

CITY OF BALDWIN PARK

Audit Report

MUNICIPAL STORM WATER AND URBAN RUNOFF DISCHARGES PROGRAM

Los Angeles Regional Water Quality Control Board,
Order No. 01-182, Permit CAS004001, Part 4F5c3

July 1, 2002, through June 30, 2012



BETTY T. YEE
California State Controller

February 2018



BETTY T. YEE
California State Controller

February 5, 2018

The Honorable Manuel Lozano, Mayor
City of Baldwin Park
14403 East Pacific Avenue
Baldwin Park, CA 91706

Dear Mayor Lozano:

The State Controller's Office (SCO) audited the costs claimed by the City of Baldwin Park for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2012.

The city claimed \$595,507 for the mandated program. Our audit found that \$2,358 is allowable and \$593,149 is unallowable. The costs are unallowable because the city claimed unsupported costs, understated the number of transit-stop trash receptacles, overstated the number of annual trash collections, claimed reimbursement for costs that it did not incur, and did not offset the restricted revenues used to fund the mandated activities. The State made no payments to the city. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustment via a system-generated letter for each fiscal year in the audit period.

If you have any questions, please contact Jim L. Spano, CPA, Assistant Division Chief, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/lis

cc: Rose Tam, Director of Finance
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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Baldwin Park for the legislatively mandated Municipal Storm Water and Urban Runoff Discharges Program (Los Angeles Regional Water Quality Control Board, Order No. 01-182, Permit CAS004001, Part 4F5c3) for the period of July 1, 2002, through June 30, 2012.

The city claimed \$595,507 for the mandated program. Our audit found that \$2,358 is allowable and \$593,149 is unallowable. The costs are unallowable because the city claimed unsupported costs, understated the number of transit-stop trash receptacles, overstated the number of annual trash collections, claimed reimbursement for costs it did not incur, and did not offset the restricted revenues used to fund the mandated activities. The State made no payments to the city. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustment via a system-generated letter for each fiscal year in the audit period.

Background

The California Regional Water Quality Control Board, Los Angeles Region (Board), adopted a 2001 storm water permit (Permit CAS004001) that requires local jurisdictions to:

Place trash receptacles at all transit stops within its jurisdiction that have shelters no later than August 1, 2002, and at all other transit stops within its jurisdiction no later than February 3, 2003. All trash receptacles shall be maintained as necessary.

On July 31, 2009, the Commission on State Mandates (Commission) determined that Part 4F5c3 of the permit imposes a state mandate reimbursable under Government Code (GC) section 17561 and adopted a Statement of Decision. The Commission further clarified that each local agency subject to the permit and not subject to a trash total maximum daily load is entitled to reimbursement.

The Commission also determined that the period of reimbursement for the mandated activities begins July 1, 2002, and continues until a new National Pollutant Discharge Elimination System (NPDES) permit issued by the Board is adopted. On November 8, 2012, the Board adopted a new NPDES permit, Order No. R4-2012-0175, which became effective on December 28, 2012.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on March 24, 2011. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies, school districts, and community college districts in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the Municipal Storm Water and Urban Runoff Discharges Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

The audit period was from July 1, 2002, through June 30, 2012.

To achieve our audit objective, we:

- Reviewed annual mandated cost claims filed by the city for the audit period to identify the material cost components of each claim and to determine whether there were any errors or any unusual or unexpected variances from year to year. In addition, we reviewed the activities claimed to determine their adherence to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff, and performed a walk-through of the claim preparation process to determine what information was obtained, who obtained it, and how it was used;
- Requested source documents to support the one-time costs claimed for each fiscal year in the audit period;
- Traced the unit cost rate claimed for each fiscal year in the audit period to the SCO's claiming instructions to ensure proper application of the rate;
- Requested source documents to support the 50 transit-stop trash receptacles claimed for the period of July 1, 2002, through June 30, 2005; 55 transit stop trash receptacles claimed for the period of July 1, 2005, through June 30, 2011; and 108 transit stop trash receptacles claimed for the period of July 1, 2011, through June 30, 2012. The city provided documentation to support 108 transit stop trash receptacles for each fiscal year in the audit period;
- Traced all trash collections claimed for each fiscal year in the audit period to source documentation; and
- Requested the operating budget and expenditure reports for fiscal year (FY) 2002-03 through FY 2006-07 to determine whether costs claimed were funded by another source.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the city's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the city's financial statements.

Conclusion

Our audit found instances of noncompliance with the requirements outlined in the Objective section. These instances are described in the accompanying Schedule (Summary of Program Costs) and in the Findings and Recommendations section of this report.

For the audit period, the city claimed \$595,507 for costs of the Municipal Storm Water and Urban Runoff Discharges Program. Our audit found that \$2,358 is allowable and \$593,149 is unallowable. The State made no payments to the city. Following issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustment via a system-generated letter for each fiscal year in the audit period.

**Follow-up on
Prior Audit
Findings**

We have not conducted a legislatively mandated Municipal Storm Water and Urban Runoff Discharges program audit at the city in prior years.

**Views of
Responsible
Officials**

We issued a draft audit report on December 26, 2017. Rose Tam, Director of Finance, responded via email on January 4, 2018, agreeing with the audit results.

Restricted Use

This report is solely for the information and use of the City of Baldwin Park, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

February 5, 2018

Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2002, through June 30, 2003</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 18,749	\$ -	\$ (18,749)	
Total one-time costs	<u>18,749</u>	<u>-</u>	<u>(18,749)</u>	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 50	× 108		
Annual number of trash collections	× 156	× 52		
Total ongoing costs	<u>52,572</u>	<u>37,852</u>	<u>(14,720)</u>	Finding 2
Total one-time costs and ongoing costs	71,321	37,852	(33,469)	
Less offsetting revenues and reimbursements	<u>-</u>	<u>(36,846)</u>	<u>(36,846)</u>	Finding 4
Total program costs	<u>\$ 71,321</u>	1,006	<u>\$ (70,315)</u>	
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,006</u>		
<u>July 1, 2003, through June 30, 2004</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 5,704	\$ -	\$ (5,704)	
Total one-time costs	<u>5,704</u>	<u>-</u>	<u>(5,704)</u>	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 50	× 108		
Annual number of trash collections	× 156	× 52		
Total ongoing costs	<u>52,572</u>	<u>37,852</u>	<u>(14,720)</u>	Finding 2
Total one-time costs and ongoing costs	58,276	37,852	(20,424)	
Less offsetting revenues and reimbursements	<u>-</u>	<u>(36,736)</u>	<u>(36,736)</u>	Finding 4
Total program costs	<u>\$ 58,276</u>	1,116	<u>\$ (57,160)</u>	
Less amount paid by the State		<u>-</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,116</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2004, through June 30, 2005</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 5,433	\$ -	\$ (5,433)	
Total one-time costs	5,433	-	(5,433)	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 50	× 108		
Annual number of trash collections	× 156	× 52		
Total ongoing costs	52,572	37,852	(14,720)	Finding 2
Total one-time costs and ongoing costs	58,005	37,852	(20,153)	
Less offsetting revenues and reimbursements	-	(37,852)	(37,852)	Finding 4
Total program costs	<u>\$ 58,005</u>	-	<u>\$ (58,005)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2005, through June 30, 2006</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 3,657	\$ -	\$ (3,657)	
Total one-time costs	3,657	-	(3,657)	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 55	× 108		
Annual number of trash collections	× 156	× 52		
Total ongoing costs	57,829	37,852	(19,977)	Finding 2
Total one-time costs and ongoing costs	61,486	37,852	(23,634)	
Less offsetting revenues and reimbursements	-	(37,616)	(37,616)	Finding 4
Total program costs	<u>\$ 61,486</u>	236	<u>\$ (61,250)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 236</u>		
<u>July 1, 2006, through June 30, 2007</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 9,729	\$ -	\$ (9,729)	
Total one-time costs	9,729	-	(9,729)	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 55	× 108		
Annual number of trash collections	× 156	× 52		
Total ongoing costs	57,829	37,852	(19,977)	Finding 2
Total one-time costs and ongoing costs	67,558	37,852	(29,706)	
Less offsetting revenues and reimbursements	-	(37,852)	(37,852)	Finding 4
Total program costs	<u>\$ 67,558</u>	-	<u>\$ (67,558)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2007, through June 30, 2008</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 4,046	\$ -	\$ (4,046)	
Total one-time costs	4,046	-	(4,046)	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 55	× -		
Annual number of trash collections	× 156	× -		
Total ongoing costs	57,829	-	(57,829)	Finding 3
Total program costs	<u>\$ 61,875</u>	-	<u>\$ (61,875)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2008, through June 30, 2009</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 1,161	\$ -	\$ (1,161)	
Total one-time costs	1,161	-	(1,161)	Finding 1
Ongoing costs:				
Unit cost rate	6.74	6.74		
Number of transit-stop trash receptacles	× 55	× -		
Annual number of trash collections	× 156	× -		
Total ongoing costs	57,829	-	(57,829)	Finding 3
Total program costs	<u>\$ 58,990</u>	-	<u>\$ (58,990)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2009, through June 30, 2010</u>				
One-time costs:				
Salaries, benefits, and indirect costs	\$ 1,326	\$ -	\$ (1,326)	
Total one-time costs	1,326	-	(1,326)	Finding 1
Ongoing costs:				
Unit cost rate	6.78	6.78		
Number of transit-stop trash receptacles	× 55	× -		
Annual number of trash collections	× 156	× -		
Total ongoing costs	58,172	-	(58,172)	Finding 3
Total program costs	<u>\$ 59,498</u>	-	<u>\$ (59,498)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2010, through June 30, 2011</u>				
Ongoing costs:				
Unit cost rate	\$ 6.80	\$ 6.80		
Number of transit-stop trash receptacles	× 55	× -		
Annual number of trash collections	× 156	× -		
Total program costs	<u>\$ 58,344</u>	-	<u>\$ (58,344)</u>	Finding 3
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>July 1, 2011, through June 30, 2012</u>				
Ongoing costs:				
Unit cost rate	\$ 7.15	\$ 7.15		
Number of transit-stop trash receptacles	× 108	× -		
Annual number of trash collections	× 52	× -		
Total program costs	<u>\$ 40,154</u>	-	<u>\$ (40,154)</u>	Finding 3
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>		
<u>Summary: July 1, 2002, through June 30, 2012</u>				
Total one-time costs	\$ 49,805	\$ -	\$ (49,805)	Finding 1
Total ongoing costs	+ 545,702	+ 189,260	+ (356,442)	Findings 2, 3
Subtotal	595,507	189,260	(406,247)	
Less offsetting revenues and reimbursements	-	(186,902)	(186,902)	Finding 4
Total program costs	<u>\$ 595,507</u>	2,358	<u>\$ (593,149)</u>	
Less amount paid by the State		-		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 2,358</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Unsupported one-time costs

The city claimed \$49,805 in one-time costs for the audit period. We found that the entire amount is unallowable because the city did not provide sufficient source documentation to support the costs claimed.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2002-03	\$ 18,749	\$ -	\$ (18,749)
2003-04	5,704	-	(5,704)
2004-05	5,433	-	(5,433)
2005-06	3,657	-	(3,657)
2006-07	9,729	-	(9,729)
2007-08	4,046	-	(4,046)
2008-09	1,161	-	(1,161)
2009-10	1,326	-	(1,326)
Total	<u>\$ 49,805</u>	<u>\$ -</u>	<u>\$ (49,805)</u>

To support the costs claimed, the city provided salary and benefit information to demonstrate that city maintenance employees were paid during the audit period; however, this information is not related to the one-time activities claimed. We requested that the city provide us with source documents that show the validity of the costs claimed, when they were incurred, and their relationship to the reimbursable activities. The city stated that due to its record-keeping policy, it was unable to provide the documentation required.

Section IV. (Reimbursable Activities) of the parameters and guidelines states, in part:

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed for one-time activities listed in section IV.A below...

Actual costs are those cost actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual costs were incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

**FINDING 2—
Overstated ongoing
maintenance costs**

For the period of July 1, 2002, through June 30, 2007, the city claimed \$273,374 for the ongoing maintenance of transit-stop trash receptacles. We found that \$189,260 is allowable and \$84,114 is unallowable. The costs are unallowable because the city understated the number of trash receptacles and overstated the number of annual trash collections.

The city claimed reimbursement for the ongoing maintenance costs using the Commission-adopted reasonable reimbursement methodology (RRM). Under the RRM, the unit cost (which is \$6.74 during the period of July 1, 2002, through June 30, 2009, and is adjusted annually thereafter by the implicit price deflator) is multiplied by the number of city-wide transit-stop trash receptacles and by the number of annual trash collections. The number of annual trash collections is limited to no more than three collections each week.

The following table summarizes the claimed, allowable, and audit adjustment amounts by fiscal year:

Fiscal Year	Amount Claimed				Amount Allowable				Audit Adjustment
	Number of Trash Receptacles	Annual Trash Collections	Unit Cost Rate	Total	Number of Trash Receptacles	Annual Trash Collections	Unit Cost Rate	Total	
2002-03	50	156	\$ 6.74	\$ 52,572	108	52	\$ 6.74	\$ 37,852	\$ (14,720)
2003-04	50	156	6.74	52,572	108	52	6.74	37,852	(14,720)
2004-05	50	156	6.74	52,572	108	52	6.74	37,852	(14,720)
2005-06	55	156	6.74	57,829	108	52	6.74	37,852	(19,977)
2006-07	55	156	6.74	57,829	108	52	6.74	37,852	(19,977)
Total				<u>\$ 273,374</u>				<u>\$ 189,260</u>	<u>\$ (84,114)</u>

Understated the number of trash receptacles

The city claimed reimbursement for the collection of trash from receptacles at 50 transit stops during the period of July 1, 2002, through June 30, 2005, and 55 transit stops during the period of July 1, 2005, through June 30, 2007. During audit fieldwork, the city provided Transit Maintenance Record Activity logs that documented that 108 transit-stop trash receptacles were maintained by city employees.

Overstated number of annual trash collections

For the period of July 1, 2002, through June 30, 2007, the city claimed reimbursement for three weekly trash collections, totaling 156 annual collections. We found that one weekly collection, totaling 52 annual collections, is allowable. During audit fieldwork, the city provided Transit Maintenance Record Activity logs that documented that city employees collected the transit-stop trash receptacles one time per week.

Section VII. (Records Retention) of the parameters and guidelines states, in part:

Local agencies must retain documentation which supports reimbursement of the maintenance costs identified in Section IV.B of these parameters and guidelines during the period subject to audit, including documentation showing the number of trash receptacles in the jurisdiction and the number of trash collections or pickups.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

**FINDING 3—
Costs claimed that
were not incurred**

For the period of July 1, 2007, through June 30, 2012, the city claimed \$272,328 for the ongoing maintenance of the transit-stop trash receptacles. We found that the entire amount is unallowable because the city did not incur the costs claimed.

As noted in Finding 2, the city provided Transit Maintenance Record Activity logs demonstrating that city employees maintained the transit-stop trash receptacles for the period of July 1, 2002, through June 30, 2007. The Transit Maintenance Record Activity logs provided for the period of July 1, 2007, through the end of the audit period documented that city employees no longer emptied and replaced the trash bags. Through discussions with city staff, we learned that the maintenance of the transit-stop trash receptacles transferred to its waste management contractor at that time.

The city entered into an agreement with Waste Management Collection and Recycling, Inc. (Franchisee) for the collection, transportation, disposal, and recycling of residential and commercial waste. The contract was specifically designed to meet the waste diversion requirements of the California Integrated Waste Management Act of 1989. The contract originally began on January 1, 1990.

Provision 17 of the agreement states, in part:

17. CITY REFUSE RECEPTACLES. Franchisee, *at its sole expense*, shall collect Refuse and replace liners from City facilities enumerated and described in Exhibit D, attached hereto and incorporated herein by this reference. Such collection shall be upon a schedule approved by the Director, which shall be not less than twice per week collection....
[*Emphasis added.*]

Exhibit D lists the locations of city refuse receptacles. Based on the agreement provision referenced above, we found that the city did not incur any increased costs as the waste management contractor maintained the trash receptacles at its “sole expense.”

Section IV. (Reimbursable Activities) of the parameters and guidelines states, in part:

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

**FINDING 4—
Unreported offsetting
revenues and
reimbursements**

The city did not offset any revenues or reimbursements on its claim forms for the audit period. We found that the city should have offset \$186,902 in Proposition A funds that were used to pay for the ongoing maintenance of transit-stop trash receptacles for the period of July 1, 2002, through June 30, 2007.

As noted in Finding 2, we found that from July 1, 2002 through June 30, 2006, \$189,260 in ongoing maintenance costs is allowable. We reviewed the city’s adopted budgets and expenditure statements and confirmed that \$186,902 was posted to Cost Center 69, Transit Maintenance Facility, which was funded primarily with Proposition A Funds from Fund No. 117. Proposition A is a half-cent sales tax approved by Los Angeles County voters in 1980 to finance transit programs. Twenty-five percent of the sales tax revenue is dedicated to the Local Return Program to be used by cities for developing and/or improving public transit and related transportation infrastructure.

The Proposition A and Proposition C Local Return Guidelines, Section II. Project Eligibility, identify reimbursement for ongoing trash receptacle maintenance as follows:

2. BUS STOP IMPROVEMENTS AND MAINTENANCE (Codes 150, 160, & 170)

Examples of eligible Bus Stop Improvement and Maintenance projects include installation/replacement and/or maintenance of:

- Concrete landings – in street for buses and at sidewalk for passengers
- Bus turn-outs
- Benches
- Shelters
- Trash Receptacles
- Curb cuts
- Concrete or electrical work directly associated with the above items

We reviewed the city’s adopted budgets and expenditure statements, and confirmed that the city transferred \$2,358 from the General Fund for FY 2002-03, FY 2003-04, and FY 2005-06 to Cost Center 69, Transit Maintenance Facility, to supplement city employees’ retirement costs. As the city used Proposition A Local Return funds authorized to be used on the mandated activities, totaling \$186,902, it did not have to rely on discretionary general funds to pay for the mandated activities.

The following table summarizes the audit adjustment by fiscal year:

Fiscal Year	Amount	Less:	
	Allowable from Finding 2	General Fund Transfer	Amount Offset
2002-03	\$ 37,852	\$ 1,006	\$ (36,846)
2003-04	37,852	1,116	(36,736)
2004-05	37,852	-	(37,852)
2005-06	37,852	236	(37,616)
2006-07	37,852	-	(37,852)
Total	\$ 189,260	\$ 2,358	\$(186,902)

Section VIII. (Offsetting Revenues and Reimbursements) of the parameters and guidelines states:

Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any federal, state or non-local source shall be identified and deducted from this claim.

Recommendation

No recommendation is applicable for this finding, as the period of reimbursement expired on December 27, 2012.

**State Controller's Office
Division of Audits
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