



## Legislation Text

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**File #:** 19-0212, **Version:** 1

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Recommendation to receive and file the Proposition H Audit Report for the fiscal year ending September 30, 2018.

Pursuant to Long Beach Municipal Code Section 3.80.227, the City Auditor's Office is charged with conducting an annual independent financial audit of Proposition H (Prop H) funds and providing a written report to the City Council.

The City Auditor conducts annual audits of Prop H funds to identify the following: the amount of special tax revenues collected during the fiscal year (FY), the amount of special tax revenue expended on eligible costs during the fiscal year, the amount of unspent monies that were carried over into the current fiscal year, and the status of any projects and programs funded by the special tax revenues.

We determined the following as a result of our audit:

1. During FY 2018, the City received \$3,357,702 of Prop H revenues, a decrease of \$40,282 or 1% from the prior year.
2. Prop H expenditures during FY 2018 totaled \$3,763,526. Expenditures were \$408,867 or 10% less compared to the prior year and were made for eligible costs as defined in the Municipal Code.
3. During FY 2018, the amount of unspent monies carried over decreased 65% from the prior fiscal year to \$221,062. This amount aligns with the reserve policy's established reserve range of \$150,000 to \$400,000 for the fund. The projected carryover by the end of FY 2019 is expected to decrease slightly to \$220,562.
4. In FY 2019, the Fire Department intends to use their Prop H resources to continue funding public safety positions and Fire Academy costs. The Police Department will use its funds to support staffing of the Mental Health Evaluation Team

Detailed information regarding these results is included in the attached report.

In conclusion, we express our appreciation to employees of the Police Department, Fire Department, and the Department of Financial Management for providing their time, information, and cooperation during the audit process.

Action by the City Council is not time sensitive.

Approving this action would have no fiscal impact.

Approve recommendation.

LAURA L. DOUD, CPA  
CITY AUDITOR