



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### “FOR INFORMATION ONLY”

**DATE: MAY 17, 2022**

**TO: BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR  
FISCAL YEAR 2021/22 ENDED APRIL 30, 2022**

Financial performance results for the first ten months of the Fiscal Year 2021/22 are below and have been summarized relative to both budget and the prior fiscal year. Through the month of April, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 9.0% relative to budget but decreased by 1.9% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

<b>FYTD April 2022</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>	8,819	↑ 9.0%	↓ (1.9%)
<b>Operating Revenues</b>	\$527.0	↑ 19.0%	↑ 10.2%
<b>Operating Expenses</b>	\$214.7	↓ (17.6%)	↑ 5.0%
<b>Operating Income</b>	\$312.3	↑ 71.2%	↑ 14.1%
<b>Net Income</b>	\$172.0	↑ 673.9%	↑ 22.4%

Shipping Services increased relative to budget and prior fiscal year primarily because of higher wharfage and higher space assignments. Operating Revenues increased by 19.0% compared to budget and 10.2% relative to the prior year primarily due to higher shipping services, higher utility reimbursements, higher CTP revenues, higher rentals, higher one-time operating reimbursements, and other favorable variances.

Operating Expenses were 17.6% lower than budget primarily due to lower salaries and benefits, lower electricity, and invoicing delays related to outside services and city services, which were only partially offset by higher CTP administrative expenses and other unfavorable variances. Relative to the prior fiscal year, total Operating Expenses

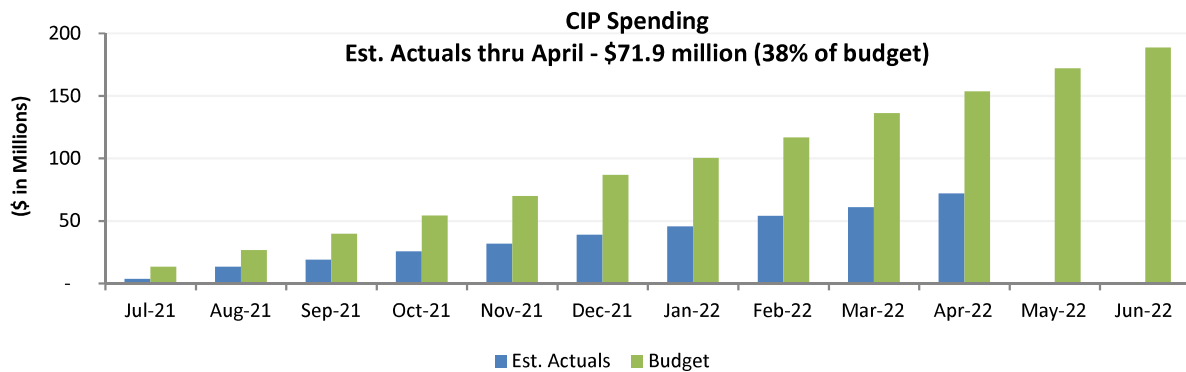
**SUBJECT: FINANCIAL PERFORMANCE RESULTS**

increased by 5.0% as higher electricity, higher container incentives, higher outside services, higher CTP expenses, and higher insurance were only partially offset by higher overhead allocations.

Operating margin for the FYTD period through April was 59.3% versus a budget of 41.2% and a prior year figure of 57.2%.

**Capital Improvement Program (CIP)**

CIP spending for the ten-month period ended April 30, 2022 was estimated to reach \$71.9 million or about 38% 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.



*Marla Bleavins*

Marla Bleavins  
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 cn=Marla Bleavins,  
 email=MBleavins@portia.org  
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**MARLA BLEAVINS**  
 Deputy Executive Director & Chief Financial Officer

**Transmittals:**

1. TEU Throughput Comparison – FYTD April 2022
2. Actual-to-Budget FY 2021/22 – April
3. Year-to-Year Performance Report YTD April 30, 2022 and 2021

Author: E. Estrada

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



\$ in thousands	Fiscal Year Actual FY 2021/22	Fiscal Year Budget FY 2021/22	Actual-to-Budget Comparison	
	Fiscal YTD - April 2022	Fiscal YTD - April 2022	(Unfavorable)/Favorable \$	%
<b>Operating Revenues</b>				
Shipping Services	412,830	356,014	56,816	16.0%
Rentals	78,356	75,231	3,126	4.2%
Royalties, Fees and Other Revenues	30,637	10,050	20,586	204.8%
Clean Truck Program Revenues	5,142	1,625	3,517	216.4%
<b>Total Operating Revenues</b>	<b>526,965</b>	<b>442,920</b>	<b>84,045</b>	<b>19.0%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	134,324	148,557	14,233	9.6%
Capitalization	(22,751)	(13,236)	9,516	(71.9%)
Net Salaries & Benefits	111,573	135,321	23,749	17.5%
Marketing & Public Relations	1,475	2,293	817	35.7%
Travel	201	389	188	48.4%
Outside Services	17,728	27,838	10,110	36.3%
Materials & Supplies	3,827.36	6,210	2,382	38.4%
City Services	41,701	48,334	6,633	13.7%
Allocations to Capital - Overhead		(16,243)	(16,243)	100.0%
Other Operating Expenses	36,583	55,253	18,670	33.8%
Clean Truck Program Expenses	1,582	1,122	(460)	(41.0%)
<b>Total Operating Expenses</b>	<b>214,671</b>	<b>260,517</b>	<b>45,846</b>	<b>17.6%</b>
<b>Income Before Depreciation</b>	<b>312,294</b>	<b>182,404</b>	<b>129,891</b>	<b>71.2%</b>
Provision For Depreciation	119,701	134,619	14,918	11.1%
<b>Income From Operations</b>	<b>192,593</b>	<b>47,784</b>	<b>144,809</b>	<b>303.0%</b>
Non-Operating Revenue	18,861	60,604	(41,743)	(68.9%)
Non-Operating Expenses	39,416	86,158	46,743	54.3%
<b>Net Income</b>	<b>172,039</b>	<b>22,230</b>	<b>149,809</b>	<b>673.9%</b>

\$ in thousands	Current Fiscal Year		Prior Fiscal Year		Year-over-Year Change	
	FY 2021/22		FY 2020/21		(Unfavorable)/Favorable	
	Fiscal YTD - April 2022	Fiscal YTD - April 2021	\$	%		
<b>Operating Revenues</b>						
Shipping Services	412,830	391,542	21,288	5.4%		
Rentals	78,356	70,630	7,726	10.9%		
Royalties, Fees and Other Revenues	30,637	14,105	16,531	117.2%		
Clean Truck Program Revenues	5,142	1,998	3,144	157.3%		
<b>Total Operating Revenues</b>	<b>526,965</b>	<b>478,276</b>	<b>48,690</b>	<b>10.2%</b>		
<b>Operating Expenses</b>						
Gross Salaries & Benefits	134,324	134,691	367	0.3%		
Capitalization	(22,751)	(21,330)	1,421	(6.7%)		
Net Salaries & Benefits	111,573	113,361	1,788	1.6%		
Marketing & Public Relations	1,475	1,148	(328)	(28.6%)		
Travel	201	68	(132)	(194.1%)		
Outside Services	17,728	15,751	(1,977)	(12.6%)		
Materials & Supplies	3,827	3,457	(371)	(10.7%)		
City Services	41,701	41,383	(318)	(0.8%)		
Other Operating Expenses	36,583	28,715	(7,868)	(27.4%)		
Clean Truck Program Expenses	1,582	663	(919)	(138.5%)		
<b>Total Operating Expenses</b>	<b>214,671</b>	<b>204,546</b>	<b>(10,125)</b>	<b>(4.9%)</b>		
<b>Income Before Depreciation</b>	<b>312,294</b>	<b>273,730</b>	<b>38,565</b>	<b>14.1%</b>		
Provision For Depreciation	119,701	128,224	8,523	6.6%		
<b>Income From Operations</b>	<b>192,593</b>	<b>145,506</b>	<b>47,088</b>	<b>32.4%</b>		
Non-Operating Revenue	18,861	17,478	1,383	7.9%		
Non-Operating Expenses	39,416	22,453	(16,963)	(75.5%)		
<b>Net Income</b>	<b>172,039</b>	<b>140,530</b>	<b>31,509</b>	<b>22.4%</b>		