



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: FEBRUARY 17, 2021

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2020/21 ENDED JANUARY 31, 2021**

Financial performance results for the first seven 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 January, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 29.3% relative to budget and 12.2% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD January 2021	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	6,287	↑ 29.3%	↑ 12.2%
Operating Revenues	\$340.2	↑ 21.3%	↑ 16.9%
Operating Expenses	\$141.4	↓ (12.1%)	↓ (1.2%)
Operating Income	\$198.8	↑ 66.3%	↑ 34.5%
Net Income	\$105.5	↑ 845.6%	↑ 99.2%

Shipping Services revenue increased relative to both budget and the prior fiscal year primarily due to higher cargo volumes. Relative to budget, total Operating Revenues increased by 21.3% as higher wharfage and higher rentals were only partially offset by lower parking fees. In comparison to the prior fiscal year, total Operating Revenues increased by 16.9% as higher wharfage revenues and higher rentals were partially offset by lower one-time reimbursements, lower parking fees, and lower CTP annual truck fees.

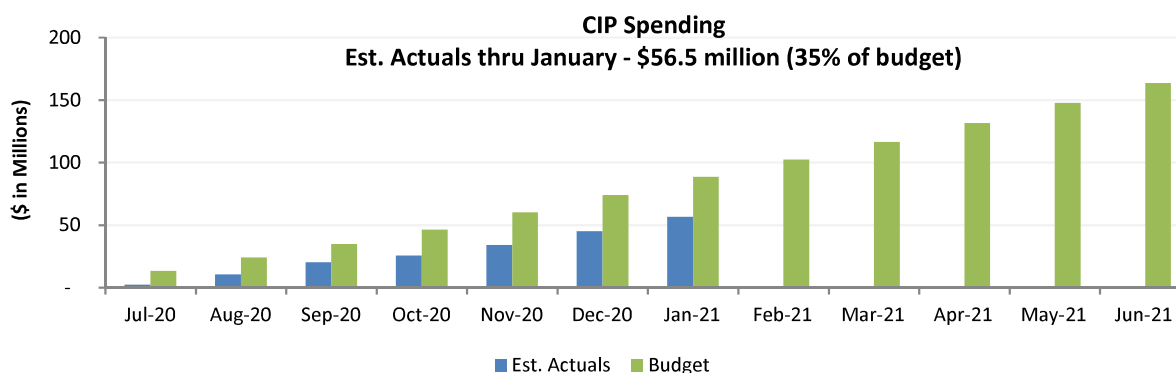
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 12.1% lower than budget and 1.2% lower relative to the prior fiscal year-to-date period. In comparison to budget, invoicing delays with respect to outside services as well as lower average salaries and benefits per employee drove operating expenses lower. Relative to the prior fiscal year, the decrease in operating expenses was primarily driven by lower outside services and lower container incentives which were offset by higher salaries and benefits and higher electricity expenses.

Operating margin for the FYTD period through January was 58.4% versus a budget of 42.6% and a prior year figure of 50.8%.

Capital Improvement Program (CIP)

CIP spending for the seven-month period ended January 31, 2021 is estimated to have reached \$56.5 million or 35% 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 January 2021
2. Actual-to-Budget FY 2020/21 – January
3. Year-to-Year Performance Report YTD January 31, 2021 and 2020

Author: E. Estrada

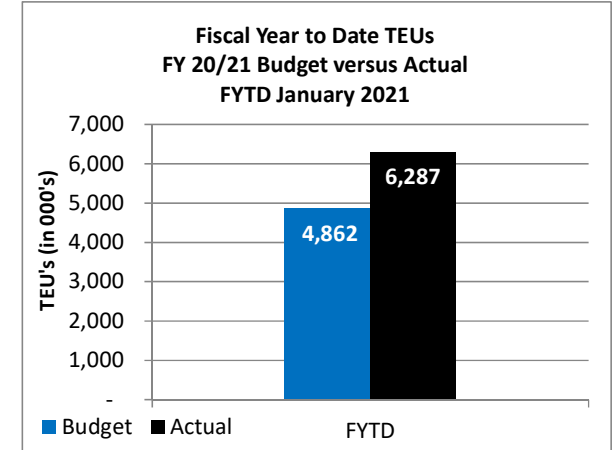
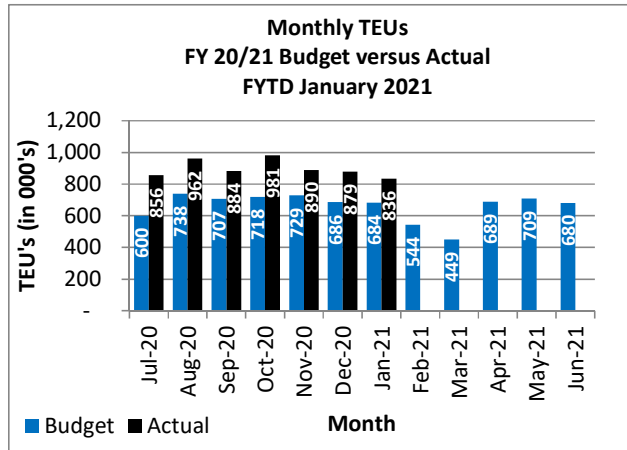
MB:JS:MM/Finance
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES
TEU THROUGHPUT COMPARISON - FYTD JANUARY 2021

TRANSMITTAL 1

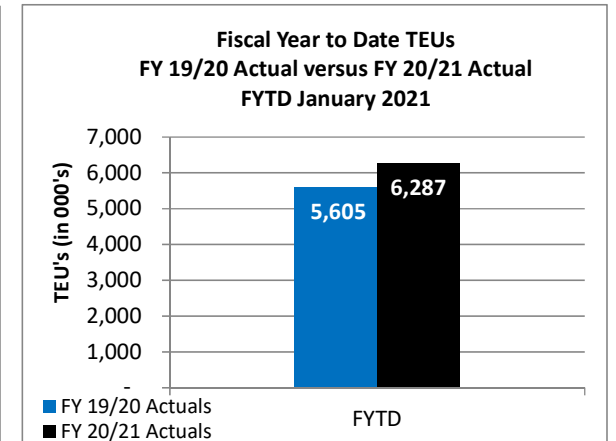
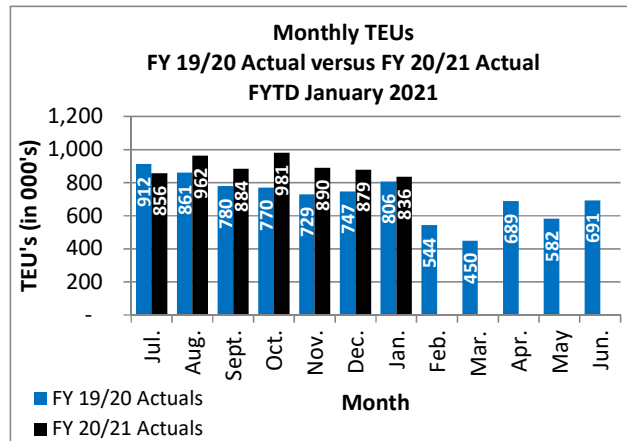
Budget versus Actuals Comparison
FY 20/21 Budget vs. FY 20/21 Actuals

(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	879	28.2%	↑
Jan-21	684	836	22.2%	↑
Feb-21	544			
Mar-21	449			
Apr-21	689			
May-21	709			
Jun-21	680			
FYTD	4,862	6,287	29.3%	↑
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	879	17.7%	↑
Jan.	806	836	3.6%	↑
Feb.	544			
Mar.	450			
Apr.	689			
May	582			
Jun.	691			
FYTD	5,605	6,287	12.2%	↑
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 - Jan. 2021	Fiscal YTD - Jan. 2021	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	278,631	222,591	56,040	25.2%
Rentals	51,603	47,223	4,379	9.3%
Royalties, Fees and Other Revenues	8,717	9,313	(596)	(6.4%)
Clean Truck Program Revenues	1,228	1,210	18	1.5%
Total Operating Revenues	340,179	280,337	59,842	21.3%
Operating Expenses				
Gross Salaries & Benefits	95,245	97,780	2,535	2.6%
Capitalization	(14,433)	(7,895)	6,538	(82.8%)
Net Salaries & Benefits	80,812	89,885	9,073	10.1%
Marketing & Public Relations	962	2,121	1,159	54.6%
Travel	39	230	191	83.0%
Outside Services	8,627	20,342	11,715	57.6%
Materials & Supplies	2,292	4,125	1,833	44.4%
City Services	29,798	33,258	3,460	10.4%
Allocations to Capital - Overhead		(10,673)	(10,673)	100.0%
Other Operating Expenses	18,495	20,765	2,270	10.9%
Clean Truck Program Expenses	355	726	371	51.1%
Total Operating Expenses	141,379	160,778	19,399	12.1%
Income Before Depreciation	198,800	119,560	79,240	66.3%
Provision For Depreciation	89,169	97,733	8,564	8.8%
Income From Operations	109,631	21,827	87,805	402.3%
Non-Operating Revenue	12,121	44,672	(32,551)	(72.9%)
Non-Operating Expenses	16,255	55,343	39,088	70.6%
Net Income	105,498	11,156	94,342	845.6%

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2020/21	FY 2019/20	Change	
	Fiscal YTD - Jan. 2021	Fiscal YTD - Jan. 2020	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	278,631	231,679	46,952	20.3%
Rentals	51,603	46,510	5,093	11.0%
Royalties, Fees and Other Revenues	8,717	10,590	(1,873)	(17.7%)
Clean Truck Program Revenues	1,228	2,124	(896)	(42.2%)
Total Operating Revenues	340,179	290,903	49,276	16.9%
Operating Expenses				
Gross Salaries & Benefits	95,245	87,674	(7,571)	(8.6%)
Capitalization	(14,433)	(12,974)	1,459	(11.2%)
Net Salaries & Benefits	80,812	74,699	(6,113)	(8.2%)
Marketing & Public Relations	962	1,725	763	44.2%
Travel	39	477	438	91.8%
Outside Services	8,627	13,213	4,586	34.7%
Materials & Supplies	2,292	2,982	690	23.1%
City Services	29,798	28,812	(986)	(3.4%)
Other Operating Expenses	18,495	20,846	2,351	11.3%
Clean Truck Program Expenses	355	334	(21)	(6.4%)
Total Operating Expenses	141,380	143,087	1,707	1.2%
Income Before Depreciation	198,799	147,816	50,983	34.5%
Provision For Depreciation	89,169	91,869	2,700	2.9%
Income From Operations	109,630	55,947	53,683	96.0%
Non-Operating Revenue	12,121	22,291	(10,170)	(45.6%)
Non-Operating Expenses	16,255	25,270	9,015	35.7%
Net Income	105,496	52,968	52,528	99.2%