



A REPORT
TO THE
MONTANA
LEGISLATURE

FINANCIAL-COMPLIANCE AUDIT

Department of Fish, Wildlife & Parks

*For the Two Fiscal Years Ended
June 30, 2013*

DECEMBER 2013

LEGISLATIVE AUDIT
DIVISION

13-18

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FINANCIAL-COMPLIANCE AUDITS

Financial-compliance audits are conducted by the Legislative Audit Division to determine whether an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States Government Accountability Office. Financial-compliance audit staff members hold degrees with an emphasis in accounting. Most staff members hold Certified Public Accountant (CPA) licenses.

Government Auditing Standards, the Single Audit Act Amendments of 1996 and OMB Circular A-133 require the auditor to issue certain financial, internal control, and compliance reports. This individual agency audit report is not intended to comply with these reporting requirements and is therefore not intended for distribution to federal grantor agencies. The Legislative Audit Division issues a statewide biennial Single Audit Report which complies with the above reporting requirements. The Single Audit Report for the two fiscal years ended June 30, 2011, was issued March 29, 2012. The Single Audit Report for the two fiscal years ended June 30, 2013, will be issued by March 31, 2014. Copies of the Single Audit Report can be obtained by contacting:

Single Audit Coordinator
Office of Budget and Program Planning
Room 277, State Capitol
P.O. Box 200802
Helena, MT 59620-0802

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LEGISLATIVE AUDIT DIVISION

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Deputy Legislative Auditors
Cindy Jorgenson
Angus Maciver

December 2013

The Legislative Audit Committee
of the Montana State Legislature:

This is our financial-compliance audit report on the Department of Fish, Wildlife & Parks (department) for the two fiscal years ended June 30, 2013. Included in this report are two recommendations related to recording liabilities at fiscal year-end, and overstated revenue estimates.

This report includes the department's financial schedules. The financial schedule presentation is intended to provide the legislative body with information necessary for decision-making purposes; it is not intended to conform to the financial reporting requirements established in generally accepted accounting principles (GAAP). The financial schedule presentation has not changed, but audit reporting standards have changed. Auditing standards require us to clearly communicate that the financial schedule presentation is not intended to, and does not, conform to GAAP reporting requirements. The Independent Auditor's Report on page A-1 contains language to this effect in the section titled "Adverse Opinions on U.S. Generally Accepted Accounting Principles." This section does not imply the amounts presented on the department's financial schedules are not fairly stated. Page A-1 also communicates the extent to which the user can rely on the information contained in the financial schedules in the sections titled "Qualified Opinion on Regulatory Basis of Accounting" and "Unmodified Opinions on Regulatory Basis of Accounting."

The department's written response to the audit recommendations is included in the audit report at page B-1. We thank the director and staff for their cooperation and assistance throughout the audit.

Respectfully submitted,

/s/ Tori Hunthausen

Tori Hunthausen, CPA
Legislative Auditor

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Department of Fish, Wildlife & Parks	B-1

APPOINTED AND ADMINISTRATIVE OFFICIALS

			<u>Term Expires</u>
Montana Fish, Wildlife & Parks Commission	Dan Vermillion, Chair	Livingston	2015
	Richard Stuker, Vice Chair	Chinook	2017
	Gary Wolfe	Missoula	2017
	Matthew Tourtlotte	Billings	2017
	Lawrence Wetsit	Wolf Point	2015

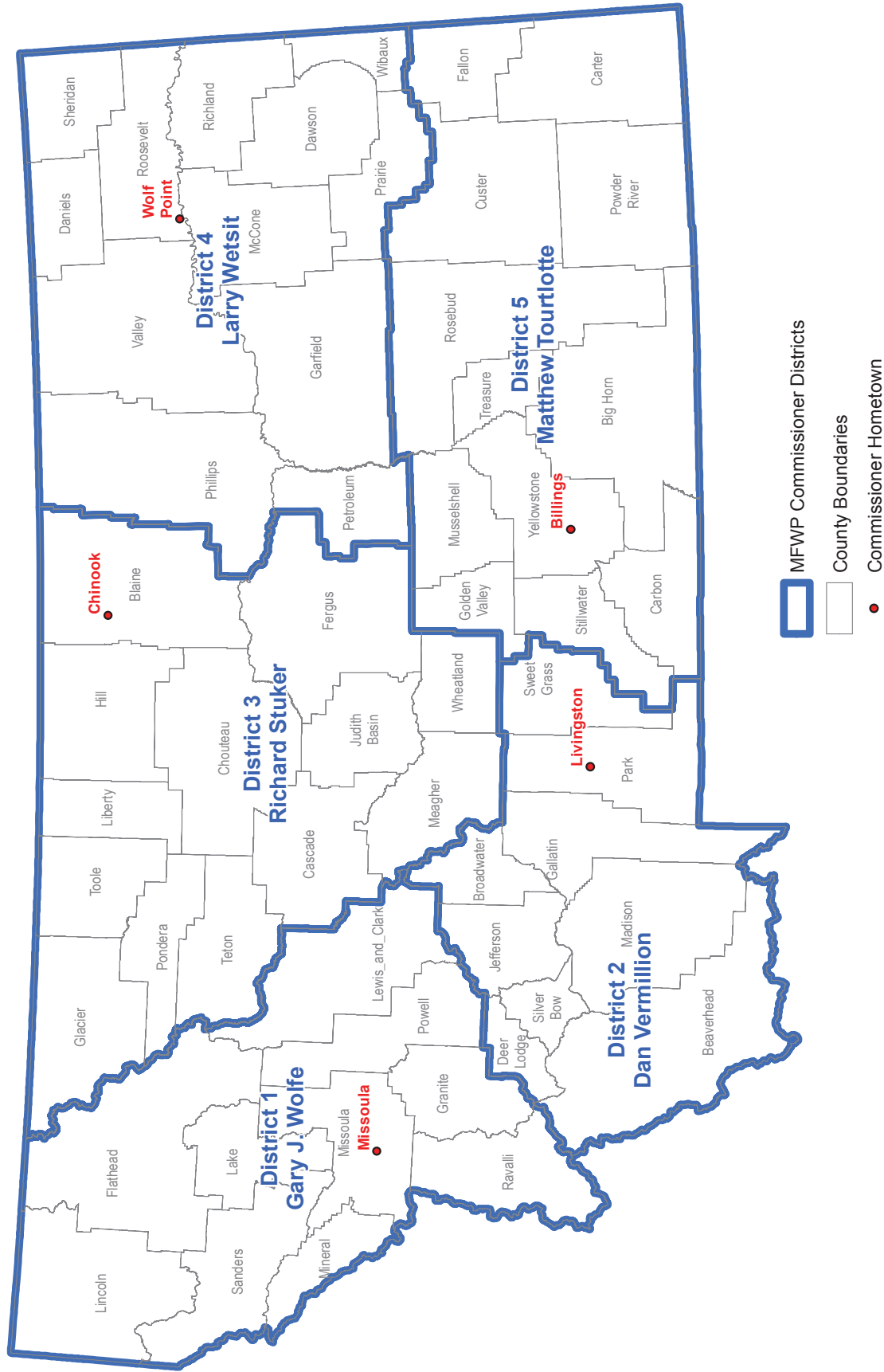
Administrative Officials

Jeff Hagener, Director
 Mike Volesky, Deputy Director
 Sue Daly, Administrator, Finance Division
 Chas VanGenderen, Administrator, Parks Division
 Ken McDonald, Administrator, Wildlife Division
 Bruce Rich, Administrator, Fisheries Division
 Jim Kropp, Administrator, Enforcement Division
 Ron Aasheim, Administrator, Communication and Education Division
 Barney Benkelman, Chief, Technology Services Bureau
 Paul Sihler, Administrator, Field Services Division

For additional information concerning the Department of Fish, Wildlife & Parks, contact:

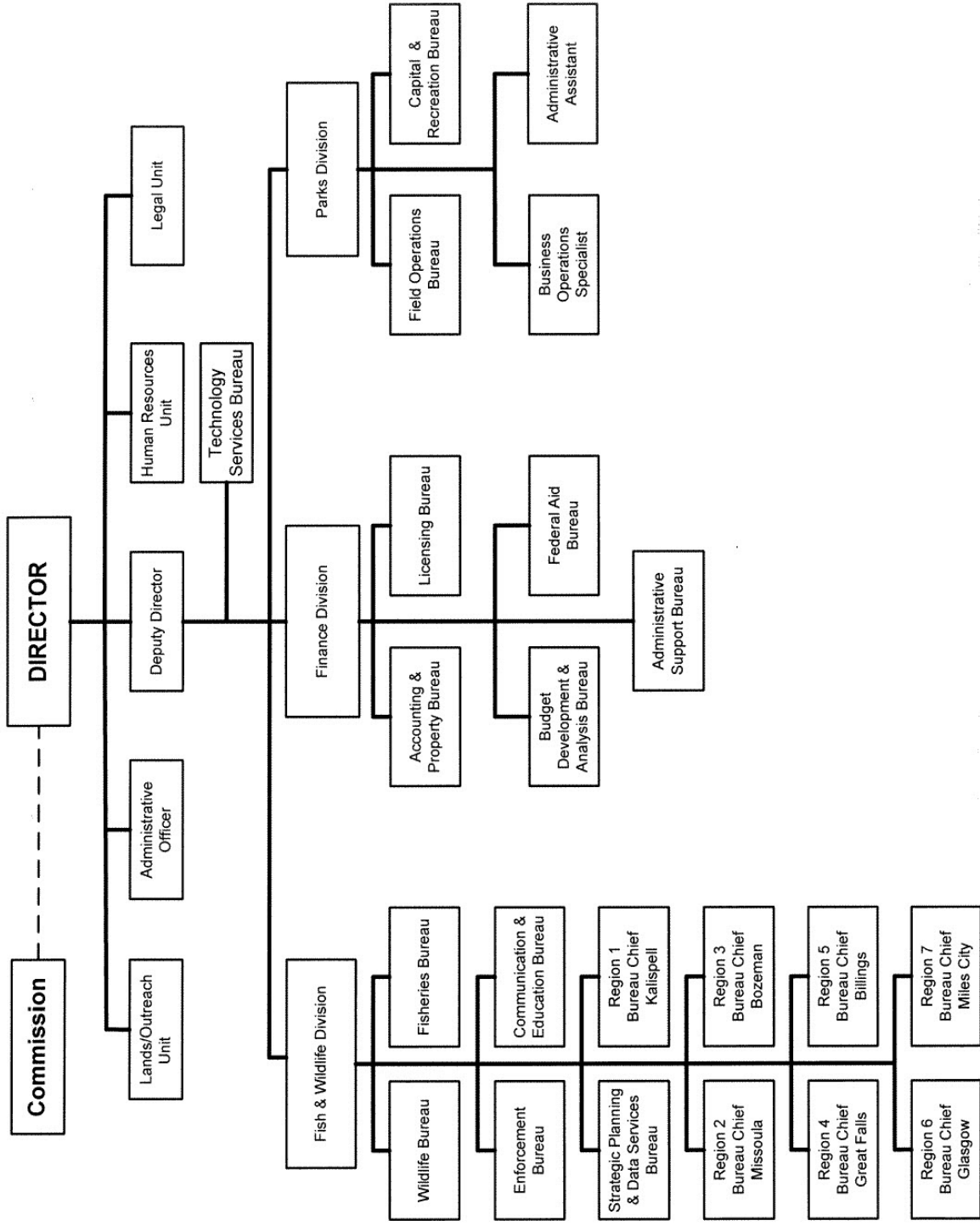
Sue Daly, Administrator, Finance Division
 1420 East Sixth Avenue
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Department of Fish, Wildlife & Parks Commission Districts



Source: Department of Fish, Wildlife & Parks

Montana Fish, Wildlife and Parks Organizational Chart



Source: Department of Fish, Wildlife and Parks



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Department of Fish, Wildlife & Parks

For the Two Fiscal Years Ended June 30, 2013

DECEMBER 2013

13-18

REPORT SUMMARY

The Department of Fish, Wildlife & Parks defines its mission as providing for the stewardship of the fish, wildlife, parks, and recreational resources of Montana, while contributing to the quality of life for present and future generations. The main sources of funding for department activities are licenses, permits, and federal awards. Historically, the department does not receive General Fund appropriations. However, in fiscal years 2012 and 2013, the department received approximately \$200,000 in General Fund appropriations each year to combat aquatic invasive species.

Context

The Department of Fish, Wildlife & Parks (department) controls 336 fishing access sites and 54 state parks; issues hunting and fishing licenses; and oversees fish and wildlife preservation programs, enforcement activities, land acquisitions, and community education programs. The five-member Fish, Wildlife and Parks Commission sets fish and wildlife regulations, approves property acquisitions, and approves certain rules and activities of the department as provided by statute. Commission members are appointed by the Governor and confirmed by the Senate. There are seven regional offices throughout the state. The department's headquarters is in Helena. The department's organization chart appears on page iv of the report.

In the 2012 license year the department issued licenses listed below:

- ◆ Resident Fishing - 147,310
- ◆ Nonresident Fishing - 168,909
- ◆ Resident Hunting – 393,949
- ◆ Nonresident Hunting – 21,687
- ◆ Resident Hunting Combo – 48,034
- ◆ Nonresident Hunting Combo – 25,635

For selected licenses we performed testing to gain assurance that the issuance of certain licenses and subsequent allocations of funds were in accordance with state law.

Results

Recommendations in the report relate to unrecorded liabilities at fiscal year-end for construction projects, and overstated revenue estimate in the Federal Special Revenue Fund in fiscal year 2013.

The department implemented the five recommendations contained in our prior audit report.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (13-18) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>

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Call toll-free 1-800-222-4446, or e-mail ladhotline@mt.gov.

Chapter I – Introduction

Introduction

We performed a financial-compliance audit of the Department of Fish, Wildlife & Parks (department) for the two fiscal years ended June 30, 2013. The objectives of the audit were to:

1. Determine whether the department's financial schedules present fairly the results of operations and changes in fund equity and property held in trust for each of the fiscal years ended June 30, 2013, and June 30, 2012.
2. Obtain an understanding of the department's control systems to the extent necessary to support our audit of the department's financial schedules, and, if appropriate, make recommendations for improvements in the management and internal controls of the department.
3. Determine whether the department complied with selected state and federal laws and regulations.
4. Determine the status of prior audit recommendations.

Section 17-8-101(6), MCA, provides that the legislative auditor, during regularly scheduled audits of state agencies, shall audit and report on the reasonableness of internal service fund type fees and charges and on the fund equity balances. During the audit period, department Internal Service Funds included the duplicating center, equipment, aircraft, and warehouse inventory. Fees and charges and ending equity balances, including equipment and inventory, in the Internal Service funds at June 30, 2013, and June 30, 2012, are reasonable.

Background

The department's mission is to provide for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

The department's headquarters are located in Helena. The department maintains seven regional offices located in Kalispell, Missoula, Bozeman, Billings, Great Falls, Glasgow, and Miles City. There are also five area offices located in Libby, Havre, Lewistown, Butte, and Helena. A regional supervisor oversees Fish, Wildlife & Parks' programs. The department's organizational chart is on page iv of this report.

The five-member Fish, Wildlife & Parks Commission sets fish and wildlife regulations, approves property acquisitions, and approves certain rules and activities of the department as provided by statute. Commission members are appointed by

the Governor and confirmed by the Senate. Statute requires representation from five geographical areas of the state.

User fees, such as hunting and fishing licenses and state park use fees, are the department's primary sources of funding. The department also receives federal funds to aid in fish and wildlife restoration efforts, parks development and maintenance, boating safety, education and regulation, and other programs.

The department was authorized 692 full time equivalent (FTE) positions in fiscal year 2013 and allocated to programs as noted below. The following paragraphs outline the department organization as reflected in program expenditures on the Schedule of Total Expenditures & Transfers-Out on page A-7.

Capital Outlay (No assigned FTE) – accounts for major repair and maintenance of the department's properties, renovation and construction of facilities, and protection and enhancement of critical habitats.

Communication and Education (28 FTE) – is responsible for public relation functions of the department including film production, and publication and distribution of the Montana Outdoors magazine. The division also informs the public about fish and wildlife laws, administrative rules, and policies designed to regulate outdoor recreational activities.

Enforcement (114 FTE) – is responsible for ensuring compliance with laws and regulations regarding fish, wildlife, and parks through enforcement actions, education, and enhancing relations with landowners, recreational users, and the general public.

Fish and Wildlife Administration (49 FTE) – provides oversight of the seven regional offices that are responsible for program implementation. The division program also includes a strategic planning section to support division wide planning needs and a data services section that is responsible for maintenance and support of biological databases and the agency's website.

Fisheries (184 FTE) – is responsible for preserving and perpetuating all aquatic species and their ecosystems, and for meeting public demand for fishing opportunities and aquatic wildlife stewardship.

Information Services (30 FTE) – provides information management services to all department operations. These services include data network administration, hardware and software procurement, and support of automated license sales and drawings.

Management and Finance (65 FTE) – provides department-wide support for accounting, fiscal management, personnel, purchasing and property management services, federal aid administration, and licensing of hunters and anglers. It is responsible for department direction regarding policy, planning, program development, guidelines and budgets, direct interaction with the Fish, Wildlife and Parks Commission, and decision-making authority for key resource activities affecting the department. This program includes the director's office and legal services for the department.

Parks (85 FTE) – is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of certain state-owned properties including fishing access sites, and providing for their use and enjoyment.

Wildlife (137 FTE) – is responsible for the department's statewide wildlife management program, which enhances the use of Montana's renewable wildlife resources for public benefit. The goals of the division are to protect, regulate, and perpetuate wildlife populations with habitat management and regulated harvest, maintain and enhance wildlife habitat, and provide wildlife recreational opportunities to the public.

Prior Audit Recommendations

Our prior audit report contained five recommendations, which the department implemented.

Chapter II – Findings and Recommendations

Recording Accounts Payable at Fiscal Year-End

The Department of Fish, Wildlife & Parks did not record liabilities related to ongoing construction projects on the state's accounting system for fiscal year 2012 or 2013.

The Department of Fish, Wildlife & Parks (department) oversees construction projects on department lands including state parks. Due to the nature of the projects and construction season limitations, it is not uncommon for projects to span across fiscal years. The department makes payments on these contracts as invoices are received from contractors and records the payments in the fiscal year in which the invoice is paid, regardless of the fiscal year the services were provided.

Per state accounting policy, if the department has received goods or services before June 30 and the payment will not be made until the next fiscal year, a liability must be recorded. Additionally, state law requires all state agencies must input all necessary transactions to the accounting system before the accounts are closed at fiscal year-end in accordance with Generally Accepted Accounting Principles. The department was unable to provide estimates of what should have been recorded at the end of each fiscal year. Based on work performed, we estimated that the amount of unrecorded liabilities at June 30, 2013, and June 30, 2012, did not exceed \$199,000 and \$410,000, respectively.

The department does have internal controls in place to ensure that known liabilities are recorded at the end of the fiscal year. Divisions are notified to report this information to the central office at fiscal year-end. Project program staff did not believe a liability needed to be recorded because the projects had continuing appropriations and therefore did not notify the central office of the estimated liability. However, as noted above, state law and accounting policy require a liability be recorded.

RECOMMENDATION #1

We recommend the department ensure divisions report estimated liabilities at the end of the fiscal year in accordance with state law and accounting policy.

Revenue Estimate Error

The department recorded a revenue estimate adjustment which resulted in a \$17.2 million overstatement of estimated revenue in the Federal Special Revenue Fund in fiscal year 2013.

The Schedule of Total Revenues & Transfers-In for fiscal year 2013 presents revenue estimates for the various fund types used by the department. The department records revenue estimates at the beginning of the year and subsequently reviews these estimates before fiscal year-end and makes necessary adjustments. At the end of fiscal year 2013, the department processed an adjustment to correct an original estimate. The adjustment was intended to decrease the estimate but actually increased it which caused estimated revenue in the Federal Special Revenue Fund to be overstated by \$17.2 million in fiscal year 2013.

Department internal controls provide for a separate review and approval of transactions before they are processed on the accounting system, however, personnel told us a review and approval of this adjustment was overlooked during the busy fiscal year-end period. Time and work pressures at the end of the fiscal year increase the importance of following internal controls to review and approve transactions before they are processed.

RECOMMENDATION #2

We recommend the department ensure transactions are reviewed and approved before processing on the accounting system in accordance with department policy.

Independent Auditor's Report and Department Financial Schedules

LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors
Cindy Jorgenson
Angus Maciver

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

Introduction

We have audited the accompanying Schedules of Changes in Fund Equity & Property Held in Trust, Schedules of Total Revenues & Transfers-In, and Schedules of Total Expenditures & Transfers-Out of the Department of Fish, Wildlife and Parks, for each of the fiscal years ended June 30, 2013, and 2012, and the related notes to the financial schedules.

Management's Responsibility for the Financial Schedules

Management is responsible for the preparation and fair presentation of these financial schedules in accordance with the regulatory format prescribed by the Legislative Audit Committee, based on the transactions posted to the state's accounting system without adjustment; this responsibility includes recording transactions in accordance with state accounting policy, and designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the department's preparation and fair presentation of the financial schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control, and accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial schedules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial schedules are prepared from the transactions posted to the state's primary accounting system without adjustment, in the regulatory format prescribed by the Legislative Audit Committee. This is a basis of accounting other than accounting principles generally accepted in the United States of America. The financial schedules are not intended to, and do not, report assets, liabilities, and cash flows.

The effects on the financial schedules of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinions on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinions on U.S. Generally Accepted Accounting Principles” paragraph, the financial schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Department of Fish, Wildlife and Parks as of June 30, 2013, and June 30, 2012, or changes in financial position or cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The department made an error when recording revenue estimates. As a result, Estimated Revenues & Transfers-In, in the Federal Special Revenue Fund on the Schedule of Total Revenues & Transfers-In for fiscal year 2013 are overstated by \$17.2 million and Budgeted Revenues & Transfers-In Over (Under) Estimated By Class are understated by \$17.2 million.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the Schedule of Total Revenues & Transfers-In for fiscal year 2013 presents fairly, in all material respects, the results of operations of the Department of Fish, Wildlife & Parks for each of the fiscal years ended June 30, 2013, and June 30, 2012, in conformity with the basis of accounting described in Note 1.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the Schedules of Changes in Fund Equity & Property Held in Trust for each of the fiscal years ended June 30, 2013, and 2012, the Schedule of Total Revenues & Transfers-In, for the year ended June 30, 2012, and Schedules of Total Expenditures & Transfers-Out of the Department of Fish, Wildlife and Parks, for each of the fiscal years ended June 30, 2013, and 2012, present fairly, in all material respects, the results of operation and changes in fund equity and property held in trust of the Department of Fish, Wildlife & Parks in conformity with the basis of accounting described in Note 1.

Emphasis of Matter

As discussed in Note 5 to the financial schedules an accounting entry was incorrectly posted to the Agency Fund and subsequently corrected before fiscal year-end 2012. The financial schedule presentation shows all activity recorded as “additions and reductions to property held in trust” on the Schedule of Changes In Fund Equity & Property Held In Trust, including corrections. As such, there is a significant difference in “additions and reductions to property held in trust” in fiscal year 2012 as compared to fiscal year 2013. This matter does not represent a departure from the regulatory format prescribed by the Legislative Audit Committee. Our opinion is not modified with respect to this matter.

Respectfully submitted,

/s/ Cindy Jorgenson

Cindy Jorgenson, CPA
Deputy Legislative Auditor
Helena, MT

October 18, 2013

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF CHANGES IN FUND EQUITY & PROPERTY HELD IN TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FUND EQUITY: July 1, 2012
PROPERTY HELD IN TRUST: July 1, 2012

ADDITIONS

Budgeted Revenues & Transfers-In
Nonbudgeted Revenues & Transfers-In
Prior Year Revenues & Transfers-In Adjustments
Direct Entries to Fund Equity
Additions to Property Held in Trust
Total Additions

REDUCTIONS

Budgeted Expenditures & Transfers-Out
Nonbudgeted Expenditures & Transfers-Out
Prior Year Expenditures & Transfers-Out Adjustments
Reductions in Property Held in Trust
Total Reductions

FUND EQUITY: June 30, 2013

PROPERTY HELD IN TRUST: June 30, 2013

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment.
Additional information is provided in the notes to the financial schedules beginning on page A-9.

	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Permanent Fund
	\$ (56,311)	\$ 76,119,637	\$ (188,676)	\$ 190,640	\$ 346,914	\$ 6,867,360	\$ 0	\$ 40,728,910
							\$ 207,013	
		55,613,709	37,934,800		35,504	3,291,586		2,372,358
		6,510,048	3,670		158,750	63,000		(919,114)
		(438,708)	92,985		4,216	1,380		(14,740)
	244,321	8,340,623				(11,543)		692,725
							21,440	
	244,321	70,025,672	38,031,455	0	198,470	3,344,423	21,440	2,131,229
	192,116	67,436,948	37,984,978	157,984	172,814	3,023,200		
		6,438,211	67	5,371	(11,653)	812,211		1,504,023
		(53,259)	(93,480)		72	(2,763)		135,172
							42,810	
	192,116	73,821,900	37,891,565	163,355	161,233	3,832,648	42,810	1,639,195
	\$ (4,106)	\$ 72,323,409	\$ (48,786)	\$ 27,285	\$ 384,151	\$ 6,379,135	\$ 0	\$ 41,220,944
							\$ 185,643	

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF CHANGES IN FUND EQUITY & PROPERTY HELD IN TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Permanent Fund
FUND EQUITY: July 1, 2011	\$ 6,651	\$ 80,605,985	\$ (56,709)	\$ 190,640	\$ 314,223	\$ 6,739,788	\$ 0	\$ 38,153,959
PROPERTY HELD IN TRUST: July 1, 2011							\$ 197,751	
ADDITIONS								
Budgeted Revenues & Transfers-In	161	54,996,624	28,051,821		34,911	3,090,178		2,326,427
Nonbudgeted Revenues & Transfers-In		6,059,689	3,887		151,803	283,110		1,244,521
Prior Year Revenues & Transfers-In Adjustments		(672,122)	108,415		(319)			(90,693)
Direct Entries to Fund Equity	153,209	6,730,984						708,297
Additions to Property Held in Trust							18,336,381	
Total Additions	153,369	67,115,175	28,164,122	0	186,395	3,373,288	18,336,381	4,188,552
REDUCTIONS								
Budgeted Expenditures & Transfers-Out	216,332	65,353,809	28,218,612		167,121	3,615,630		
Nonbudgeted Expenditures & Transfers-Out		6,145,437	205		(14,598)	(350,535)		1,613,602
Prior Year Expenditures & Transfers-Out Adjustments		102,276	77,272		1,181	(19,379)		
Reductions in Property Held in Trust							18,327,119	
Total Reductions	216,332	71,601,523	28,296,089	0	153,704	3,245,715	18,327,119	1,613,602
FUND EQUITY: June 30, 2012	\$ (56,311)	\$ 76,119,637	\$ (188,676)	\$ 190,640	\$ 346,914	\$ 6,867,360	\$ 0	\$ 40,728,910
PROPERTY HELD IN TRUST: June 30, 2012							\$ 207,013	

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF TOTAL REVENUES & TRANSFERS-IN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TOTAL REVENUES & TRANSFERS-IN BY CLASS	State Special Revenue Fund	Federal Special Revenue Fund	Enterprise Fund	Internal Service Fund	Permanent Fund	Total
Licenses and Permits	\$ 46,215,943				\$ 345,665	\$ 46,561,608
Taxes	(192)	7,845				7,653
Charges for Services	2,166,637	(22,436)		3,292,966		5,437,166
Investment Earnings	431,047				691,709	1,123,349
Fines and Forfeits	206,348		593			206,348
Monetary Settlements	13,137					13,137
Sale of Documents, Merchandise and Property	537,458		197,877			735,335
Rentals, Leases and Royalties	13,597				401,004	414,601
Grants, Contracts, and Donations	2,104,607					2,104,607
Transfers-in	6,350,308			63,000	126	6,413,434
Capital Asset Sale Proceeds	14,835					14,835
Federal Indirect Cost Recoveries	3,594,585					3,594,585
Miscellaneous	36,739	1,124				37,863
Federal		38,044,922				38,044,922
Total Revenues & Transfers-In	61,685,049	38,031,455	198,470	3,355,966	1,438,504	104,709,444
Less: Nonbudgeted Revenues & Transfers-In	6,510,048	3,670	158,750	63,000	(919,114)	5,816,354
Prior Year Revenues & Transfers-In Adjustments	(438,708)	92,985	4,216	1,380	(14,740)	(354,867)
Actual Budgeted Revenues & Transfers-In	55,613,709	37,934,800	35,504	3,291,586	2,372,358	99,247,957
Estimated Revenues & Transfers-In	55,869,099	55,577,915	32,000	3,311,000	2,371,000	117,161,014
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ (255,390)	\$ (17,643,115)	\$ 3,504	\$ (19,414)	\$ 1,358	\$ (17,913,057)
 BUDGETED REVENUES & TRANSFERS-IN OVER (UNDER) ESTIMATED BY CLASS						
Licenses and Permits	\$ 29,642				\$ (508)	\$ 29,134
Taxes	(192)					(192)
Charges for Services	(88,933)	(42,436)		(19,414)		(150,783)
Investment Earnings	(6,150)				948	(4,610)
Fines and Forfeits	1,922		592			1,922
Monetary Settlements	2,137					2,137
Sale of Documents, Merchandise and Property	8,193					8,193
Rentals, Leases and Royalties	1,597				918	2,515
Grants, Contracts, and Donations	(1,223)		2,912			(1,223)
Transfers-in	(204,367)					(204,367)
Capital Asset Sale Proceeds	2,335					2,335
Federal Indirect Cost Recoveries	(4,002)					(4,002)
Miscellaneous	3,651	124				3,775
Federal		(17,600,803)				(17,600,803)
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ (255,390)	\$ (17,643,115)	\$ 3,504	\$ (19,414)	\$ 1,358	\$ (17,913,057)

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH,WILDLIFE & PARKS
SCHEDULE OF TOTAL REVENUES & TRANSFERS-IN
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TOTAL REVENUES & TRANSFERS-IN BY CLASS

	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Enterprise Fund	Internal Service Fund	Permanent Fund	Total
Licenses and Permits							
Taxes	\$	44,141,083				417,471	\$ 44,558,554
Charges for Services		(342)	3,887				3,545
Investment Earnings		2,385,918	135,578				5,611,674
Fines and Forfeits		678,834			3,090,178	2,978,013	3,657,474
Monetary Settlements	161	175,361		627			175,522
Sale of Documents, Merchandise and Property		500,000					500,000
Rentals, Leases and Royalties		456,812		185,768			642,580
Grants, Contracts, and Donations		18,535				83,143	101,678
Transfers-in		2,433,805					2,433,805
Capital Asset Sale Proceeds		6,036,349			283,110	950	6,320,409
Federal Indirect Cost Recoveries		29,923					29,923
Miscellaneous		3,411,899					3,411,899
Federal		116,014	580			678	117,272
Total Revenues & Transfers-In	161	60,384,191	28,024,078				28,024,078
Less: Nonbudgeted Revenues & Transfers-In		28,164,122		186,395	3,373,288	3,480,255	95,588,411
Prior Year Revenues & Transfers-In Adjustments		6,059,689	3,887	151,803	283,110	1,244,521	7,743,009
Actual Budgeted Revenues & Transfers-In	161	(672,122)	108,415	(319)		(90,693)	(654,719)
Estimated Revenues & Transfers-In		54,996,624	28,051,820	34,911	3,090,178	2,326,427	88,500,121
Budgeted Revenues & Transfers-In Over (Under) Estimated		55,616,830	28,016,915	40,500	3,089,000	2,311,000	89,074,245
	\$ 161	\$ (620,206)	\$ 34,905	\$ (5,589)	\$ 1,178	\$ 15,427	\$ (574,124)

BUDGETED REVENUES & TRANSFERS-IN OVER (UNDER) ESTIMATED BY CLASS

Licenses and Permits	\$	(355,505)				(1,309)	\$ (356,813)
Taxes		(342)					(342)
Charges for Services		(53,980)	5,578				(47,225)
Investment Earnings		35,185			1,178	18,442	53,703
Fines and Forfeits	161	5,686		76			5,847
Sale of Documents, Merchandise and Property		1,610		(5,665)			(4,055)
Rentals, Leases and Royalties		463				(2,384)	(1,922)
Grants, Contracts, and Donations		(280)					(280)
Transfers-in		(223,332)					(223,332)
Capital Asset Sale Proceeds		(77)					(77)
Federal Indirect Cost Recoveries		(32,874)					(32,874)
Miscellaneous		3,240	580			678	4,498
Federal			28,748				28,748
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ 161	\$ (620,206)	\$ 34,905	\$ (5,589)	\$ 1,178	\$ 15,427	\$ (574,124)

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Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH WILDLIFE & PARKS
SCHEDULE OF TOTAL EXPENDITURES & TRANSFERS-OUT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

PROGRAM (ORG) EXPENDITURES & TRANSFERS-OUT	Capital Outlay	Communication & Education Division	Enforcement Division	Fish & Wildlife Administration	Fisheries Division	Information Services Division	Management & Finance	Parks Division	Wildlife Division	Total
Personal Services										
Salaries	\$ 1	\$ 1,503,233	\$ 5,319,072	\$ 2,209,378	\$ 8,904,281	\$ 1,782,937	\$ 3,235,656	\$ 4,442,456	\$ 6,528,532	\$ 33,925,546
Hourly Wages			4,001		2,001			1,658	833	8,493
Employee Benefits		504,563	1,932,223	783,994	3,150,123	558,050	1,103,480	1,397,796	2,142,253	11,572,482
Personal Services-Other							3,258	2,533		5,791
Total	<u>1</u>	<u>2,007,796</u>	<u>7,255,296</u>	<u>2,993,372</u>	<u>12,056,405</u>	<u>2,340,987</u>	<u>4,342,394</u>	<u>5,844,443</u>	<u>8,671,618</u>	<u>45,512,312</u>
Operating Expenses										
Other Services	373,843	589,373	129,188	158,395	1,380,642	529,845	3,662,191	442,361	6,538,969	13,804,807
Supplies & Materials	177,585	390,817	471,038	121,786	1,183,884	675,817	1,854,454	362,605	1,226,539	6,464,525
Communications	104	147,742	162,151	106,685	199,046	520,229	315,713	136,589	234,727	1,822,986
Travel	1,949	121,507	893,536	121,328	1,140,718	20,620	109,154	407,901	1,185,434	4,002,147
Rent	198,350	14,203	110,525	129,238	116,984	80,707	524,764	44,891	507,608	1,727,270
Utilities	26	9,418	9,126	170,459	387,058		12,910	234,271	37,905	861,173
Repair & Maintenance	(277)	15,592	55,328	83,774	957,351	135,797	624,835	304,592	808,277	2,985,269
Other Expenses	75	95,149	94,149	16,163	124,495	30,616	1,980,285	72,708	102,506	2,516,146
Goods Purchased For Resale		3,479	38	2,039	732		45,769	140,360	2,285	194,702
Total	<u>751,656</u>	<u>1,387,280</u>	<u>1,925,079</u>	<u>909,867</u>	<u>5,490,910</u>	<u>1,993,631</u>	<u>9,130,075</u>	<u>2,146,278</u>	<u>10,644,250</u>	<u>34,379,025</u>
Equipment & Intangible Assets										
Equipment	2,743		43,123	155	279,251	51,499		68,667	86,091	531,529
Livestock			545							545
Total	<u>2,743</u>		<u>43,668</u>	<u>155</u>	<u>279,251</u>	<u>51,499</u>		<u>68,667</u>	<u>86,091</u>	<u>532,074</u>
Capital Outlay										
Land & Interest In Land	16,499,477				197,100		6,928,205		126,455	23,751,237
Buildings	429,630									429,630
Other Improvements	5,875,095									5,875,095
Total	<u>22,804,202</u>				<u>197,100</u>		<u>6,928,205</u>		<u>126,455</u>	<u>30,055,962</u>
Grants										
From State Sources	216,293	129,372	7,000		4,175			387,183	101,968	845,991
From Federal Sources	1,218,130		7,000				20,527			1,245,657
Total	<u>1,434,423</u>	<u>129,372</u>	<u>14,000</u>		<u>4,175</u>		<u>20,527</u>	<u>387,183</u>	<u>101,968</u>	<u>2,091,648</u>
Benefits & Claims										
From State Sources									8,900	8,900
Total									<u>8,900</u>	<u>8,900</u>
Transfers-out										
Fund transfers	2,252		27,609	78,942	380,262		3,961,071	403,250	226,000	5,079,386
Total	<u>2,252</u>		<u>27,609</u>	<u>78,942</u>	<u>380,262</u>		<u>3,961,071</u>	<u>403,250</u>	<u>226,000</u>	<u>5,079,386</u>
Debt Service										
Loans				27,698						27,698
Total				<u>27,698</u>						<u>27,698</u>
Other Post Employment Benefits										
Other Post Employment Benefits							15,007			15,007
Total							<u>15,007</u>			<u>15,007</u>
Total Expenditures & Transfers-Out	\$ <u>24,995,276</u>	\$ <u>3,524,448</u>	\$ <u>9,265,652</u>	\$ <u>4,010,034</u>	\$ <u>18,408,103</u>	\$ <u>4,386,117</u>	\$ <u>24,397,279</u>	\$ <u>8,849,821</u>	\$ <u>19,865,282</u>	\$ <u>117,702,012</u>
EXPENDITURES & TRANSFERS-OUT BY FUND										
General Fund					192,116					192,116
State Special Revenue Fund	\$ 13,564,337	\$ 2,804,931	\$ 8,914,329	\$ 3,549,230	9,313,660	\$ 4,375,424	\$ 12,065,413	\$ 8,514,973	\$ 10,719,603	\$ 73,821,900
Federal Special Revenue Fund	11,272,955	719,517	351,323	460,804	8,902,327	10,693	7,298,042	173,615	8,702,289	37,891,565
Capital Projects Fund	157,984						5,371			163,355
Enterprise Fund								161,233		161,233
Internal Service Fund							3,389,258		443,390	3,832,648
Permanent Fund							1,639,195			1,639,195
Total Expenditures & Transfers-Out	<u>24,995,276</u>	<u>3,524,448</u>	<u>9,265,652</u>	<u>4,010,034</u>	<u>18,408,103</u>	<u>4,386,117</u>	<u>24,397,279</u>	<u>8,849,821</u>	<u>19,865,282</u>	<u>117,702,012</u>
Less: Nonbudgeted Expenditures & Transfers-Out	1,405,237	77,267	31,129	1,712	1,422,212		4,589,826	482,803	738,044	8,748,230
Prior Year Expenditures & Transfers-Out Adjustments		797	7,436	2,208	(79,342)	354	127,143	37,775	(110,629)	(14,258)
Actual Budgeted Expenditures & Transfers-Out	<u>23,590,039</u>	<u>3,446,384</u>	<u>9,227,087</u>	<u>4,006,114</u>	<u>17,065,233</u>	<u>4,385,763</u>	<u>19,680,310</u>	<u>8,329,243</u>	<u>19,237,867</u>	<u>108,968,040</u>
Budget Authority	76,100,392	3,749,666	10,209,315	4,809,584	28,274,493	4,576,480	25,421,224	10,163,332	27,433,956	190,738,442
Unspent Budget Authority	\$ <u>52,510,353</u>	\$ <u>303,282</u>	\$ <u>982,228</u>	\$ <u>803,470</u>	\$ <u>11,209,260</u>	\$ <u>190,717</u>	\$ <u>5,740,914</u>	\$ <u>1,834,089</u>	\$ <u>8,196,089</u>	\$ <u>81,770,402</u>
UNSPENT BUDGET AUTHORITY BY FUND										
General Fund					19,802					19,802
State Special Revenue Fund	\$ 36,968,158	\$ 286,769	\$ 455,064	\$ 150,324	1,323,710	\$ 190,717	\$ 2,398,186	\$ 1,103,905	\$ 4,793,794	\$ 47,670,627
Federal Special Revenue Fund	15,179,754	16,513	527,164	653,146	9,865,748	0	2,384,685	712,447	3,304,689	32,644,146
Capital Projects Fund	362,441									362,441
Enterprise Fund								17,737		17,737
Internal Service Fund							958,043		97,606	1,055,649
Unspent Budget Authority	\$ <u>52,510,353</u>	\$ <u>303,282</u>	\$ <u>982,228</u>	\$ <u>803,470</u>	\$ <u>11,209,260</u>	\$ <u>190,717</u>	\$ <u>5,740,914</u>	\$ <u>1,834,089</u>	\$ <u>8,196,089</u>	\$ <u>81,770,402</u>

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment.
Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH,WILDLIFE & PARKS
SCHEDULE OF TOTAL EXPENDITURES & TRANSFERS-OUT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PROGRAM (ORG) EXPENDITURES & TRANSFERS-OUT	Capital Outlay	Communication & Education Division	Enforcement Division	Field Services Division	Fish & Wildlife Administration	Fisheries Division	Information Services Division	Management & Finance	Parks Division	Wildlife Division	Total
Personal Services											
Salaries		\$ 1,450,488	\$ 5,408,466		\$ 2,225,837	\$ 8,504,648	\$ 1,677,483	\$ 3,121,969	\$ 4,034,612	\$ 6,245,049	\$ 32,668,553
Hourly Wages		130				1,130		17,770	398	889	20,317
Employee Benefits		474,286	1,911,035		817,909	3,008,820	524,205	1,076,919	1,356,001	2,053,416	11,222,591
Personal Services-Other								(2,517)	43		(2,474)
Total		<u>1,924,903</u>	<u>7,319,500</u>		<u>3,043,747</u>	<u>11,514,598</u>	<u>2,201,690</u>	<u>4,214,141</u>	<u>5,391,053</u>	<u>8,299,354</u>	<u>43,908,987</u>
Operating Expenses											
Other Services	\$ 363,854	664,379	123,005	\$ (7)	256,716	2,272,999	556,871	3,172,792	534,955	7,236,244	15,181,809
Supplies & Materials	90,040	609,914	609,694		124,332	1,441,221	800,037	1,843,846	499,781	1,613,678	7,632,544
Communications	641	178,916	171,255		104,335	242,244	553,842	368,660	136,363	227,798	1,984,054
Travel	7,176	113,604	826,826		141,002	1,056,309	22,070	86,402	345,674	1,180,472	3,779,536
Rent	191,906	12,683	141,665		134,772	126,224	79,971	447,070	66,847	572,203	1,773,339
Utilities	703	9,670	7,965		154,046	375,229		12,062	234,915	42,237	836,827
Repair & Maintenance	25,089	16,359	69,225		107,619	1,182,704	130,232	768,457	540,313	711,198	3,551,196
Other Expenses	8,232	69,754	114,023		23,902	132,358		1,963,228	118,900	101,204	2,565,458
Goods Purchased For Resale		2,976	761		2,373	34		73,007	143,281	103	222,535
Total	<u>687,641</u>	<u>1,678,257</u>	<u>2,064,419</u>	<u>(7)</u>	<u>1,049,096</u>	<u>6,829,322</u>	<u>2,176,880</u>	<u>8,735,524</u>	<u>2,621,031</u>	<u>11,685,136</u>	<u>37,527,298</u>
Equipment & Intangible Assets											
Equipment			116,256		27,384	475,061	53,111	12,640	529,845	47,867	1,262,163
Total			<u>116,256</u>		<u>27,384</u>	<u>475,061</u>	<u>53,111</u>	<u>12,640</u>	<u>529,845</u>	<u>47,867</u>	<u>1,262,163</u>
Capital Outlay											
Land & Interest In Land	7,375,790					10,000					7,385,790
Buildings	314,981										314,981
Other Improvements	<u>7,412,388</u>					<u>31,098</u>			<u>520</u>		<u>7,444,006</u>
Total	<u>15,103,159</u>					<u>41,098</u>			<u>520</u>		<u>15,144,778</u>
Grants											
From State Sources	164,310	326,729	7,600						437,606	196,127	1,132,371
From Federal Sources	<u>1,086,293</u>		<u>7,600</u>								<u>1,093,893</u>
Total	<u>1,250,604</u>	<u>326,729</u>	<u>15,200</u>						<u>437,606</u>	<u>196,127</u>	<u>2,226,265</u>
Benefits & Claims											
From State Sources										6,225	6,225
Total										<u>6,225</u>	<u>6,225</u>
Transfers-out											
Fund transfers	<u>20,428</u>		<u>29,109</u>		<u>79,142</u>	<u>372,031</u>		<u>3,684,792</u>	<u>432,486</u>	<u>385,414</u>	<u>5,003,402</u>
Total	<u>20,428</u>		<u>29,109</u>		<u>79,142</u>	<u>372,031</u>		<u>3,684,792</u>	<u>432,486</u>	<u>385,414</u>	<u>5,003,402</u>
Debt Service											
Loans					30,168	6,271					36,439
Total					<u>30,168</u>	<u>6,271</u>					<u>36,439</u>
Other Post Employment Benefits											
Other Post Employment Benefits								11,409			11,409
Total								<u>11,409</u>			<u>11,409</u>
Total Expenditures & Transfers-Out	\$ <u>17,061,831</u>	\$ <u>3,929,888</u>	\$ <u>9,544,484</u>	\$ <u>(7)</u>	\$ <u>4,229,537</u>	\$ <u>19,238,381</u>	\$ <u>4,431,680</u>	\$ <u>16,658,506</u>	\$ <u>9,412,540</u>	\$ <u>20,620,123</u>	\$ <u>105,126,965</u>
EXPENDITURES & TRANSFERS-OUT BY FUND											
General Fund						\$ 216,332					\$ 216,332
State Special Revenue Fund	\$ 8,059,830	\$ 2,996,938	\$ 9,165,263	\$ (7)	\$ 3,764,346	8,907,455	\$ 4,420,988	\$ 11,807,923	\$ 9,080,255	\$ 13,398,531	\$ 71,601,523
Federal Special Revenue Fund	9,002,001	932,950	379,222		465,191	10,114,594	10,692	390,294	178,620	6,822,525	28,296,089
Enterprise Fund								39	153,665		153,704
Internal Service Fund								2,846,648		399,068	3,245,715
Permanent Fund								<u>1,613,602</u>			<u>1,613,602</u>
Total Expenditures & Transfers-Out	17,061,831	3,929,888	9,544,484	(7)	4,229,537	19,238,381	4,431,680	16,658,506	9,412,540	20,620,123	105,126,965
Less: Nonbudgeted Expenditures & Transfers-Out	1,774,273	74,985	22,019		(927)	799,964	(750)	3,298,062	546,547	879,938	7,394,110
Prior Year Expenditures & Transfers-Out Adjustments	<u>3,921</u>	<u>3,014</u>	<u>2,962</u>	<u>(7)</u>	<u>2,158</u>	<u>46,449</u>	<u>100</u>	<u>53,878</u>	<u>15,497</u>	<u>33,378</u>	<u>161,350</u>
Actual Budgeted Expenditures & Transfers-Out	15,283,637	3,851,889	9,519,503	0	4,228,307	18,391,968	4,432,331	13,306,566	8,850,496	19,706,808	97,571,505
Budget Authority	<u>63,858,578</u>	<u>3,948,538</u>	<u>9,731,481</u>		<u>5,024,456</u>	<u>25,870,680</u>	<u>4,433,433</u>	<u>20,109,270</u>	<u>10,473,088</u>	<u>24,896,687</u>	<u>168,346,212</u>
Unspent Budget Authority	\$ <u>48,574,940</u>	\$ <u>96,649</u>	\$ <u>211,977</u>	\$ <u>0</u>	\$ <u>796,151</u>	\$ <u>7,478,712</u>	\$ <u>1,103</u>	\$ <u>6,802,704</u>	\$ <u>1,622,592</u>	\$ <u>5,189,879</u>	\$ <u>70,774,707</u>
UNSPENT BUDGET AUTHORITY BY FUND											
General Fund						\$ 136,918					\$ 136,918
State Special Revenue Fund	\$ 34,486,003	\$ 24,841	\$ 163,060		\$ 6,029	964,762	\$ 1,102	\$ 2,173,530	\$ 964,839	\$ 2,195,648	\$ 40,979,814
Federal Special Revenue Fund	13,568,513	71,808	48,917		790,121	6,377,032	1	4,422,169	634,324	2,991,688	28,904,573
Capital Projects Fund	520,425										520,425
Enterprise Fund									23,429		23,429
Internal Service Fund								207,005		2,543	209,548
Unspent Budget Authority	\$ <u>48,574,940</u>	\$ <u>96,649</u>	\$ <u>211,977</u>	\$ <u>0</u>	\$ <u>796,151</u>	\$ <u>7,478,712</u>	\$ <u>1,103</u>	\$ <u>6,802,704</u>	\$ <u>1,622,592</u>	\$ <u>5,189,879</u>	\$ <u>70,774,707</u>

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment.
Additional information is provided in the notes to the financial schedules beginning on page A-9.

Department of Fish, Wildlife & Parks

Notes to the Financial Schedules

For the Two Fiscal Years Ended June 30, 2013

1. Summary of Significant Accounting Policies

Basis of Accounting

The department uses the modified accrual basis of accounting, as defined by state accounting policy, for its Governmental fund category (General, State Special Revenue, Federal Special Revenue, Capital Projects, and Permanent). In applying the modified accrual basis, the department records:

- ♦ Revenues when it receives cash or when receipts are realizable, measurable, earned, and available to pay current period liabilities.
- ♦ Expenditures for valid obligations when the department incurs the related liability and it is measurable, with the exception of the cost of employees' annual and sick leave. State accounting policy requires the department to record the cost of employees' annual and sick leave when used or paid.

The department uses accrual basis accounting for its Proprietary (Enterprise and Internal Service) and Fiduciary (Agency) fund categories. Under the accrual basis, as defined by state accounting policy, the department records revenues in the accounting period when realizable, measurable, and earned, and records expenses in the period incurred when measurable.

Expenditures and expenses may include: entire budgeted service contracts even though the department receives the services in a subsequent fiscal year; goods ordered with a purchase order before fiscal year-end, but not received as of fiscal year-end; and equipment ordered with a purchase order before fiscal year-end.

Basis of Presentation

The financial schedule format was adopted by the Legislative Audit Committee. The financial schedules are prepared from the transactions posted to the state's accounting system without adjustment.

The department uses the following funds:

Governmental Fund Category

- ♦ **General Fund** – to account for all financial resources except those required to be accounted for in another fund.

- ♦ **State Special Revenue Fund** – to account for proceeds of specific revenue sources (other than private-purpose trusts or major capital projects) that are legally restricted to expenditures for specific state program purposes. Department State Special Revenue Funds include revenue from licenses and permits, private grants, donations, and wildlife/fisheries mitigation funds.
- ♦ **Federal Special Revenue Fund** – to account for activities funded from federal revenue sources. Department Federal Special Revenue Funds include sport fish & wildlife restoration, parks development, boating safety, education & regulation, and other federal programs.
- ♦ **Capital Projects Fund** – to account for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds. The department uses this fund for projects administered by the Department of Administration's Architecture and Engineering Division. The department also accounts for some activities related to land acquisition, leasing, easement purchases, or development agreements in the capital projects fund.
- ♦ **Permanent Fund** – to account for financial resources that are permanently restricted to the extent that only earnings, and not principal, may be used for purposes that support the department's programs. The department uses this fund to record revenue from the sale or lease of department lands and the department's share of the state coal severance tax. Revenue earned from the investment of the trust fund money is transferred to the state special revenue fund for operation, development and maintenance of the department's real property, state parks, and Wildlife habitat.

Proprietary Fund Category

- ♦ **Internal Service Fund** – to account for the financing of goods or services provided by one department or agency to other departments or agencies of state government or to other governmental entities on a cost-reimbursement basis. Department Internal Service Funds include duplication services, department owned vehicles, aircraft, and warehouse inventory items.
- ♦ **Enterprise Fund** – to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate; (c) where the activity is financed solely by a pledge of the net revenues from fees and charges of the activity; or (d) when laws or regulations require that the activities' cost of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues. The department's enterprise fund is the Visitor's Services Fund. This fund accounts for obtaining and selling educational, commemorative and interpretive merchandise at various sites throughout the state.

Fiduciary Fund Category

- ♦ **Agency Fund** – to account for resources held by the state in a custodial capacity. Agency funds may be used on a limited basis for internal (to the State) clearing account activity but these must have a zero balance at fiscal year-end. The department agency fund accounts for license agent bonds and collections due to a tribe for licenses sold on their behalf.

2. General Fund Equity

The negative fund equity in the General Fund does not indicate overspent appropriation authority. The department has authority to pay obligations from the statewide General Fund within its appropriation limits. The department expends cash or other assets from the statewide fund when it pays General Fund obligations. The department's outstanding liabilities exceed the assets it has placed in the fund, resulting in negative ending General Fund equity for each of the two fiscal years ending June 30, 2012 and 2013. These balances reflect the results of the activity of the department and not the fund equity of the statewide General Fund.

3. Direct Entries to Fund Equity

Direct entries to fund equity in the State Special Revenue include entries generated by SABHRS to reflect the flow of resources within individual funds shared by separate agencies and entries to close cash to the administering Budget Unit at fiscal year-end.

4. Unspent Budget Authority

- ♦ **Capital Outlay Program** - The Capital Outlay program had unspent budget authority of \$48.5 million and \$52.5 million at June 30, 2012, and June 30, 2013, respectively. Capital projects are approved by each Legislature and can take several years to complete. Budgetary authority carries over each fiscal year until the projects are finished and any remaining authority is then reverted.
- ♦ **Management and Finance Division** -The Management & Finance Division had unspent budget authority of \$6.8 million at June 30, 2012, and unspent budget authority of \$5.7 million at June 30, 2013.
The unspent authority in fiscal years 2012 and 2013 included carry forward authority and mandated vacancy savings.
- ♦ **Fisheries Division** – The Fisheries Division had unspent budget authority of \$75 million at June 30, 2012, and \$11.2 million at June 30, 2013.
The unspent authority in fiscal years 2012 and 2013 included mandated vacancy savings, contracts and grants spanning more than one year and one time only grants.

- ♦ **Wildlife Division** – The Wildlife Division had unspent budget authority of \$5.2 million at June 30, 2012, and \$8.2 million at June 30, 2013.

The unspent authority in fiscal years 2012 and 2013 included mandated vacancy savings, contracts and grants spanning more than one year and one time only grants.

- ♦ **Parks Division** – The Parks Division had unspent budget authority of \$1.6 million at June 30, 2012, and \$1.9 million at June 30, 2013.

The unspent authority for fiscal years 2012 and 2013 includes mandated vacancy savings, contracts and grants spanning more than one year and one time only grants.

5. Additions and Deletions to Property Held in Trust – Agency Fund

In June of 2012, an accounting entry was incorrectly posted to the agency fund. The entry was corrected before fiscal year-end 2012. The financial schedule presentation shows all activity recorded in “additions and deletions to property held in trust” on the Schedule of Changes In Fund Equity & Property Held In Trust, including corrections. As a result, the “additions and deletions to property held in trust” in Fiscal Year 2012 include all activity even though corrections were made.

6. Reallocation of FTE between Parks and Fisheries

In Fiscal Year 2012 the department’s FAS (Fishing Access Site) program was moved from the Parks Division to the Fisheries Division. It was determined that the Fisheries Bureau is better aligned to manage the program with the majority of the funding coming from the general license account and the majority of users being anglers and hunters.

DEPARTMENT OF FISH,
WILDLIFE & PARKS

DEPARTMENT RESPONSE



Montana Fish, Wildlife & Parks

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Helena, MT 59620-0701
406-444-3186 - FAX:406-444-4952
Ref: DO447-13
December 6, 2013

RECEIVED

DEC 11 2013

LEGISLATIVE AUDIT DIV.

Tori Hunthausen, Legislative Auditor
Legislative Audit Division
State Capital
Helena, MT 59620

Dear Ms. Hunthausen:

The Department of Fish, Wildlife and Parks (FWP) has reviewed the FY2012 and FY2013 financial compliance audit prepared for our agency. We appreciate the opportunity to respond to your findings and the professional manner in which the audit was conducted.

We have prepared the following responses to the two recommendations made by your office. We concur with each of your recommendations, have stated our plan and have implemented corrective actions. We will also be submitting our corrective action plan to the OBPP that contains our timetable.

Recommendation #1

We recommend the department ensure divisions report estimated liabilities at the end of the fiscal year in accordance with state law and accounting policy.

Concur. The Department will include information regarding policy, procedures and time frames regarding accruals in every Fiscal Year End correspondence sent to all division. Information regarding construction contracts will be included in the memos and emphasized. Personnel who oversee these projects will be advised of the need to accrue services received that will not be paid until the next fiscal year and will create procedures to ensure that this occurs.

Recommendation #2

We recommend the department ensure transactions are reviewed and approved before processing on the accounting system in accordance with department policy.

Concur. The Department has reiterated that our policy in the Financial Division is to have all accounting transactions reviewed and approved before processing on the accounting system.

If you have any questions regarding our responses, please contact me or Sue Daly.

Sincerely,

Mr. Jeff Hagener
Director

c: Sue Daly

CURRENT CORRECTIVE ACTION PLAN **LEG AUDIT FY2012 &2013**

(1)	(2)	Does this affect a federal program?	(3) CFDA # (if previous YES)	(4) Management View	(5) CAP – Corrective Action Plan	(6)	(7)	(8) Person responsible for CAP	Target Date
52010	#1	YES	Various	Concur	Information regarding policy, procedures and time frames regarding accruals is sent out to all divisions every Fiscal Year End. Information regarding construction contracts will be included in the memos and emphasized. Personnel who oversee these projects will be advised of the need to accrue services received that will not be paid until the next fiscal year end and create procedures to ensure that this occurs.			Marjorie Gilbert (Accounting Bureau Chief) 444-4286 Denise Dawson (Lead Budget Analyst) 444-4625	10/1/13 Completed
52010	#2	YES	Various	Concur	We have reiterated that our policy in the Financial Division is to have all accounting transactions reviewed and approved before processing on the accounting system.			Marjorie Gilbert (Bureau Chief) 444-4286	10/01/13 Completed