



## AUDIT COMMITTEE

Report to the  
Board of Harbor Commissioners

### “FOR INFORMATION ONLY”

**DATE: JUNE 17, 2024**

**TO: BOARD OF HARBOR COMMISSIONERS**

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

Financial performance results for the first eleven months of Fiscal Year 2023/24 are below and have been summarized relative to both budget and the prior fiscal year. Through the month of May, cargo volumes (as measured by TEUs or twenty-foot equivalent units) increased by 2.9% relative to budget and increased by 7.6% relative to the prior fiscal year. In summary, performance results for the Harbor Department are as follows:

FYTD May 2024	Actuals (Cargo Volumes in Thousands, \$ in Millions)	Actual-to- Budget Comparison	Year-on-Year Comparison
Cargo Volumes	8,396	↑ 2.9%	↑ 7.6%
Operating Revenues	\$632.1	↑ 5.1%	↑ 11.9%
Operating Expenses	\$252.9	↓ (23.3%)	↑ 2.5%
Operating Income	\$379.1	↑ 39.6%	↑ 19.3%
Net Income	\$273.2	↑ 125.3%	↑ 34.9%

Shipping Services increased relative to budget and prior year due to higher cargo volumes and higher cargo rates. Relative to budget, Operating Revenues increased by 5.1% primarily due to higher wharfage and higher rentals, partially offset by lower HMT receipts and utility charges. In comparison to the prior fiscal year, total Operating Revenues increased by 11.9% due to higher wharfage and higher rentals which were only partially offset by lower HMT receipts and space assignments.

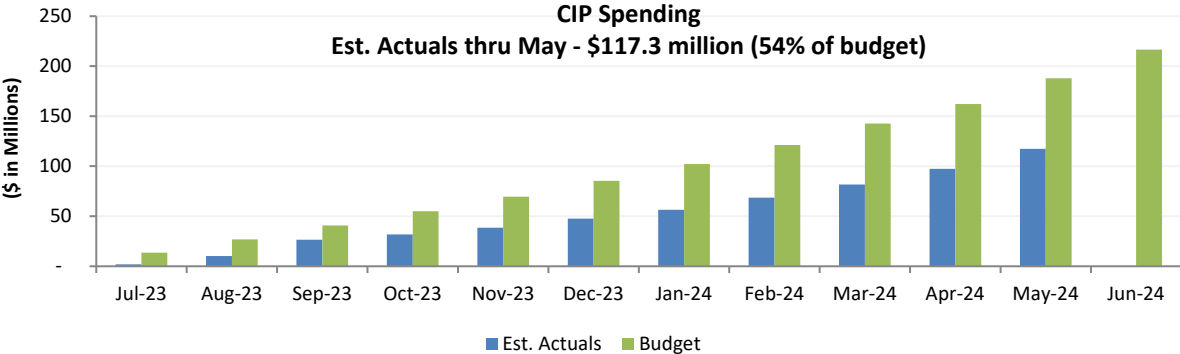
Operating Expenses were 23.3% lower than budgeted primarily due to lower salaries and benefits expenses as well as invoicing/payment delays related to outside services, city services, electricity payments and container incentive payouts. Relative to the prior fiscal

year, total Operating Expenses increased by 2.5% primarily due to higher salaries and benefits.

Operating Margin through the month of May was 60.0% versus a budget of 45.2% and a prior year-to-date figure of 56.2%.

Capital Improvement Program (CIP)

CIP spending for the ten-month period ended May 31, 2024, was estimated to reach \$101.3 million or about 47% of the total \$216.5 million CIP adopted budget.



JEFFREY STRAFFORD  
Director of Financial Planning & Analysis and Interim CFO

Transmittals:

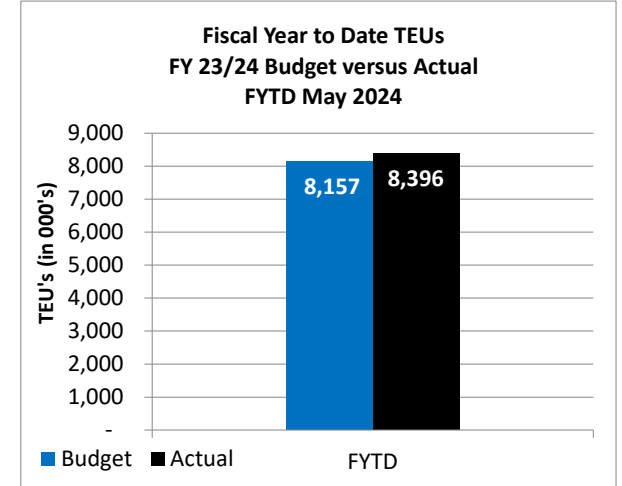
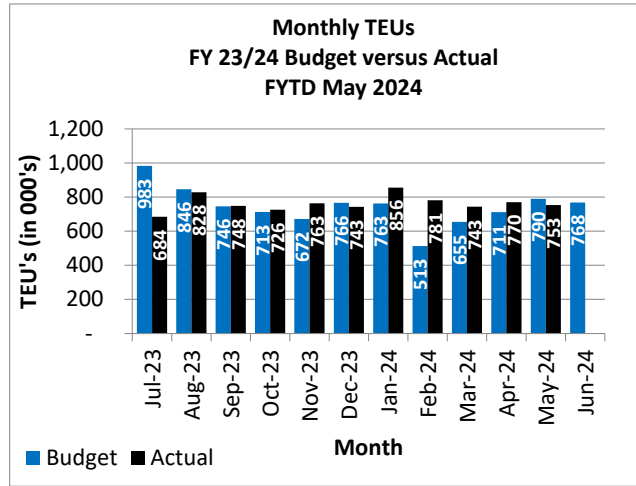
1. TEU Throughput Comparison – FYTD May 2024
2. Actual-to-Budget FY 2023/24 – May
3. Year-to-Year Performance Report YTD May 31, 2024 and 2023

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

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

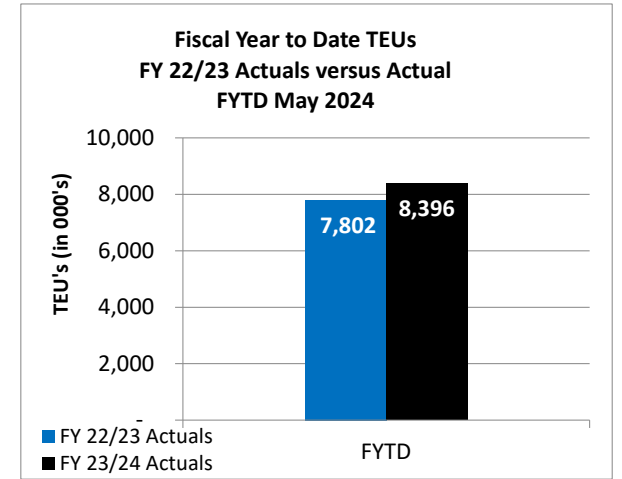
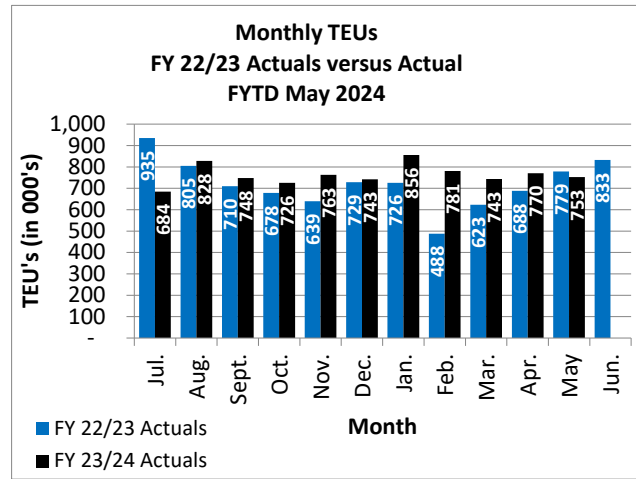
**Budget versus Actuals Comparison  
FY 23/24 Budget vs. FY 23/24 Actuals**

(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	781	52.5%	↑
Mar-24	655	743	13.5%	↑
Apr-24	711	770	8.3%	↑
May-24	790	753	-4.7%	↓
Jun-24	768		-100.0%	↓
FYTD	8,157	8,396	2.9%	↑
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	781	60.2%	↑
Mar.	623	743	19.3%	↑
Apr.	688	770	11.9%	↑
May	779	753	-3.4%	↓
Jun.	833		-100.0%	↓
FYTD	7,802	8,396	7.6%	↑
FY 22/23 Actuals	8,635			



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

TRANSMITTAL 2

\$ in thousands	Fiscal Year Actual	Fiscal Year Budget	Actual-to-Budget	
	FY 2023/24	FY 2023/24	Comparison	
	Fiscal YTD - May 2024	Fiscal YTD - May 2024	\$	%
<b>Operating Revenues</b>				
Shipping Services	460,193	439,222	20,971	4.8%
Rentals	108,722	92,933	15,789	17.0%
Royalties, Fees and Other Revenues	28,679	37,684	(9,005)	(23.9%)
Clean Truck Program Revenues	34,464	31,789	2,675	8.4%
<b>Total Operating Revenues</b>	<b>632,058</b>	<b>601,628</b>	<b>30,430</b>	<b>5.1%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	154,936	175,550	20,614	11.7%
Capitalization	(32,440)	(14,285)	18,154	(127.1%)
Net Salaries & Benefits	122,496	161,265	38,768	24.0%
Marketing & Public Relations	2,557	3,465	908	26.2%
Travel	744	1,062	317	29.9%
Outside Services	25,406	46,607	21,201	45.5%
Materials & Supplies	5,447	7,101	1,655	23.3%
City Services	49,916	61,187	11,271	18.4%
Allocations to Capital - Overhead		(18,068)	(18,068)	100.0%
Other Operating Expenses	41,098	63,835	22,737	35.6%
Clean Truck Program Expenses	5,259	3,498	(1,762)	(50.4%)
<b>Total Operating Expenses</b>	<b>252,924</b>	<b>329,952</b>	<b>77,029</b>	<b>23.3%</b>
<b>Income Before Depreciation</b>	<b>379,134</b>	<b>271,676</b>	<b>107,459</b>	<b>39.6%</b>
Provision For Depreciation	135,033	141,266	6,233	4.4%
<b>Income From Operations</b>	<b>244,101</b>	<b>130,410</b>	<b>113,691</b>	<b>87.2%</b>
Non-Operating Revenue	44,749	21,183	23,566	111.2%
Non-Operating Expenses	15,675	30,335	14,659	48.3%
<b>Net Income</b>	<b>273,176</b>	<b>121,259</b>	<b>151,917</b>	<b>125.3%</b>

The Port of Los Angeles - Harbor Department  
FYTD May 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 - May 2024	Fiscal YTD - May 2023	\$	%
<b>Operating Revenues</b>				
Shipping Services	460,193	394,924	65,269	16.5%
Rentals	108,722	97,795	10,927	11.2%
Royalties, Fees and Other Revenues	28,679	38,160	(9,481)	(24.8%)
Clean Truck Program Revenues	34,464	33,869	595	1.8%
<b>Total Operating Revenues</b>	<b>632,058</b>	<b>564,748</b>	<b>67,310</b>	<b>11.9%</b>
<b>Operating Expenses</b>				
Gross Salaries & Benefits	154,936	144,646	(10,290)	(7.1%)
Capitalization	(32,440)	(25,870)	6,569	(25.4%)
Net Salaries & Benefits	122,496	118,776	(3,720)	(3.1%)
Marketing & Public Relations	2,557	2,439	(117)	(4.8%)
Travel	744	582	(163)	(28.0%)
Outside Services	25,406	26,883	1,476	5.5%
Materials & Supplies	5,447	5,362	(84)	(1.6%)
City Services	49,916	48,440	(1,476)	(3.0%)
Other Operating Expenses	41,098	40,120	(978)	(2.4%)
Clean Truck Program Expenses	5,259	4,217	(1,042)	(24.7%)
<b>Total Operating Expenses</b>	<b>252,924</b>	<b>246,819</b>	<b>(6,104)</b>	<b>(2.5%)</b>
<b>Income Before Depreciation</b>	<b>379,134</b>	<b>317,929</b>	<b>61,205</b>	<b>19.3%</b>
Provision For Depreciation	135,033	149,437	14,404	9.6%
<b>Income From Operations</b>	<b>244,101</b>	<b>168,492</b>	<b>75,609</b>	<b>44.9%</b>
Non-Operating Revenue	44,749	57,657	(12,907)	(22.4%)
Non-Operating Expenses	15,675	23,636	7,961	33.7%
<b>Net Income</b>	<b>273,176</b>	<b>202,512</b>	<b>70,663</b>	<b>34.9%</b>