



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 JANUARY 31, 2026

Financial performance results through the first seventh 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 January, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 22.9% relative to budget and decreased by 6.1% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD Jan 2026	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	6,096	↑ 22.9%	↓ (6.1%)
Operating Revenues	\$447.6	↑ 14.1%	↓ (12.3%)
Operating Expenses	\$229.5	↓ (9.5%)	↑ 20.8%
Operating Income	\$218.1	↑ 57.4%	↓ (32.0%)
Net Income	\$171.7	↑ 44.7%	↓ (37.0%)

Relative to budget, Operating Revenues increased by 14.1% primarily due to higher than budgeted wharfage revenues, partially offset by lower rental revenues. In comparison to the prior fiscal year, total Operating Revenues decreased by 12.3% due to lower HMT receipts and lower rental revenues. Excluding HMT receipts from FY 2025, total Operating Revenues decreased by only 0.5%.

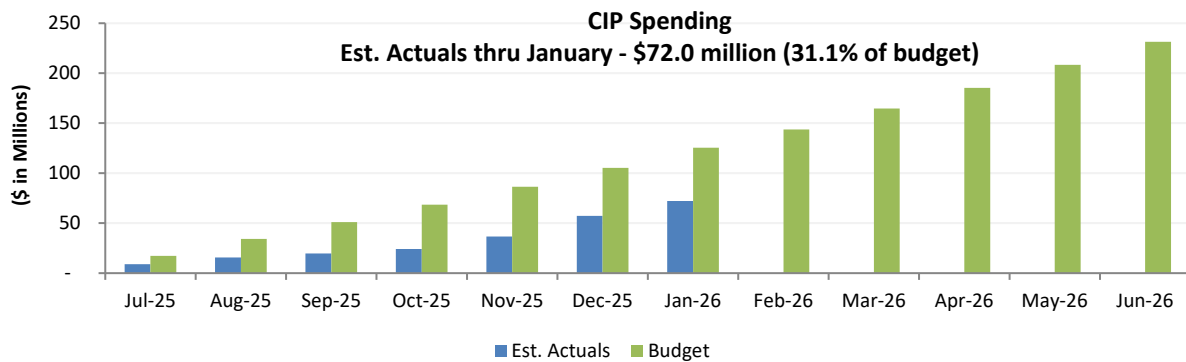
Operating Expenses were 9.5% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services. Relative to the prior fiscal year, total Operating Expenses increased by 20.8% primarily

due to higher outside services, higher salaries and benefits, timing of Clean Truck expenses, higher city services, higher utilities and higher miscellaneous expenditures.

Operating Margin through the month of January was 48.7% versus a budget of 35.3% and a prior year-to-date figure of 62.8%.

Capital Improvement Program (CIP)

CIP spending for the seven-month period ending January 31, 2026, was estimated to reach \$72.0 million or about 31.1% of the total \$231.3 million CIP adopted budget.



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JEFFREY STRAFFORD
Chief Financial Officer

Transmittals:

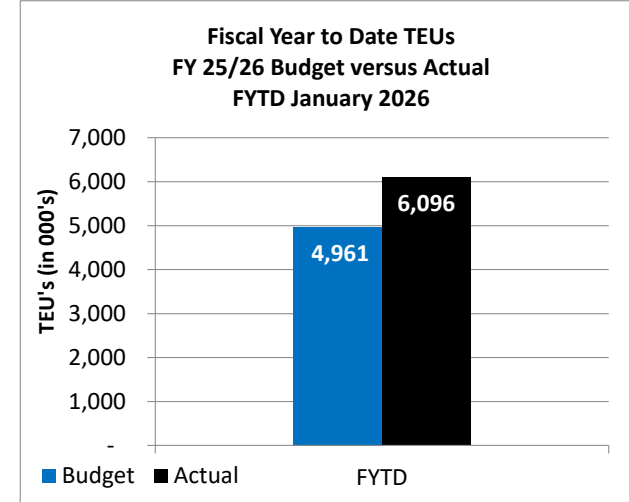
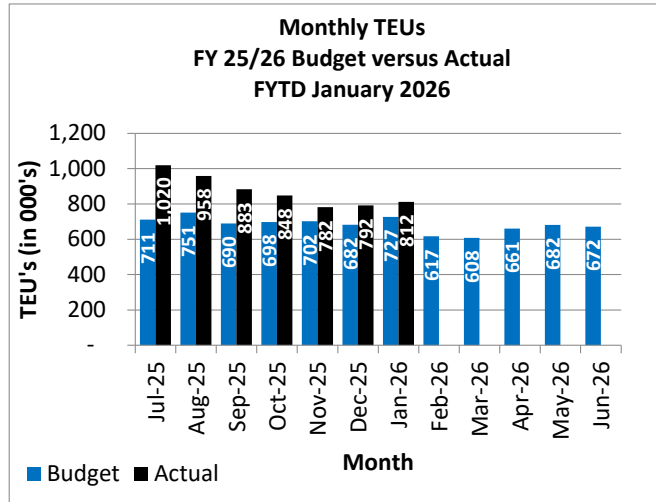
1. TEU Throughput Comparison – FYTD January 2026
2. Actual-to-Budget FY 2025/26 – January
3. Year-to-Year Performance Report YTD January 31, 2026 and 2025

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

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

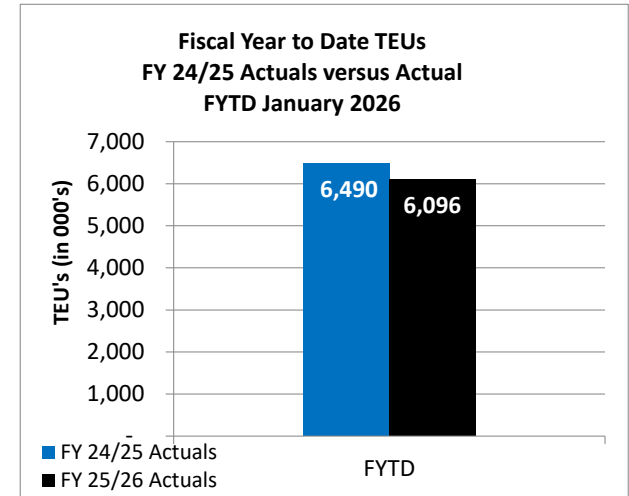
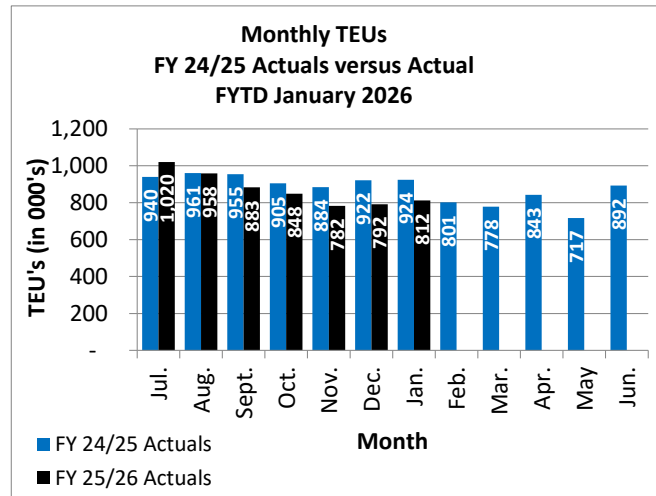
Budget versus Actuals Comparison FY 25/26 Budget vs. FY 25/26 Actuals

(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			
Mar-26	608			
Apr-26	661			
May-26	682			
Jun-26	672			
FYTD	4,961	6,096	22.9%	↑
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			
Mar.	778			
Apr.	843			
May	717			
Jun.	892			
FYTD	6,490	6,096	-6.1%	↓
FY 24/25 Actuals	10,522			



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

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2025/26	FY 2025/26	Comparison	
	Fiscal YTD - Jan 2026	Fiscal YTD - Jan 2026	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	338,151	282,408	55,743	19.7%
Rentals	69,873	75,998	(6,124)	(8.1%)
Royalties, Fees and Other Revenues	19,011	16,791	2,220	13.2%
Clean Truck Program Revenues	20,556	17,030	3,526	20.7%
Total Operating Revenues	447,592	392,227	55,365	14.1%
Operating Expenses				
Gross Salaries & Benefits	111,949	135,771	23,822	17.5%
Capitalization	(9,319)	(9,328)	(9)	0.1%
Net Salaries & Benefits	102,630	126,443	23,813	18.8%
Marketing & Public Relations	1,338	3,365	2,027	60.2%
Travel	621	1,152	531	46.1%
Outside Services	28,828	37,872	9,044	23.9%
Materials & Supplies	4,289	5,577	1,288	23.1%
Rentals and Incentives	9,522	14,553	5,030	34.6%
Clean Truck Program Expenses	9,443	6,942	(2,501)	(36.0%)
City Services	43,145	42,695	(449)	(1.1%)
Allocations to Capital - Overhead		(14,328)	(14,328)	100.0%
Other Operating Expenses	29,646	29,360	(286)	(1.0%)
Total Operating Expenses	229,462	253,631	24,169	9.5%
Income Before Depreciation	218,130	138,596	79,534	57.4%
Provision For Depreciation	86,770	86,745	(25)	(0.0%)
Income From Operations	131,360	51,851	79,509	153.3%
Non-Operating Revenues	48,651	142,665	(94,013)	(65.9%)
Non-Operating Expenses	8,262	75,854	67,592	89.1%
Income before Capital Contributions	171,750	118,662	53,088	44.7%

The Port of Los Angeles - Harbor Department
FYTD January 31, 2026 and 2025

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual FY 2025/26 Fiscal YTD - Jan 2026	Prior Fiscal Year FY 2024/25 Fiscal YTD - Jan 2025	Year-over-Year Change	
			(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	338,151	337,660	491	0.1%
Rentals	69,873	75,381	(5,508)	(7.3%)
Royalties, Fees and Other Revenues	19,011	76,550	(57,539)	(75.2%)
Clean Truck Program Revenues	20,556	20,991	(435)	(2.1%)
Total Operating Revenues	447,592	510,582	(62,990)	(12.3%)
Operating Expenses				
Gross Salaries & Benefits	111,949	107,508	(4,441)	(4.1%)
Capitalization	(9,319)	(13,253)	(3,935)	29.7%
Net Salaries & Benefits	102,630	94,255	(8,375)	(8.9%)
Marketing & Public Relations	1,338	1,898	560	29.5%
Travel	621	434	(187)	(43.1%)
Outside Services	28,828	18,195	(10,634)	(58.4%)
Materials & Supplies	4,289	2,861	(1,427)	(49.9%)
Rentals and Incentives	9,522	7,806	(1,717)	(22.0%)
Clean Truck Program Expenses	9,443	2,243	(7,200)	(321.1%)
City Services	43,145	37,887	(5,258)	(13.9%)
Other Operating Expenses	29,646	24,356	(5,290)	(21.7%)
Total Operating Expenses	229,462	189,933	(39,529)	(20.8%)
Income Before Depreciation	218,130	320,648	(102,518)	(32.0%)
Provision For Depreciation	86,770	84,894	(1,876)	(2.2%)
Income From Operations	131,360	235,755	(104,395)	(44.3%)
Non-Operating Revenues	48,651	44,204	4,448	10.1%
Non-Operating Expenses	8,262	7,474	(788)	(10.5%)
Income before Capital Contributions	171,750	272,485	(100,735)	(37.0%)