



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: January 24, 2025

TO: BOARD OF HARBOR COMMISSIONERS

SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2024/25 ENDED DECEMBER 31, 2024

Financial performance results through the sixth 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 December, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 21.5% relative to budget and increased by 23.9% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD December 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	5,566	↑ 21.5%	↑ 23.9%
Operating Revenues	\$438.5	↑ 29.3%	↑ 32.0%
Operating Expenses	\$156.0	↓ (22.3%)	↑ 23.4%
Operating Income	\$282.6	↑ 104.2%	↑ 37.3%
Net Income	\$242.9	↑ 107.4%	↑ 31.6%

Relative to budget, Operating Revenues increased by 29.3% primarily due to higher than budgeted Harbor Maintenance Tax (HMT) receipts of \$60.6 million and higher wharfage revenues and timing of collection of Clean Truck Fee Rate (CTFR). Excluding the impact of HMT receipts, Operating Revenues increased by 11.4%. In comparison to the prior fiscal year, total Operating Revenues increased by 32.0% due to higher HMT receipts and higher wharfage, which was only partially offset by lower rental revenues. Excluding HMT receipts, total Operating Revenues increased by 13.8%

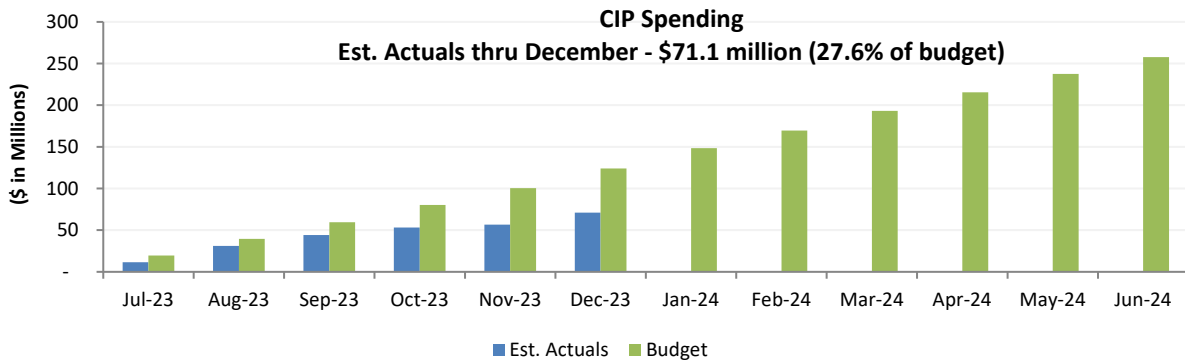
Operating Expenses were 22.3% lower than budgeted primarily due lower salaries and benefits expenses as well as invoicing/payment delays related to outside services, city

services, OCC incentive payments and utilities. Relative to the prior fiscal year, total Operating Expenses increased by 23.4% primarily due higher salaries and benefits, higher City Services primarily from Fire Services, higher OCC incentive payments due to volume growth in FY24 and higher other miscellaneous expenditures.

Operating Margin through the month of December was 64.4% versus a budget of 40.8% and a prior year-to-date figure of 62.0%. Excluding HMT receipts of \$60.6 million, Operating Margin would have been 58.7%.

Capital Improvement Program (CIP)

CIP spending for the six-month period ended December 30, 2024, was estimated to reach \$71.1 million or about 27.6% of the total \$257.7 million CIP adopted budget.



Jeffrey
Strafford

Digitally signed by Jeffrey
Strafford
Date: 2025.03.24
09:30:20 -07'00'

JEFFREY STRAFFORD
Director of Financial Planning & Analysis and Interim CFO

Transmittals:

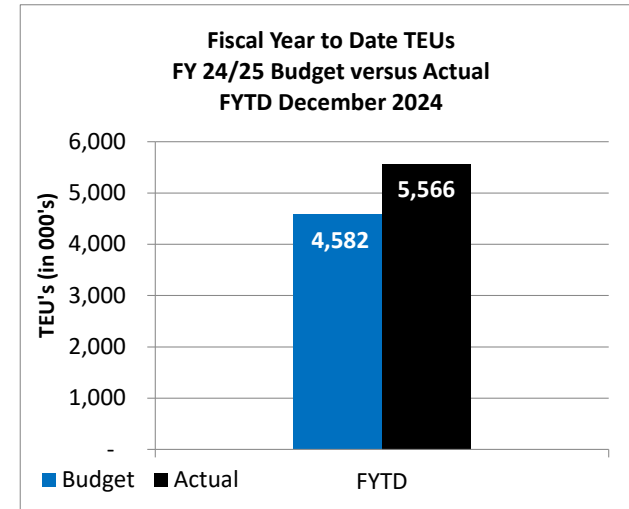
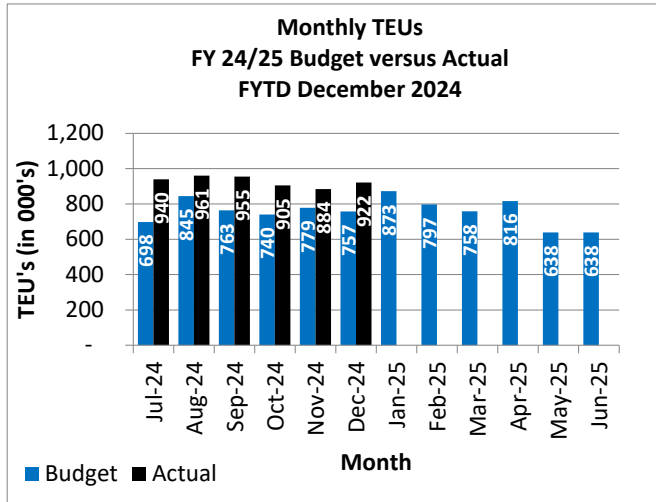
1. TEU Throughput Comparison – FYTD December 2024
2. Actual-to-Budget FY 2024/25 – December
3. Year-to-Year Performance Report YTD December 31, 2024 and 2023

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

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

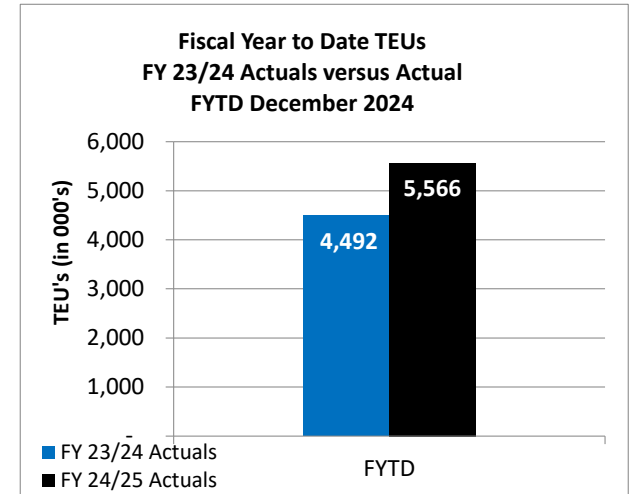
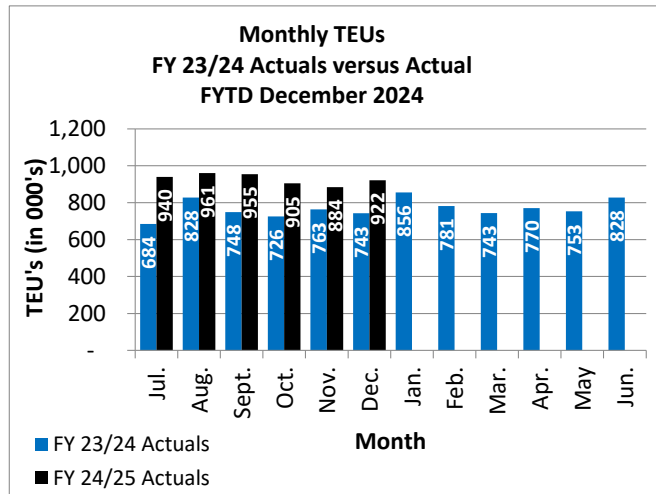
Budget versus Actuals Comparison FY 24/25 Budget vs. FY 24/25 Actuals

(in 000's)	TEU's		% Δ	Δ
	FY 24/25 Budget	FY 24/25 Actuals		
Month				
Jul-24	698	940	34.6%	↑
Aug-24	845	961	13.7%	↑
Sep-24	763	955	25.1%	↑
Oct-24	740	905	22.3%	↑
Nov-24	779	884	13.6%	↑
Dec-24	757	922	21.7%	↑
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	4,582	5,566	21.5%	↑
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
	FY 23/24 Actuals	FY 24/25 Actuals		
Month				
Jul.	684	940	37.3%	↑
Aug.	828	961	16.0%	↑
Sept.	748	955	27.6%	↑
Oct.	726	905	24.7%	↑
Nov.	763	884	15.9%	↑
Dec.	743	922	24.1%	↑
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	4,492	5,566	23.9%	↑
FY 23/24 Actuals	9,223.793			



The Port of Los Angeles - Harbor Department
FYTD December 31, 2024

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget Comparison	
	FY 2024/25	FY 2024/25	\$	%
	Fiscal YTD - Dec 2024	Fiscal YTD - Dec 2024		
Operating Revenues				
Shipping Services	289,773	250,647	39,125	15.6%
Rentals	54,894	56,427	(1,533)	(2.7%)
Royalties, Fees and Other Revenues	73,113	13,025	60,088	461.3%
Clean Truck Program Revenues	20,765	19,159	1,605	8.4%
Total Operating Revenues	438,545	339,259	99,286	29.3%
Operating Expenses				
Gross Salaries & Benefits	95,631	106,714	11,082	10.4%
Capitalization	(14,286)	(7,026)	7,260	(103.3%)
Net Salaries & Benefits	81,345	99,688	18,342	18.4%
Marketing & Public Relations	1,336	2,456	1,120	45.6%
Travel	311	753	442	58.7%
Outside Services	10,374	26,585	16,211	61.0%
Materials & Supplies	2,200	3,240	1,041	32.1%
Rentals and Incentives	6,924	12,853	5,929	46.1%
Clean Truck Program Expenses	996	1,308	312	23.9%
City Services	31,992	34,281	2,289	6.7%
Allocations to Capital - Overhead		(10,151)	(10,151)	100.0%
Other Operating Expenses	20,477	29,827	9,350	31.3%
Total Operating Expenses	155,955	200,841	44,885	22.3%
Income Before Depreciation	282,590	138,418	144,171	104.2%
Provision For Depreciation	72,366	76,347	3,981	5.2%
Income From Operations	210,224	62,071	148,153	238.7%
Non-Operating Revenue	39,509	24,420	15,089	61.8%
Non-Operating Expenses	6,856	17,699	10,844	61.3%
Income before Capital Contributions	242,877	68,791	174,086	253.1%
Capital Contributions		48,336	48,336	100.0%
Net Income	242,877	117,127	125,750	107.4%

The Port of Los Angeles - Harbor Department
FYTD DECEMBER 31, 2024 and 2023

TRANSMITTAL 3

\$ in thousands	Fiscal Year Actual	Prior Fiscal Year	Year-over-Year	
	FY 2024/25	FY 2023/24	Change	
	Fiscal YTD - Dec 2024	Fiscal YTD - Dec 2023	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	289,773	241,530	48,242	20.0%
Rentals	54,894	58,914	(4,020)	(6.8%)
Royalties, Fees and Other Revenues	73,113	12,562	60,551	482.0%
Clean Truck Program Revenues	20,765	19,159	1,605	8.4%
Total Operating Revenues	438,545	332,166	106,379	32.0%
Operating Expenses				
Gross Salaries & Benefits	95,631	83,152	(12,480)	(15.0%)
Capitalization	(14,286)	(16,644)	(2,358)	14.2%
Net Salaries & Benefits	81,345	66,508	(14,837)	(22.3%)
Marketing & Public Relations	1,336	1,159	(177)	(15.3%)
Travel	311	398	86	21.7%
Outside Services	10,374	10,875	502	4.6%
Materials & Supplies	2,200	2,785	585	21.0%
Rentals and Incentives	6,924	4,295	(2,629)	(61.2%)
Clean Truck Program Expenses	996	1,196	200	16.7%
City Services	31,992	22,484	(9,507)	(42.3%)
Other Operating Expenses	20,477	16,689	(3,789)	(22.7%)
Total Operating Expenses	155,955	126,389	(29,567)	(23.4%)
Income Before Depreciation	282,590	205,777	76,812	37.3%
Provision For Depreciation	72,366	74,364	1,998	2.7%
Income From Operations	210,224	131,413	78,811	60.0%
Non-Operating Revenue	39,509	21,294	18,215	85.5%
Non-Operating Expenses	6,856	8,588	1,733	20.2%
Income before Capital Contributions	242,877	144,119	98,758	68.5%
Capital Contributions		40,371	40,371	100.0%
Net Income	242,877	184,490	58,387	31.6%