



Joint Legislative Audit Committee
Office of the Auditor General



FINANCIAL AUDIT REPORT
RECREATION AND FISH AND WILDLIFE
ENHANCEMENT FUND
YEAR ENDED JUNE 30, 1979

REPORT TO THE
CALIFORNIA LEGISLATURE

REPORT **F-820-728**

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

820-728

FINANCIAL AUDIT REPORT
RECREATION AND FISH AND WILDLIFE
ENHANCEMENT FUND
YEAR ENDED JUNE 30, 1979

OCTOBER 1980



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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S. FLOYD MORI
CHAIRMAN

November 21, 1980

820-728

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's financial audit report of the Recreation and Fish and Wildlife Enhancement Fund, year ended June 30, 1979.

The auditors are Curt Davis, CPA; Michael C. Dendorfer, CPA; Sandra Bevers; and Laurine Bohamera.

Respectfully submitted,

S. FLOYD MORI
Chairman, Joint Legislative
Audit Committee

Attachment

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INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee and in compliance with federal Office of Revenue Sharing regulations, we have conducted a financial audit of the Recreation and Fish and Wildlife Enhancement Fund. This audit was conducted under the authority vested in the Auditor General by Sections 10527 and 10528 of the Government Code.

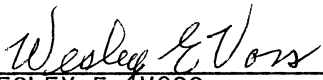
The Recreation and Fish and Wildlife Enhancement Fund was created as a depository for the proceeds of a \$60 million bond issue approved by voters at the November 30, 1970 general election. The purpose of the bond issue was to provide funds to help meet the costs of planning and developing facilities for recreation, fish, and wildlife enhancement in connection with state water projects. The agencies responsible for administering the fund include the Department of Parks and Recreation, the Department of Fish and Game, and the Wildlife Conservation Board.

AUDITOR'S OPINION

To the Joint Legislative Audit Committee of the California Legislature:

We have examined the balance sheet of the Recreation and Fish and Wildlife Enhancement Fund as of June 30, 1979 and the related statements of revenues, expenditures, and changes in fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Recreation and Fish and Wildlife Enhancement Fund as of June 30, 1979 and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



WESLEY E. VOSS
Assistant Auditor General

Date: March 7, 1980

Staff: Curt Davis, CPA
Michael Dendorfer, CPA
Sandra Bevers
Laurine Bohamera

STATE OF CALIFORNIA
RECREATION AND FISH AND WILDLIFE ENHANCEMENT FUND

BALANCE SHEET
CAPITAL PROJECTS FUND

JUNE 30, 1979

ASSETS

Cash \$8,371,006

LIABILITIES, ENCUMBRANCES
OUTSTANDING, AND FUND EQUITY

Liabilities:

Accounts payable \$ 295

Encumbrances Outstanding 2,998,567

Fund Equity:

Fund balance 6,372,144

Total Liabilities,
Encumbrances Outstanding,
and Fund Equity \$8,371,006

The notes to the financial statements are an integral part of
this statement.

STATE OF CALIFORNIA
RECREATION AND FISH AND WILDLIFE ENHANCEMENT FUND

STATEMENT OF FINANCING SOURCES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

Revenues:

Total Revenues \$ --

Expenditures:

Operating expenses 2,611

Capital outlay 2,568,109

Total Expenditures 2,570,715

Excess of Expenditures
over Financing Sources (2,570,715)

Fund Balance - July 1 8,942,859

Fund Balance - June 30 \$ 6,372,143

The notes to the financial statements are an integral part of
this statement.

STATE OF CALIFORNIA
RECREATION AND FISH AND WILDLIFE
AND ENHANCEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1979

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements reflect the financial position and the results of operations of the Recreation and Fish and Wildlife and Enhancement Fund. The statements have been prepared in conformity with generally accepted accounting principles applicable to state and local governments as prescribed by both the American Institute of Certified Public Accountants and the National Council on Governmental Accounting.

The accompanying financial statements are structured into a Governmental Fund Type, through which most governmental functions are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities--except those accounted for in Proprietary Funds--are accounted for through governmental funds. Included in this category are Capital Project Funds.

The Recreation and Fish and Wildlife Enhancement Fund is a Capital Project Fund used to account for financial resources for the acquisition or construction of Capital Facilities, and its records are maintained on a modified accrual basis of accounting. These are some of the significant elements:

Income

Throughout the fiscal year, income including revenues, transfers, and reimbursements, except for certain reimbursements which are recorded when billed, are accounted for on a cash basis. At June 30, these accounts are adjusted to accrue earned but uncollected income.

Expenditures

Expenditures are accounted for at the time claims for payment are filed with the State Controller. At June 30, all valid expenditure commitments are accrued as expenditures including encumbrances outstanding against budget appropriations for which no goods or services have been received.

Bond Proceeds

Bond proceeds from the \$60 million bond issue approved by the voters in November 1970 are restricted in usage. No more than \$54 million may be applied to the design and construction of recreation facilities administered by the Department of Parks and Recreation, whereas no more than \$6 million may be used for the design and construction of fish and wildlife enhancement features and fishing access sites administered by the Department of Fish and Game and the Wildlife Conservation Board. At June 30, 1979, all authorized bonds had been issued; \$4.5 million of this amount was still outstanding. Bond redemptions and interest expenses are paid from the State's General Fund.

OTHER INFORMATION

Management letters describing suggested improvements were issued to appropriate departments or agencies in conjunction with certain recommended adjusting entries necessary to achieve compliance with generally accepted accounting principles.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps