



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### “FOR INFORMATION ONLY”

**DATE: JUNE 14, 2022**

**TO: BOARD OF HARBOR COMMISSIONERS**

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

Financial performance results for the first eleven 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 May, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 9.9% relative to budget but decreased by 2.2% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

<b>FYTD May 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>	9,787	↑ 9.9%	↓ (2.2%)
<b>Operating Revenues</b>	\$584.5	↑ 19.0%	↑ 11.6%
<b>Operating Expenses</b>	\$237.1	↓ (16.7%)	↑ 3.4%
<b>Operating Income</b>	\$347.4	↑ 68.1%	↑ 17.9%
<b>Net Income</b>	\$194.3	↑ 550.3%	↑ 30.8%

Shipping Services increased relative to budget and prior fiscal year primarily because of higher wharfage and higher space assignments. Operating Revenues increased by 19.0% compared to budget and 11.6% relative to the prior year primarily due to higher shipping services, higher utility and operating reimbursements, higher rentals, higher CTP revenues, and other favorable variances.

Operating Expenses were 16.7% lower than budget primarily due to lower salaries and benefits, lower electricity, and invoicing delays related to outside services and city services, which were only partially offset by higher CTP administrative expenses and

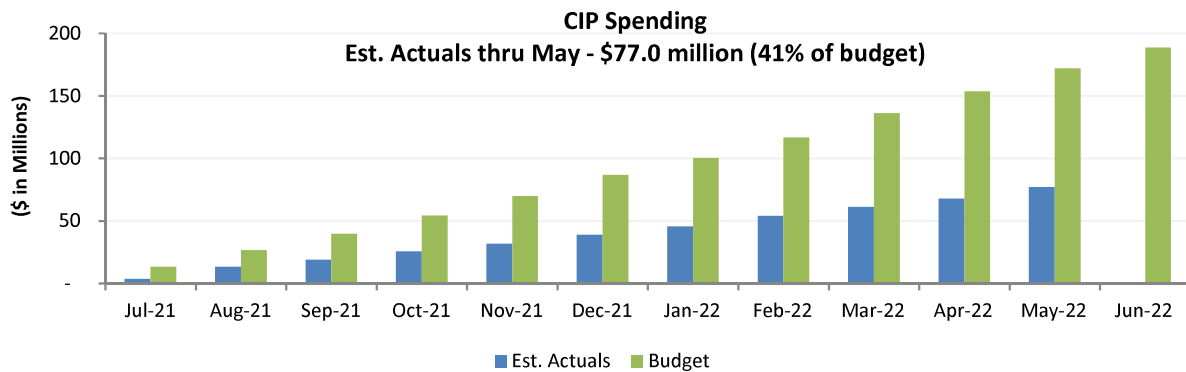
**SUBJECT: FINANCIAL PERFORMANCE RESULTS**

other unfavorable variances. Relative to the prior fiscal year, total Operating Expenses increased by 3.4% as higher electricity was only partially offset by lower salaries and benefits.

Operating margin for the FYTD period through May was 59.4% versus a budget of 42.1% and a prior year figure of 56.2%.

Capital Improvement Program (CIP)

CIP spending for the eleven-month period ended May 31, 2022 was estimated to reach \$77.0 million or about 41% 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  
 dc=polo, dc=lahd, ou=HQ,  
 ou=EXECOFFICE, ou=Users, ou=Emp,  
 cn=Marla Bleavins,  
 email=M.Bleavins@portia.org  
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**MARLA BLEAVINS**  
 Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD May 2022
2. Actual-to-Budget FY 2021/22 – May
3. Year-to-Year Performance Report YTD May 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 - May 2022	Fiscal YTD - May 2022	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	458,262	393,035	65,227	16.6%
Rentals	84,564	79,820	4,743	5.9%
Royalties, Fees and Other Revenues	36,216	16,729	19,487	116.5%
Clean Truck Program Revenues	5,478	1,788	3,690	206.4%
<b>Total Operating Revenues</b>	<b>584,519</b>	<b>491,372</b>	<b>93,147</b>	<b>19.0%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	146,583	162,895	16,312	10.0%
Capitalization	(24,575)	(14,559)	10,015	(68.8%)
Net Salaries & Benefits	122,009	148,336	26,327	17.7%
Marketing & Public Relations	1,849	2,628	779	29.6%
Travel	257	491	234	47.6%
Outside Services	21,624	30,706	9,082	29.6%
Materials & Supplies	4,432	6,746	2,314	34.3%
City Services	45,170	53,518	8,348	15.6%
Allocations to Capital - Overhead		(17,867)	(17,867)	100.0%
Other Operating Expenses	39,917	58,918	19,002	32.3%
Clean Truck Program Expenses	1,845	1,220	(625)	(51.2%)
<b>Total Operating Expenses</b>	<b>237,102</b>	<b>284,695</b>	<b>47,593</b>	<b>16.7%</b>
<b>Income Before Depreciation</b>	<b>347,416</b>	<b>206,676</b>	<b>140,740</b>	<b>68.1%</b>
Provision For Depreciation	132,588	148,081	15,494	10.5%
<b>Income From Operations</b>	<b>214,829</b>	<b>58,595</b>	<b>156,234</b>	<b>266.6%</b>
Non-Operating Revenue	20,501	66,664	(46,163)	(69.2%)
Non-Operating Expenses	41,075	95,389	54,315	56.9%
<b>Net Income</b>	<b>194,255</b>	<b>29,870</b>	<b>164,385</b>	<b>550.3%</b>

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2021/22	FY 2020/21	Change	
	Fiscal YTD - May 2022	Fiscal YTD - May 2021	(Unfavorable)/Favorable	
			\$	%
<b>Operating Revenues</b>				
Shipping Services	458,262	430,692	27,569	6.4%
Rentals	84,564	75,519	9,045	12.0%
Royalties, Fees and Other Revenues	36,216	15,611	20,605	132.0%
Clean Truck Program Revenues	5,478	2,148	3,330	155.0%
<b>Total Operating Revenues</b>	<b>584,519</b>	<b>523,969</b>	<b>60,549</b>	<b>11.6%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	146,583	148,193	1,610	1.1%
Capitalization	(24,575)	(23,730)	845	(3.6%)
Net Salaries & Benefits	122,009	124,463	2,455	2.0%
Marketing & Public Relations	1,849	1,237	(612)	(49.5%)
Travel	257	70	(188)	(269.1%)
Outside Services	21,624	20,885	(739)	(3.5%)
Materials & Supplies	4,432	3,844	(588)	(15.3%)
City Services	45,170	46,969	1,799	3.8%
Other Operating Expenses	39,917	31,152	(8,765)	(28.1%)
Clean Truck Program Expenses	1,845	671	(1,173)	(174.8%)
<b>Total Operating Expenses</b>	<b>237,102</b>	<b>229,290</b>	<b>(7,812)</b>	<b>(3.4%)</b>
<b>Income Before Depreciation</b>	<b>347,416</b>	<b>294,679</b>	<b>52,738</b>	<b>17.9%</b>
Provision For Depreciation	132,588	140,289	7,702	5.5%
<b>Income From Operations</b>	<b>214,829</b>	<b>154,390</b>	<b>60,439</b>	<b>39.1%</b>
Non-Operating Revenue	20,501	18,349	2,152	11.7%
Non-Operating Expenses	41,075	24,195	(16,879)	(69.8%)
<b>Net Income</b>	<b>194,255</b>	<b>148,543</b>	<b>45,712</b>	<b>30.8%</b>