



Joint Legislative Audit Committee
Office of the Auditor General



**FINANCIAL AUDIT REPORT
UNITED STATES FOREST RESERVE FUND
YEAR ENDED JUNE 30, 1979**

REPORT TO THE
CALIFORNIA LEGISLATURE

REPORT **F-441.11**

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

441.11

FINANCIAL AUDIT REPORT
UNITED STATES FOREST RESERVE 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

441.11

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 United States Forest Reserve Fund, year ended June 30, 1979.

The auditors are Curt Davis, CPA; Michael Dendorfer, CPA; Gus Demas; and Ed Pierini.

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 United States Forest Reserve Fund. This audit was conducted under the authority vested in the Auditor General by Sections 10527 and 10528 of the Government Code.

The United States Forest Reserve Fund, which is administered by the State Controller, holds federal monies which are derived from forest reserves the Federal Government has established in California. In accordance with Sections 29480 through 29484 of the Government Code, the money in the fund is distributed to the counties in which the reserves are located. The money is apportioned based upon each county's proportion of forest reserve area as compared with the total area of that reserve in the State.

AUDITOR'S OPINION

To the Joint Legislative Audit Committee of the California Legislature:

We have examined the balance sheet of the United States Forest Reserve Fund as of June 30, 1979 and the related statement of changes in assets and liabilities 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 United States Forest Reserve Fund as of June 30, 1979 and the changes in assets and liabilities 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: June 17, 1980

Staff: Curt Davis, CPA
Michael Dendorfer, CPA
Gus Demas
Ed Pierini

STATE OF CALIFORNIA
UNITED STATES FOREST RESERVE FUND

BALANCE SHEET

JUNE 30, 1979

ASSETS

Cash	\$ --
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LIABILITIES

Due to county governments	\$ --
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The note to the financial statements is an integral part of this statement.

STATE OF CALIFORNIA
 UNITED STATES FOREST RESERVE FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	<u>Balance</u> <u>July 1, 1978</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1979</u>
<u>ASSETS</u>				
Cash	<u>\$ --</u>	<u>\$49,613,260</u>	<u>\$49,613,260</u>	<u>\$ --</u>
 <u>LIABILITIES</u>				
Due to county governments	<u>\$ --</u>	<u>\$49,613,260</u>	<u>\$49,613,260</u>	<u>\$ --</u>

The note to the financial statements is an integral part of this statement.

STATE OF CALIFORNIA
UNITED STATES FOREST RESERVE FUND
NOTE TO THE FINANCIAL STATEMENTS
JUNE 30, 1979

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements reflect the financial position and changes in assets and liabilities of the United States Forest Reserve Fund. The statements have been prepared in conformity with generally accepted accounting principles applicable to state and local governments as prescribed by the American Institute of Certified Public Accountants and by the National Council on Governmental Accounting.

The United States Forest Reserve Fund is an Agency Fund used to account for federal monies which are derived from forest reserves the Federal Government has established in California. The money is apportioned to each county based upon the proportion which the area of the forest reserve situated in that county bears to the total area of that reserve in California.

Assets and liabilities are accounted for on the modified accrual basis. All resources of the United States Forest Reserve Fund were distributed before the end of the fiscal year. Consequently, as of June 30, 1979, the asset and liability accounts show zero balances. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of operations.

cc: Members of the Legislature
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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