



Joint Legislative Audit Committee
Office of the Auditor General



FINANCIAL AUDIT REPORT
DEPARTMENT OF PARKS AND RECREATION
GENERAL FUND
OFF-HIGHWAY VEHICLE FUND
SPECIAL DEPOSIT FUND
STATE FAIR CONTINGENT FUND
STATE PARK CONTINGENT FUND
YEAR ENDED JUNE 30, 1979

REPORT TO THE
CALIFORNIA LEGISLATURE

REPORT **F-820**

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

820

FINANCIAL AUDIT REPORT
DEPARTMENT OF PARKS AND RECREATION
YEAR ENDED JUNE 30, 1979

OCTOBER 1980



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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November 21, 1980

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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 Department of Parks and Recreation, 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 Department of Parks and Recreation. This audit was conducted under the authority vested in the Auditor General by Sections 10527 and 10528 of the Government Code.

The primary responsibility of the Department of Parks and Recreation is to plan and implement broadly based park, recreation, cultural, and natural resource preservation programs throughout California. The department is responsible for acquiring, preserving, developing, interpreting, and ensuring the appropriate use of the outstanding natural, cultural, and recreational resources of the State within the framework of environmental protection goals and objectives. Currently, the state park system consists of approximately 257 units containing over one million acres.

The department's other responsibilities include administering federal and state grants to cities, counties, and special districts for creating parks throughout the State and operating the California Exposition and State Fair in Sacramento.

In addition to the funding sources discussed in this report, the department also receives funding from these sources:

- Bagley Conservation Fund;
- California Environmental Protection Program Fund;
- Collier Park Preservation Fund;
- Fair and Exposition Fund;
- Harbors and Watercraft Revolving Fund;
- Recreation and Fish and Wildlife Enhancement Fund;
- State Beach, Park, Recreational and Historical Facilities Fund of 1964;
- State Beach, Park, Recreational and Historical Facilities Fund of 1974;
- State Urban and Coastal Park Fund.

We have audited these funds on a total fund basis and have reported them in separate reports. Thus, the amounts for the above funds applicable to the Department of Parks and Recreation are not included in this report.

AUDITOR'S OPINION

To the Joint Legislative Audit Committee of the California Legislature:

We have examined the general purpose financial statements of the various funds and the Account Group of the Department of Parks and Recreation for the year ended June 30, 1979. Except as set forth in the following paragraph, 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.

The Department of Parks and Recreation did not maintain sufficient detailed records to support the General Fixed Assets Account Group's balance of \$679,258,038 reported as of June 30, 1979. Since we were not able to apply necessary auditing procedures and examine adequate evidential matter to substantiate the accuracy of the general fixed assets balance, our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements for the department's General Fixed Assets Account Group as of June 30, 1979.

In our opinion, except for the disclaimer of opinion on the General Fixed Assets Account Group, the aforementioned general purpose financial statements present fairly the financial position of the various fund types of the Department of Parks and Recreation as of June 30, 1979 and the results of operations and changes in fund equity for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The accompanying supplemental information and the columns on the accompanying general purpose financial statements captioned "Totals - Memorandum Only" for June 30, 1979 are not necessary for a fair presentation of the financial statements but are

presented as additional analytical data. The supplemental information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Wesley E. Voss

WESLEY E. VOSS
Assistant Auditor General

Date: March 7, 1980

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

DEPARTMENT OF PARKS AND RECREATION

COMBINED BALANCE SHEET
FUND TYPES AND ACCOUNT GROUP

JUNE 30, 1979

ASSETS	Governmental Fund Types		Fiduciary Fund Type	Account Group	Totals (Memorandum Only)
	General	Special Revenue	Trust and Agency	General Fixed Assets	
Cash	\$ 15,417,187	\$ 8,237	\$ 1,722,793	\$ --	\$ 17,148,217
Investments at cost (Note 2)	--	26,798,000	100,000	--	26,898,000
Receivables:					
Accounts receivable	864,890	131	17,816	--	882,837
Accrued interest (Note 2)	--	1,137,029	4,452	--	1,141,481
Allowance for deferred and uncollectible receivables (Note 3)	(115,437)	(131)	(2,244)	--	(117,812)
Due from other funds (Note 4)	3,332,938	150	--	--	3,333,088
Due from other governments	1,102,437	--	45,547,628	--	46,650,065
Prepayments to other funds	533,924	--	--	--	533,924
Expense advances to employees	174,658	--	--	--	174,658
Land	--	--	--	458,768,386	458,768,386
Improvements (Note 5)	--	--	--	143,520,883	143,520,883
Equipment	--	--	--	12,201,478	12,201,478
Construction work in progress (Note 5)	--	--	--	64,767,291	64,767,291
Total Assets	\$ 21,310,597	\$27,943,416	\$47,390,445	\$679,258,038	\$775,902,496
LIABILITIES, ENCUMBRANCES OUTSTANDING, AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 5,043,358	\$ 216,971	\$ 753,652	\$ --	\$ 6,013,981
Due to other funds	331,817	--	94,045	--	425,862
Due to other governments	--	--	416,203	--	416,203
Revenue collected in advance (Note 6)	158,339	--	--	--	158,339
Uncleared collections	26,189	--	--	--	26,189
Total Liabilities	5,559,703	216,971	1,263,900	--	7,040,574
Encumbrances Outstanding (Note 7)	35,547,756	1,226,021	43,522,710	--	80,296,487
Fund Equity:					
Investment in general fixed assets	--	--	--	634,490,747	679,258,038
Designated for special purposes	10,036,255	--	--	10,036,255	10,036,255
Designated for construction	--	--	--	64,767,291	64,767,291
Operating clearing (Note 10)	(29,833,117)	--	--	--	(29,833,117)
Fund balance (Note 11)	--	26,500,424	2,603,835	--	29,104,259
Total Fund Equity	(19,796,862)	26,500,424	2,603,835	679,258,038	688,565,435
Total Liabilities, Encumbrances Outstanding, and Fund Equity	\$ 21,310,597	\$27,943,416	\$47,390,445	\$679,258,038	\$775,902,496

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

DEPARTMENT OF PARKS AND RECREATION
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND EQUITY
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Expendable Trust	
Revenues:				
Charges for services	\$ 10,599,444	\$ 42,994	\$ 906,035	\$ 11,548,473
Parimutuel wagering fees	1,262,853	--	--	1,262,853
Licenses and permits	20,293	--	--	20,293
Fines and forfeits	--	1,657	--	1,657
Interest income	10,153	1,853,677	8,534	1,872,364
Intergovernmental revenues	2,801,058	--	28,223,052	31,024,110
Miscellaneous revenues	48,980	3,725	--	52,705
Miscellaneous adjustments (Note 9)	560,684	--	--	560,684
Total Revenues	<u>15,303,465</u>	<u>1,902,053</u>	<u>29,137,621</u>	<u>46,343,139</u>
Expenditures:				
Personal services	44,970,865	--	--	44,970,865
Operating expenses and equipment	17,372,793	--	--	17,372,793
Capital outlay	5,343,901	3,518,400	12,980	8,875,281
Local assistance	34,905,178	332,131	1,886,621	37,123,930
Debt service	1,130,000	--	--	1,130,000
Reimbursements	(14,597,888)	--	--	(14,597,888)
Total Expenditures	<u>89,124,849</u>	<u>3,850,531</u>	<u>1,899,601</u>	<u>94,874,981</u>
Excess of Revenues over (under) Expenditures	<u>(73,821,384)</u>	<u>(1,948,478)</u>	<u>27,238,020</u>	<u>(48,531,842)</u>
Other Financing Sources (Uses):				
Appropriations (Note 8)	68,674,942	--	44,200	68,719,142
Transfers from other funds	415,329	13,019,827	1,218	13,436,374
Deposits in trust funds	--	--	53,228	53,228
Transfers to other funds	(358,285)	(894,957)	(26,887,712)	(28,140,954)
Remittances to labor unions	--	--	(1,829)	(1,829)
Intrafund transfers (Note 10)	(7,643,127)	--	--	(7,643,127)
Total Other Financing Sources (Uses)	<u>61,088,859</u>	<u>12,124,870</u>	<u>(26,790,895)</u>	<u>46,422,834</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	<u>(12,732,525)</u>	<u>10,176,392</u>	<u>447,125</u>	<u>(2,109,008)</u>
Fund Equity - July 1	<u>(7,064,337)</u>	<u>16,324,032</u>	<u>2,156,710</u>	<u>11,416,405</u>
Fund Equity - June 30	<u>\$ (19,796,862)</u>	<u>\$ 26,500,424</u>	<u>\$ 2,603,835</u>	<u>\$ 9,307,397</u>

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

DEPARTMENT OF PARKS AND RECREATION
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 Department of Parks and Recreation. 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 Governmental Fund Types, Fiduciary Fund Types, and an Account Group. The Department of Parks and Recreation accounts for only its portion of the fund type categories. The State Controller maintains the central accounts for all state funds and publishes consolidated fund statements annually.

GOVERNMENTAL FUND TYPES

Governmental Fund Types are those 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. The General Fund and the Special Revenue Funds are the Governmental Fund Types in the Department of Parks and Recreation.

General Fund

The General Fund accounts for all financial resources of the department which are not accounted for in another fund.

Parks and Recreation Revolving Account - This account is a depository for federal grants and state appropriations used for the acquisition and development of state parks.

Hostel Facilities Use Fee Account - The department uses this account to account for the development of hostel facilities or minimal overnight facilities in conjunction with the state park's riding and biking program.

Special Revenue Fund

This fund is used to account for specific revenues and operating expenditures earmarked for particular activities. The department's only Special Revenue Fund is the Off-Highway Vehicle Fund, which is used to account for the acquisition, development, construction, maintenance, administration, and conservation of trails and areas for off-highway motor vehicles.

FIDUCIARY FUND TYPES

Fiduciary Fund Types are used to account for assets held by a governmental unit as a trustee or as an agent for other governmental units. The Fiduciary Fund Types are described below and are shown individually in the combining statements within the supplemental information section of this report.

State Park Contingent Fund - This fund serves as a depository for funds received for the improvement or administration of state parks or for the purchase of additional land and property for the state park system. Funding primarily originates from gifts, bequests, and donations from private individuals and corporations; the fund also receives legislative appropriations.

State Fair Contingent Fund - The department uses this fund to account for gifts, bequests, and donations for the administration, operation, management, or improvement of the California Exposition and State Fair or the fair site.

Special Deposit Fund - The department maintains its portion of the Special Deposit Fund to account for money received from the Federal Government for special purposes, money withheld from the wages of temporary maintenance workers to be paid to union vacation trust accounts, and money received from private corporations for special purposes. This fund also includes grants received from the National Park Service.

The Governmental Fund Types and the Fiduciary Fund Types are maintained on the modified accrual basis of accounting. These are some of their significant elements:

Income

Throughout the fiscal year all 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, the accounts are adjusted to accrue all 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.

Liabilities

Retirement Plan - Regular employees of the department are members of the Public Employees' Retirement System (PERS) which is a defined benefit, contributory retirement plan. The amount the department and its employees contribute to PERS is actuarially determined under a program in which contributions plus retirement system earnings provide the necessary funds to pay retirement costs as accrued. Retirement contributions for the year totaled \$5,223,801.

Vacation and Sick Leave - Costs of vacation and sick leave are charged when these benefits are used rather than when they are earned.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for land, improvements, equipment, and construction work in progress. Assets purchased are recorded as expenditures in the appropriate fund in the year of encumbrance. Assets are valued at cost or at fair market value, if cost cannot be determined. The improvement account includes infrafixture fixed assets--that is, permanent installments such as gutters, drainage systems, lighting systems, streets, and parking lots.

2. INVESTMENTS

This account shows the amount of the agency's money in the Surplus Money Investment Fund, which is used to account for the monies that have been transferred for investment purposes. All earnings derived from investments of the fund are apportioned to the contributing funds. At June 30, interest due from the Surplus Money Investment Fund amounted to \$1,141,481.

3. ALLOWANCE FOR DEFERRED AND UNCOLLECTIBLE RECEIVABLES

This account reflects the amount of receivables that are not expected to be collected within the next fiscal year. Included in this account are \$107,447 in receivables from those using the facilities at the California Exposition and State Fair. These receivables have been submitted to the Attorney General for collection. Another \$6,529 in the account represents judgments against individuals for property damage at state parks, and the remaining \$3,836 represents miscellaneous receivables not expected to be collected within the next fiscal year.

4. DUE FROM OTHER FUNDS

This account shows the amount due to the General Fund from other funds to reimburse services rendered on projects which are financed through the other funds.

5. IMPROVEMENTS AND CONSTRUCTION WORK IN PROGRESS

The department has not maintained detailed property records to support account balances of \$143,520,883 for improvements and \$64,767,292 for construction work in progress at June 30, 1979.

During the audit period, the department was directing many acquisition and development projects that are financed by several funds. The construction in process at June 30, 1979 consisted of amounts from these funds:

Funds Supporting Construction in Progress

General Fund	\$ 5,913,123
Park and Recreation Revolving Account	405,014
Motor Vehicle Transportation Tax Account Fund	22,529
Bagley Conservation Fund	3,442,377
Collier Park Preservation Fund	2,045,163
Harbors and Watercraft Revolving Fund	329,725
Recreation and Fish and Wildlife Enhancement Fund	15,366,951
State Beach, Park, Recreational and Historical Facilities Fund of 1964	6,123,023
State Beach, Park, Recreational and Historical Facilities Fund of 1974	29,291,398
State Urban and Coastal Park Fund	409,300
State Park Contingent Fund	10,000
Special Deposit Fund	<u>1,408,689</u>
 Total Construction Work in Progress	 <u>\$64,767,292</u>

When the projects are completed, the cost of the project will be deducted from the Construction Work in Progress account and recorded in the appropriate property classification, such as land, improvements, and equipment in the General Fixed Assets Account Group.

6. REVENUE COLLECTED IN ADVANCE

The department receives advance payments from vendors and concessionaires for exhibit space at the California Exposition and State Fair. The amount at June 30 represents advance collections for the fair held in August and September of 1979.

7. ENCUMBRANCES OUTSTANDING

Encumbrances outstanding include valid commitments against budget appropriations for which no goods or services had been received by June 30. The Department of Parks and Recreation receives budget appropriations for the acquisition and development of city, county, and state parks. The department currently has over 1,900 projects in progress.

8. APPROPRIATIONS

Appropriations are the portions of the General Fund which the legislative Budget Act allocated to the Department of Parks and Recreation.

9. MISCELLANEOUS ADJUSTMENTS

This account shows the difference between the net amount of revenues, expenditures, abatements, and reimbursements accrued as of the previous June 30 and the actual amount of revenues, expenditures, abatements, and reimbursements related to the prior year but obtained during the current fiscal year.

10. OPERATING CLEARING AND INTRAFUND TRANSFERS

This account is the connecting link between the records of the various state agencies and the central fund accounts maintained by the State Controller for the General Fund and for other funds not accounted for entirely by one agency.

Intrafund transfers are cash receipts the department remitted to the State Treasury during the year; these receipts represent revenues, reimbursements, and refunds to reverted appropriations.

11. FUND BALANCE - SPECIAL REVENUE FUND

This amount represents the balance available for the development of off-highway vehicle parks. Because of local concerns, the development of these parks has been delayed. During fiscal year 1979-1980, five new parks were under development.

SUPPLEMENTAL INFORMATION

The following financial statements are not considered necessary for a fair presentation of the department's financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles but are presented as additional analytical data. The supplemental information has been subjected to the audit procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

On the supplemental financial statement--Comparison of Budgeted Expenditures with Actual Expenditures--the amounts shown as budget expenditures reflect the Governor's Budget after allowing for adjustments by the Budget Act, interim statutory changes affecting appropriations, and authorized executive budget revisions issued during the year.

DEPARTMENT OF PARKS AND RECREATION

COMBINING BALANCE SHEET
GENERAL FUND

JUNE 30, 1979

<u>ASSETS</u>	<u>General</u>	<u>Park and Recreation Revolving Account</u>	<u>Hostel Facilities Use Fee Account</u>	<u>Totals</u>
Cash	\$ 4,640,721	\$8,301,660	\$2,474,806	\$ 15,417,187
Receivables:				
Accounts receivable	864,890	--	--	864,890
Allowance for deferred and uncollectible receivables	(115,437)	--	--	(115,437)
Due from other funds	3,332,938	--	--	3,332,938
Due from other governments	1,102,437	--	--	1,102,437
Prepayments to other funds	533,924	--	--	533,924
Expense advances to employees	174,658	--	--	174,658
	<u>\$ 10,534,131</u>	<u>\$8,301,660</u>	<u>\$2,474,806</u>	<u>\$ 21,310,597</u>
 <u>LIABILITIES, ENCUMBRANCES OUTSTANDING, AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	\$ 5,016,372	\$ 15,400	\$ 11,586	\$ 5,043,358
Due to other funds	331,817	--	--	331,817
Revenues collected in advance	158,339	--	--	158,339
Uncleared collections	26,189	--	--	26,189
	<u>5,532,717</u>	<u>15,400</u>	<u>11,586</u>	<u>5,559,703</u>
Encumbrances Outstanding	<u>34,834,531</u>	<u>107,616</u>	<u>605,609</u>	<u>35,547,756</u>
Fund Equity:				
Designated for special purposes	--	8,178,644	1,857,611	10,036,255
Operating clearing	(29,833,117)	--	--	(29,833,117)
	<u>(29,833,117)</u>	<u>8,178,644</u>	<u>1,857,611</u>	<u>(19,796,862)</u>
Total Liabilities, Encumbrances Outstanding, and Fund Equity	<u>\$ 10,534,131</u>	<u>\$8,301,660</u>	<u>\$2,474,806</u>	<u>\$ 21,310,597</u>

DEPARTMENT OF PARKS AND RECREATION

COMBINING BALANCE SHEET
FIDUCIARY FUNDS

JUNE 30, 1979

<u>ASSETS</u>	<u>State Park Contingent</u>	<u>State Fair Contingent</u>	<u>Special Deposit</u>	<u>Totals</u>
Cash	\$ 93,694	\$419	\$ 1,628,680	\$ 1,722,793
Investments	100,000	--	--	100,000
Receivables:				
Accounts receivable	15,572	--	2,244	17,816
Accrued interest	4,452	--	--	4,452
Allowance for deferred and uncollectible receivables	--	--	(2,244)	(2,244)
Due from other governments	--	--	45,547,628	45,547,628
	<u>213,718</u>	<u>419</u>	<u>47,176,308</u>	<u>47,390,445</u>
Total Assets				
	<u>\$213,718</u>	<u>\$419</u>	<u>\$47,176,308</u>	<u>\$47,390,445</u>
<u>LIABILITIES, ENCUMBRANCES OUTSTANDING, AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 753,652	\$ 753,652
Due to other funds	--	--	94,045	94,045
Due to other governments	--	--	416,203	416,203
	<u>--</u>	<u>--</u>	<u>1,263,900</u>	<u>1,263,900</u>
Total Liabilities				
	<u>--</u>	<u>--</u>	<u>1,263,900</u>	<u>1,263,900</u>
Encumbrances Outstanding	--	--	43,522,710	43,522,710
	<u>--</u>	<u>--</u>	<u>43,522,710</u>	<u>43,522,710</u>
Fund Balance	213,718	419	2,389,698	2,603,835
	<u>213,718</u>	<u>419</u>	<u>2,389,698</u>	<u>2,603,835</u>
Total Liabilities, Encumbrances Outstanding, and Fund Balance	<u>\$213,718</u>	<u>\$419</u>	<u>\$47,176,308</u>	<u>\$47,390,445</u>

DEPARTMENT OF PARKS AND RECREATION
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND EQUITY
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	<u>General</u>	<u>Park and Recreation Revolving Account</u>	<u>Hostel Facilities Use Fee Account</u>	<u>Totals</u>
Revenues:				
Charges for services	\$ 10,599,444	\$ --	\$ --	\$ 10,599,444
Parimutuel wagering fees	1,262,853	--	--	1,262,853
Licenses and permits	20,293	--	--	20,293
Interest income	10,153	--	--	10,153
Intergovernmental revenues	--	2,801,058	--	2,801,058
Miscellaneous revenues	48,980	--	--	48,980
Miscellaneous adjustments	426,945	--	--	426,945
Total Revenues	<u>12,368,668</u>	<u>2,801,058</u>	<u>--</u>	<u>15,169,726</u>
Expenditures:				
Personal services	44,970,865	--	--	44,970,865
Operating expenses and equipment	17,372,793	--	--	17,372,793
Capital outlay	2,903,770	2,211,999	228,132	5,343,901
Local assistance	34,905,178	--	--	34,905,178
Debt service	1,130,000	--	--	1,130,000
Miscellaneous adjustments	(134,043)	304	--	(133,739)
Reimbursements	(14,597,888)	--	--	(14,597,888)
Total Expenditures	<u>86,550,675</u>	<u>2,212,303</u>	<u>228,132</u>	<u>88,991,110</u>
Excess of Revenues over (under) Expenditures	(74,182,007)	588,755	(228,132)	(73,821,384)
Other Financing Sources (Uses):				
Appropriations	68,674,942	--	--	68,674,942
Transfers from other funds	--	314,313	101,016	415,329
Transfers to other funds	--	(358,285)	--	(358,285)
Intrafund transfers	(7,643,127)	--	--	(7,643,127)
Total Other Financing Sources (Uses)	<u>61,031,815</u>	<u>(43,972)</u>	<u>101,016</u>	<u>61,088,859</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(13,150,192)	544,783	(127,116)	(12,732,525)
Fund Equity - July 1	<u>(16,682,925)</u>	<u>7,633,861</u>	<u>1,984,727</u>	<u>(7,064,337)</u>
Fund Equity - June 30	<u>\$(29,833,117)</u>	<u>\$8,178,644</u>	<u>\$1,857,611</u>	<u>\$(19,796,862)</u>

DEPARTMENT OF PARKS AND RECREATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE--FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	State Park Contingent	State Fair Contingent	Special Deposit Trust Accounts	Total
Revenues:				
Interest income	\$ 8,534	\$ --	\$ --	\$ 8,534
Intergovernmental revenue	1,339,838	--	26,883,214	28,223,052
Charges for services	--	--	906,035	906,035
Total Revenues	<u>1,348,372</u>	<u>--</u>	<u>27,789,249</u>	<u>29,137,621</u>
Expenditures:				
Operating expense	12,980	--	--	12,980
Capital outlay	1,517,595	--	369,026	1,886,621
Total Expenditures	<u>1,530,575</u>	<u>--</u>	<u>369,026</u>	<u>1,899,601</u>
Excess of Revenues over (under) Expenditures	(182,203)	--	27,420,223	27,238,020
Other Financing Sources (Uses):				
Deposits in trust funds	51,052	--	2,176	53,228
Transfers from other funds	--	--	1,218	1,218
Appropriations	44,200	--	--	44,200
Transfers to other funds	--	--	(26,887,712)	(26,887,712)
Remittances to labor unions	--	--	(1,829)	(1,829)
Total Other Financing Sources (Uses)	<u>95,252</u>	<u>--</u>	<u>(26,886,147)</u>	<u>(26,790,895)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(86,951)	--	534,076	447,125
Fund Balance - July 1	<u>300,669</u>	<u>419</u>	<u>1,855,622</u>	<u>2,156,710</u>
Fund Balance - June 30	<u>\$ 213,718</u>	<u>\$419</u>	<u>\$ 2,389,698</u>	<u>\$ 2,603,835</u>

DEPARTMENT OF PARKS AND RECREATION
COMPARISON OF BUDGETED EXPENDITURES WITH ACTUAL EXPENDITURES
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	General Fund		Special Revenue Fund		Totals	
	Budget As Adjusted	Actual	Budget As Adjusted	Actual	Budget As Adjusted	Actual
Expenditures:						
Personal services	\$ 51,825,683	\$ 44,970,865	\$ --	\$ --	\$ 51,825,683	\$ 44,970,865
Operating expenses and equipment	25,018,877	17,372,793	--	--	25,018,877	17,372,793
Capital outlay	23,593,982	5,343,901	17,341,268	3,518,400	40,935,250	8,862,301
Local assistance	32,908,798	34,905,178	2,030,297	332,131	34,939,095	35,237,309
Debt service	1,130,000	1,130,000	--	--	1,130,000	1,130,000
Miscellaneous adjustments	--	(133,739)	--	--	--	(133,739)
Reimbursements	(19,393,352)	(14,597,888)	--	--	(19,393,352)	(14,597,888)
Variance Favorable (Unfavorable)		\$ 6,854,818		\$ --		\$ 6,854,818
		7,646,084		--		7,646,084
		18,250,081		13,822,868		32,072,949
		(1,996,380)		1,698,166		(298,214)
		133,739		--		133,739
		(4,795,464)		--		(4,795,464)
Total Expenditures	\$115,083,988	\$ 88,991,110	\$19,371,565	\$3,850,531	\$134,455,553	\$ 92,841,641
		\$26,092,878		\$15,521,034		\$41,613,912

OTHER COMMENTS

As an integral part of our examination, we reviewed the department's accounting procedures and the related system of internal accounting control to the extent we considered necessary to properly form an opinion concerning the fairness with which the department's financial statements present financial position and results of operations in accordance with generally accepted accounting principles consistently applied.

Our review enabled us to suggest improvements which would result in better operating procedures and controls. A management letter describing the suggested operating improvements was issued to the department in conjunction with certain recommended adjusting entries necessary to achieve compliance with generally accepted accounting principles.

The department concurs with the suggested operating improvements and adjusting entries.

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