



## 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:

<b>FYTD March 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>	7,932	↑ 8.3%	↓ (1.4%)
<b>Operating Revenues</b>	\$466.0	↑ 18.1%	↑ 10.7%
<b>Operating Expenses</b>	\$194.8	↓ (15.2%)	↑ 4.6%
<b>Operating Income</b>	\$271.2	↑ 64.4%	↑ 15.6%
<b>Net Income</b>	\$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.

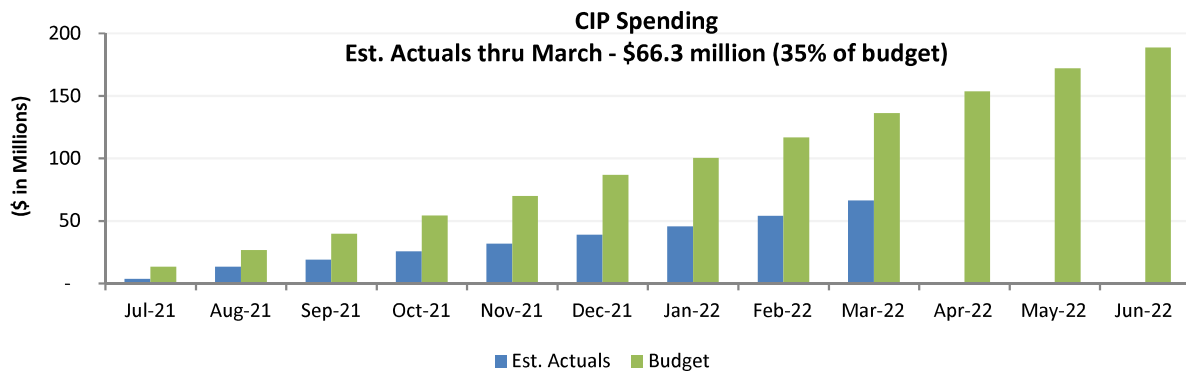
**SUBJECT: FINANCIAL PERFORMANCE RESULTS**

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

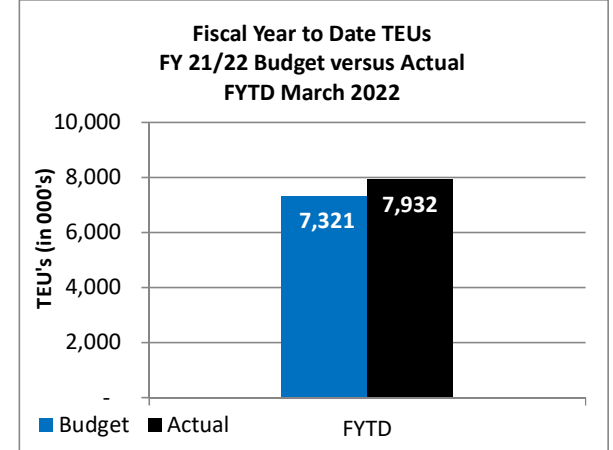
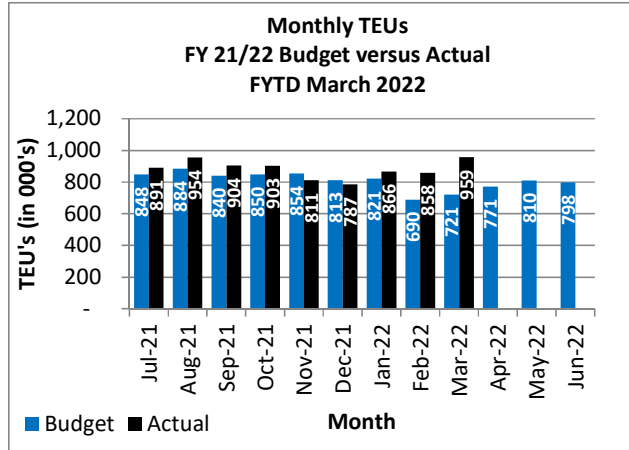
MB:JS:MM/Finance  
cc: Deputy Executive Directors

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

TRANSMITTAL 1

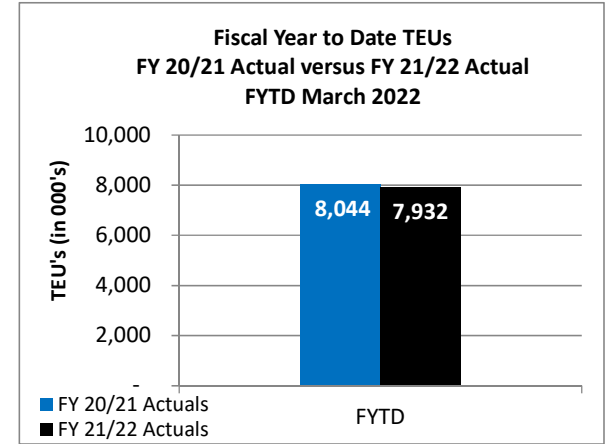
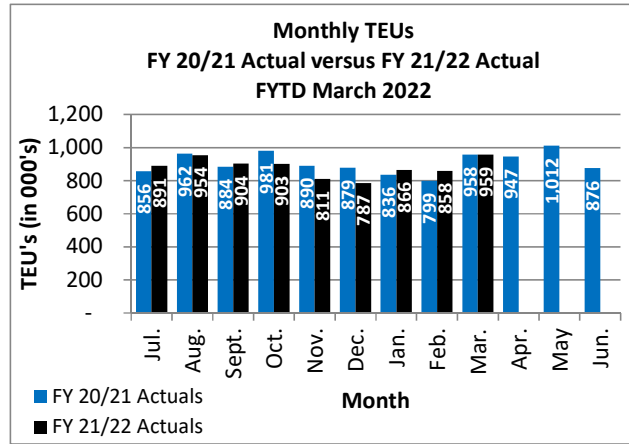
Budget versus Actuals Comparison  
FY 21/22 Budget vs. FY 21/22 Actuals

(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	959	33.0%	↑
Apr-22	771			
May-22	810			
Jun-22	798			
FYTD	7,321	7,932	8.3%	↑
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	959	0.1%	↑
Apr.	947			
May	1,012			
Jun.	876			
FYTD	8,044	7,932	-1.4%	↓
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 - March 2022	Fiscal YTD - March 2022	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
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%
<b>Total Operating Revenues</b>	<b>465,967</b>	<b>394,571</b>	<b>71,397</b>	<b>18.1%</b>
<b>Operating Expenses</b>				
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%)
<b>Total Operating Expenses</b>	<b>194,816</b>	<b>229,683</b>	<b>34,867</b>	<b>15.2%</b>
<b>Income Before Depreciation</b>	<b>271,151</b>	<b>164,888</b>	<b>106,263</b>	<b>64.4%</b>
Provision For Depreciation	106,805	121,157	14,352	11.8%
<b>Income From Operations</b>	<b>164,346</b>	<b>43,730</b>	<b>120,615</b>	<b>275.8%</b>
Non-Operating Revenue	16,724	54,543	(37,820)	(69.3%)
Non-Operating Expenses	37,884	83,586	45,702	54.7%
<b>Net Income</b>	<b>143,186</b>	<b>14,688</b>	<b>128,498</b>	<b>874.8%</b>

\$ 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	
			\$	%
<b>Operating Revenues</b>				
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%
<b>Total Operating Revenues</b>	<b>465,967</b>	<b>420,746</b>	<b>45,222</b>	<b>10.7%</b>
<b>Operating Expenses</b>				
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%)
<b>Total Operating Expenses</b>	<b>194,816</b>	<b>186,205</b>	<b>(8,611)</b>	<b>(4.6%)</b>
<b>Income Before Depreciation</b>	<b>271,151</b>	<b>234,540</b>	<b>36,611</b>	<b>15.6%</b>
Provision For Depreciation	106,805	115,269	8,464	7.3%
<b>Income From Operations</b>	<b>164,346</b>	<b>119,271</b>	<b>45,075</b>	<b>37.8%</b>
Non-Operating Revenue	16,724	14,626	2,097	14.3%
Non-Operating Expenses	37,884	20,143	(17,741)	(88.1%)
<b>Net Income</b>	<b>143,186</b>	<b>113,754</b>	<b>29,431</b>	<b>25.9%</b>