



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: January 21, 2025

TO: BOARD OF HARBOR COMMISSIONERS

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

Financial performance results through the fifth 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 October, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 23.4% relative to budget and increased by 25.9% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD October 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	3,760	↑ 23.4%	↑ 25.9%
Operating Revenues	\$310.4	↑ 37.0%	↑ 43.5%
Operating Expenses	\$92.3	↓ (28.2%)	↑ 11.5%
Operating Income	\$218.1	↑ 122.6%	↑ 63.3%
Net Income	\$181.4	↑ 123.5%	↑ 29.5%

Relative to budget, Operating Revenues increased by 37.0% primarily due to higher than budgeted Harbor Maintenance Tax (HMT) receipts of \$60.6 million and higher wharfage revenues. Excluding the impact of HMT receipts, Operating Revenues increased by 10.3%. In comparison to the prior fiscal year, total Operating Revenues increased by 43.5% due to higher HMT receipts, higher wharfage and higher rentals. Excluding HMT receipts, total Operating Revenues increased by 15.4%

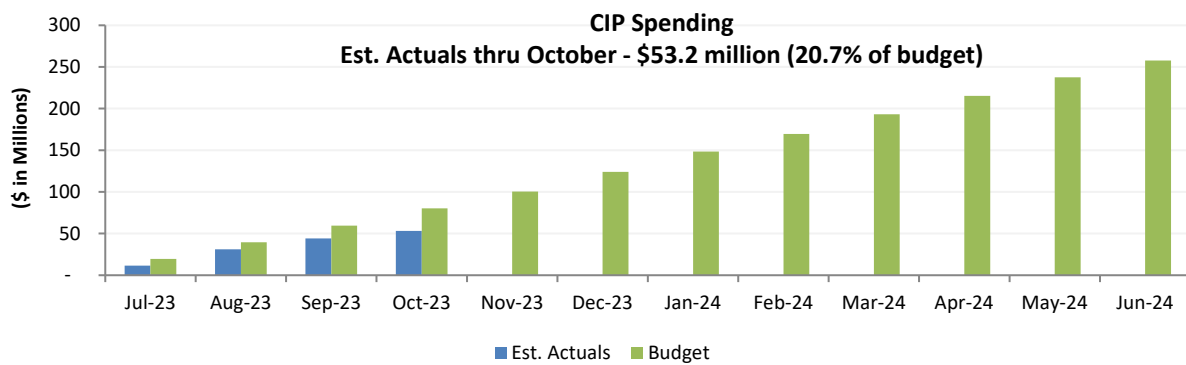
Operating Expenses were 28.2% lower than budgeted primarily due lower salaries and benefits expenses as well as invoicing/payment delays related outside services and city services. Relative to the prior fiscal year, total Operating Expenses increased by 11.5%

primarily due higher salaries and benefits, OCC incentive payments and City Services fees.

Operating Margin through the month of October was 70.3% versus a budget of 43.3% and a prior year-to-date figure of 61.7%. Excluding HMT receipts of \$60.6 million, Operating Margin would have been 63.0%.

Capital Improvement Program (CIP)

CIP spending for the four-month period ended October 31, 2024, was estimated to reach \$53.2 million or about 20.7% of the total \$257.7 million CIP adopted budget.



Jeffrey
Strafford

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JEFFREY STRAFFORD
Director of Financial Planning & Analysis and Interim CFO

Transmittals:

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

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JS:MM/Finance
cc: Deputy Executive Directors

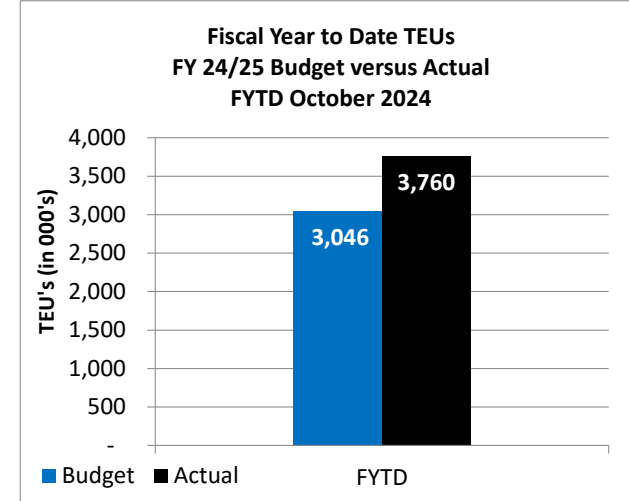
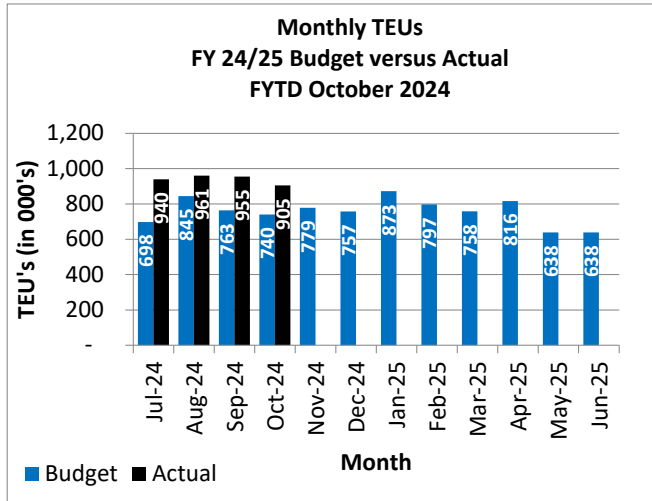
HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES

TEU THROUGHPUT COMPARISON - FYTD October 2024

TRANSMITTAL 1

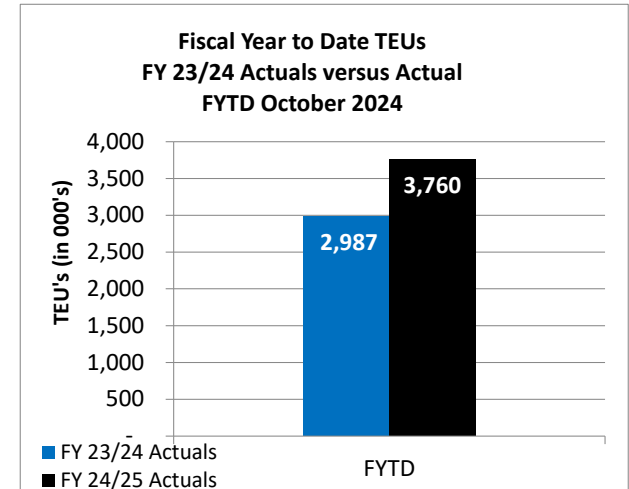
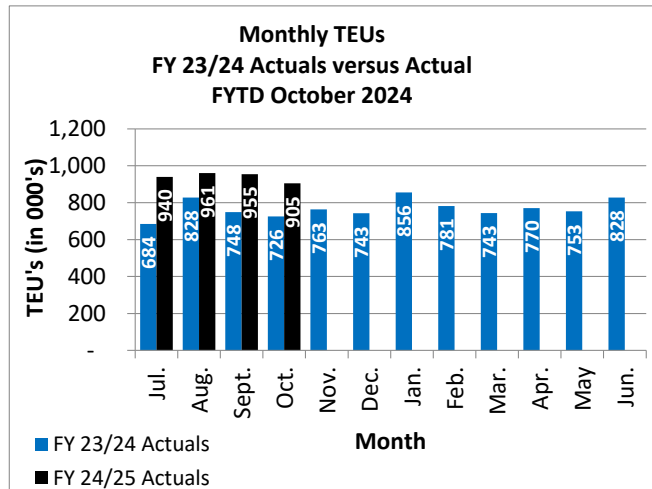
Budget versus Actuals Comparison FY 24/25 Budget vs. FY 24/25 Actuals

(in 000's)	TEU's			
Month	FY 24/25 Budget	FY 24/25 Actuals	% Δ	Δ
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		-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	3,046	3,760	23.4%	↑
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			
Month	FY 23/24 Actuals	FY 24/25 Actuals	% Δ	Δ
Jul.	684	940	37.3%	↑
Aug.	828	961	16.0%	↑
Sept.	748	955	27.6%	↑
Oct.	726	905	24.7%	↑
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	2,987	3,760	25.9%	↑
FY 23/24 Actuals	9,223.793			



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

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual FY 2024/25	Fiscal Year Budget FY 2024/25	Actual-to-Budget Comparison	
	Fiscal YTD - Oct 2024	Fiscal YTD - Oct 2024	\$	%
Operating Revenues				
Shipping Services	195,440	165,781	29,659	17.9%
Rentals	41,333	41,418	(85)	(0.2%)
Royalties, Fees and Other Revenues	65,179	7,776	57,403	738.2%
Clean Truck Program Revenues	8,434	11,570	(3,136)	(27.1%)
Total Operating Revenues	310,385	226,544	83,841	37.0%
Operating Expenses				
Gross Salaries & Benefits	63,879	71,187	7,309	10.3%
Capitalization	(11,191)	(4,684)	6,507	(138.9%)
Net Salaries & Benefits	52,688	66,503	13,815	20.8%
Marketing & Public Relations	851	1,976	1,126	57.0%
Travel	228	535	307	57.3%
Outside Services	5,347	17,404	12,057	69.3%
Materials & Supplies	1,365	2,103	738	35.1%
Rentals and Incentives	6,515	2,949	(3,566)	(120.9%)
Clean Truck Program Expenses	(2,195)	841	3,036	360.9%
City Services	20,280	22,918	2,638	11.5%
Allocations to Capital - Overhead		(6,767)	(6,767)	100.0%
Other Operating Expenses	7,226	20,100	12,874	64.1%
Total Operating Expenses	92,306	128,563	36,257	28.2%
Income Before Depreciation	218,079	97,981	120,097	122.6%
Provision For Depreciation	48,258	51,133	2,875	5.6%
Income From Operations	169,821	46,849	122,972	262.5%
Non-Operating Revenue	17,160	14,947	2,213	14.8%
Non-Operating Expenses	5,622	12,876	7,254	56.3%
Income before Capital Contributions	181,359	48,919	132,439	270.7%
Capital Contributions		32,224	32,224	100.0%
Net Income	181,359	81,143	100,216	123.5%

The Port of Los Angeles - Harbor Department
FYTD OCTOBER 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 - Oct 2024	Fiscal YTD - Oct 2023	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	195,440	158,102	37,339	23.6%
Rentals	41,333	39,542	1,790	4.5%
Royalties, Fees and Other Revenues	65,179	7,156	58,023	810.9%
Clean Truck Program Revenues	8,434	11,570	(3,136)	(27.1%)
Total Operating Revenues	310,385	216,369	94,016	43.5%
Operating Expenses				
Gross Salaries & Benefits	63,879	56,367	(7,512)	(13.3%)
Capitalization	(11,191)	(11,325)	(134)	1.2%
Net Salaries & Benefits	52,688	45,042	(7,646)	(17.0%)
Marketing & Public Relations	851	500	(350)	(70.0%)
Travel	228	364	136	37.2%
Outside Services	5,347	6,259	912	14.6%
Materials & Supplies	1,365	1,792	427	23.8%
Rentals and Incentives	6,515	392	(6,124)	(1563.7%)
Clean Truck Program Expenses	(2,195)	772	2,967	384.2%
City Services	20,280	16,942	(3,338)	(19.7%)
Other Operating Expenses	7,226	10,724	3,499	32.6%
Total Operating Expenses	92,306	82,788	(9,518)	(11.5%)
Income Before Depreciation	218,079	133,581	84,498	63.3%
Provision For Depreciation	48,258	50,063	1,806	3.6%
Income From Operations	169,821	83,517	86,304	103.3%
Non-Operating Revenue	17,160	14,703	2,457	16.7%
Non-Operating Expenses	5,622	5,750	128	2.2%
Income before Capital Contributions	181,359	92,471	88,888	96.1%
Capital Contributions		47,574	47,574	100.0%
Net Income	181,359	140,045	41,314	29.5%