



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: October 3, 2023

TO: BOARD OF HARBOR COMMISSIONERS

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

Financial performance results for the first two 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 August, cargo volumes (as measured by TEUs or twenty-foot equivalent units) decreased by 17.3% relative to budget and 13.1% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD August 2023	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	1,512	↓ (17.3%)	↓ (13.1%)
Operating Revenues	\$100.3	↓ (21.5%)	↓ (9.1%)
Operating Expenses	\$37.3	↓ (39.0%)	↑ 1.5%
Operating Income	\$63.0	↓ (5.5%)	↓ (14.4%)
Net Income	\$42.2	↑ 14.4%	↓ (12.5%)

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 21.5% primarily due to lower wharfage, delays in recording Clean Truck Fund Rate collections and lower space assignment rates. In comparison to the prior fiscal year, total Operating Revenues decreased by 9.1% due to lower one-time operating reimbursements, lower space assignments, and lower wharfage revenues, which were partially offset by the higher rental revenues.

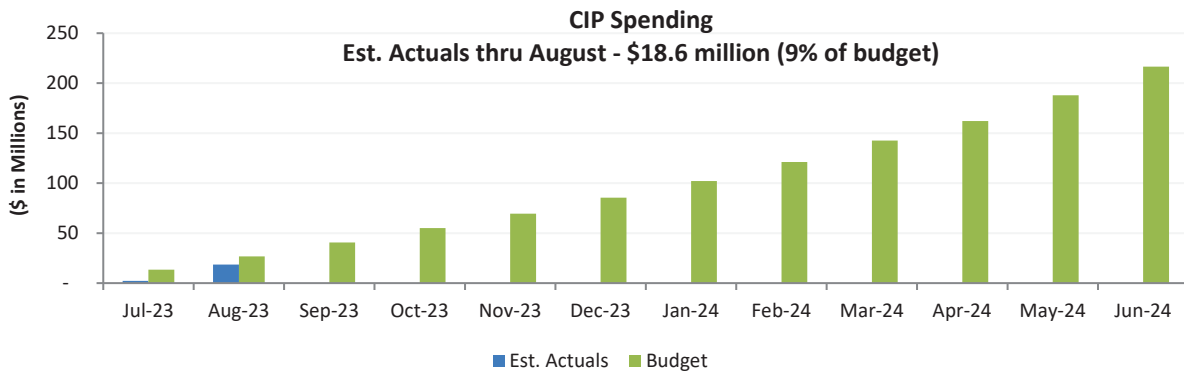
SUBJECT: FINANCIAL PERFORMANCE RESULTS

Operating Expenses were 39% 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 1.5% due to higher salary and benefits and higher electricity costs which were partially offset by lower spend on city services and outside services.

Operating Margin through the month of August was 62.8% versus a budget of 52.2% and a prior year-to-date figure of 66.7%.

Capital Improvement Program (CIP)

CIP spending for the two-month period ended August 31, 2023, was estimated to reach \$18.6 million or about 9% of the total \$216.5 million CIP adopted budget.



Marla Bleavins

MARLA BLEAVINS
Deputy Executive Director & Chief Financial Officer

Transmittals:

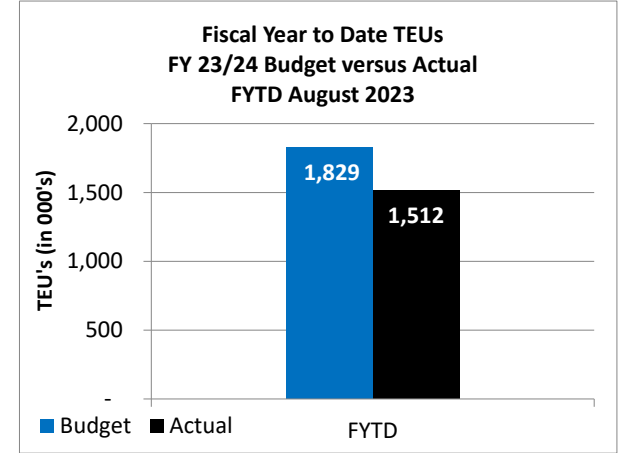
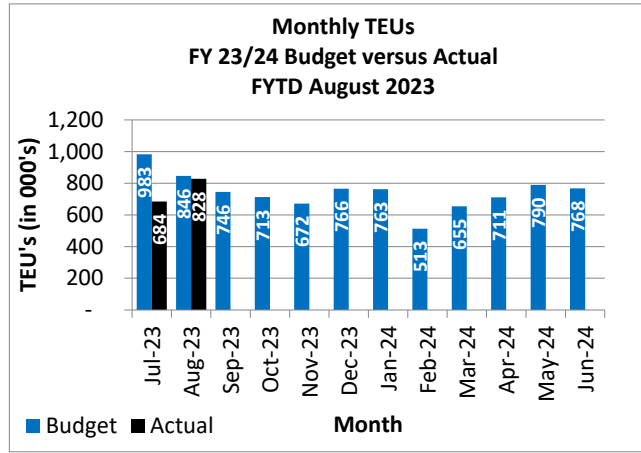
1. TEU Throughput Comparison – FYTD August 2023
2. Actual-to-Budget FY 2022/23 – August
3. Year-to-Year Performance Report YTD August 31, 2023 and 2022

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

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

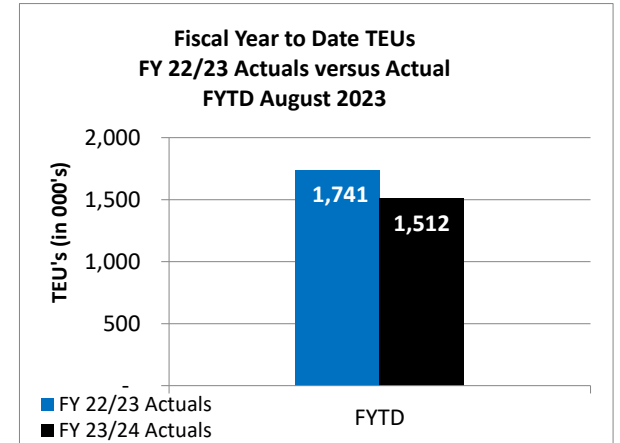
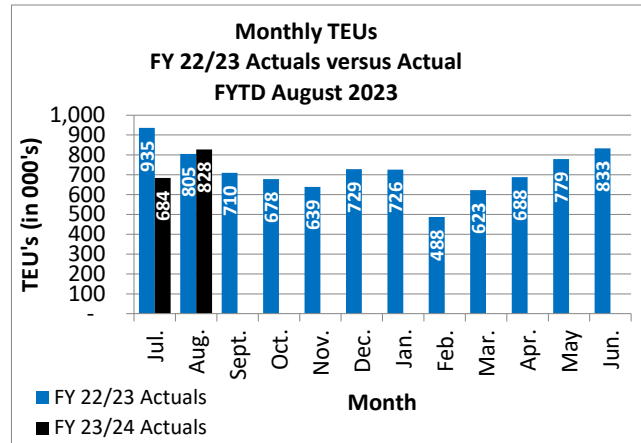
Budget versus Actuals Comparison FY 23/24 Budget vs. FY 23/24 Actuals

(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		-100.0%	↓
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	1,829	1,512	-17.3%	↓
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		-100.0%	↓
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	1,741	1,512	-13.1%	↓
FY 22/23 Actuals	8,635			



The Port of Los Angeles - Harbor Department
FYTD AUGUST 31, 2023

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2023/24	FY 2023/24	Comparison	
	Fiscal YTD - Aug 2023	Fiscal YTD - Aug 2023	\$	%
Operating Revenues				
Shipping Services	76,531	96,676	(20,145)	(20.8%)
Rentals	17,966	19,228	(1,262)	(6.6%)
Royalties, Fees and Other Revenues	1,931	4,824	(2,893)	(60.0%)
Clean Truck Program Revenues	3,874	7,035	(3,161)	(44.9%)
Total Operating Revenues	100,302	127,762	(27,461)	(21.5%)
Operating Expenses				
Gross Salaries & Benefits	29,398	32,438	3,040	9.4%
Capitalization	(5,613)	(2,597)	3,015	(116.1%)
Net Salaries & Benefits	23,785	29,840	6,055	20.3%
Marketing & Public Relations	276	966	689	71.4%
Travel	139	194	54	28.1%
Outside Services	2,239	8,676	6,437	74.2%
Materials & Supplies	726	848	123	14.5%
City Services	6,821	11,125	4,304	38.7%
Allocations to Capital - Overhead		(3,285)	(3,285)	100.0%
Other Operating Expenses	3,106	12,318	9,212	74.8%
Clean Truck Program Expenses	171	376	205	54.5%
Total Operating Expenses	37,264	61,058	23,794	39.0%
Income Before Depreciation	63,038	66,705	(3,667)	(5.5%)
Provision For Depreciation	25,750	27,576	1,826	6.6%
Income From Operations	37,288	39,129	(1,841)	(4.7%)
Non-Operating Revenue	7,841	3,281	4,560	139.0%
Non-Operating Expenses	2,924	5,515	2,592	47.0%
Net Income	42,206	36,894	5,311	14.4%

The Port of Los Angeles - Harbor Department
FYTD August 31, 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 - Aug 2023	Fiscal YTD - Aug 2022	\$	%	
Operating Revenues					
Shipping Services	76,531	82,083	(5,552)	(6.8%)	
Rentals	17,966	16,730	1,236	7.4%	
Royalties, Fees and Other Revenues	1,931	7,383	(5,452)	(73.8%)	
Clean Truck Program Revenues	3,874	4,172	(298)	(7.2%)	
Total Operating Revenues	100,302	110,368	(10,066)	(9.1%)	
Operating Expenses					
Gross Salaries & Benefits	29,398	25,112	(4,286)	(17.1%)	
Capitalization	(5,613)	(4,115)	1,497	(36.4%)	
Net Salaries & Benefits	23,785	20,997	(2,788)	(13.3%)	
Marketing & Public Relations	276	514	238	46.2%	
Travel	139	96	(43)	(44.7%)	
Outside Services	2,239	2,641	402	15.2%	
Materials & Supplies	726	783	57	7.3%	
City Services	6,821	9,779	2,958	30.2%	
Other Operating Expenses	3,106	1,834	(1,272)	(69.3%)	
Clean Truck Program Expenses	171	80	(91)	(114.1%)	
Total Operating Expenses	37,264	36,724	(539)	(1.5%)	
Income Before Depreciation	63,038	73,643	(10,606)	(14.4%)	
Provision For Depreciation	25,750	25,824	74	0.3%	
Income From Operations	37,288	47,820	(10,532)	(22.0%)	
Non-Operating Revenue	7,841	3,475	4,367	125.7%	
Non-Operating Expenses	2,924	3,035	111	3.7%	
Net Income	42,206	48,260	(6,054)	(12.5%)	