



## Legislation Text

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**File #:** 14-0736, **Version:** 1

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Recommendation to receive and file the Proposition H Audit Report for the fiscal year ending September 30, 2013.

Pursuant to Long Beach Municipal Code Section 3.80.227, the Office of the City Auditor 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, the amount of special tax revenue expended on eligible costs during the fiscal year, the amount of unspent monies on deposit 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 fiscal year 2013, the City received \$3,561,403 of Prop H revenues, an increase of \$166,504 from the prior year;
- 2) Prop H expenditures during the fiscal year totaled \$3,961,731. Expenditures were made for eligible costs as defined in the Municipal Code;
- 3) The amount of unspent monies carried over into fiscal year 2014 was \$559,421.

Management plans to use a portion of the fund balance carry-over when budgeting for FY 2015; and

- 4) Both the Police Department and the Fire Department intend to use their Prop H resources to continue funding certain designated public safety positions.

We also noted that since the inception of Prop H in June 2007 through September 30, 2013, annual oil production in Long Beach has decreased by 11 %. However, while production steadily declined from FY 2008 to FY 2012, there was a 2% increase in production from FY 2012 to FY 2013.

Based on the level of production and price per barrel of oil, Prop H revenue received by the City has decreased 3% since FY 2008. However, due to a slight increase in production in FY 2013 there was a 5% increase in Prop H revenue from FY 2012 to FY 2013.

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 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.

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LAURA L. DOUD, CPA  
CITY AUDITOR