(22,171)	(70.0%)
Non-Operating Expenses	10,841	39,434	28,593	72.5%
<b>Net Income</b>	<b>88,014</b>	<b>1,598</b>	<b>86,417</b>	<b>5409.2%</b>

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2020/21	FY 2019/20	Change	
	Fiscal YTD - Nov. 2020	Fiscal YTD - Nov. 2019	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	212,442	164,952	47,490	28.8%
Rentals	35,013	32,868	2,146	6.5%
Royalties, Fees and Other Revenues	5,124	6,410	(1,287)	(20.1%)
Clean Truck Program Revenues	956	1,753	(796)	(45.4%)
<b>Total Operating Revenues</b>	<b>253,535</b>	<b>205,983</b>	<b>47,552</b>	<b>23.1%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	69,188	60,960	(8,228)	(13.5%)
Capitalization	(10,556)	(9,004)	1,553	(17.2%)
Net Salaries & Benefits	58,632	51,956	(6,675)	(12.8%)
Marketing & Public Relations	888	1,388	499	36.0%
Travel	28	401	373	93.1%
Outside Services	5,439	9,075	3,636	40.1%
Materials & Supplies	1,561	1,931	370	19.2%
City Services	20,710	20,004	(706)	(3.5%)
Other Operating Expenses	12,887	16,370	3,483	21.3%
Clean Truck Program Expenses	251	279	28	10.1%
<b>Total Operating Expenses</b>	<b>100,395</b>	<b>101,404</b>	<b>1,008</b>	<b>1.0%</b>
<b>Income Before Depreciation</b>	<b>153,139</b>	<b>104,579</b>	<b>48,560</b>	<b>46.4%</b>
Provision For Depreciation	63,796	66,084	2,288	3.5%
<b>Income From Operations</b>	<b>89,343</b>	<b>38,495</b>	<b>50,848</b>	<b>132.1%</b>
Non-Operating Revenue	9,513	17,463	(7,951)	(45.5%)
Non-Operating Expenses	10,841	22,034	11,192	50.8%
<b>Net Income</b>	<b>88,014</b>	<b>33,925</b>	<b>54,089</b>	<b>159.4%</b>