



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: September 17, 2024

TO: BOARD OF HARBOR COMMISSIONERS

SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2024/25 ENDED AUGUST 31, 2024

Financial performance results for the first month of Fiscal Year 2024/25 are below and have been summarized relative to both budget and the prior fiscal year. Through the month of August, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 23.2% relative to budget and increased by 25.6% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD August 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	1,900	↑ 23.2%	↑ 25.6%
Operating Revenues	\$110.0	↓ (1.2%)	↑ 9.7%
Operating Expenses	\$39.8	↓ (38.3%)	↑ 6.7%
Operating Income	\$70.2	↑ 50.1%	↑ 11.4%
Net Income	\$52.1	↑ 121.7%	↑ 23.5%

Shipping Services increased relative to budget and prior year due to higher cargo volumes. Relative to budget, Operating Revenues decreased by 1.2% primarily due to a delay in CTF revenue collection and lower space assignment, partially offset by higher wharfage. In comparison to the prior fiscal year, total Operating Revenues increased by 9.7% due to higher wharfage and rentals, which were only partially offset by delay in CTF revenue collection and lower rentals.

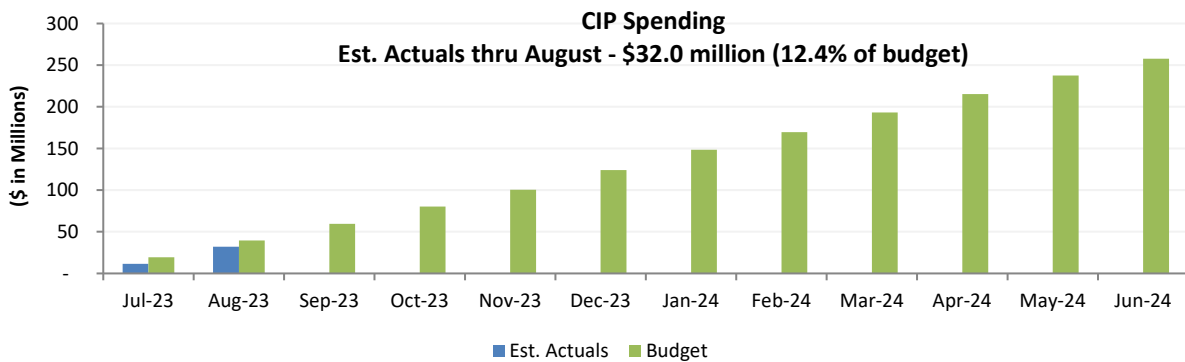
Operating Expenses were 38.3% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services, city services, insurance and other miscellaneous payments. Relative to the prior fiscal year,

total Operating Expenses increased by 6.7% primarily due higher electricity payments and higher salaries and benefits.

Operating Margin through the month of August was 63.8% versus a budget of 42.1% and a prior year-to-date figure of 62.8%.

Capital Improvement Program (CIP)

CIP spending for the ten-month period ended August 31, 2024, was estimated to reach \$32.0 million or about 12.4% of the total \$257.7 million CIP adopted budget.



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JEFFREY STRAFFORD
Director of Financial Planning & Analysis and Interim CFO

Transmittals:

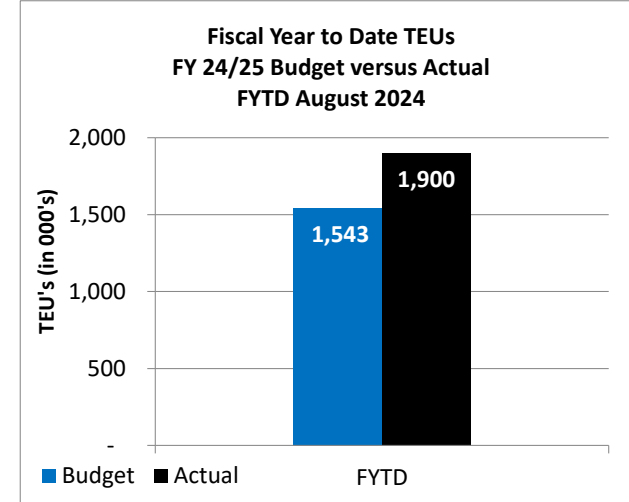
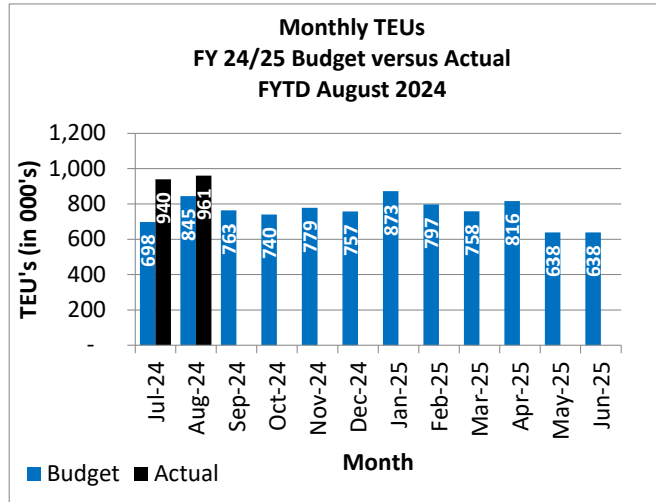
1. TEU Throughput Comparison – FYTD August 2024
2. Actual-to-Budget FY 2024/25 – August
3. Year-to-Year Performance Report YTD August 31, 2024 and 2023

Author: E. Wang
JS:MM/Finance
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES TEU THROUGHPUT COMPARISON - FYTD August 2024

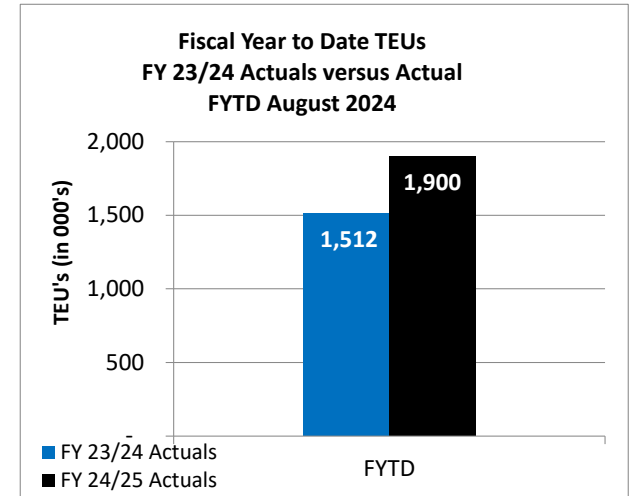
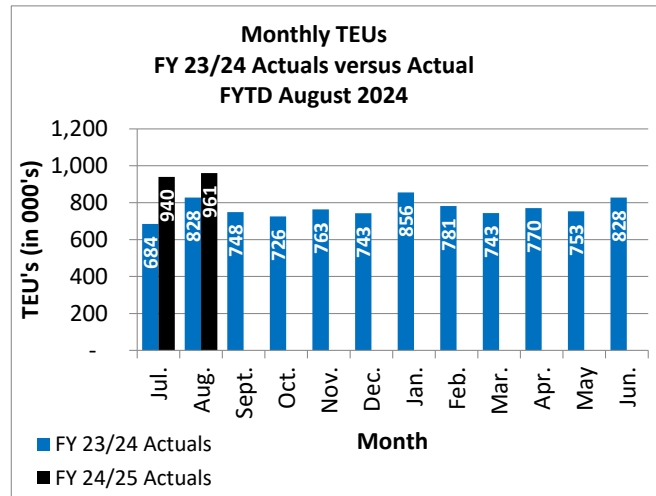
Budget versus Actuals Comparison FY 24/25 Budget vs. FY 24/25 Actuals

(in 000's)	TEU's		% Δ	Δ
	Month	FY 24/25 Budget		
Jul-24	698	940	34.6%	↑
Aug-24	845	961	13.7%	↑
Sep-24	763		-100.0%	↓
Oct-24	740		-100.0%	↓
Nov-24	779		-100.0%	↓
Dec-24	757		-100.0%	↓
Jan-25	873		-100.0%	↓
Feb-25	797		-100.0%	↓
Mar-25	758		-100.0%	↓
Apr-25	816		-100.0%	↓
May-25	638		-100.0%	↓
Jun-25	638		-100.0%	↓
FYTD	1,543	1,900	23.2%	↑
FY 24/25 Budget	9,103			



Year-to-Year Actuals Comparison FY 23/24 Actuals vs. FY 24/25 Actuals

(in 000's)	TEU's		% Δ	Δ
	Month	FY 23/24 Actuals		
Jul.	684	940	37.3%	↑
Aug.	828	961	16.0%	↑
Sept.	748		-100.0%	↓
Oct.	726		-100.0%	↓
Nov.	763		-100.0%	↓
Dec.	743		-100.0%	↓
Jan.	856		-100.0%	↓
Feb.	781		-100.0%	↓
Mar.	743		-100.0%	↓
Apr.	770		-100.0%	↓
May	753		-100.0%	↓
Jun.	828		-100.0%	↓
FYTD	1,512	1,900	25.6%	↑
FY 23/24 Actuals	9,224			



The Port of Los Angeles - Harbor Department
FYTD August 31, 2024

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2024/25	FY 2024/25	Comparison	
	Fiscal YTD - Aug 2024	Fiscal YTD - Aug 2024	\$	%
Operating Revenues				
Shipping Services	87,951	84,624	3,327	3.9%
Rentals	19,781	20,522	(741)	(3.6%)
Royalties, Fees and Other Revenues	2,050	2,259	(208)	(9.2%)
Clean Truck Program Revenues	216	3,874	(3,658)	(94.4%)
Total Operating Revenues	109,998	111,279	(1,281)	(1.2%)
Operating Expenses				
Gross Salaries & Benefits	31,220	35,631	4,411	12.4%
Capitalization	(6,102)	(2,342)	3,760	(160.5%)
Net Salaries & Benefits	25,118	33,289	8,171	24.5%
Marketing & Public Relations	777	523	(254)	(48.6%)
Travel	119	166	47	28.1%
Outside Services	1,303	8,246	6,943	84.2%
Materials & Supplies	720	967	247	25.5%
City Services	6,326	11,542	5,216	45.2%
Allocations to Capital - Overhead		(3,384)	(3,384)	100.0%
Other Operating Expenses	5,354	12,766	7,412	58.1%
Clean Truck Program Expenses	49	366	318	86.7%
Total Operating Expenses	39,766	64,481	24,715	38.3%
Income Before Depreciation	70,232	46,798	23,434	50.1%
Provision For Depreciation	23,738	25,911	2,173	8.4%
Income From Operations	46,494	20,887	25,607	122.6%
Non-Operating Revenue	8,750	7,473	1,277	17.1%
Non-Operating Expenses	3,115	4,847	1,732	35.7%
Net Income	52,129	23,514	28,615	121.7%

**The Port of Los Angeles - Harbor Department
FYTD AUGUST 31, 2024 and 2023**

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year	
	FY 2024/25	FY 2023/24	Change	
	Fiscal YTD - Aug 2024	Fiscal YTD - Aug 2023	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	87,951	76,531	11,420	14.9%
Rentals	19,781	17,966	1,815	10.1%
Royalties, Fees and Other Revenues	2,050	1,931	120	6.2%
Clean Truck Program Revenues	216	3,874	(3,658)	(94.4%)
Total Operating Revenues	109,998	100,302	9,697	9.7%
Operating Expenses				
Gross Salaries & Benefits	31,220	29,398	(1,822)	(6.2%)
Capitalization	(6,102)	(5,613)	489	(8.7%)
Net Salaries & Benefits	25,118	23,785	(1,333)	(5.6%)
Marketing & Public Relations	777	276	(501)	(181.1%)
Travel	119	139	20	14.3%
Outside Services	1,303	2,239	936	41.8%
Materials & Supplies	720	726	5	0.7%
City Services	6,326	6,821	495	7.3%
Other Operating Expenses	5,354	3,106	(2,248)	(72.4%)
Clean Truck Program Expenses	49	171	122	71.5%
Total Operating Expenses	39,766	37,264	(2,502)	(6.7%)
Income Before Depreciation	70,232	63,038	7,194	11.4%
Provision For Depreciation	23,738	25,750	2,012	7.8%
Income From Operations	46,494	37,288	9,206	24.7%
Non-Operating Revenue	8,750	7,841	909	11.6%
Non-Operating Expenses	3,115	2,924	(192)	(6.6%)
Net Income	52,129	42,206	9,923	23.5%