

Statements of Revenues, Expenses, and Changes in Net Assets

For the Fiscal Years Ended September 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Port operating revenues:		
Berths and special facilities (Note 9)	\$ 237,081,753	\$ 210,523,361
Rental properties	8,861,239	9,538,596
Miscellaneous	<u>3,598,443</u>	<u>3,936,647</u>
Total Port operating revenues	<u>249,541,435</u>	<u>223,998,604</u>
Port operating expenses:		
Facility maintenance	4,132,401	4,877,127
Infrastructure maintenance	9,497,870	8,712,349
Fire and safety	11,648,401	9,499,341
Other indirect	6,334,608	5,437,800
General and administrative	<u>12,836,768</u>	<u>11,556,718</u>
Port operating expenses before depreciation and amortization	44,450,048	40,083,335
Depreciation and amortization	<u>74,433,164</u>	<u>53,026,659</u>
Total Port operating expenses	<u>118,883,212</u>	<u>93,109,994</u>
Operating Income	<u>130,658,223</u>	<u>130,888,610</u>
Non-operating income (expense):		
Intergovernmental (Note 12)	(9,057,694)	(8,676,900)
Interest income, net of capitalized interest	13,626,935	14,351,647
Interest expense, net of capitalized interest	(51,068,784)	(38,020,044)
Loss from Harbor oil operations	(2,586,886)	(707,171)
Loss on disposition of capital assets	(11,337,368)	(10,426,179)
Income from equity in joint ventures (Note 10)	3,717,188	4,372,849
Other expense, net	<u>(5,943,835)</u>	<u>(1,205,872)</u>
Net non-operating expense	<u>(62,650,444)</u>	<u>(40,311,670)</u>
Income before capital grants	68,007,779	90,576,940
Capital grants	<u>500,000</u>	<u>-0-</u>
Increase in net assets	68,507,779	90,576,940
Total net assets, October 1	<u>1,522,423,999</u>	<u>1,431,847,059</u>
Total net assets, September 30	<u>\$ 1,590,931,778</u>	<u>\$ 1,522,423,999</u>

See accompanying notes to the basic financial statements.

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1 RESOLUTION NO. C-

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH MAKING CERTAIN FINDINGS
5 AND DETERMINATIONS AND REQUESTING THE BOARD
6 OF HARBOR COMMISSIONERS OF THE CITY OF LONG
7 BEACH TO APPROVE A TRANSFER OF \$6,850,777
8 FROM THE HARBOR REVENUE FUND TO THE
9 TIDELAND OPERATING FUND PURSUANT TO THE
10 PROVISIONS OF CITY CHARTER SECTION 1209(C)(4)
11

12 WHEREAS, City Charter Section 1209(c)(4) authorizes the transfer of
13 monies deposited to the credit of the Harbor Revenue Fund to the Tideland Operating
14 Fund under certain conditions; and

15 WHEREAS, the City Council finds and determines that the lawful
16 obligations of the Tideland Operating Fund for the fiscal year commencing October 1,
17 2004 and ending September 30, 2005 will exceed the anticipated revenues to and
18 reserves of the Tideland Operating Funds by an amount approximating \$6,850,777;
19 and

20 WHEREAS, the net income of the Harbor Department for the fiscal year
21 commencing October 1, 2002 and ending September 30, 2003 as shown on the audited
22 financial statements of the Harbor Department prepared by KPMG LLP and Gary L.
23 Burroughs, City Auditor, is the sum of \$68,507,779 and ten percent (10%) thereof is the
24 sum of \$6,850,777.

25 NOW, THEREFORE, the City Council of the City of Long Beach resolves
26 as follows:

27 Section 1. The lawful obligations of the Tideland Operating Fund for the
28 fiscal year commencing October 1, 2004 and ending September 30, 2005 will exceed

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1 the total reserves and anticipated revenues of the Tideland Operating Fund for the
2 same period.

3 Sec. 2. That ten percent (10%) of the net income of the Harbor
4 Department as shown on the most recent available independently audited financial
5 statements for the period ending September 30, 2003 is the sum of \$6,850,777.

6 Sec. 3. The City Council by a vote of two-thirds (2/3) of all its
7 members requests that the Board of Harbor Commissioners approve the transfer of the
8 sum of \$6,850,777 from the Harbor Revenue Fund to the Tideland Operating Fund
9 which transfer shall be made by journal entry on the books of the City of Long Beach.

10 Sec. 4. This resolution shall take effect immediately upon its
11 adoption by the City Council, and the City Clerk shall certify to the vote adopting this
12 resolution.

13 I hereby certify that the foregoing resolution was adopted by the City
14 Council of the City of Long Beach at its meeting of _____, 2004
15 by the following vote:

16	Ayes:	Councilmembers:	_____
17			_____
18			_____
19			_____
20	Noes:	Councilmembers:	_____
21			_____
22	Absent:	Councilmembers:	_____
23			_____
24			_____
25			_____
26			_____
			City Clerk

27 HAM:fl
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