



# AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

**DATE: NOVEMBER 21, 2023**

**TO: BOARD OF HARBOR COMMISSIONERS**

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR  
FISCAL YEAR 2023/24 ENDED OCTOBER 31, 2023**

Financial performance results for the first four months of the Fiscal Year 2023/24 are below and have been summarized relative to both budget and the prior fiscal year. For the month of October, cargo volumes (as measured by TEUs or twenty-foot equivalent units) decreased by 9.2% relative to budget and 4.6% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD October 2023	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	2,987	↓ (9.2%)	↓ (4.6%)
Operating Revenues	\$216.4	↓ (9.1%)	↑ 2.9%
Operating Expenses	\$82.8	↓ (32.7%)	↑ 0.1%
Operating Income	\$133.6	↑ 16.2%	↑ 4.7%
Net Income	\$92.5	↑ 57.6%	↑ 20.5%

Shipping Services decreased relative to budget due to lower cargo volumes but increased relative to the prior year as lower cargo volumes were more than offset by higher container rates. Relative to budget, Operating Revenues decreased by 9.1% primarily due to lower wharfage, lower utility charges and delays in recording Clean Truck Fund Rate collections. In comparison to the prior fiscal year, total Operating Revenues increased by 2.9% due to higher wharfage, higher rentals, and higher Clean Truck Fund revenue.

Operating Expenses were 32.7% lower than budget primarily due to lower salaries and benefits expenses, timing of outside services, timing of city service invoices, delay in

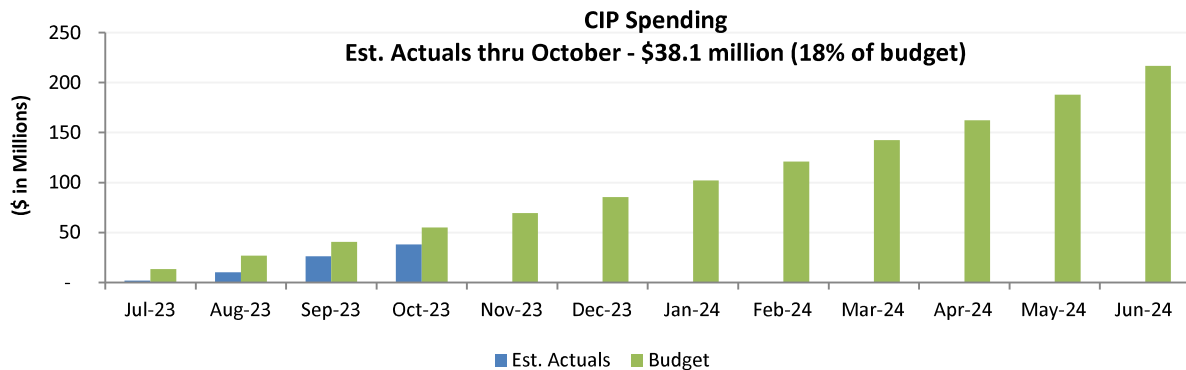
**SUBJECT: FINANCIAL PERFORMANCE RESULTS**

recording of payment for electricity and timing of insurance payments. Relative to the prior fiscal year, total Operating Expenses increased by 0.1% due to higher salary and benefits and higher electricity costs which were partially offset by delay in processing container incentives, lower spend on city services, and timing of insurance payments.

Operating Margin through the month of October was 61.7% versus a budget of 48.3% and a prior year-to-date figure of 60.7%.

Capital Improvement Program (CIP)

CIP spending for the four-month period ended October 30, 2023, was estimated to reach \$38.1 million or about 18% of the total \$216.5 million CIP adopted budget.



*Marla Bleavins*

MARLA BLEAVINS  
Deputy Executive Director & Chief Financial Officer

Transmittals:

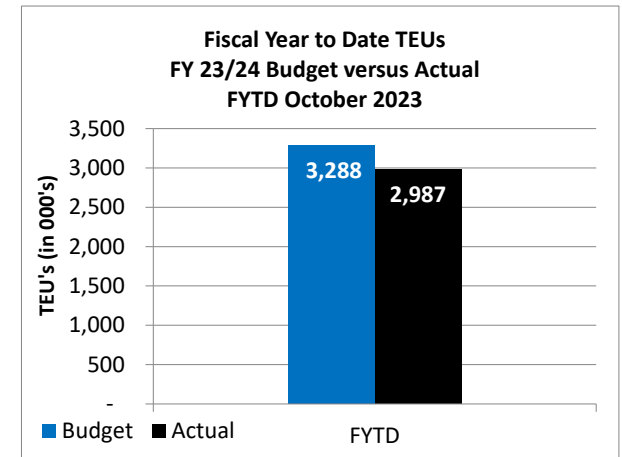
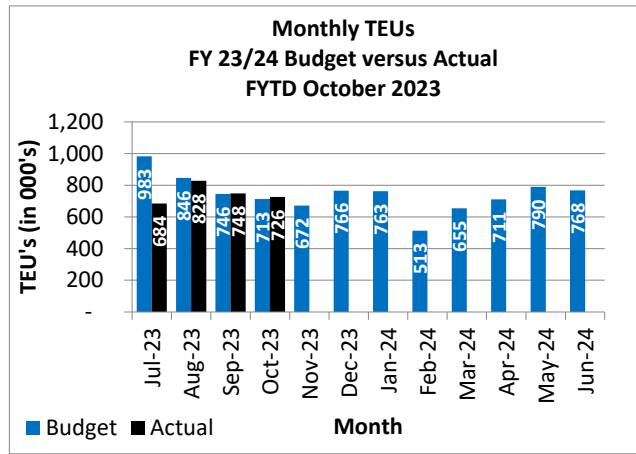
1. TEU Throughput Comparison – FYTD October 2023
2. Actual-to-Budget FY 2022/23 – October
3. Year-to-Year Performance Report YTD October 30, 2023 and 2022

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MB:JS:MM/Finance  
cc: Deputy Executive Directors

# HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES TEU THROUGHPUT COMPARISON - FYTD OCTOBER 2023

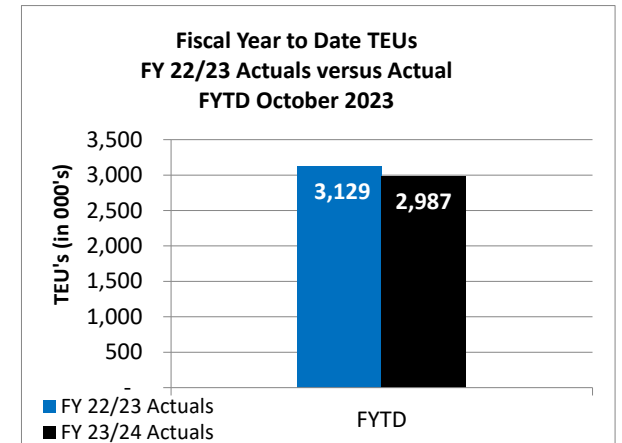
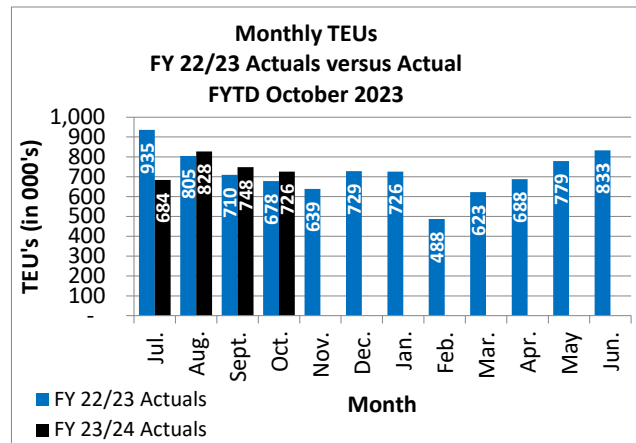
### Budget versus Actuals Comparison FY 23/24 Budget vs. FY 23/24 Actuals

(in 000's) Month	TEU's		% Δ	Δ
	FY 23/24 Budget	FY 23/24 Actuals		
Jul-23	983	684	-30.4%	↓
Aug-23	846	828	-2.1%	↓
Sep-23	746	748	0.3%	↑
Oct-23	713	726	1.8%	↑
Nov-23	672		-100.0%	↓
Dec-23	766		-100.0%	↓
Jan-24	763		-100.0%	↓
Feb-24	513		-100.0%	↓
Mar-24	655		-100.0%	↓
Apr-24	711		-100.0%	↓
May-24	790		-100.0%	↓
Jun-24	768		-100.0%	↓
<b>FYTD</b>	<b>3,288</b>	<b>2,987</b>	<b>-9.2%</b>	<b>↓</b>
FY 23/24 Budget	8,925			



### Year-to-Year Actuals Comparison FY 22/23 Actuals vs. FY 23/24 Actuals

(in 000's) Month	TEU's		% Δ	Δ
	FY 22/23 Actuals	FY 23/24 Actuals		
Jul.	935	684	-26.8%	↓
Aug.	805	828	2.8%	↑
Sept.	710	748	5.4%	↑
Oct.	678	726	7.0%	↑
Nov.	639		-100.0%	↓
Dec.	729		-100.0%	↓
Jan.	726		-100.0%	↓
Feb.	488		-100.0%	↓
Mar.	623		-100.0%	↓
Apr.	688		-100.0%	↓
May	779		-100.0%	↓
Jun.	833		-100.0%	↓
<b>FYTD</b>	<b>3,129</b>	<b>2,987</b>	<b>-4.6%</b>	<b>↓</b>
FY 22/23 Actuals	8,635			



The Port of Los Angeles - Harbor Department  
FYTD OCTOBER 30, 2023

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2023/24	FY 2023/24	Comparison	
	Fiscal YTD - Oct 2023	Fiscal YTD - Oct 2023	\$	%
<b>Operating Revenues</b>				
Shipping Services	158,102	176,866	(18,764)	(10.6%)
Rentals	39,542	38,529	1,014	2.6%
Royalties, Fees and Other Revenues	7,156	9,857	(2,702)	(27.4%)
Clean Truck Program Revenues	11,570	12,732	(1,163)	(9.1%)
<b>Total Operating Revenues</b>	<b>216,369</b>	<b>237,984</b>	<b>(21,615)</b>	<b>(9.1%)</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	56,367	64,580	8,213	12.7%
Capitalization	(11,325)	(5,195)	6,130	(118.0%)
Net Salaries & Benefits	45,042	59,385	14,343	24.2%
Marketing & Public Relations	500	1,373	873	63.6%
Travel	364	429	65	15.2%
Outside Services	6,333	16,805	10,473	62.3%
Materials & Supplies	1,792	2,127	335	15.8%
City Services	16,942	22,170	5,228	23.6%
Allocations to Capital - Overhead		(6,570)	(6,570)	100.0%
Other Operating Expenses	11,043	24,884	13,841	55.6%
Clean Truck Program Expenses	772	2,440	1,667	68.3%
<b>Total Operating Expenses</b>	<b>82,788</b>	<b>123,044</b>	<b>40,255</b>	<b>32.7%</b>
<b>Income Before Depreciation</b>	<b>133,581</b>	<b>114,941</b>	<b>18,640</b>	<b>16.2%</b>
Provision For Depreciation	50,063	52,583	2,520	4.8%
<b>Income From Operations</b>	<b>83,517</b>	<b>62,358</b>	<b>21,160</b>	<b>33.9%</b>
Non-Operating Revenue	14,703	7,346	7,357	100.1%
Non-Operating Expenses	5,750	11,031	5,281	47.9%
<b>Net Income</b>	<b>92,471</b>	<b>58,673</b>	<b>33,797</b>	<b>57.6%</b>

The Port of Los Angeles - Harbor Department  
FYTD October 30, 2022 and 2023

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year Change	
	FY 2023/24	FY 2022/23	(Unfavorable)/Favorable	
	Fiscal YTD - Oct 2023	Fiscal YTD - Oct 2022	\$	%
<b>Operating Revenues</b>				
Shipping Services	158,102	155,097	3,005	1.9%
Rentals	39,542	34,991	4,551	13.0%
Royalties, Fees and Other Revenues	7,156	11,362	(4,206)	(37.0%)
Clean Truck Program Revenues	11,570	8,874	2,696	30.4%
<b>Total Operating Revenues</b>	<b>216,369</b>	<b>210,323</b>	<b>6,046</b>	<b>2.9%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	56,367	51,278	(5,089)	(9.9%)
Capitalization	(11,325)	(8,888)	2,436	(27.4%)
Net Salaries & Benefits	45,042	42,389	(2,653)	(6.3%)
Marketing & Public Relations	500	967	467	48.3%
Travel	364	264	(100)	(38.0%)
Outside Services	6,333	6,948	615	8.9%
Materials & Supplies	1,792	1,590	(202)	(12.7%)
City Services	16,942	18,987	2,045	10.8%
Other Operating Expenses	11,043	11,132	89	0.8%
Clean Truck Program Expenses	772	442	(330)	(74.7%)
<b>Total Operating Expenses</b>	<b>82,788</b>	<b>82,719</b>	<b>(69)</b>	<b>(0.1%)</b>
<b>Income Before Depreciation</b>	<b>133,581</b>	<b>127,604</b>	<b>5,977</b>	<b>4.7%</b>
Provision For Depreciation	50,063	52,064	2,001	3.8%
<b>Income From Operations</b>	<b>83,517</b>	<b>75,540</b>	<b>7,977</b>	<b>10.6%</b>
Non-Operating Revenue	14,703	7,153	7,550	105.6%
Non-Operating Expenses	5,750	5,983	233	3.9%
<b>Net Income</b>	<b>92,471</b>	<b>76,710</b>	<b>15,761</b>	<b>20.5%</b>