



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: MAY 11, 2021

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2020/21 ENDED APRIL 30, 2021**

Financial performance results for the first ten 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 April, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 37.4% relative to budget and 23.4% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD April 2021	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	8,991	↑ 37.4%	↑ 23.4%
Operating Revenues	\$478.3	↑ 25.0%	↑ 22.8%
Operating Expenses	\$204.5	↓ (11.9%)	↑ 0.9%
Operating Income	\$273.8	↑ 82.1%	↑ 46.5%
Net Income	\$140.5	↑ 2,937.7%	↑ 165.2%

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 25.0% as higher wharfage, higher rentals, and higher utility reimbursements were only partially offset by lower parking fees. In comparison to the prior fiscal year, total Operating Revenues increased by 22.8% due primarily to higher wharfage revenues and higher rentals.

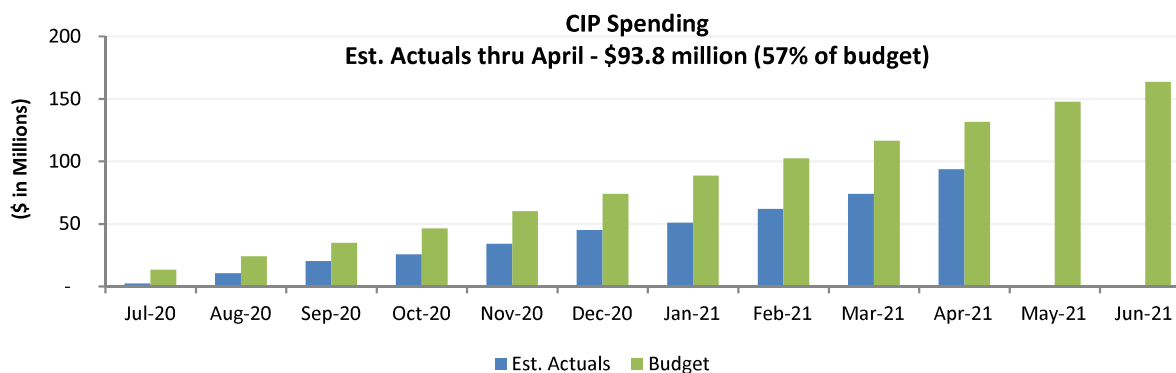
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 11.9% lower than budget but 0.9% higher relative to the prior fiscal year-to-date period. In comparison to budget, delayed salaries and benefits recognition as well as invoicing delays with respect to outside services drove operating expenses lower. Relative to the prior fiscal year, the increase was driven by higher salaries and benefits and higher electricity expenses, which were only partially offset by lower outside services, lower container incentives, lower promotional expenses, and lower other operating expenses.

Operating margin for the FYTD period through April was 57.2% versus a budget of 39.3% and a prior year figure of 48.0%.

Capital Improvement Program (CIP)

CIP spending for the ten-month period ended April 30, 2021 is estimated to have reached \$93.8 million or 57% 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

MARLA BLEAVINS

Deputy Executive Director & Chief Financial Officer

Transmittals:

1. TEU Throughput Comparison – FYTD April 2021
2. Actual-to-Budget FY 2020/21 – April
3. Year-to-Year Performance Report YTD April 30, 2021 and 2020

Author: E. Estrada

MB:JS:MM/Finance

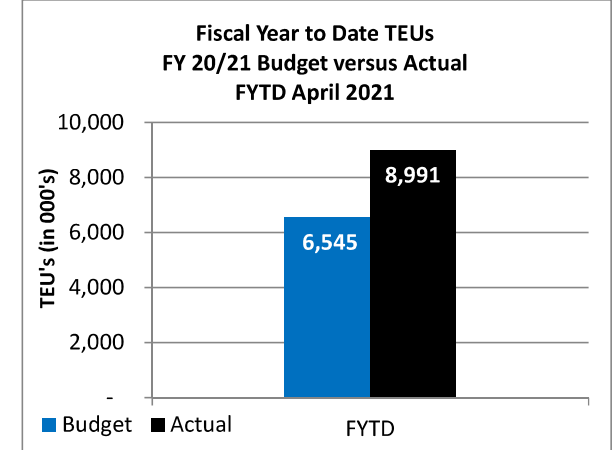
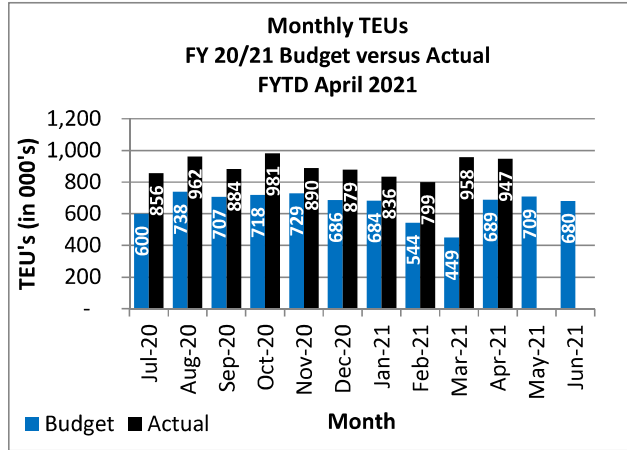
cc: Deputy Executive Directors

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

TRANSMITTAL 1

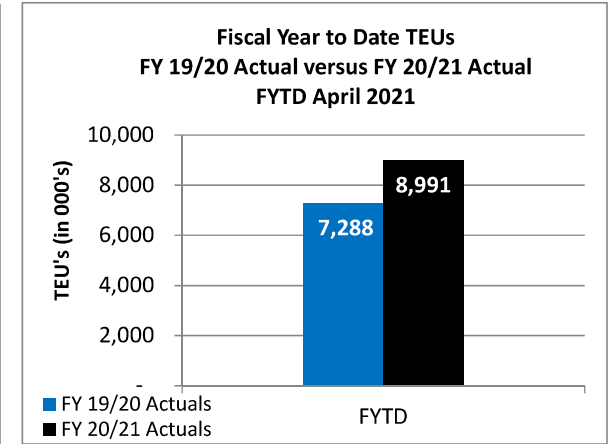
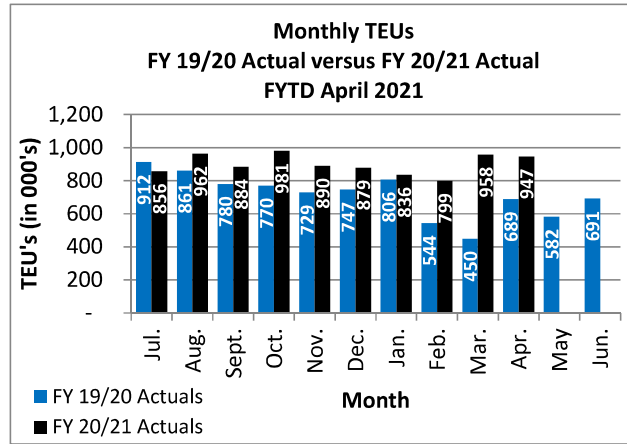
Budget versus Actuals Comparison
FY 20/21 Budget vs. FY 20/21 Actuals

(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	799	46.9%	↑
Mar-21	449	958	113.0%	↑
Apr-21	689	947	37.4%	↑
May-21	709			
Jun-21	680			
FYTD	6,545	8,991	37.4%	↑
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	799	46.9%	↑
Mar.	450	958	113.0%	↑
Apr.	689	947	37.4%	↑
May	582			
Jun.	691			
FYTD	7,288	8,991	23.4%	↑
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 - Apr. 2021	Fiscal YTD - Apr. 2021	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	391,542	304,168	87,374	28.7%
Rentals	70,630	64,302	6,328	9.8%
Royalties, Fees and Other Revenues	14,105	12,375	1,730	14.0%
Clean Truck Program Revenues	1,998	1,729	269	15.6%
Total Operating Revenues	478,276	382,574	95,701	25.0%
Operating Expenses				
Gross Salaries & Benefits	134,691	139,347	4,656	3.3%
Capitalization	(21,330)	(11,279)	10,051	(89.1%)
Net Salaries & Benefits	113,361	128,068	14,707	11.5%
Marketing & Public Relations	1,148	2,568.11	1,421	55.3%
Travel	68	519	451	86.9%
Outside Services	15,751	28,750	12,999	45.2%
Materials & Supplies	3,457	5,942	2,485	41.8%
City Services	41,383	47,845	6,462	13.5%
Allocations to Capital - Overhead		(15,246)	(15,246)	100.0%
Other Operating Expenses	28,715	32,799	4,084	12.5%
Clean Truck Program Expenses	663	987	324	32.8%
Total Operating Expenses	204,546	232,231	27,686	11.9%
Income Before Depreciation	273,730	150,343	123,387	82.1%
Provision For Depreciation	128,224	139,618	11,394	8.2%
Income From Operations	145,506	10,725	134,781	1256.7%
Non-Operating Revenue	17,478	63,892	(46,415)	(72.6%)
Non-Operating Expenses	22,453	79,569	57,116	71.8%
Net Income	140,530	(4,952)	145,483	(2937.7%)

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2020/21	FY 2019/20	Change	
	Fiscal YTD - Apr. 2021	Fiscal YTD - Apr. 2020	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	391,542	306,657	84,885	27.7%
Rentals	70,630	66,124	4,506	6.8%
Royalties, Fees and Other Revenues	14,105	13,816	289	2.1%
Clean Truck Program Revenues	1,998	2,890	(892)	(30.9%)
Total Operating Revenues	478,276	389,487	88,789	22.8%
Operating Expenses				
Gross Salaries & Benefits	134,691	125,742	(8,949)	(7.1%)
Capitalization	(21,330)	(19,739)	1,591	(8.1%)
Net Salaries & Benefits	113,361	106,003	(7,358)	(6.9%)
Marketing & Public Relations	1,148	2,221	1,073	48.3%
Travel	68	519	451	86.9%
Outside Services	15,751	19,975	4,224	21.1%
Materials & Supplies	3,457	4,385	928	21.2%
City Services	41,383	41,548	165	0.4%
Other Operating Expenses	28,715	27,249	(1,465)	(5.4%)
Clean Truck Program Expenses	663	779	116	14.9%
Total Operating Expenses	204,546	202,680	(1,865)	(0.9%)
Income Before Depreciation	273,730	186,807	86,923	46.5%
Provision For Depreciation	128,224	131,158	2,933	2.2%
Income From Operations	145,506	55,649	89,857	161.5%
Non-Operating Revenue	17,478	29,221	(11,743)	(40.2%)
Non-Operating Expenses	22,453	31,875	9,422	29.6%
Net Income	140,530	52,995	87,536	165.2%