



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 MARCH 31, 2026

Financial performance results through the first ninth 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 March, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 24.0% relative to budget and decreased by 4.9% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

| FYTD Mar 2026 | Actuals (Cargo Volumes in Thousands, \$ in Millions) | Actual-to- Budget Comparison | Year-on-Year Comparison |
|--|---|------------------------------------|----------------------------|
| Cargo Volumes | 7,672 | ↑ 24.0% | ↓ (4.9%) |
| Operating Revenues | \$565.5 | ↑ 14.3% | ↓ (9.4%) |
| Operating Expenses | \$284.6 | ↓ (11.4%) | ↑ 10.0% |
| Operating Income | \$280.8 | ↑ 61.7% | ↓ (23.1%) |
| Income before Capital Contributions | \$224.8 | ↑ 51.6% | ↓ (25.5%) |

Relative to budget, Operating Revenues increased by 14.3% primarily due to higher than budgeted wharfage revenues. In comparison to the prior fiscal year, total Operating Revenues decreased by 9.4% due to lower HMT receipts and timing of Clean Truck Fund collection. Excluding the impact of HMT receipts, total Operating Revenues decreased by only 0.9%.

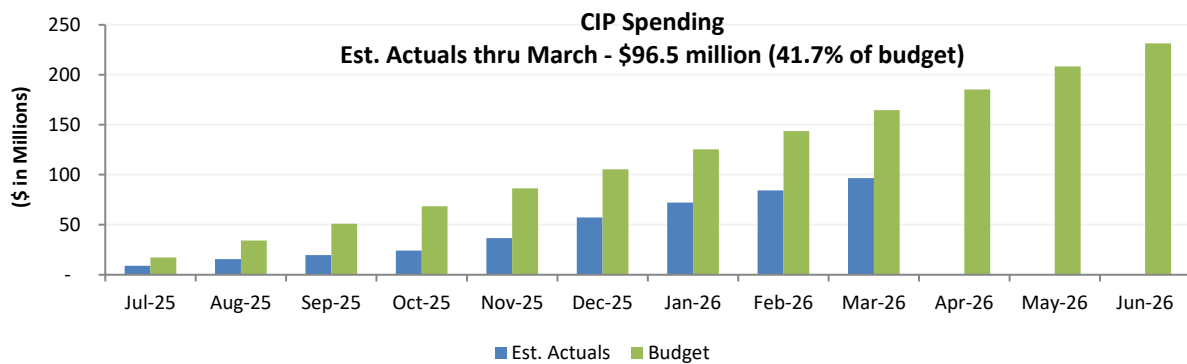
Operating Expenses were 11.4% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services and higher miscellaneous expenses. Relative to the prior fiscal year, total Operating Expenses increased by 10.0% primarily due to higher outside services, higher city services, higher

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

Operating Margin through the month of March was 49.7% versus a budget of 35.1% and a prior year-to-date figure of 58.5%. Excluding HMT receipts of \$7.3 million from FY 2026 and \$60.6 million from FY 2025, Operating Margin would have been 49.0% and 54.1%, respectively.

Capital Improvement Program (CIP)

CIP spending for the nine-month period ending March 31, 2026, was estimated to reach \$96.5 million or about 41.7% of the total \$231.3 million CIP adopted budget.



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JEFFREY STRAFFORD
Chief Financial Officer

Transmittals:

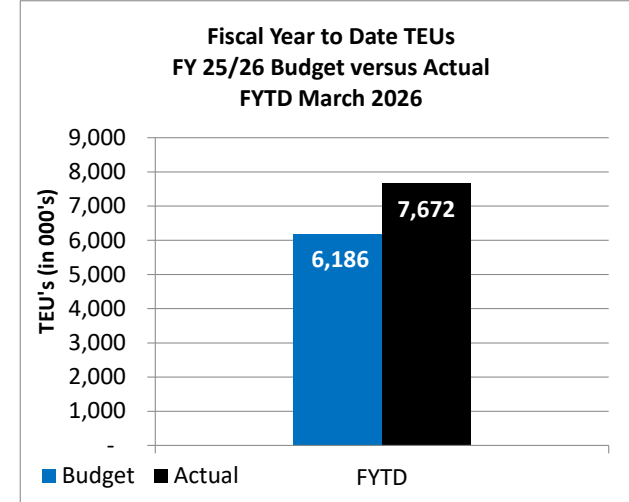
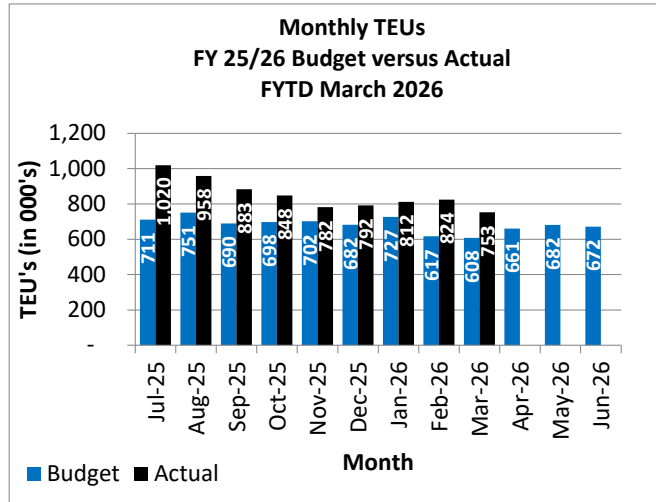
1. TEU Throughput Comparison – FYTD March 2026
2. Actual-to-Budget FY 2025/26 – March
3. Year-to-Year Performance Report YTD March 31, 2026 and 2025

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JS:MM/Finance
cc: Deputy Executive Directors

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

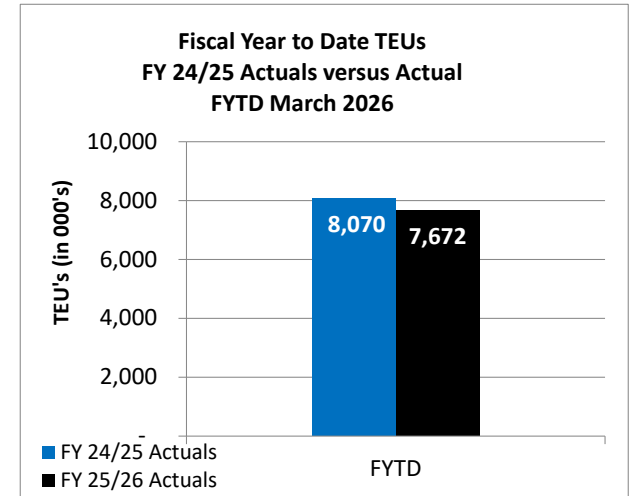
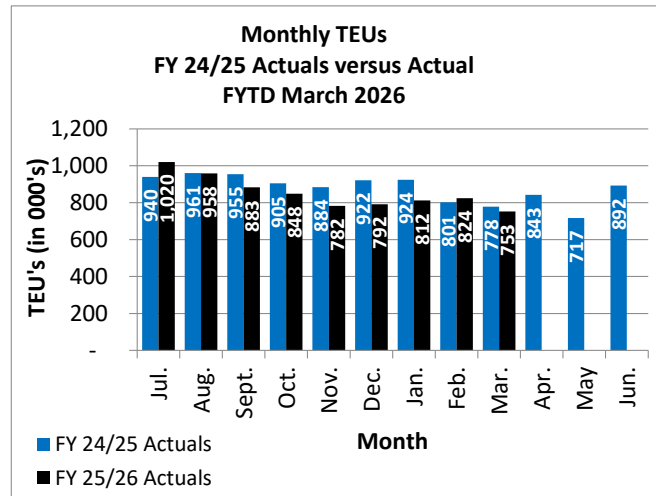
Budget versus Actuals Comparison FY 25/26 Budget vs. FY 25/26 Actuals

| (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 | 753 | 23.8% | ↑ |
| Apr-26 | 661 | | | |
| May-26 | 682 | | | |
| Jun-26 | 672 | | | |
| FYTD | 6,186 | 7,672 | 24.0% | ↑ |
| 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 | 753 | -3.3% | ↓ |
| Apr. | 843 | | | |
| May | 717 | | | |
| Jun. | 892 | | | |
| FYTD | 8,070 | 7,672 | -4.9% | ↓ |
| FY 24/25 Actuals | 10,522 | | | |



The Port of Los Angeles - Harbor Department
FYTD March 31, 2026

TRANSMITTAL 2

| \$ in thousands | Fiscal Year Actual | Fiscal Year Budget | Actual-to-Budget | |
|--|-----------------------|-----------------------|-------------------------|---------------|
| | FY 2025/26 | FY 2025/26 | Comparison | |
| | Fiscal YTD - Mar 2026 | Fiscal YTD - Mar 2026 | (Unfavorable)/Favorable | |
| | | | \$ | % |
| Operating Revenues | | | | |
| Shipping Services | 417,373 | 355,920 | 61,453 | 17.3% |
| Rentals | 88,537 | 90,465 | (1,928) | (2.1%) |
| Royalties, Fees and Other Revenues | 34,661 | 22,527 | 12,134 | 53.9% |
| Clean Truck Program Revenues | 24,881 | 25,971 | (1,090) | (4.2%) |
| Total Operating Revenues | 565,452 | 494,883 | 70,569 | 14.3% |
| Operating Expenses | | | | |
| Gross Salaries & Benefits | 143,840 | 174,558 | 30,718 | 17.6% |
| Capitalization | (12,197) | (11,993) | 203 | (1.7%) |
| Net Salaries & Benefits | 131,643 | 162,564 | 30,921 | 19.0% |
| Marketing & Public Relations | 2,740 | 3,596 | 856 | 23.8% |
| Travel | 789 | 1,418 | 629 | 44.4% |
| Outside Services | 32,232 | 46,997 | 14,765 | 31.4% |
| Materials & Supplies | 5,801 | 7,128 | 1,327 | 18.6% |
| Rentals and Incentives | 10,277 | 18,472 | 8,195 | 44.4% |
| Clean Truck Program Expenses | 9,712 | 8,809 | (904) | (10.3%) |
| City Services | 54,097 | 54,687 | 589 | 1.1% |
| Allocations to Capital - Overhead | | (18,422) | (18,422) | 100.0% |
| Other Operating Expenses | 37,316 | 35,910 | (1,405) | (3.9%) |
| Total Operating Expenses | 284,607 | 321,159 | 36,552 | 11.4% |
| Income Before Depreciation | 280,845 | 173,724 | 107,121 | 61.7% |
| Provision For Depreciation | 111,330 | 111,307 | (23) | (0.0%) |
| Income From Operations | 169,514 | 62,417 | 107,097 | 171.6% |
| Non-Operating Revenues | 64,686 | 183,426 | (118,740) | (64.7%) |
| Non-Operating Expenses | 9,390 | 97,526 | 88,136 | 90.4% |
| Income before Capital Contributions | 224,811 | 148,317 | 76,494 | 51.6% |

The Port of Los Angeles - Harbor Department
FYTD March 31, 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 - Mar 2026 | Fiscal YTD - Mar 2025 | \$ | % | |
| Operating Revenues | | | | | |
| Shipping Services | 417,373 | 420,232 | (2,859) | (0.7%) | |
| Rentals | 88,537 | 88,616 | (79) | (0.1%) | |
| Royalties, Fees and Other Revenues | 34,661 | 82,265 | (47,603) | (57.9%) | |
| Clean Truck Program Revenues | 24,881 | 32,698 | (7,817) | (23.9%) | |
| Total Operating Revenues | 565,452 | 623,810 | (58,359) | (9.4%) | |
| Operating Expenses | | | | | |
| Gross Salaries & Benefits | 143,840 | 142,648 | (1,191) | (0.8%) | |
| Capitalization | (12,197) | (16,524) | (4,327) | 26.2% | |
| Net Salaries & Benefits | 131,643 | 126,124 | (5,519) | (4.4%) | |
| Marketing & Public Relations | 2,740 | 2,524 | (216) | (8.5%) | |
| Travel | 789 | 582 | (207) | (35.7%) | |
| Outside Services | 32,232 | 26,148 | (6,084) | (23.3%) | |
| Materials & Supplies | 5,801 | 4,124 | (1,677) | (40.6%) | |
| Rentals and Incentives | 10,277 | 10,007 | (271) | (2.7%) | |
| Clean Truck Program Expenses | 9,712 | 5,636 | (4,076) | (72.3%) | |
| City Services | 54,097 | 48,363 | (5,735) | (11.9%) | |
| Other Operating Expenses | 37,316 | 35,213 | (2,102) | (6.0%) | |
| Total Operating Expenses | 284,607 | 258,721 | (25,886) | (10.0%) | |
| Income Before Depreciation | 280,845 | 365,089 | (84,245) | (23.1%) | |
| Provision For Depreciation | 111,330 | 109,164 | (2,167) | (2.0%) | |
| Income From Operations | 169,514 | 255,926 | (86,411) | (33.8%) | |
| Non-Operating Revenues | 64,686 | 54,716 | 9,970 | 18.2% | |
| Non-Operating Expenses | 9,390 | 8,698 | (692) | (8.0%) | |
| Income before Capital Contributions | 224,811 | 301,944 | (77,133) | (25.5%) | |