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COMMISSION

AGENDA MEMORANDUM Item No. 11a

BRIEFING ITEM Date of Meeting March 26, 2024

DATE: March 4, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Dan Thomas, Chief Financial Officer

Michael Tong, Director, Corporate Budget

SUBJECT: 2023 Financial Performance Briefing

EXECUTIVE SUMMARY

The purpose of this presentation is to provide a status report of the 2023 financial performance results.

BACKGROUND

The Port's overall operating revenues for 2023 were \$969.3 million, which is \$15.6 million above the budget and \$159.2 million higher than 2022. Excluding Aeronautical revenues, which are based on cost recovery and revenue sharing formulas, other Airport Non-Aero revenues were \$326.6 million, \$30.5 million or 10.3% above the budget and \$70.0 million or 27.3% higher than 2022 from all lines of businesses.

Non-Airport revenues were \$163.0 million, \$10.4 million or 6.8% above the budget and \$12.0 million or 8.0% higher than 2022 mainly due to higher revenues from Cruise and NWSA Distributable Income.

Total operating expenses for 2023 were \$557.1 million, which is \$16.3 million or 2.8% below budget and \$81.4 million or 17.1% higher than 2022. The favorable budget variance was largely due to a \$28.7 million DRS Pension True-up Credit. Excluding the Pension Credit, the budget variance was \$12.4 million or 2.2% above budget mainly to higher Environmental Remediation Expense and less Charges to Capital Projects.

Net operating income before depreciation was \$412.1 million, which is \$31.9 million or 8.4% above budget and \$77.7 million or 23.2% higher than 2022.

Each division will present its results to the Commission. The presentation outline is as follows:

1. Aviation Division Operating Results
2. Maritime Division Operating Results
3. Economic Development Division Operating Results

Template revised April 12, 2018.

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4. Central Services Operating Results

5. Portwide Operating Results

ATTACHMENTS TO THIS BRIEFING

(1) 2023 Financial and Performance Report

(2) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 8, 2023 – Q2 2023 Financial Performance Briefing

Template revised September 22, 2016.