



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: October 23, 2024

TO: BOARD OF HARBOR COMMISSIONERS

SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2024/25 ENDED SEPTEMBER 30, 2024

Financial performance results through the third 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 September, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 23.8% relative to budget and increased by 26.3% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD September 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	2,855	↑ 23.8%	↑ 26.3%
Operating Revenues	\$172.5	↑ 4.3%	↑ 14.1%
Operating Expenses	\$64.6	↓ (32.8%)	↑ 7.9%
Operating Income	\$107.9	↑ 56.0%	↑ 18.3%
Net Income	\$79.2	↑ 152.3%	↑ 31.7%

Shipping Services increased relative to budget and prior year due to higher cargo volumes. Relative to budget, Operating Revenues increased by 4.3% primarily due to higher wharfage, which was only partially offset by delay in Clean Truck Fund Rate (CTFR) collection and lower space assignment. In comparison to the prior fiscal year, total Operating Revenues increased by 14.1% due to higher wharfage and rentals, which were only partially offset by delay in CTFR revenue collection and lower space assignment.

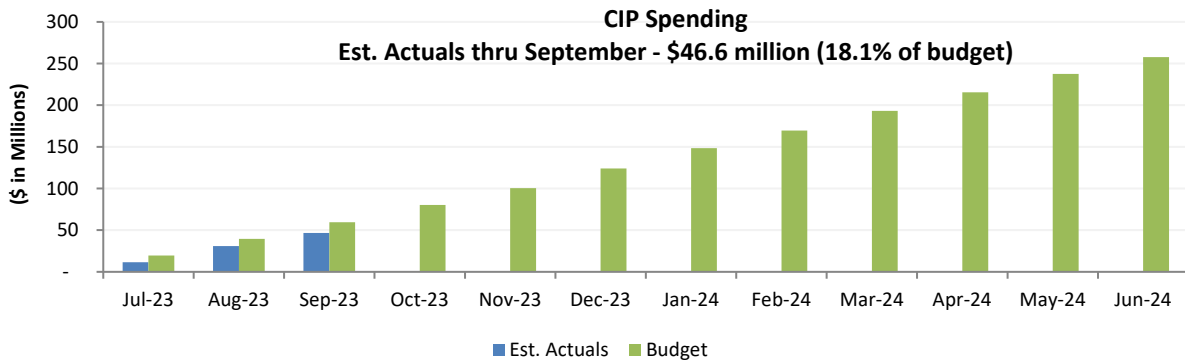
Operating Expenses were 32.8% lower than budgeted primarily due lower salaries and benefits expenses as well as invoicing/payment delays related to outside services, city

services, insurance and other miscellaneous payments, which were only partially offset by higher Ocean Common Carrier (OCC) Incentive Payments driven by higher-than-expected Cargo Volume in FY24. Relative to the prior fiscal year, total Operating Expenses increased by 7.9% primarily due higher OCC incentive payments and higher salaries and benefits.

Operating Margin through the month of September was 62.6% versus a budget of 41.8% and a prior year-to-date figure of 60.4%.

Capital Improvement Program (CIP)

CIP spending for the three-month period ended September 30, 2024, was estimated to reach \$46.6 million or about 18.1% of the total \$257.7 million CIP adopted budget.



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JEFFREY STRAFFORD
Director of Financial Planning & Analysis and Interim CFO

Transmittals:

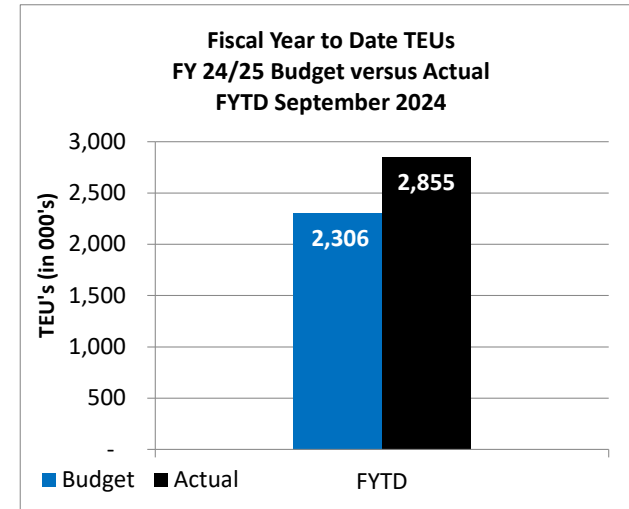
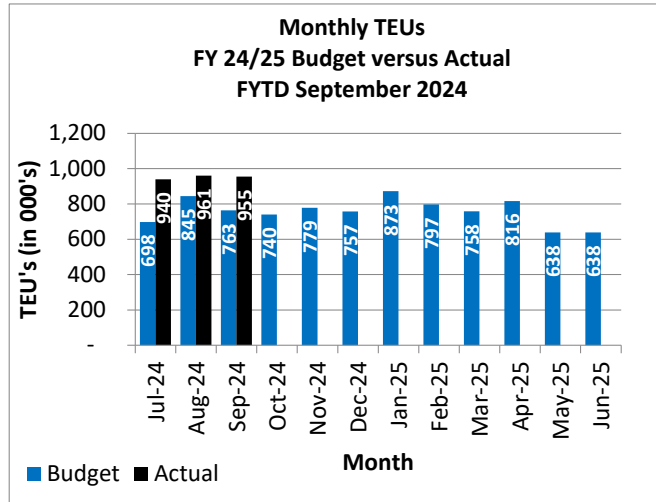
- 1. TEU Throughput Comparison – FYTD September 2024
- 2. Actual-to-Budget FY 2024/25 – September
- 3. Year-to-Year Performance Report YTD September 30, 2024 and 2023

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JS:MM/Finance
cc: Deputy Executive Directors

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

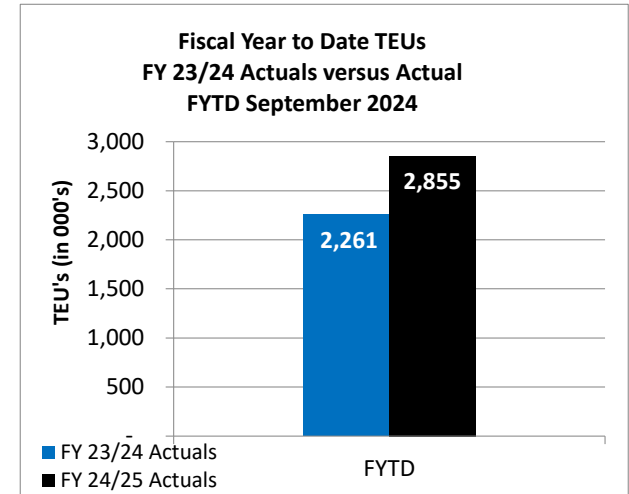
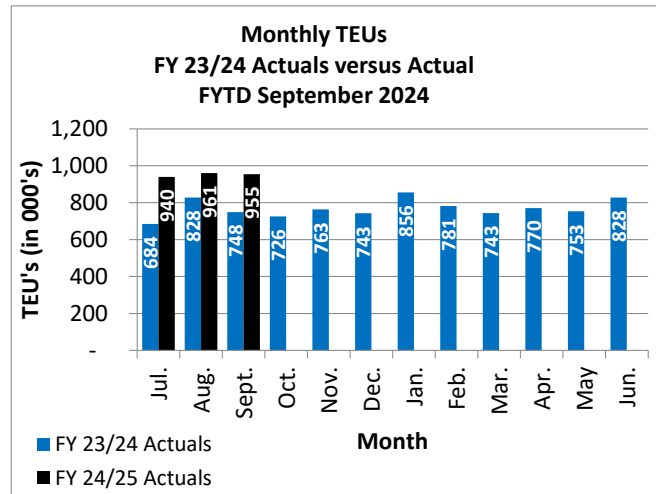
Budget versus Actuals Comparison FY 24/25 Budget vs. FY 24/25 Actuals

(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	955	25.1%	↑
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	2,306	2,855	23.8%	↑
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	955	27.6%	↑
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	2,261	2,855	26.3%	↑
FY 23/24 Actuals	9,224			



The Port of Los Angeles - Harbor Department
FYTD September 30, 2024

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget Comparison	
	FY 2024/25	FY 2024/25	\$	%
	Fiscal YTD - Sep 2024	Fiscal YTD - Sep 2024		
Operating Revenues				
Shipping Services	138,685	125,200	13,484	10.8%
Rentals	25,220	27,291	(2,071)	(7.6%)
Royalties, Fees and Other Revenues	4,453	4,904	(451)	(9.2%)
Clean Truck Program Revenues	4,107	7,944	(3,836)	(48.3%)
Total Operating Revenues	172,465	165,339	7,126	4.3%
Operating Expenses				
Gross Salaries & Benefits	45,924	53,426	7,502	14.0%
Capitalization	(9,224)	(3,513)	5,711	(162.6%)
Net Salaries & Benefits	36,700	49,913	13,213	26.5%
Marketing & Public Relations	801	1,732	930	53.7%
Travel	53	307	254	82.7%
Outside Services	2,582	13,187	10,605	80.4%
Materials & Supplies	1,031	1,525	494	32.4%
City Services	14,709	17,230	2,521	14.6%
Allocations to Capital - Overhead		(5,075)	(5,075)	100.0%
Other Operating Expenses	8,636	16,744	8,108	48.4%
Clean Truck Program Expenses	65	600	535	89.2%
Total Operating Expenses	64,577	96,162	31,585	32.8%
Income Before Depreciation	107,888	69,177	38,711	56.0%
Provision For Depreciation	36,218	38,526	2,308	6.0%
Income From Operations	71,670	30,651	41,019	133.8%
Non-Operating Revenue	12,561	11,210	1,351	12.1%
Non-Operating Expenses	5,002	10,454	5,452	52.2%
Net Income	79,229	31,407	47,822	152.3%

**The Port of Los Angeles - Harbor Department
FYTD SEPTEMBER 30, 2024 and 2023**

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year Change	
	FY 2024/25	FY 2023/24	(Unfavorable)/Favorable	
	Fiscal YTD - Sep 2024	Fiscal YTD - Sep 2023	\$	%
Operating Revenues				
Shipping Services	138,685	114,869	23,816	20.7%
Rentals	25,220	23,966	1,254	5.2%
Royalties, Fees and Other Revenues	4,453	4,326	127	2.9%
Clean Truck Program Revenues	4,107	7,944	(3,836)	(48.3%)
Total Operating Revenues	172,465	151,105	21,360	14.1%
Operating Expenses				
Gross Salaries & Benefits	45,924	42,443	(3,481)	(8.2%)
Capitalization	(9,224)	(8,690)	533	(6.1%)
Net Salaries & Benefits	36,700	33,753	(2,948)	(8.7%)
Marketing & Public Relations	801	433	(369)	(85.2%)
Travel	53	288	235	81.6%
Outside Services	2,582	3,813	1,231	32.3%
Materials & Supplies	1,031	1,333	302	22.7%
City Services	14,709	11,766	(2,943)	(25.0%)
Other Operating Expenses	8,636	8,094	(541)	(6.7%)
Clean Truck Program Expenses	65	389	324	83.3%
Total Operating Expenses	64,577	59,869	(4,708)	(7.9%)
Income Before Depreciation	107,888	91,236	16,651	18.3%
Provision For Depreciation	36,218	37,928	1,710	4.5%
Income From Operations	71,670	53,308	18,362	34.4%
Non-Operating Revenue	12,561	11,181	1,380	12.3%
Non-Operating Expenses	5,002	4,321	(680)	(15.7%)
Net Income	79,229	60,168	19,061	31.7%