

# Office of the City Auditor

## Performance Audit of the Mission Bay and San Diego Regional Parks Improvement Funds for Fiscal Year 2019

Presentation to the Park and Recreation Board/Park and Recreation  
San Diego Regional Park Improvement Fund Oversight Committee  
June 18, 2020





# Background

- In 2002, a City Council ordinance established two special funds:
  - Mission Bay Improvement Fund
  - Regional Park Improvement Fund
- These funds received revenue from the Mission Bay leases in excess of \$20 million
- Proposition C passed in 2008, bringing new City Charter requirements.
- Measure J passed in 2016, amending Charter Section 55.2 requirements.



# Audit Objectives

- The City Charter requires an annual audit. Each audit report must contain:
  - a complete accounting of all revenues received,
  - the amount and nature of all expenditures, and
  - whether expenditures were consistent and compliant with City Charter requirements.
- Audit objectives include verification that the Fiscal Year 2019:
  - collection,
  - allocation, and
  - use of Mission Bay Park lease revenues are in compliance with City Charter requirements.



## FY 2019 Mission Bay Park Lease Revenue

The adjusted Mission Bay lease revenue totaled \$31,452,203.

Fund Name	Allocation Breakdown in excess of the threshold	FY 2019 Allocation Amounts
San Diego Regional Parks Improvement Fund	35% or \$3.5 million, whichever is greater, in excess of the \$20 million threshold	\$4,008,271
Mission Bay Park Improvement Fund	65% of the excess over the \$20 million threshold, if less than the 65% then, the remainder after the San Diego Regional Parks allocation	\$7,443,932



## FY 2019 Financial Activity

	Mission Bay Improvement Fund	Regional Parks Improvement Fund
Charter 55.2 revenues exceeding expenditures as of June 30, 2018	\$ 38,205,387	\$ 17,259,050
Revenue, excluding unrealized gains and losses	\$ 8,176,992	\$ 4,315,001
Expenses, net of depreciation	\$ <3,596,424>	\$ <3,363,902>
Revenue exceeding expenditures as of June 30, 2019	\$ 42,785,955	\$ 18,210,149



## Conclusion

- Mission Bay Rents were accounted for and appropriately allocated \$11,452,203 to the respective Improvement Funds.
- We found that the FY 2019 Mission Bay Improvement Fund post charter expenditures of \$3,596,424 and Regional Parks Improvement Fund post charter expenditures of \$3,363,902 were allowable, appropriate and complied with Charter requirements.
- Other pertinent information: 2 Mission Bay Park Committee members have exceeded the maximum term limit pursuant to the Municipal Code.



We provide this audit report to the San Diego Regional Parks Improvement Fund Oversight Committee as an informational item.