



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: APRIL 19, 2021

TO: BOARD OF HARBOR COMMISSIONERS

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

Financial performance results for the first nine 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 March, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 37.4% relative to budget and 21.9% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD March 2021	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	8,044	↑ 37.4%	↑ 21.9%
Operating Revenues	\$420.7	↑ 24.1%	↑ 21.5%
Operating Expenses	\$186.1	↓ (11.4%)	↑ 1.5%
Operating Income	\$234.6	↑ 81.8%	↑ 44.2%
Net Income	\$113.9	↑ (1,184.2%)	↑ 174.6%

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 24.1% 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 21.5% due primarily to higher wharfage revenues and higher rentals.

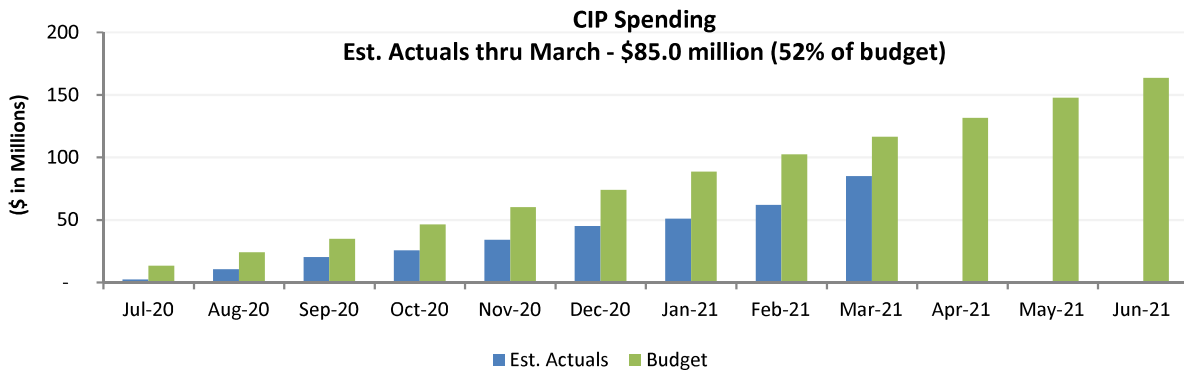
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 11.4% lower than budget but 1.5% higher relative to the prior fiscal year-to-date period. In comparison to budget, lower average salaries and benefits per employee as well as invoicing delays with respect to outside services and city 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 container incentives, lower outside services, and lower promotional expenses.

Operating margin for the FYTD period through March was 55.8% versus a budget of 38.1% and a prior year figure of 47.0%.

Capital Improvement Program (CIP)

CIP spending for the nine-month period ended March 31, 2021 is estimated to have reached \$85.0 million or 52% 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 March 2021
2. Actual-to-Budget FY 2020/21 – March
3. Year-to-Year Performance Report YTD March 31, 2021 and 2020

Author: E. Estrada

MB:JS:MM/Finance

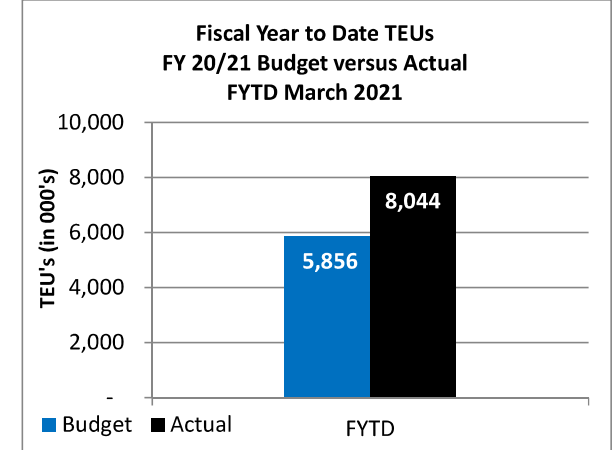
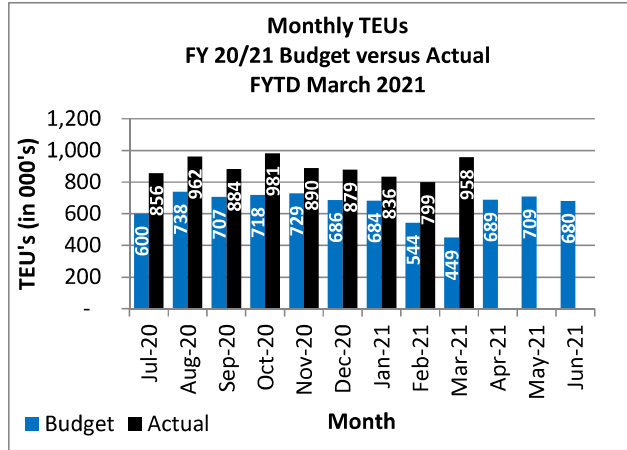
cc: Deputy Executive Directors

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

TRANSMITTAL 1

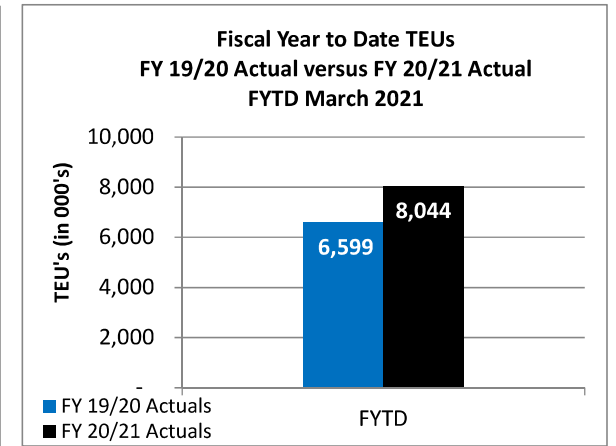
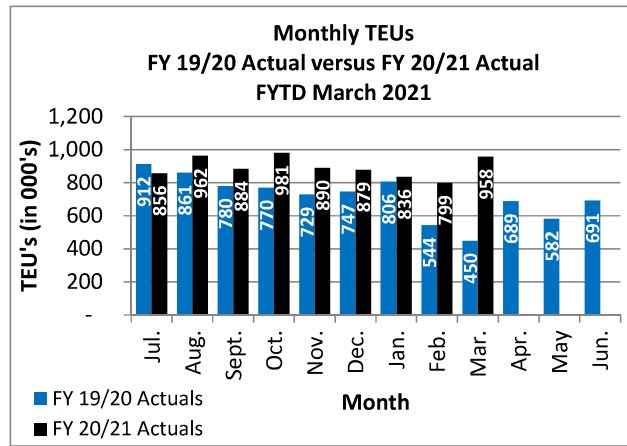
Budget versus Actuals Comparison
FY 20/21 Budget vs. FY 20/21 Actuals

(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			
May-21	709			
Jun-21	680			
FYTD	5,856	8,044	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			
May	582			
Jun.	691			
FYTD	6,599	8,044	21.9%	↑
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 - Mar. 2021	Fiscal YTD - Mar. 2021	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	346,726	271,977	74,749	27.5%
Rentals	60,110	54,468	5,642	10.4%
Royalties, Fees and Other Revenues	12,086	11,052	1,035	9.4%
Clean Truck Program Revenues	1,823	1,556	267	17.2%
Total Operating Revenues	420,746	339,052	81,693	24.1%
Operating Expenses				
Gross Salaries & Benefits	122,191	125,403	3,212	2.6%
Capitalization	(19,135)	(10,151)	8,984	(88.5%)
Net Salaries & Benefits	103,056	115,252	12,196	10.6%
Marketing & Public Relations	1,069	2,421	1,352	55.8%
Travel	62	428	366	85.6%
Outside Services	14,103	26,096	11,993	46.0%
Materials & Supplies	2,990	5,409	2,419	44.7%
City Services	38,266	42,958	4,692	10.9%
Allocations to Capital - Overhead		(13,722)	(13,722)	100.0%
Other Operating Expenses	25,968	30,234	4,266	14.1%
Clean Truck Program Expenses	591	891	300	33.7%
Total Operating Expenses	186,105	209,967	23,862	11.4%
Income Before Depreciation	234,640	129,085	105,556	81.8%
Provision For Depreciation	115,269	125,656	10,387	8.3%
Income From Operations	119,371	3,429	115,942	3381.7%
Non-Operating Revenue	14,626	57,660	(43,034)	(74.6%)
Non-Operating Expenses	20,143	71,590	51,448	71.9%
Net Income	113,854	(10,502)	124,356	(1184.2%)

\$ in thousands	Current Fiscal Year	Prior Fiscal Year	Year-over-Year	
	FY 2020/21	FY 2019/20	Change	
	Fiscal YTD - Mar. 2021	Fiscal YTD - Mar. 2020	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	346,726	274,179	72,547	26.5%
Rentals	60,110	56,728	3,382	6.0%
Royalties, Fees and Other Revenues	12,086	12,521	(434)	(3.5%)
Clean Truck Program Revenues	1,823	2,724	(900)	(33.1%)
Total Operating Revenues	420,746	346,151	74,594	21.5%
Operating Expenses				
Gross Salaries & Benefits	122,191	113,450	(8,742)	(7.7%)
Capitalization	(19,135)	(17,381)	1,755	(10.1%)
Net Salaries & Benefits	103,056	96,069	(6,987)	(7.3%)
Marketing & Public Relations	1,069	2,094	1,025	48.9%
Travel	62	526	464	88.3%
Outside Services	14,103	17,857	3,754	21.0%
Materials & Supplies	2,990	3,985	995	25.0%
City Services	38,266	36,929	(1,337)	(3.6%)
Other Operating Expenses	25,968	25,388	(580)	(2.3%)
Clean Truck Program Expenses	591	594	4	0.6%
Total Operating Expenses	186,105	183,443	(2,662)	(1.5%)
Income Before Depreciation	234,640	162,708	71,932	44.2%
Provision For Depreciation	115,269	117,806	2,536	2.2%
Income From Operations	119,371	44,902	74,469	165.8%
Non-Operating Revenue	14,626	26,321	(11,694)	(44.4%)
Non-Operating Expenses	20,143	29,762	9,619	32.3%
Net Income	113,854	41,461	72,393	174.6%