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Long Beach, California

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**Audit Shows Oil Production Tax Payments are in Compliance with Prop H
Over \$18.5 Million in New Revenue Received for Public Safety Since Measure's Passage**

Long Beach, CA – City Auditor Laura Doud released an audit today which examined whether the process by which oil production reported to the City of Long Beach by oil producers is complete and reliable for tax purposes. The audit concluded that the oil production levels are reasonably accurate and tax payments are commensurate with the amount of oil produced.

The audit was conducted on oil production levels for fiscal year 2012. In that year, 19 oil producers were required to remit taxes to the City, which totaled approximately \$5.3 million. Two of the largest oil producers, TOPKO and THUMS, comprise 94% of the total oil production.

The audit found that the City of Long Beach Department of Gas and Oil has an excellent monitoring system which focuses on the two largest producers, TOPKO and THUMS. The Department staff observes the oil extraction process, independently calculates the barrels produced and then compares that to the reports submitted by the producers.

"I want to acknowledge the great job Department staff is doing. Their diligent efforts in monitoring the oil production process give us strong confidence in the reported revenue," said City Auditor Laura Doud. "This revenue goes directly to our Police and Fire Departments as approved by voters of Proposition H in 2007."

In 2007, with over 70% of the vote, Long Beach voters approved Proposition H which increased the City's oil production tax for the first time in nearly two decades to a level that is competitive with neighboring cities. Annual audits conducted by the City Auditor's Office found that over \$18.5 million in new revenue has been received by the City since the measure's passage. As mandated in the law, these funds have been used exclusively for public safety.

"The City is very fortunate that voters understood the importance of making a long-overdue fee adjustment. These funds have paid for approximately 14 additional police officers, 14 firefighters, police academy costs, and several large capital expenditures," said City Auditor Doud.

The full report with a detailed explanation of the City Auditor's recommendations and management comments can be viewed on the City Auditor's website, www.CityAuditorLauraDoud.com.

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