



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.

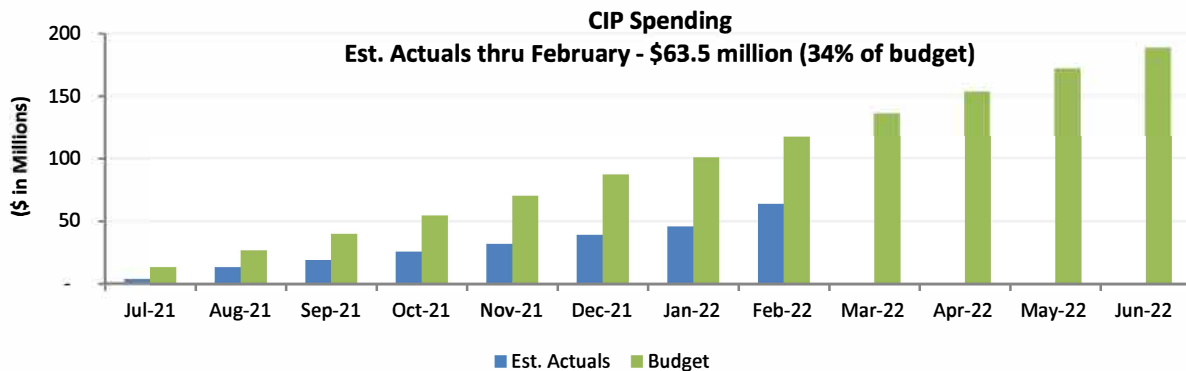
SUBJECT: FINANCIAL PERFORMANCE RESULTS

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

Author: E. Estrada

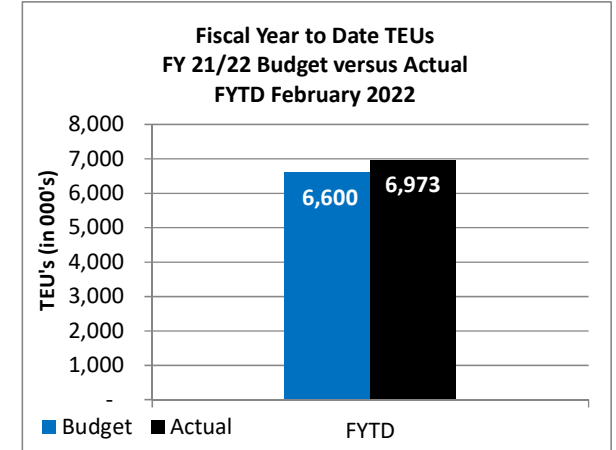
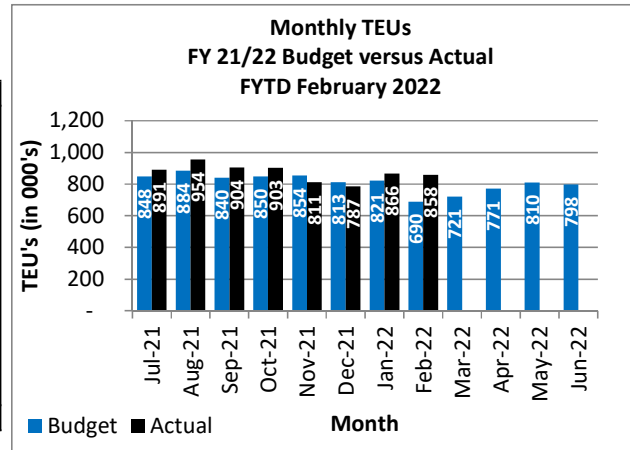
MB:JS:MM/Finance

cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES
TEU THROUGHPUT COMPARISON - FYTD FEBRUARY 2022

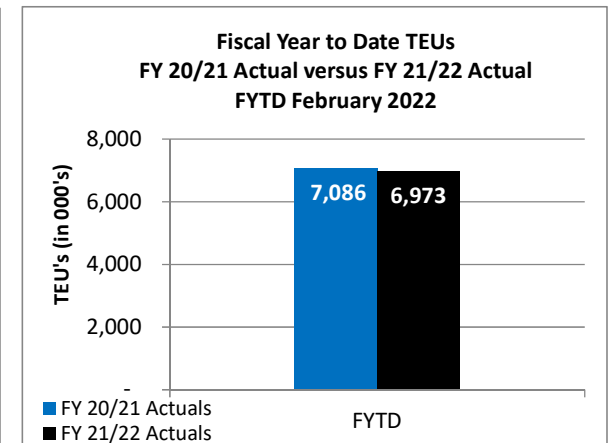
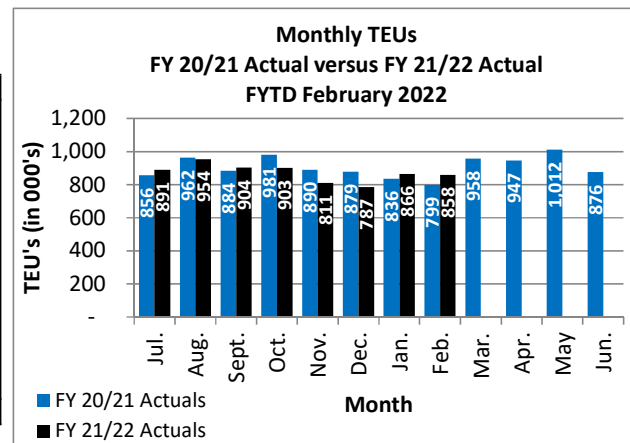
Budget versus Actuals Comparison
FY 21/22 Budget vs. FY 21/22 Actuals

(in 000's)	TEU's		% Δ	Δ
Month	FY 21/22 Budget	FY 21/22 Actuals		
Jul-21	848	891	5.0%	↑
Aug-21	884	954	8.0%	↑
Sep-21	840	904	7.6%	↑
Oct-21	850	903	6.2%	↑
Nov-21	854	811	-5.0%	↓
Dec-21	813	787	-3.2%	↓
Jan-22	821	866	5.5%	↑
Feb-22	690	858	24.3%	↑
Mar-22	721			
Apr-22	771			
May-22	810			
Jun-22	798			
FYTD	6,600	6,973	5.7%	↑
FY 21/22 Budget	9,700			



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

(in 000's)	TEU's		% Δ	Δ
Month	FY 20/21 Actuals	FY 21/22 Actuals		
Jul.	856	891	4.0%	↑
Aug.	962	954	-0.8%	↓
Sept.	884	904	2.3%	↑
Oct.	981	903	-8.0%	↓
Nov.	890	811	-8.8%	↓
Dec.	879	787	-10.5%	↓
Jan.	836	866	3.6%	↑
Feb.	799	858	7.3%	↑
Mar.	958			
Apr.	947			
May	1,012			
Jun.	876			
FYTD	7,086	6,973	-1.6%	↓
FY 20/21 Actuals	10,879			



\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2021/22	FY 2021/22	Comparison	
	Fiscal YTD - February 2022	Fiscal YTD - February 2022	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	320,892	286,084	34,807	12.2%
Rentals	58,948	59,371	(423)	(0.7%)
Royalties, Fees and Other Revenues	21,393	8,307	13,086	157.5%
Clean Truck Program Revenues	4,435	1,300	3,135	241.2%
Total Operating Revenues	405,668	355,063	50,605	14.3%
Operating Expenses				
Gross Salaries & Benefits	105,852	116,092	10,240	8.8%
Capitalization	(18,275)	(10,588)	7,687	(72.6%)
Net Salaries & Benefits	87,577	105,504	17,927	17.0%
Marketing & Public Relations	1,366	1,884	518	27.5%
Travel	133	463	330	71.4%
Outside Services	13,300	22,432	9,132	40.7%
Materials & Supplies	2,437	4,381	1,944	44.4%
City Services	33,968	40,635	6,667	16.4%
Allocations to Capital - Overhead		(12,994)	(12,994)	100.0%
Other Operating Expenses	31,418	41,979	10,561	25.2%
Clean Truck Program Expenses	1,005	909	(96)	(10.6%)
Total Operating Expenses	171,203	205,192	33,989	16.6%
Income Before Depreciation	234,465	149,871	84,594	56.4%
Provision For Depreciation	93,934	107,695	13,761	12.8%
Income From Operations	140,530	42,175	98,355	233.2%
Non-Operating Revenue	15,648	48,483	(32,836)	(67.7%)
Non-Operating Expenses	36,220	74,355	38,135	51.3%
Net Income	119,958	16,303	103,655	635.8%

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year Change	
	FY 2021/22	FY 2020/21	(Unfavorable)/Favorable	
	Fiscal YTD - February 2022	Fiscal YTD - February 2021	\$	%
Operating Revenues				
Shipping Services	320,892	307,128	13,764	4.5%
Rentals	58,948	55,618	3,329	6.0%
Royalties, Fees and Other Revenues	21,393	10,299	11,094	107.7%
Clean Truck Program Revenues	4,435	1,609	2,827	175.7%
Total Operating Revenues	405,668	374,654	31,013	8.3%
Operating Expenses				
Gross Salaries & Benefits	105,852	107,267	1,415	1.3%
Capitalization	(18,275)	(16,223)	2,052	(12.6%)
Net Salaries & Benefits	87,577	91,043	3,467	3.8%
Marketing & Public Relations	1,366	1,035	(331)	(32.0%)
Travel	133	38	(95)	(250.6%)
Outside Services	13,300	11,621	(1,679)	(14.4%)
Materials & Supplies	2,437	2,643	205	7.8%
City Services	33,968	33,443	(525)	(1.6%)
Other Operating Expenses	31,418	21,307	(10,111)	(47.5%)
Clean Truck Program Expenses	1,005	508	(497)	(97.9%)
Total Operating Expenses	171,203	161,638	(9,566)	(5.9%)
Income Before Depreciation	234,465	213,017	21,448	10.1%
Provision For Depreciation	93,934	102,098	8,164	8.0%
Income From Operations	140,530	110,918	29,612	26.7%
Non-Operating Revenue	15,648	13,828	1,819	13.2%
Non-Operating Expenses	36,220	18,188	(18,031)	(99.1%)
Net Income	119,958	106,558	13,400	12.6%