



Administrative Regulations

Number AR24-3
Issue 5

Subject: Accounting Procedure for Non-Trust Events - LB Convention & Entertainment Center.

I. PURPOSE

The purpose of this regulation is to ensure that the Tidelands Trust is protected from any losses which might result from the staging of "non-trust" events at the Long Beach Convention & Entertainment Center (Center).

II. SCOPE

This regulation is applicable to all City departments and offices responsible directly to the City Manager. It is also requested that elective offices and other independent offices and departments of the City comply with these procedures in the interest of administrative uniformity.

III. NON-DEPARTMENTAL ACCOUNT FOR NON-TRUST LONG BEACH CONVENTION AND ENTERTAINMENT CENTER EVENTS

A trust account will be established in the General Purpose Fund for the City. At the beginning of each fiscal year, ten thousand (\$10,000) dollars shall be available in the trust account for payment of operating losses for all non-trust events. In addition, this amount will be available for payment of any losses which may occur as a result of other non-trust uses.

IV. DETERMINATION OF TRUST AND NON-TRUST EVENTS

An event shall be conclusively deemed to be a "non-trust" event unless the City Attorney, prior to July 1st of each year, makes a written determination that the event is a "trust" event. On or before June 15th of each year, the Manager of the Center shall submit to the City Attorney, a schedule of events held, or to be held, prior to June 30th of the same year at the Center which the Manager believes qualify as trust events. The Manager, when submitting this calendar of events shall provide any and all supporting data and/or information, as well as any other information which may be requested by the City Attorney concerning the "trust" status of events, which will assist in such determination.

A. All revenue received as building rental, concessionaire income. Reimbursed expenses and parking receipts shall be totaled.

B. The expenses listed below shall be totaled, from the revenues described above.

- (1) Direct labor costs, including an appropriate burden added for retirement, workers' compensation insurance, vacation and sick leave and other employee benefits.
- (2) Utility expenses.
- (3) Cost for materials and supplies.

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(4) An allowance for general City and departmental overhead expense. Departmental overhead consists of a proportionate share of those overhead expenses attributable to the staging of non-trust events at the Center.

(5) Other expenses not expressly described exclusively related to staging non-trust events. Expenses within this category shall not include any cost or expense incurred in retiring parking Authority or Gas Revenue Bonds or paying interest thereon.

C. If the total revenues exceed the total expenses for the fiscal year, the City's obligation to indemnify the Tideland Trust will be met. If the total expenses exceed total revenues, that net loss shall be charged to the account established in the General Purpose Fund for non-trust events. Any losses charged will be credited to appropriate Center revenue accounts.

D. If subsequent collection is made of amounts charged off for non-trust events, the amounts received will be credited against the General Purpose Fund account for non-trust events.

E. Prior to the close of the fiscal year, Financial management will review the balance in this trust account. Any balance in excess of \$10,000 will be transferred to General Purpose Fund revenues.

If the balance is less than \$10,000, the City Manager shall request that an appropriation be made from the General Purpose Fund to replenish the trust account.

VI. COST ACCOUNTING RECORDS

The Manager of the Center shall cause to be maintained detailed cost records for each event held at the Center. Said cost records shall reflect those costs enumerated in Paragraph V above and all other directly ascertainable expenses.