



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: MARCH 15, 2022

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2021/22 ENDED FEBRUARY 28, 2022**

Financial performance results for the first eight 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 February, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 5.7% relative to budget but decreased by 1.6% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD February 2022	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	6,973	↑ 5.7%	↓ (1.6%)
Operating Revenues	\$405.7	↑ 14.3%	↑ 8.3%
Operating Expenses	\$171.2	↓ (16.6%)	↑ 5.9%
Operating Income	\$234.5	↑ 56.4%	↑ 10.1%
Net Income	\$120.0	↑ 635.8%	↑ 12.6%

Shipping Services increased relative to budget and prior fiscal year primarily because of higher wharfage and higher space assignments. Relative to budget, Operating Revenues increased by 14.3% 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 8.3% due to higher shipping services, higher utility reimbursements, higher rentals, higher CTP revenues, and higher one-time reimbursements.

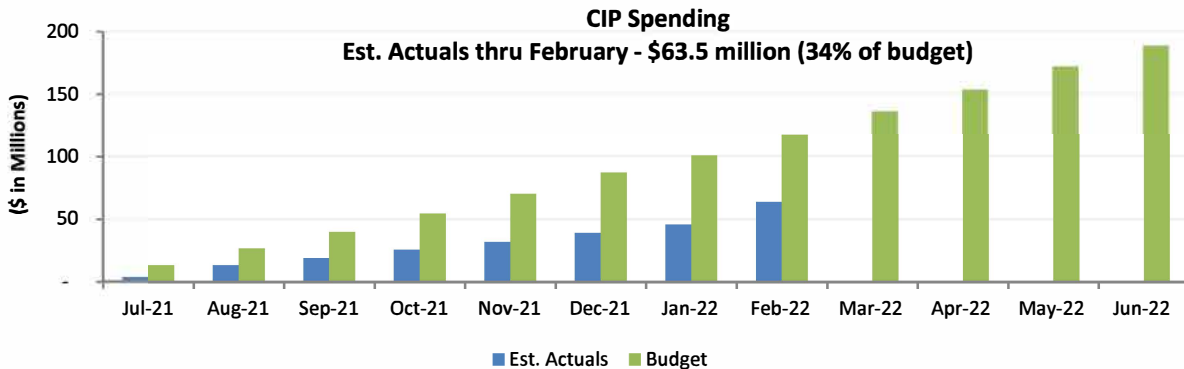
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 16.6% lower than budget primarily due to lower salaries and benefits as well as invoicing delays related to outside services and city services. Relative to the prior fiscal year, total Operating Expenses increased by 5.9% due to higher electricity costs.

Operating margin for the FYTD period through February was 57.8% versus a budget of 42.2% and a prior year figure of 56.9%.

Capital Improvement Program (CIP)

CIP spending for the eight-month period ended February 28, 2022 was estimated to reach \$63.5 million or about 34% 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

Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD February 2022
2. Actual-to-Budget FY 2021/22 – February
3. Year-to-Year Performance Report YTD February 28, 2022 and 2021

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MB:JS:MM/Finance

cc: Deputy Executive Directors