



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: May 19, 2026

TO: BOARD OF HARBOR COMMISSIONERS

SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2025/26 ENDED FEBRUARY 28, 2026

Financial performance results through the first eighth months of Fiscal Year 2025/26 are below and have been summarized relative to both budget and the prior fiscal year. Through the month of February, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 24.1% relative to budget and decreased by 5.1% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD Feb 2026	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	6,920	↑ 24.1%	↓ (5.1%)
Operating Revenues	\$516.2	↑ 15.8%	↓ (10.1%)
Operating Expenses	\$258.9	↓ (9.8%)	↑ 22.5%
Operating Income	\$257.3	↑ 62.4%	↓ (29.1%)
Net Income	\$204.6	↑ 50.7%	↓ (33.3%)

Relative to budget, Operating Revenues increased by 15.8% primarily due to higher than budgeted wharfage revenues. In comparison to the prior fiscal year, total Operating Revenues decreased by 10.1% due to lower HMT receipts, timing of Clean Truck Fund collection and lower rental revenues. Excluding the impact of HMT receipts, total Operating Revenues decreased by only 1.0%.

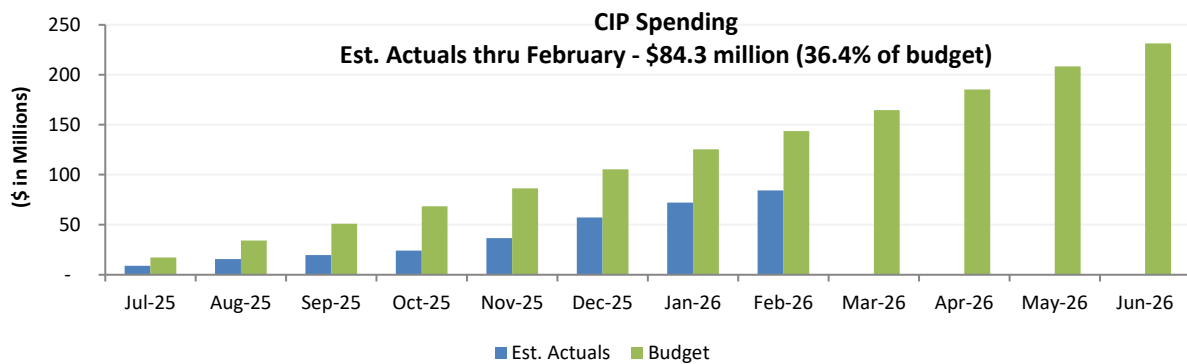
Operating Expenses were 9.8% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services and lower miscellaneous expenses. Relative to the prior fiscal year, total Operating Expenses increased by 22.5% primarily due to higher city services, higher outside services, higher


salaries and benefits, higher Clean Truck expenses, higher utilities and higher miscellaneous expenditures.

Operating Margin through the month of February was 49.8% versus a budget of 35.6% and a prior year-to-date figure of 63.2%. Excluding HMT receipts of \$7.3 million from FY 2026 and \$60.6 million from FY 2025, Operating Margin would have been 49.1% and 58.9%, respectively.

Capital Improvement Program (CIP)

CIP spending for the eight-month period ending February 28, 2026, was estimated to reach \$84.3 million or about 36.4% of the total \$231.3 million CIP adopted budget.



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JEFFREY STRAFFORD
Chief Financial Officer

Transmittals:

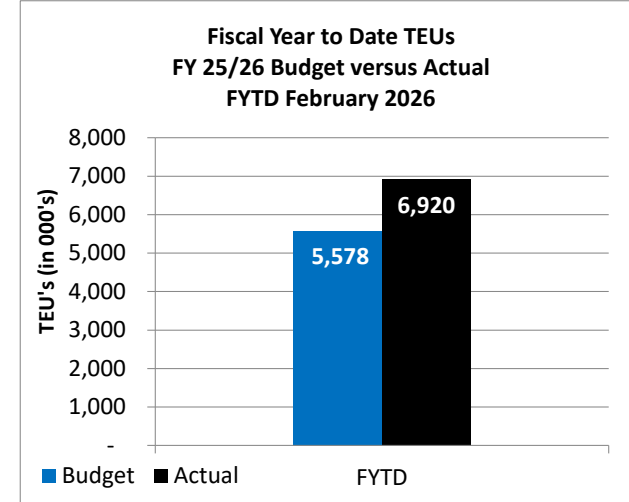
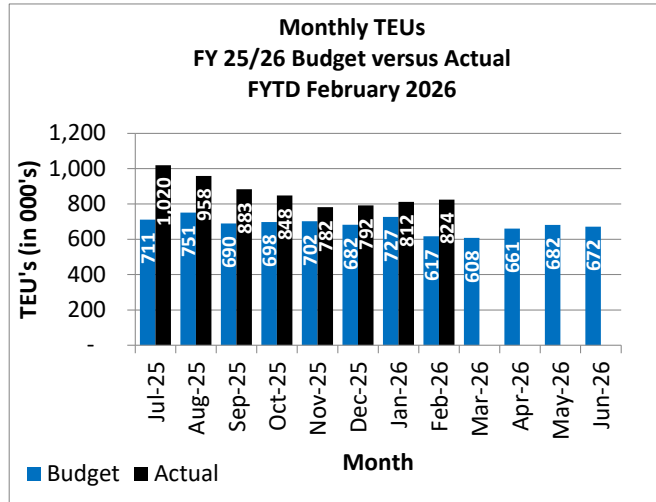
1. TEU Throughput Comparison – FYTD February 2026
2. Actual-to-Budget FY 2025/26 – February
3. Year-to-Year Performance Report YTD February 28, 2026 and 2025

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cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES TEU THROUGHPUT COMPARISON - FYTD February 2026

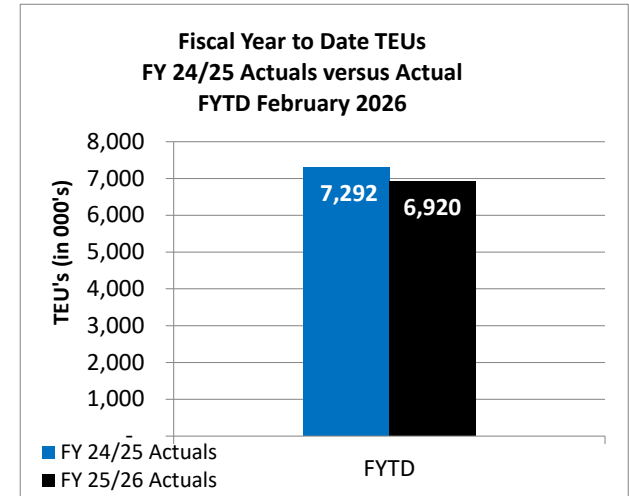
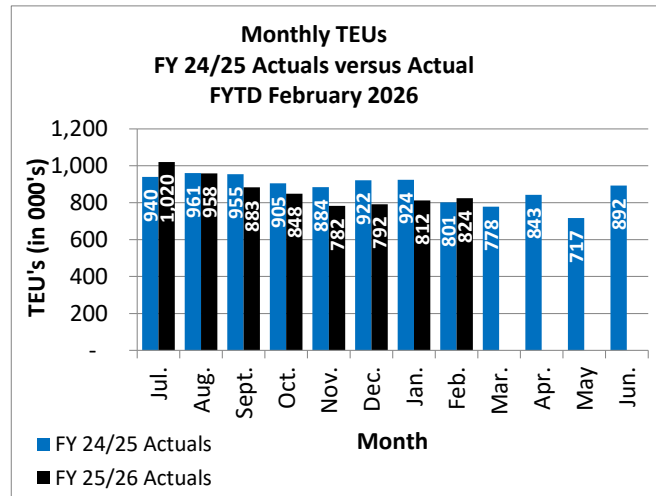
Budget versus Actuals Comparison FY 25/26 Budget vs. FY 25/26 Actuals

(in 000's)	TEU's		% Δ	Δ
	Month	FY 25/26 Budget		
Jul-25	711	1,020	43.4%	↑
Aug-25	751	958	27.6%	↑
Sep-25	690	883	28.0%	↑
Oct-25	698	848	21.6%	↑
Nov-25	702	782	11.4%	↑
Dec-25	682	792	16.1%	↑
Jan-26	727	812	11.7%	↑
Feb-26	617	824	33.5%	↑
Mar-26	608			
Apr-26	661			
May-26	682			
Jun-26	672			
FYTD	5,578	6,920	24.1%	↑
FY 25/26 Budget	8,200			



Year-to-Year Actuals Comparison FY 24/25 Actuals vs. FY 25/26 Actuals

(in 000's)	TEU's		% Δ	Δ
	Month	FY 24/25 Actuals		
Jul.	940	1,020	8.5%	↑
Aug.	961	958	-0.2%	↓
Sept.	955	883	-7.5%	↓
Oct.	905	848	-6.3%	↓
Nov.	884	782	-11.5%	↓
Dec.	922	792	-14.1%	↓
Jan.	924	812	-12.1%	↓
Feb.	801	824	2.9%	↑
Mar.	778			
Apr.	843			
May	717			
Jun.	892			
FYTD	7,292	6,920	-5.1%	↓
FY 24/25 Actuals	10,522			



The Port of Los Angeles - Harbor Department
FYTD February 28, 2026

TRANSMITTAL 2

	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget Comparison	
	FY 2025/26	FY 2025/26	(Unfavorable)/Favorable	
\$ in thousands	Fiscal YTD - Feb 2026	Fiscal YTD - Feb 2026	\$	%
Operating Revenues				
Shipping Services	381,818	319,739	62,079	19.4%
Rentals	80,294	83,233	(2,939)	(3.5%)
Royalties, Fees and Other Revenues	29,408	19,311	10,097	52.3%
Clean Truck Program Revenues	24,666	23,317	1,349	5.8%
Total Operating Revenues	516,186	445,600	70,586	15.8%
Operating Expenses				
Gross Salaries & Benefits	127,684	155,192	27,508	17.7%
Capitalization	(10,623)	(10,661)	(37)	0.3%
Net Salaries & Benefits	117,061	144,532	27,471	19.0%
Marketing & Public Relations	1,790	3,419	1,630	47.7%
Travel	635	1,251	616	49.2%
Outside Services	32,848	42,601	9,753	22.9%
Materials & Supplies	4,891	6,250	1,359	21.7%
Rentals and Incentives	9,628	16,442	6,815	41.4%
Clean Truck Program Expenses	9,689	7,875	(1,814)	(23.0%)
City Services	49,146	48,699	(447)	(0.9%)
Allocations to Capital - Overhead		(16,375)	(16,375)	100.0%
Other Operating Expenses	33,189	32,441	(749)	(2.3%)
Total Operating Expenses	258,877	287,135	28,258	9.8%
Income Before Depreciation	257,309	158,465	98,844	62.4%
Provision For Depreciation	99,053	99,029	(24)	(0.0%)
Income From Operations	158,256	59,436	98,820	166.3%
Non-Operating Revenues	55,151	163,045	(107,895)	(66.2%)
Non-Operating Expenses	8,826	86,690	77,864	89.8%
Income before Capital Contributions	204,581	135,791	68,790	50.7%

The Port of Los Angeles - Harbor Department
FYTD February 28, 2026 and 2025

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year Change		
	FY 2025/26	FY 2024/25	(Unfavorable)/Favorable		
	Fiscal YTD - Feb 2026	Fiscal YTD - Feb 2025	\$	%	
Operating Revenues					
Shipping Services	381,818	382,787	(970)	(0.3%)	
Rentals	80,294	82,955	(2,660)	(3.2%)	
Royalties, Fees and Other Revenues	29,408	79,277	(49,870)	(62.9%)	
Clean Truck Program Revenues	24,666	29,371	(4,705)	(16.0%)	
Total Operating Revenues	516,186	574,391	(58,204)	(10.1%)	
Operating Expenses					
Gross Salaries & Benefits	127,684	126,192	(1,492)	(1.2%)	
Capitalization	(10,623)	(14,951)	(4,328)	28.9%	
Net Salaries & Benefits	117,061	111,241	(5,820)	(5.2%)	
Marketing & Public Relations	1,790	2,128	338	15.9%	
Travel	635	485	(150)	(31.0%)	
Outside Services	32,848	21,233	(11,614)	(54.7%)	
Materials & Supplies	4,891	3,393	(1,499)	(44.2%)	
Rentals and Incentives	9,628	8,356	(1,272)	(15.2%)	
Clean Truck Program Expenses	9,689	5,409	(4,280)	(79.1%)	
City Services	49,146	31,455	(17,691)	(56.2%)	
Other Operating Expenses	33,189	27,674	(5,515)	(19.9%)	
Total Operating Expenses	258,877	211,374	(47,503)	(22.5%)	
Income Before Depreciation	257,309	363,017	(105,708)	(29.1%)	
Provision For Depreciation	99,053	97,029	(2,024)	(2.1%)	
Income From Operations	158,256	265,987	(107,732)	(40.5%)	
Non-Operating Revenues	55,151	48,831	6,320	12.9%	
Non-Operating Expenses	8,826	8,086	(740)	(9.2%)	
Income before Capital Contributions	204,581	306,732	(102,152)	(33.3%)	