



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: FEBRUARY 21, 2024

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2023/24 ENDED JANUARY 31, 2024**

Financial performance results for the first seven months of Fiscal Year 2023/24 are below and have been summarized relative to both budget and the prior fiscal year. For the month of January, cargo volumes (as measured by TEUs or twenty-foot equivalent units) decreased by 2.5% relative to budget and increased by 2.4% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD January 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	5,348	↓ (2.5%)	↑ 2.4%
Operating Revenues	\$402.5	↑ 0.4%	↑ 5.2%
Operating Expenses	\$153.4	↓ (27.9%)	↑ 0.3%
Operating Income	\$249.1	↑ 32.3%	↑ 8.4%
Net Income	\$178.1	↑ 90.2%	↑ 25.5%

Shipping Services decreased relative to budget due to lower cargo volumes and increased relative to the prior year due to higher cargo volumes. Relative to budget, Operating Revenues increased by 0.4% primarily due to higher rentals partially offset by lower wharfage. In comparison to the prior fiscal year, total Operating Revenues increased by 5.2% due to higher wharfage and higher rentals which were only partially offset by lower space assignments.

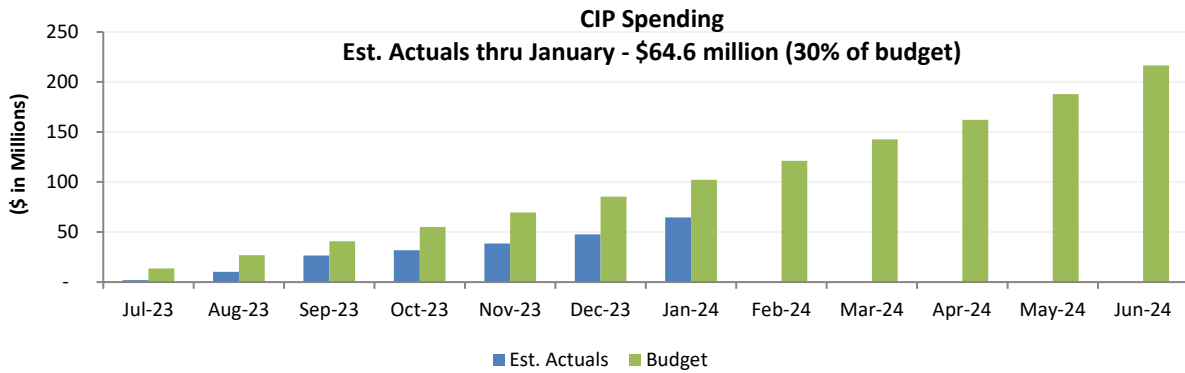
Operating Expenses were 27.9% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services, city services, electricity payments and container incentive payouts. Relative to the prior fiscal

year, total Operating Expenses increased by 0.3% primarily due to higher salaries and benefits.

Operating Margin through the month of January was 61.9% versus a budget of 47.0% and a prior year-to-date figure of 60.0%.

Capital Improvement Program (CIP)

CIP spending for the seven-month period ended January 31, 2024, was estimated to reach \$64.6 million or about 30% of the total \$216.5 million CIP adopted budget.



Marla Bleavins

MARLA BLEAVINS
Deputy Executive Director & Chief Financial Officer

Transmittals:

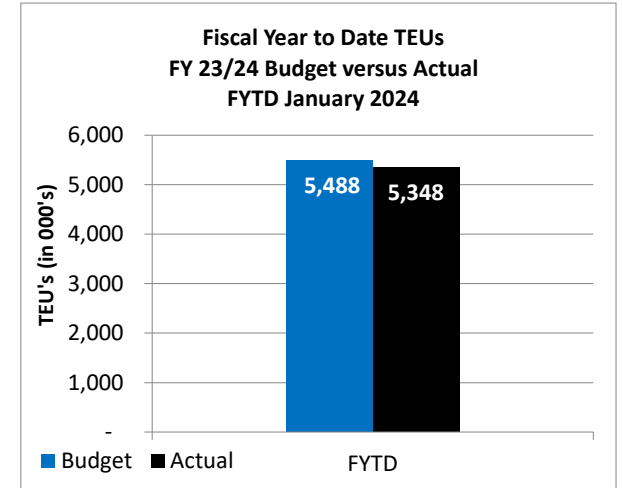
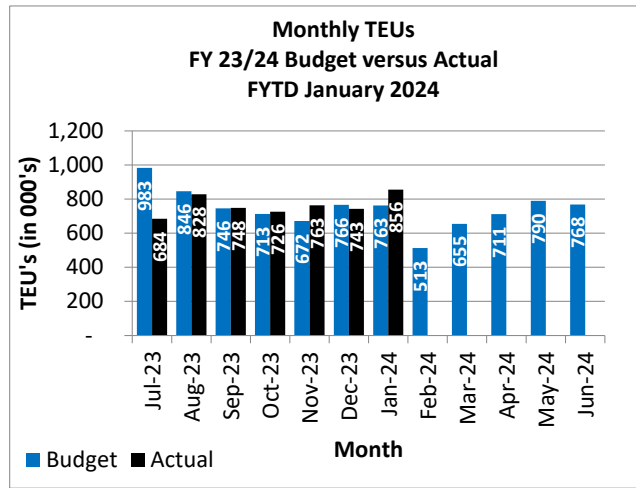
1. TEU Throughput Comparison – FYTD January 2024
2. Actual-to-Budget FY 2023/24 – January
3. Year-to-Year Performance Report YTD January 31, 2024 and 2023

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

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

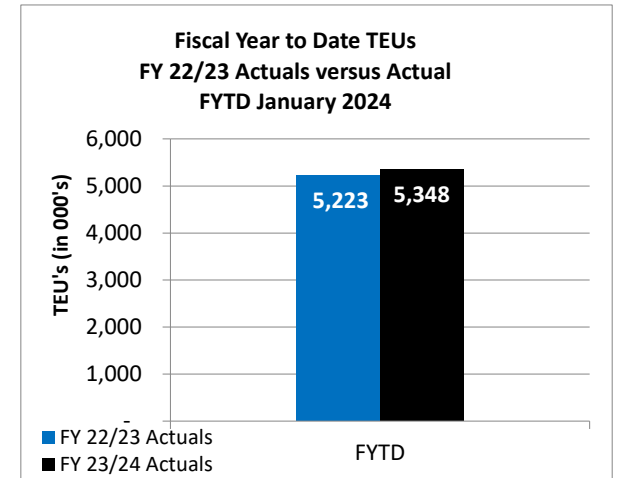
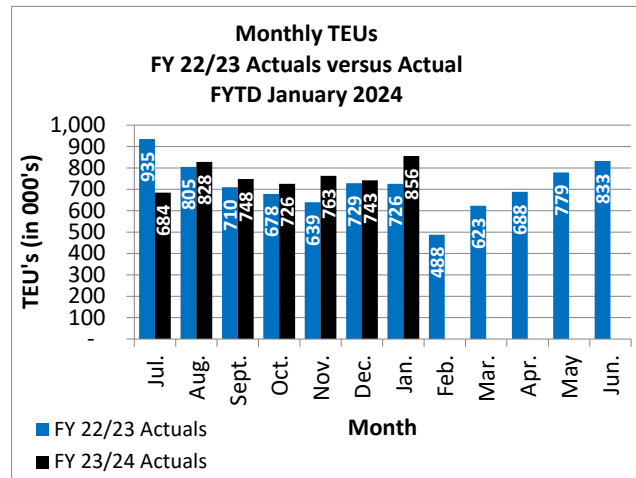
Budget versus Actuals Comparison FY 23/24 Budget vs. FY 23/24 Actuals

(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	748	0.3%	↑
Oct-23	713	726	1.8%	↑
Nov-23	672	763	13.6%	↑
Dec-23	766	743	-3.0%	↓
Jan-24	763	856	12.2%	↑
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	5,488	5,348	-2.5%	↓
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	748	5.4%	↑
Oct.	678	726	7.0%	↑
Nov.	639	763	19.4%	↑
Dec.	729	743	1.9%	↑
Jan.	726	856	17.9%	↑
Feb.	488		-100.0%	↓
Mar.	623		-100.0%	↓
Apr.	688		-100.0%	↓
May	779		-100.0%	↓
Jun.	833		-100.0%	↓
FYTD	5,223	5,348	2.4%	↑
FY 22/23 Actuals	8,635			



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

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2023/24	FY 2023/24	Comparison	
	Fiscal YTD - Jan 2024	Fiscal YTD - Jan 2024	\$	%
Operating Revenues				
Shipping Services	290,346	295,901	(5,556)	(1.9%)
Rentals	73,343	63,790	9,553	15.0%
Royalties, Fees and Other Revenues	15,999	19,997	(3,998)	(20.0%)
Clean Truck Program Revenues	22,792	21,230	1,562	7.4%
Total Operating Revenues	402,481	400,919	1,562	0.4%
Operating Expenses				
Gross Salaries & Benefits	98,183	112,904	14,721	13.0%
Capitalization	(20,038)	(9,091)	10,947	(120.4%)
Net Salaries & Benefits	78,145	103,813	25,668	24.7%
Marketing & Public Relations	1,341	2,032	691	34.0%
Travel	477	652	175	26.9%
Outside Services	13,802	28,486	14,684	51.5%
Materials & Supplies	3,326	3,855	529	13.7%
City Services	27,818	38,899	11,081	28.5%
Allocations to Capital - Overhead		(11,498)	(11,498)	100.0%
Other Operating Expenses	27,155	43,893	16,738	38.1%
Clean Truck Program Expenses	1,292	2,513	1,220	48.6%
Total Operating Expenses	153,356	212,646	59,290	27.9%
Income Before Depreciation	249,125	188,273	60,852	32.3%
Provision For Depreciation	86,488	90,328	3,840	4.3%
Income From Operations	162,637	97,945	64,692	66.0%
Non-Operating Revenue	25,396	14,991	10,405	69.4%
Non-Operating Expenses	9,983	19,304	9,321	48.3%
Net Income	178,050	93,632	84,418	90.2%

The Port of Los Angeles - Harbor Department
FYTD January 31, 2024 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 - Jan 2024	Fiscal YTD - Jan 2023	\$	%
Operating Revenues				
Shipping Services	290,346	273,902	16,444	6.0%
Rentals	73,343	66,729	6,614	9.9%
Royalties, Fees and Other Revenues	15,999	20,465	(4,465)	(21.8%)
Clean Truck Program Revenues	22,792	21,562	1,230	5.7%
Total Operating Revenues	402,481	382,658	19,823	5.2%
Operating Expenses				
Gross Salaries & Benefits	98,183	92,481	(5,702)	(6.2%)
Capitalization	(20,038)	(16,450)	3,588	(21.8%)
Net Salaries & Benefits	78,145	76,031	(2,114)	(2.8%)
Marketing & Public Relations	1,341	1,351	10	0.8%
Travel	477	319	(159)	(49.7%)
Outside Services	13,802	14,139	337	2.4%
Materials & Supplies	3,326	2,702	(624)	(23.1%)
City Services	27,818	29,847	2,029	6.8%
Other Operating Expenses	27,155	27,465	311	1.1%
Clean Truck Program Expenses	1,292	1,025	(267)	(26.1%)
Total Operating Expenses	153,356	152,879	(477)	(0.3%)
Income Before Depreciation	249,125	229,779	19,346	8.4%
Provision For Depreciation	86,488	91,324	4,836	5.3%
Income From Operations	162,637	138,456	24,181	17.5%
Non-Operating Revenue	25,396	15,020	10,376	69.1%
Non-Operating Expenses	9,983	11,655	1,673	14.4%
Net Income	178,050	141,820	36,230	25.5%