



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

“FOR INFORMATION ONLY”

DATE: January 10, 2025

TO: BOARD OF HARBOR COMMISSIONERS

**SUBJECT: FINANCIAL PERFORMANCE RESULTS FOR
FISCAL YEAR 2024/25 ENDED NOVEMBER 30, 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 November, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 21.4% 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 November 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	4,644	↑ 21.4%	↑ 23.9%
Operating Revenues	\$371.2	↑ 31.3%	↑ 32.9%
Operating Expenses	\$118.1	↓ (25.7%)	↑ 7.9%
Operating Income	\$253.1	↑ 104.6%	↑ 49.0%
Net Income	\$208.2	↑ 100.9%	↑ 31.1%

Relative to budget, Operating Revenues increased by 31.3% primarily due to higher than budgeted Harbor Maintenance Tax (HMT) receipts of \$60.6 million, higher wharfage revenues and timing of collection of Clean Truck Fee Rate (CTFR). Excluding the impact of HMT receipts, Operating Revenues increased by 9.9%. In comparison to the prior fiscal year, total Operating Revenues increased by 32.9% due to higher HMT receipts, higher wharfage, higher rentals and timing of CTFR collection. Excluding HMT receipts, total Operating Revenues increased by 11.2%

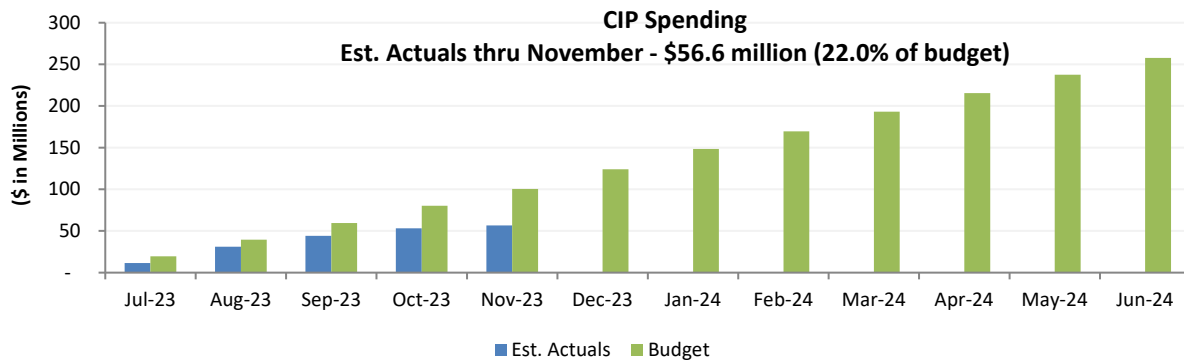
Operating Expenses were 25.7% lower than budgeted primarily due lower salaries and benefits expenses as well as invoicing/payment delays related to utilities, outside services

and city services, which were only partially offset by higher OCC Incentive Payments driven by higher-than-expected Cargo Volume in FY24. Relative to the prior fiscal year, total Operating Expenses increased by 7.9% primarily due higher salaries and benefits, OCC incentive payments and City Services fees, which was only partially offset by timing of utility payments.

Operating Margin through the month of November was 68.2% versus a budget of 43.7% and a prior year-to-date figure of 60.8%. Excluding HMT receipts of \$60.6 million, Operating Margin would have been 62.0%.

Capital Improvement Program (CIP)

CIP spending for the five-month period ended November 30, 2024, was estimated to reach \$56.6 million or about 22.0% 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 November 2024
2. Actual-to-Budget FY 2024/25 – November
3. Year-to-Year Performance Report YTD November 30, 2024 and 2023

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JS:MM/Finance
cc: Deputy Executive Directors

HARBOR DEPARTMENT OF THE CITY OF LOS ANGELES

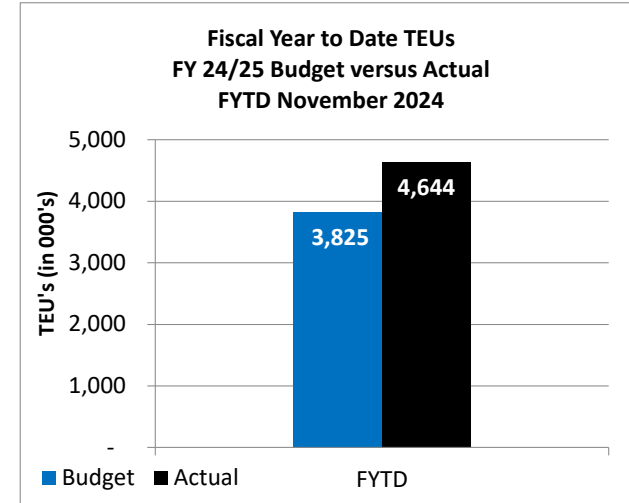
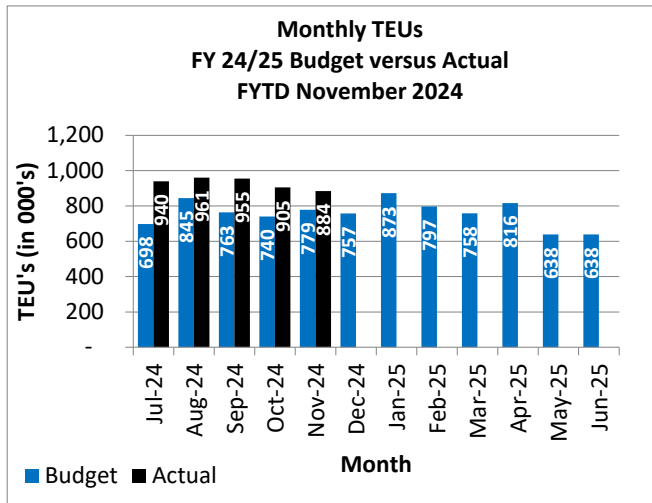
TEU THROUGHPUT COMPARISON - FYTD November 2024

TRANSMITTAL 1

Budget versus Actuals Comparison

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

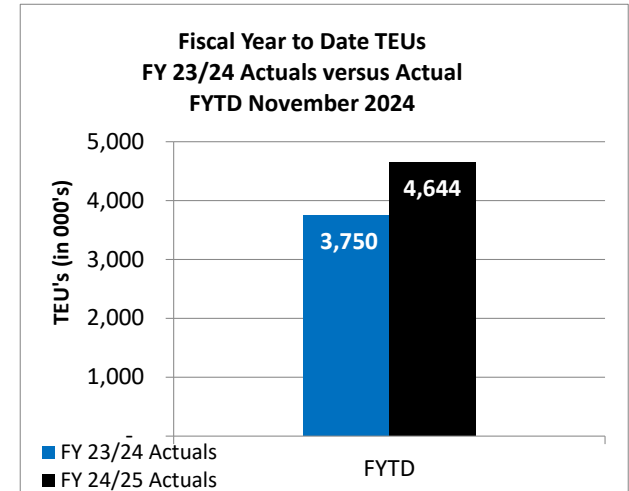
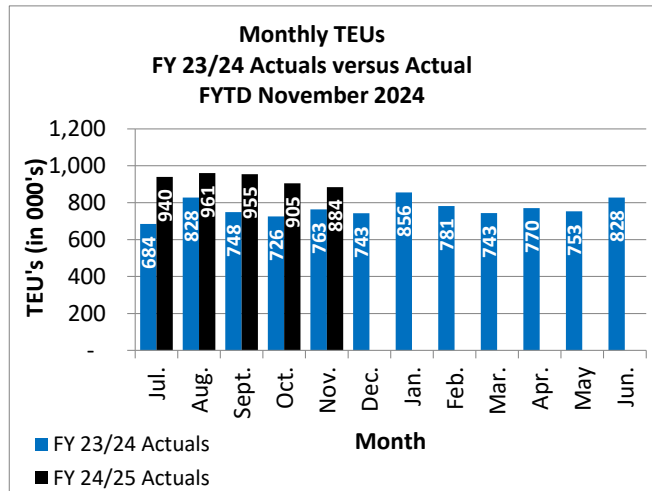
(in 000's)	TEU's			
Month	FY 24/25 Budget	FY 24/25 Actuals	% Δ	Δ
Jul-24	698	940	34.6%	↑
Aug-24	845	961	13.7%	↑
Sep-24	763	955	25.1%	↑
Oct-24	740	905	22.3%	↑
Nov-24	779	884	13.6%	↑
Dec-24	757		-100.0%	↓
Jan-25	873		-100.0%	↓
Feb-25	797		-100.0%	↓
Mar-25	758		-100.0%	↓
Apr-25	816		-100.0%	↓
May-25	638		-100.0%	↓
Jun-25	638		-100.0%	↓
FYTD	3,825	4,644	21.4%	↑
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	884	15.9%	↑
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	3,750	4,644	23.9%	↑
FY 23/24 Actuals	9,223.793			



The Port of Los Angeles - Harbor Department
FYTD November 30, 2024

TRANSMITTAL 2

	Fiscal Year Actual FY 2024/25	Fiscal Year Budget FY 2024/25	Actual-to-Budget Comparison	
\$ in thousands	Fiscal YTD - Nov 2024	Fiscal YTD - Nov 2024	\$	%
Operating Revenues				
Shipping Services	237,477	208,925	28,552	13.7%
Rentals	49,257	48,072	1,185	2.5%
Royalties, Fees and Other Revenues	67,481	10,280	57,202	556.5%
Clean Truck Program Revenues	16,975	15,384	1,591	10.3%
Total Operating Revenues	371,190	282,660	88,530	31.3%
Operating Expenses				
Gross Salaries & Benefits	80,888	88,983	8,095	9.1%
Capitalization	(13,039)	(5,855)	7,184	(122.7%)
Net Salaries & Benefits	67,848	83,128	15,279	18.4%
Marketing & Public Relations	1,046	2,224	1,178	53.0%
Travel	284	715	431	60.3%
Outside Services	7,959	22,037	14,078	63.9%
Materials & Supplies	1,760	2,622	861	32.8%
Rentals and Incentives	6,872	3,605	(3,267)	(90.6%)
Clean Truck Program Expenses	(1,753)	1,075	2,827	263.1%
City Services	25,866	28,574	2,709	9.5%
Allocations to Capital - Overhead		(8,459)	(8,459)	100.0%
Other Operating Expenses	8,252	23,480	15,227	64.9%
Total Operating Expenses	118,134	158,999	40,865	25.7%
Income Before Depreciation	253,056	123,660	129,396	104.6%
Provision For Depreciation	60,311	63,730	3,419	5.4%
Income From Operations	192,745	59,931	132,815	221.6%
Non-Operating Revenue	21,650	18,683	2,967	15.9%
Non-Operating Expenses	6,238	15,288	9,050	59.2%
Income before Capital Contributions	208,157	63,326	144,831	228.7%
Capital Contributions		40,280	40,280	100.0%
Net Income	208,157	103,606	104,552	100.9%

**The Port of Los Angeles - Harbor Department
FYTD NOVEMBER 30, 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 - Nov 2024	Fiscal YTD - Nov 2023	(Unfavorable)/Favorable	
			\$	%
Operating Revenues				
Shipping Services	237,477	206,959	30,518	14.7%
Rentals	49,257	47,811	1,446	3.0%
Royalties, Fees and Other Revenues	67,481	9,183	58,298	634.9%
Clean Truck Program Revenues	16,975	15,384	1,591	10.3%
Total Operating Revenues	371,190	279,337	91,853	32.9%
Operating Expenses				
Gross Salaries & Benefits	80,888	71,013	(9,875)	(13.9%)
Capitalization	(13,039)	(14,863)	(1,824)	12.3%
Net Salaries & Benefits	67,848	56,149	(11,699)	(20.8%)
Marketing & Public Relations	1,046	599	(447)	(74.6%)
Travel	284	349	66	18.8%
Outside Services	7,959	8,726	767	8.8%
Materials & Supplies	1,760	2,236	476	21.3%
Rentals and Incentives	6,872	4,210	(2,662)	(63.2%)
Clean Truck Program Expenses	(1,753)	1,655	3,408	205.9%
City Services	25,866	21,903	(3,963)	(18.1%)
Other Operating Expenses	8,252	13,704	5,452	39.8%
Total Operating Expenses	118,134	109,531	(8,603)	(7.9%)
Income Before Depreciation	253,056	169,806	83,250	49.0%
Provision For Depreciation	60,311	62,199	1,888	3.0%
Income From Operations	192,745	107,607	85,138	79.1%
Non-Operating Revenue	21,650	18,276	3,374	18.5%
Non-Operating Expenses	6,238	7,158	920	12.9%
Income before Capital Contributions	208,157	118,725	89,432	75.3%
Capital Contributions		40,000	40,000	100.0%
Net Income	208,157	158,725	49,432	31.1%