











“FOR INFORMATION ONLY”

DATE: JUNE 21, 2023

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2022/23 ENDED MAY 31, 2023**

Financial performance results for the first eleven months of the Fiscal Year 2022/23 are below and have been summarized relative to both budget and the prior fiscal year. For the month of May, cargo volumes (as measured by TEUs or twenty-foot equivalent units) decreased by 13.8% relative to budget and 20.3% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD May 2023	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	7,802	 (13.8%)	 (20.3%)
Operating Revenues	\$564.7	 (2.3%)	 (3.4%)
Operating Expenses	\$246.8	 (18.0%)	 4.1%
Operating Income	\$317.9	 14.6%	 (8.5%)
Net Income	\$202.5	 148.2%	 4.3%

Shipping Services decreased as the Port of Los Angeles continues to experience soft container volumes. Relative to budget, Operating Revenues decreased by 2.3% as lower wharfage, delays in recording Clean Truck Fund Rate collections and lower one-time operating reimbursements were only partially offset by higher space assignment rates, higher rental revenue, and other favorable activities. In comparison to the prior fiscal year, total Operating Revenues decreased by 3.4% due to lower wharfage revenues and other unfavorable activities which were partially offset by the Clean Truck Fund Rate collections and higher rental revenue.

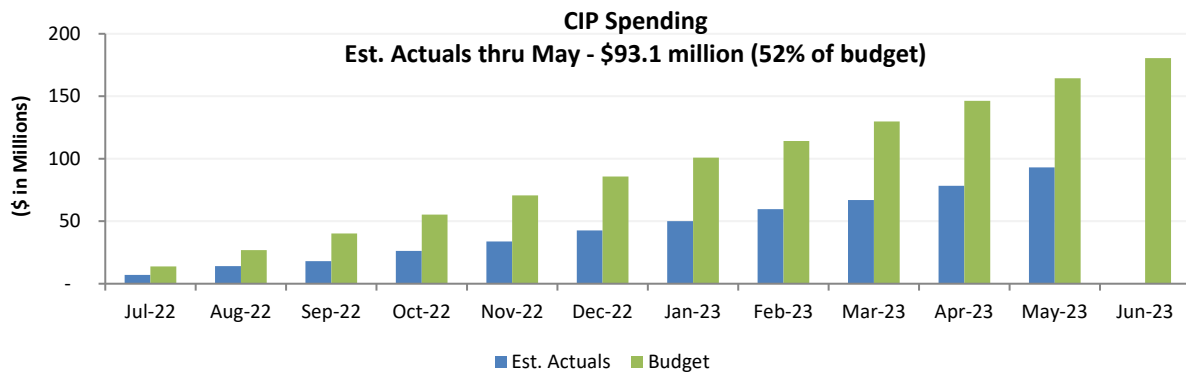
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 18.0% lower than budget primarily due to lower salaries and benefits expenses, delayed Clean Truck Fund Rate subsidies, and invoicing delays related to city and outside services expenses. Relative to the prior fiscal year, total Operating Expenses increased by 4.1% due to higher outside services, higher city services, higher Clean Truck Fund Rate subsidies, higher container incentives, and higher other unfavorable variances which were partially offset by lower electricity costs.

Operating Margin through the month of May was 56.3% versus a budget of 48.0% and a prior year-to-date figure of 59.4%.

Capital Improvement Program (CIP)

CIP spending for the eleven-month period ended May 31, 2023, was estimated to reach \$93.1 million or about 52% of the total \$180.5 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

MARLA BLEAVINS

Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD May 2023
2. Actual-to-Budget FY 2022/23 – May
3. Year-to-Year Performance Report YTD May 31, 2023 and 2022

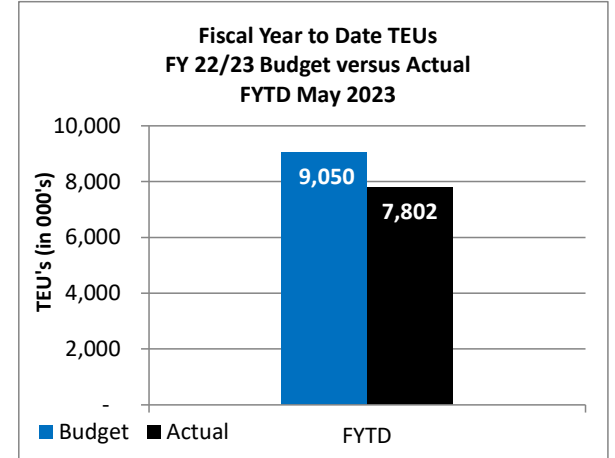
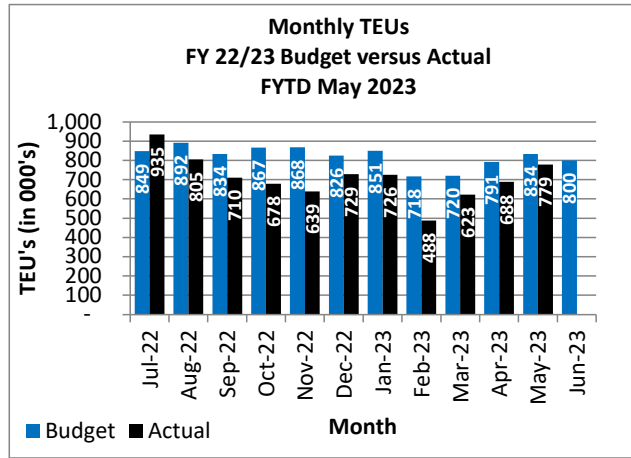
Author: E. Wang
 MB:JS:MM/Finance
 cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES
TEU THROUGHPUT COMPARISON - FYTD MAY 2023

TRANSMITTAL 1

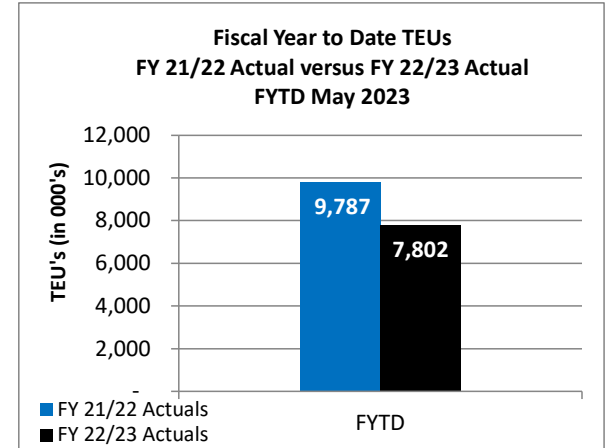
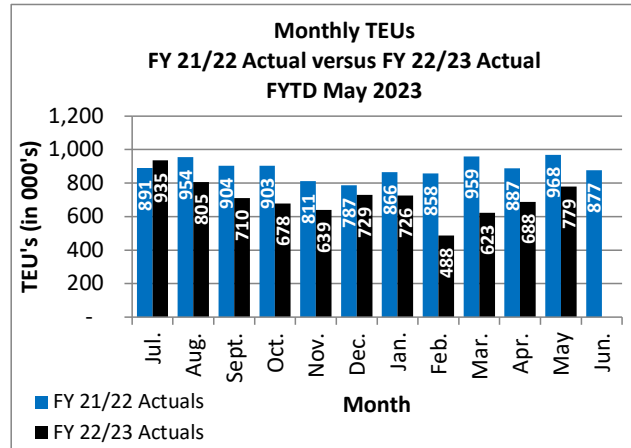
Budget versus Actuals Comparison
FY 22/23 Budget vs. FY 22/23 Actuals

(in 000's)	TEU's			Δ
	Month	FY 22/23 Budget	FY 22/23 Actuals	
Jul-22	849	935	10.2%	↑
Aug-22	892	805	-9.7%	↓
Sep-22	834	710	-14.9%	↓
Oct-22	867	678	-21.7%	↓
Nov-22	868	639	-26.3%	↓
Dec-22	826	729	-11.8%	↓
Jan-23	851	726	-14.6%	↓
Feb-23	718	488	-32.0%	↓
Mar-23	720	623	-13.4%	↓
Apr-23	791	688	-13.0%	↓
May-23	834	779	-6.6%	↓
Jun-23	800			
FYTD	9,050	7,802	-13.8%	↓
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
	Month	FY 21/22 Actuals	FY 22/23 Actuals	
Jul.	891	935	5.0%	↑
Aug.	954	805	-15.6%	↓
Sept.	904	710	-21.5%	↓
Oct.	903	678	-24.8%	↓
Nov.	811	639	-21.2%	↓
Dec.	787	729	-7.3%	↓
Jan.	866	726	-16.1%	↓
Feb.	858	488	-43.1%	↓
Mar.	959	623	-35.0%	↓
Apr.	887	688	-22.5%	↓
May	968	779	-19.5%	↓
Jun.	877			
FYTD	9,787	7,802	-20.3%	↓
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 - May 2023	Fiscal YTD - May 2023	\$	%
Operating Revenues				
Shipping Services	394,924	402,077	(7,152)	(1.8%)
Rentals	97,795	88,889	8,906	10.0%
Royalties, Fees and Other Revenues	38,160	43,588	(5,428)	(12.5%)
Clean Truck Program Revenues	33,869	43,724	(9,855)	(22.5%)
Total Operating Revenues	564,748	578,278	(13,530)	(2.3%)
Operating Expenses				
Gross Salaries & Benefits	144,646	162,957	18,310	11.2%
Capitalization	(25,870)	(15,401)	10,469	(68.0%)
Net Salaries & Benefits	118,776	147,555	28,779	19.5%
Marketing & Public Relations	2,439	3,123	684	21.9%
Travel	582	966	384	39.8%
Outside Services	26,883	38,401	11,519	30.0%
Materials & Supplies	5,362	5,670	308	5.4%
City Services	48,440	55,952	7,512	13.4%
Allocations to Capital - Overhead		(17,853)	(17,853)	100.0%
Other Operating Expenses	40,120	55,861	15,741	28.2%
Clean Truck Program Expenses	4,217	11,249	7,032	62.5%
Total Operating Expenses	246,819	300,924	54,105	18.0%
Income Before Depreciation	317,929	277,354	40,575	14.6%
Provision For Depreciation	149,437	146,895	(2,542)	(1.7%)
Income From Operations	168,492	130,459	38,034	29.2%
Non-Operating Revenue	57,657	50,022	7,635	15.3%
Non-Operating Expenses	23,636	98,904	75,267	76.1%
Net Income	202,512	81,577	120,936	148.2%

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year Change	
	FY 2022/23	FY 2021/22	(Unfavorable)/Favorable	
	Fiscal YTD - May 2023	Fiscal YTD - May 2022	\$	%
Operating Revenues				
Shipping Services	394,924	458,262	(63,337)	(13.8%)
Rentals	97,795	84,564	13,231	15.6%
Royalties, Fees and Other Revenues	38,160	36,216	1,945	5.4%
Clean Truck Program Revenues	33,869	5,478	28,391	518.3%
Total Operating Revenues	564,748	584,519	(19,770)	(3.4%)
Operating Expenses				
Gross Salaries & Benefits	144,646	146,583	1,937	1.3%
Capitalization	(25,870)	(24,575)	1,296	(5.3%)
Net Salaries & Benefits	118,776	122,009	3,233	2.6%
Marketing & Public Relations	2,439	1,849	(590)	(31.9%)
Travel	582	257	(324)	(125.9%)
Outside Services	26,883	21,624	(5,259)	(24.3%)
Materials & Supplies	5,362	4,432	(931)	(21.0%)
City Services	48,440	45,170	(3,271)	(7.2%)
Other Operating Expenses	40,120	39,917	(203)	(0.5%)
Clean Truck Program Expenses	4,217	1,845	(2,372)	(128.6%)
Total Operating Expenses	246,819	237,102	(9,717)	(4.1%)
Income Before Depreciation	317,929	347,416	(29,487)	(8.5%)
Provision For Depreciation	149,437	132,588	(16,849)	(12.7%)
Income From Operations	168,492	214,829	(46,337)	(21.6%)
Non-Operating Revenue	57,657	20,501	37,156	181.2%
Non-Operating Expenses	23,636	41,075	17,438	42.5%
Net Income	202,512	194,255	8,257	4.3%