

# Fund Summaries

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## TIDELANDS FUNDS

**Tidelands Operating Funds**  
**Tideland Oil Revenue Fund**  
**Reserve for Subsidence Fund**

## Tidelands Funds Summary

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### **ASSUMPTIONS FOR MAJOR RESOURCES**

The Tidelands Operating Funds comprise the following four funds: Tidelands Operations, Marina, Queen Mary Repair Reserve and Rainbow Harbor Area.

Sources of Tidelands Operations Fund revenue include permit fees and rents from various waterfront concessions; Convention Center and Hyatt leases; The Aquarium of the Pacific; Queen Mary rent; parking revenue from beach lots, transfers from the Harbor Fund and from the Tideland Oil Revenue Fund's Optimized Waterflood Program.

Sources of Marina Fund revenue include slip rental fees for recreational boats, commercial enterprises, and temporary/guest docking; and, ground leases for certain properties directly adjacent to the marinas.

Queen Mary Repair Reserve Fund revenue is limited to rents generated from the site currently occupied by the Catalina Express operation.

The Rainbow Harbor Area Fund revenue comprises dock rentals, the Pierpoint Landing lease, and operating transfers from the Tidelands Operations Fund. The Aquarium parking structure revenue flows through this fund and is restricted for use in operating and maintaining the structure, including debt service, with net proceeds accruing to the benefit of the Aquarium of the Pacific.

# Tidelands Operating Funds Summary

**Purpose:**

The Tidelands Operating Funds are used to account for operations, programs, maintenance and development of the marinas, beaches and waterways, the Convention Center and Hyatt Hotel leases, the Queen Mary and adjacent properties, the Aquarium of the Pacific, Rainbow Harbor area, and the Pike at Rainbow Harbor. Operations include marina management, police, fire and lifeguards, beach and marina maintenance, lease management, parking operations and other support functions.

**Revenue Trends and Forecast:**

Tidelands Funds revenue are heavily dependent upon the economy and tourism, particularly the Convention Center, Aquarium of the Pacific and Queen Mary. These operations continue to struggle to generate significant positive income. Current spending in the Tidelands Operating Funds also continue to be dependent on significant and increasing support from the Harbor (via the Charter-approved transfer of 10 percent of net income) and the Tidelands Oil Revenue Fund. These resources are used to address a deferred capital project list that currently totals over \$320 million. Marina revenues continue to generate a surplus in order to accumulate funds to be used to support the rebuild of the Alamitos Bay Marina.

	Actual FY 09	Adopted FY 10	Adjusted FY 10	Year End* FY 10	Adopted FY 11
<b>Resources:</b>					
Beginning Fund Balance	35,535,174	34,691,182	27,393,198	27,393,198	52,322,984
Unreserving/(Reserving) of Restricted Fund Balance	(1,290,861)	15,152,566	11,935,275	11,935,275	-
Adjusted Fund Balance	34,244,313	49,843,748	39,328,473	39,328,473	52,322,984
<b>Revenues:</b>					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	223,455	161,153	90,153	209,893	153,153
Fines and Forfeitures	313,931	241,200	241,200	392,822	241,200
Use of Money & Property	39,121,928	34,839,032	34,839,032	38,519,834	35,873,491
Revenue From Other Agencies	1,094,658	1,396,322	5,592,256	5,695,577	674,322
Charges for Services	30,603,078	30,179,190	30,212,990	29,172,985	28,931,984
Other Revenues	161,594	53,290	53,290	31,750	53,290
Interfund Services-Charges	15,468,941	16,737,277	16,737,277	16,456,606	16,319,872
Intrafund Services-Gen Fund Chgs	-	837	837	-	837
Harbor P/R Rev Trsf	1,515	-	-	-	-
Other Financing Sources	1,942,356	-	6,800,000	(1,196,223)	-
Operating Transfers	42,239,580	33,158,125	34,458,125	45,526,418	38,193,398
<b>Total Revenues</b>	<b>131,171,036</b>	<b>116,766,426</b>	<b>129,025,160</b>	<b>134,809,663</b>	<b>120,441,547</b>
Estimated All-years Carryover Revenue	-	11,256,185	12,600,856	-	11,087,360
<b>Total Resources</b>	<b>165,415,349</b>	<b>177,866,359</b>	<b>180,954,490</b>	<b>174,138,136</b>	<b>183,851,891</b>
<b>Requirements:</b>					
<b>Expenditures:</b>					
Salaries, Wages and Benefits	23,704,995	23,695,465	23,744,910	23,973,642	24,653,647
Materials, Supplies and Services	60,946,436	43,841,781	61,320,893	50,691,014	62,434,936
Internal Support	7,856,573	8,162,644	9,278,452	8,066,433	20,058,550
Capital Purchases	66,125	-	48,697	7,310	-
Debt Service	17,549,975	17,097,071	17,097,071	17,496,403	17,802,231
Transfers to Other Funds	20,520,463	19,634,399	19,649,457	21,580,351	6,384,207
Prior Year Encumbrance	-	-	(101,737)	-	-
<b>Total Requirements</b>	<b>130,644,567</b>	<b>112,431,361</b>	<b>131,037,743</b>	<b>121,815,153</b>	<b>131,333,571</b>
Estimated All-years Carryover Exp.	-	20,660,890	(24,745,363)	-	33,022,441
<b>Ending Fund Balance</b>	<b>34,770,783</b>	<b>44,774,109</b>	<b>74,662,109</b>	<b>52,322,984</b>	<b>19,495,879</b>

\*Unaudited

# Tideland Oil Revenue Fund Summary

**Purpose:**

The Tideland Oil Revenue Fund is used to account for the proceeds from oil operations within the Tidelands area.

**Assumptions for Major Resources:**

The major source of revenue for the Tideland Oil Revenue Fund is generated from oil operations in the Tidelands area, which is dependent upon the price of oil, which fluctuates regularly.

**Revenue Trends and Forecast:**

The market price for oil has been extremely volatile over the past two years, fluctuating for a high of \$130 per barrel in July 2008 to a low of \$30 per barrel in February 2009. The average price per barrel in 2010 is \$70 per barrel through June. Looking forward to 2011, price increases are likely as the BP Gulf disaster impacts are absorbed throughout the industry.

	Actual FY 09	Adopted FY 10	Adjusted FY 10	Year End* FY 10	Adopted FY 11
<b>Resources:</b>					
Beginning Fund Balance	52,068,437	22,629,825	2,294,187	2,294,187	2,271,371
Unreserving/(Reserving) of Restricted Fund Balance	-	-	-	-	-
Adjusted Fund Balance	52,068,437	22,629,825	2,294,187	2,294,187	2,271,371
<b>Revenues:</b>					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	133,965,996	70,794,000	250,407,639	287,127,736	70,794,000
Revenue From Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	7,570	-	-	2,078	-
Interfund Services-Charges	-	-	-	-	-
Intrafund Services-Gen Fund Chgs	-	-	-	-	-
Harbor P/R Rev Trfs	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Revenues	133,973,566	70,794,000	250,407,639	287,129,814	70,794,000
Estimated All-years Carryover Revenue	-	-	-	-	-
Total Resources	186,042,003	93,423,825	252,701,826	289,424,001	73,065,371
<b>Requirements:</b>					
<b>Expenditures:</b>					
Salaries, Wages and Benefits	4,753,423	5,688,158	3,820,625	4,108,156	5,420,382
Materials, Supplies and Services	144,324,545	59,686,894	264,079,887	264,028,539	59,686,894
Internal Support	1,076,738	1,309,403	1,317,498	1,270,317	1,114,286
Capital Purchases	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers to Other Funds	13,227,764	4,051,079	17,938,235	17,745,618	4,116,154
Prior Year Encumbrance	-	-	-	-	-
Total Requirements	163,382,470	70,735,534	287,156,245	287,152,630	70,337,716
Estimated All-years Carryover Exp.	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>22,659,533</b>	<b>22,688,291</b>	<b>(34,454,418)</b>	<b>2,271,371</b>	<b>2,727,655</b>

\*Unaudited

## Reserve for Subsidence Fund Summary

**Purpose:**

The Reserve for Subsidence Fund is used to account for the accumulation of funds to be used to minimize and remedy future land sinkage (subsidence) due to oil operations.

**Assumptions for Major Resources:**

The revenue source for the subsidence fund is interest earned on the fund balance, along with the repayment of a loan to the General Fund allowed under State law to mitigate the impacts of the last ERAF State revenue take-aways.

**Revenue Trends and Forecast:**

It is estimated that the interest rate for FY 10 will be approximately 1.25 percent. Given the threat of Prop 1A borrowing of City property tax by the State for FY 10, the ability to borrow additional Subsidence Fund resources is being sought.

	Actual FY 09	Adopted FY 10	Adjusted FY 10	Year End* FY 10	Adopted FY 11
<b>Resources:</b>					
Beginning Fund Balance	163,071,942	166,575,103	166,575,103	166,575,103	157,586,732
Unreserving/(Reserving) of Restricted Fund Balance	(7,764)	-	-	-	-
Adjusted Fund Balance	163,064,178	166,575,103	166,575,103	166,575,103	157,586,732
<b>Revenues:</b>					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	3,010,925	4,700,000	4,700,000	1,314,803	1,350,000
Revenue From Other Agencies	-	-	-	-	-
Charges for Services	-	-	-	-	-
Other Revenues	500,000	500,000	500,000	500,000	500,000
Interfund Services-Charges	-	-	-	-	-
Intrafund Services-Gen Fund Chgs	-	-	-	-	-
Harbor P/R Rev Trsfs	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Revenues</b>	<b>3,510,925</b>	<b>5,200,000</b>	<b>5,200,000</b>	<b>1,814,803</b>	<b>1,850,000</b>
Estimated All-years Carryover Revenue	-	-	-	-	-
<b>Total Resources</b>	<b>166,575,103</b>	<b>171,775,103</b>	<b>171,775,103</b>	<b>168,389,906</b>	<b>159,436,732</b>
<b>Requirements:</b>					
<b>Expenditures:</b>					
Salaries, Wages and Benefits	-	-	-	-	-
Materials, Supplies and Services	-	-	-	-	-
Internal Support	-	-	-	-	-
Capital Purchases	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers to Other Funds	7,764	-	10,799,560	10,803,174	-
Prior Year Encumbrance	-	-	-	-	-
<b>Total Requirements</b>	<b>7,764</b>	<b>-</b>	<b>10,799,560</b>	<b>10,803,174</b>	<b>-</b>
Estimated All-years Carryover Exp.	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>166,567,339</b>	<b>171,775,103</b>	<b>160,975,543</b>	<b>157,586,732</b>	<b>159,436,732</b>

\*Unaudited

