



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: APRIL 25, 2022

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2021/22 ENDED MARCH 31, 2022**

Financial performance results for the first nine 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 March, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 8.3% relative to budget but decreased by 1.4% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD March 2022	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	7,932	↑ 8.3%	↓ (1.4%)
Operating Revenues	\$466.0	↑ 18.1%	↑ 10.7%
Operating Expenses	\$194.8	↓ (15.2%)	↑ 4.6%
Operating Income	\$271.2	↑ 64.4%	↑ 15.6%
Net Income	\$143.2	↑ 874.8%	↑ 25.9%

Shipping Services increased relative to budget and prior fiscal year primarily because of higher wharfage and higher space assignments. Operating Revenues increased by 18.1% compared to budget and 10.7% 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 15.2% lower than budget primarily due to lower salaries and benefits as well as invoicing delays related to outside services and city services, and were partially offset by CTP administrative expenses and other unfavorable variances.

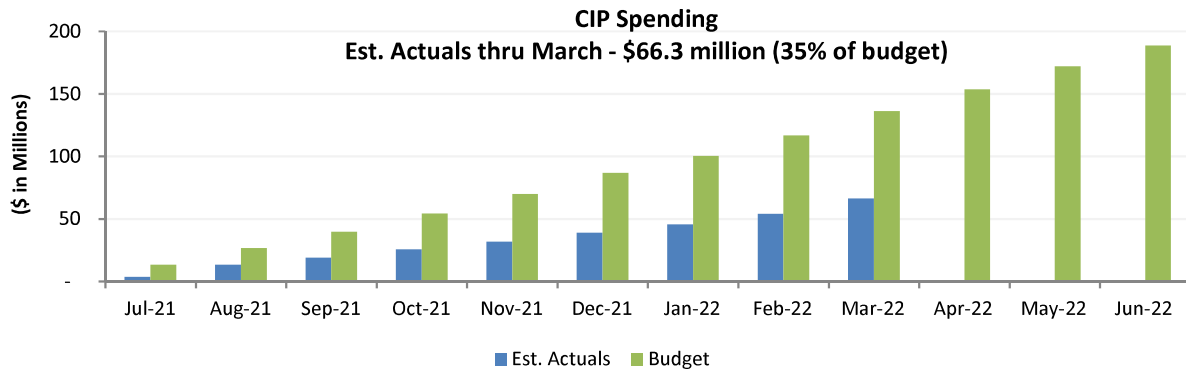
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Relative to the prior fiscal year, total Operating Expenses increased by 4.6% as higher electricity and higher container incentives were only partially offset by lower salaries and benefits.

Operating margin for the FYTD period through March was 58.2% versus a budget of 41.8% and a prior year figure of 55.7%.

Capital Improvement Program (CIP)

CIP spending for the nine-month period ended March 31, 2022 was estimated to reach \$66.3 million or about 35% 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

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MARLA BLEAVINS
Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD March 2022
2. Actual-to-Budget FY 2021/22 – March
3. Year-to-Year Performance Report YTD March 31, 2022 and 2021

Author: E. Estrada

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

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2021/22	FY 2021/22	Comparison	
	Fiscal YTD - March 2022	Fiscal YTD - March 2022	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	370,160	320,042	50,118	15.7%
Rentals	67,007	63,944	3,063	4.8%
Royalties, Fees and Other Revenues	23,971	9,122	14,849	162.8%
Clean Truck Program Revenues	4,829	1,463	3,366	230.2%
Total Operating Revenues	465,967	394,571	71,397	18.1%
Operating Expenses				
Gross Salaries & Benefits	120,005	130,481	10,475	8.0%
Capitalization	(20,868)	(11,912)	8,956	(75.2%)
Net Salaries & Benefits	99,138	118,569	19,431	16.4%
Marketing & Public Relations	1,455	2,098	643	30.7%
Travel	165	585	419	71.8%
Outside Services	15,751	25,422	9,671	38.0%
Materials & Supplies	3,122	4,990	1,868	37.4%
City Services	39,496	45,802	6,307	13.8%
Allocations to Capital - Overhead		(14,618)	(14,618)	100.0%
Other Operating Expenses	34,425	45,830	11,405	24.9%
Clean Truck Program Expenses	1,265	1,007	(258)	(25.7%)
Total Operating Expenses	194,816	229,683	34,867	15.2%
Income Before Depreciation	271,151	164,888	106,263	64.4%
Provision For Depreciation	106,805	121,157	14,352	11.8%
Income From Operations	164,346	43,730	120,615	275.8%
Non-Operating Revenue	16,724	54,543	(37,820)	(69.3%)
Non-Operating Expenses	37,884	83,586	45,702	54.7%
Net Income	143,186	14,688	128,498	874.8%

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2021/22	FY 2020/21	Change	
	Fiscal YTD - March 2022	Fiscal YTD - March 2021	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	370,160	346,726	23,434	6.8%
Rentals	67,007	60,110	6,897	11.5%
Royalties, Fees and Other Revenues	23,971	12,086	11,885	98.3%
Clean Truck Program Revenues	4,829	1,823	3,006	164.8%
Total Operating Revenues	465,967	420,746	45,222	10.7%
Operating Expenses				
Gross Salaries & Benefits	120,005	122,191	2,186	1.8%
Capitalization	(20,868)	(19,135)	1,733	(9.1%)
Net Salaries & Benefits	99,138	103,056	3,918	3.8%
Marketing & Public Relations	1,455	1,069	(385)	(36.0%)
Travel	165	62	(103)	(167.2%)
Outside Services	15,751	14,103	(1,648)	(11.7%)
Materials & Supplies	3,122	3,090	(32)	(1.0%)
City Services	39,496	38,266	(1,230)	(3.2%)
Other Operating Expenses	34,425	25,968	(8,456)	(32.6%)
Clean Truck Program Expenses	1,265	591	(675)	(114.2%)
Total Operating Expenses	194,816	186,205	(8,611)	(4.6%)
Income Before Depreciation	271,151	234,540	36,611	15.6%
Provision For Depreciation	106,805	115,269	8,464	7.3%
Income From Operations	164,346	119,271	45,075	37.8%
Non-Operating Revenue	16,724	14,626	2,097	14.3%
Non-Operating Expenses	37,884	20,143	(17,741)	(88.1%)
Net Income	143,186	113,754	29,431	25.9%