



Joint Legislative Audit Committee
Office of the Auditor General



FINANCIAL AUDIT REPORT
BAGLEY CONSERVATION FUND
YEAR ENDED JUNE 30, 1979

REPORT TO THE
CALIFORNIA LEGISLATURE

REPORT **F-820-132**

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

820-132

FINANCIAL AUDIT REPORT
BAGLEY CONSERVATION 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

820-132

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 Bagley Conservation 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 Bagley Conservation Fund. This audit was conducted under the authority vested in the Auditor General by Sections 10527 and 10528 of the Government Code.

The Bagley Conservation Fund accounts for miscellaneous capital outlay and for beach, park, and land-acquisition programs. The Legislature has provided additional funding to the Bagley Conservation Fund through appropriations from the General Fund.

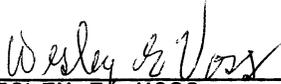
The agencies responsible for administering the fund include the Department of Parks and Recreation, the Wildlife Conservation Board, the California Coastal Commission, and the Department of Water Resources.

AUDITOR'S OPINION

To the Joint Legislative Audit Committee of the California Legislature:

We have examined the balance sheet of the Bagley Conservation Fund as of June 30, 1979 and the related statement 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 Bagley Conservation 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
BAGLEY CONSERVATION FUND
BALANCE SHEET
CAPITAL PROJECT FUND

JUNE 30, 1979

ASSETS

Cash	\$22,286,932
Due from other funds	560
Deposits in condemnation proceedings (Note 2)	<u>73,312</u>
Total Assets	<u>\$22,360,804</u>

LIABILITIES, ENCUMBRANCES
OUTSTANDING, AND FUND EQUITY

Liabilities:	
Accounts payable	\$ 50,727
Due to other funds	<u>2,002</u>
Total Liabilities	<u>52,729</u>
Encumbrances Outstanding	<u>1,301,792</u>
Fund Equity:	
Reserves for deposits in condemnation proceedings	73,312
Fund balance--designated for future projects	<u>20,932,971</u>
Total Fund Equity	<u>21,006,283</u>
Total Liabilities, Encumbrances Outstanding, and Fund Equity	<u>\$22,360,804</u>

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

STATE OF CALIFORNIA
 BAGLEY CONSERVATION FUND
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE
 CAPITAL PROJECT FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1979

Revenues:	
Interest income	\$ 583
Intergovernmental revenue	<u>115,000</u>
Total Revenues	<u>115,583</u>
Expenditures:	
State operations	24,139
Capital outlay	11,109,027
Miscellaneous adjustments	<u>8,317</u>
Total Expenditures	<u>11,141,483</u>
Excess of Expenditures over Revenues	<u>(11,025,900)</u>
Other Financing Sources (Uses):	
Transfers from other funds	900,000
Transfers to other funds	<u>(4,565,996)</u>
Total Other Financing Uses	<u>3,665,996</u>
Excess of Expenditures and Other Uses over Revenues	<u>(14,691,896)</u>
Fund Balance - July 1	<u>35,624,867</u>
Fund Balance - June 30	<u>\$ 20,932,971</u>

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

STATE OF CALIFORNIA
BAGLEY CONSERVATION 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 Bagley Conservation 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 Bagley Conservation Fund is a Capital Project Fund used to account for financial resources for the acquisition or construction of wildlife areas and recreational facilities, and its records are maintained on a modified accrual basis of accounting. These are some of the more 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.

2. DEPOSITS IN CONDEMNATION PROCEEDINGS

This account represents the estimated amount of compensation to be awarded in condemnation proceedings. Section 1255.070 of the California Code of Civil Procedure requires that such deposits be deposited in either the State Treasury or a county treasury designated by the plaintiff and that interest earnings be apportioned to the depositors.

OTHER COMMENTS

Management letters describing suggested improvements were issued to the appropriate departments 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