











“FOR INFORMATION ONLY”

DATE: October 24, 2023

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2023/24 ENDED SEPTEMBER 30, 2023**

Financial performance results for the first three 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 September, cargo volumes (as measured by TEUs or twenty-foot equivalent units) decreased by 12.2% relative to budget and 7.7% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD September 2023	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	2,261	 (12.2%)	 (7.7%)
Operating Revenues	\$151.1	 (16.0%)	 (3.4%)
Operating Expenses	\$59.9	 (35.0%)	 6.7%
Operating Income	\$91.2	 4.1%	 (9.0%)
Net Income	\$60.2	 35.0%	 (2.6%)

Shipping Services decreased relative to both budget and prior year due to lower wharfage revenues and lower space assignments. Relative to budget, Operating Revenues decreased by 16.0% primarily due to lower wharfage, delays in recording Clean Truck Fund Rate collections, and lower rentals. In comparison to the prior fiscal year, total Operating Revenues decreased by 3.4% due to lower Harbor Maintenance Tax, lower space assignments, and lower wharfage revenues, which were partially offset by the higher Clean Truck Fund revenue.

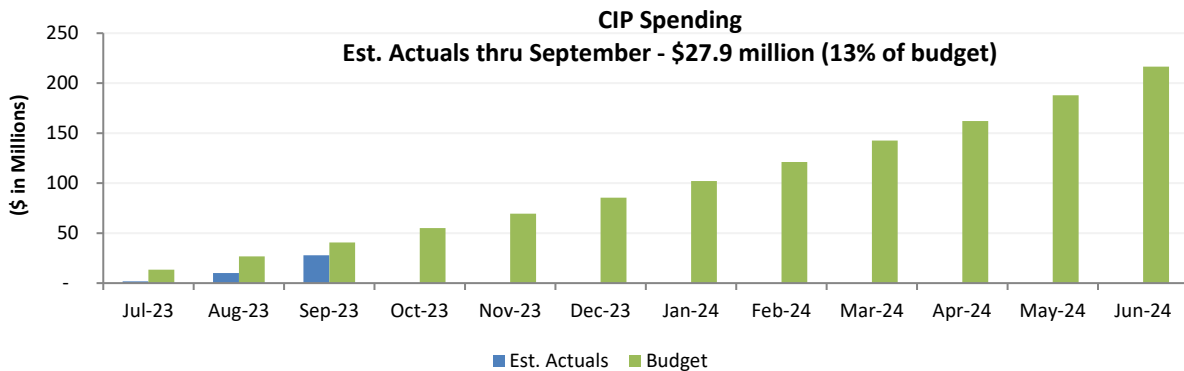
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 35% lower than budget primarily due to lower salaries and benefits expenses, timing of outside services, timing of city service invoices, delay in recording of payment for electricity, and timing of insurance payments. Relative to the prior fiscal year, total Operating Expenses increased by 6.7% due to higher salary and benefits and higher electricity costs which were partially offset by lower spend on city services, marketing costs, and outside services.

Operating Margin through the month of September was 60.4% versus a budget of 48.8% and a prior year-to-date figure of 64.1%.

Capital Improvement Program (CIP)

CIP spending for the three-month period ended September 30, 2023, was estimated to reach \$27.9 million or about 13% of the total \$216.5 million CIP adopted budget.



Marla Bleavins

MARLA BLEAVINS

Deputy Executive Director & Chief Financial Officer

Transmittals:

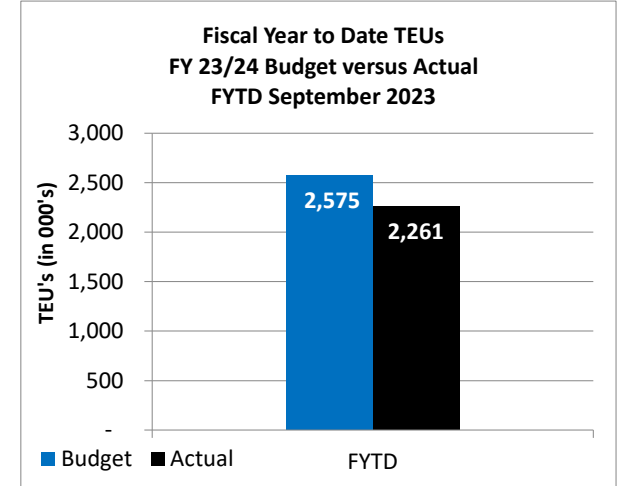
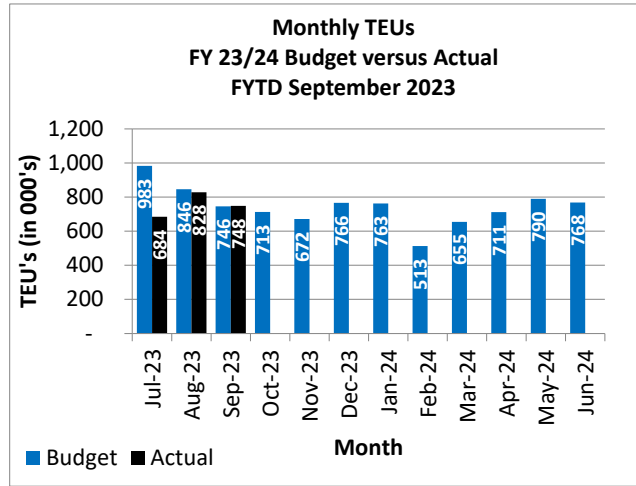
1. TEU Throughput Comparison – FYTD September 2023
2. Actual-to-Budget FY 2022/23 – September
3. Year-to-Year Performance Report YTD September 30, 2023 and 2022

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

Harbor Department of the City of Los Angeles TEU Throughput Comparison - FYTD September 2023

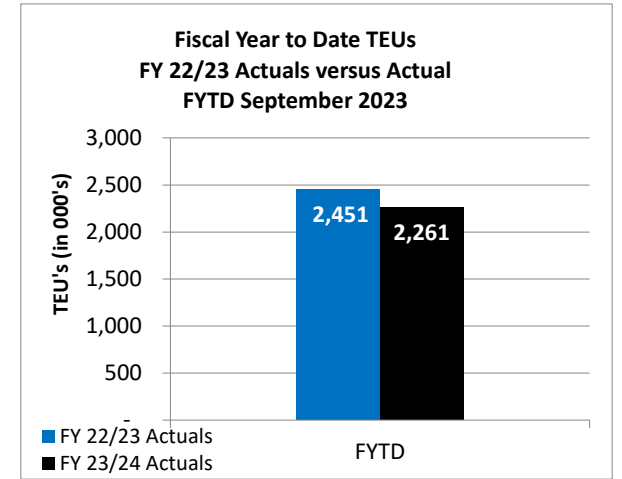
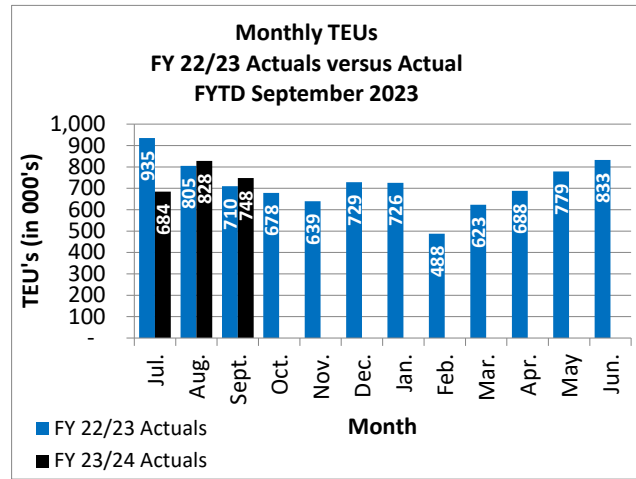
Budget versus Actuals Comparison FY 23/24 Budget vs. FY 23/24 Actuals

(in 000's)	TEU's			
	Month	FY 23/24 Budget	FY 23/24 Actuals	% Δ
Jul-23	983	684	-30.4%	↓
Aug-23	846	828	-2.1%	↓
Sep-23	746	748	0.3%	↑
Oct-23	713		-100.0%	↓
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%	↓
FYTD	2,575	2,261	-12.2%	↓
FY 23/24 Budget	8,925			



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

(in 000's)	TEU's			
	Month	FY 22/23 Actuals	FY 23/24 Actuals	% Δ
Jul.	935	684	-26.8%	↓
Aug.	805	828	2.8%	↑
Sept.	710	748	5.4%	↑
Oct.	678		-100.0%	↓
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%	↓
FYTD	2,451	2,261	-7.7%	↓
FY 22/23 Actuals	8,635			



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

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2023/24	FY 2023/24	Comparison	
	Fiscal YTD - Sep 2023	Fiscal YTD - Sep 2023	\$	%
Operating Revenues				
Shipping Services	114,869	137,513	(22,644)	(16.5%)
Rentals	23,966	25,233	(1,266)	(5.0%)
Royalties, Fees and Other Revenues	4,326	7,133	(2,807)	(39.3%)
Clean Truck Program Revenues	7,944	9,936	(1,992)	(20.1%)
Total Operating Revenues	151,105	179,814	(28,709)	(16.0%)
Operating Expenses				
Gross Salaries & Benefits	42,443	48,555	6,112	12.6%
Capitalization	(8,690)	(3,896)	4,794	(123.1%)
Net Salaries & Benefits	33,753	44,659	10,906	24.4%
Marketing & Public Relations	433	1,169	737	63.0%
Travel	288	284	(4)	(1.4%)
Outside Services	3,813	12,848	9,035	70.3%
Materials & Supplies	1,333	1,500	168	11.2%
City Services	11,766	16,663	4,897	29.4%
Allocations to Capital - Overhead		(4,928)	(4,928)	100.0%
Other Operating Expenses	8,094	17,738	9,644	54.4%
Clean Truck Program Expenses	389	2,197	1,807	82.3%
Total Operating Expenses	59,869	92,132	32,263	35.0%
Income Before Depreciation	91,236	87,683	3,554	4.1%
Provision For Depreciation	37,928	39,981	2,053	5.1%
Income From Operations	53,308	47,702	5,606	11.8%
Non-Operating Revenue	11,181	5,149	6,032	117.1%
Non-Operating Expenses	4,321	8,273	3,952	47.8%
Net Income	60,168	44,578	15,590	35.0%

The Port of Los Angeles - Harbor Department
FYTD September 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 - Sep 2023	Fiscal YTD - Sep 2022	\$	%
Operating Revenues				
Shipping Services	114,869	120,345	(5,475)	(4.5%)
Rentals	23,966	23,132	834	3.6%
Royalties, Fees and Other Revenues	4,326	8,390	(4,064)	(48.4%)
Clean Truck Program Revenues	7,944	4,544	3,400	74.8%
Total Operating Revenues	151,105	156,410	(5,304)	(3.4%)
Operating Expenses				
Gross Salaries & Benefits	42,443	38,503	(3,940)	(10.2%)
Capitalization	(8,690)	(6,406)	2,284	(35.7%)
Net Salaries & Benefits	33,753	32,096	(1,656)	(5.2%)
Marketing & Public Relations	433	899	466	51.9%
Travel	288	165	(123)	(74.2%)
Outside Services	3,813	4,164	351	8.4%
Materials & Supplies	1,333	1,148	(185)	(16.1%)
City Services	11,766	14,386	2,620	18.2%
Other Operating Expenses	8,094	3,058	(5,036)	(164.7%)
Clean Truck Program Expenses	389	216	(173)	(80.1%)
Total Operating Expenses	59,869	56,134	(3,735)	(6.7%)
Income Before Depreciation	91,236	100,276	(9,039)	(9.0%)
Provision For Depreciation	37,928	39,063	1,134	2.9%
Income From Operations	53,308	61,213	(7,905)	(12.9%)
Non-Operating Revenue	11,181	5,081	6,100	120.1%
Non-Operating Expenses	4,321	4,494	173	3.8%
Net Income	60,168	61,800	(1,632)	(2.6%)