

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

AUDIT REPORT

JUNE 30, 1974

AND

JUNE 30, 1975

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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

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COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE

AUDITOR GENERAL

HARRISBURG 17120

ROBERT P. CASEY

AUDITOR GENERAL

Governor Milton J. Shapp
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

We have examined the balance sheet of the Department of General Services (formerly Department of Property and Supplies) as of June 30, 1974 and 1975 and the related statements of changes in the general fund balance, status of appropriations, cash receipts, and expenditures by object classification for the fiscal years 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. The field work was completed March 22, 1976.

In our opinion, the accompanying balance sheet and related statements present fairly the financial position of the Department of General Services at June 30, 1974 and 1975 and the results of its operations for the fiscal years then ended, in conformity with generally accepted accounting principles as applicable to the Commonwealth of Pennsylvania applied on a consistent basis.

Robert P. Casey
Robert P. Casey
Auditor General

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Summary of Comments and Recommendations

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Summary of Comments and Recommendations
June 30, 1974 and 1975

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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comments and Recommendations

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comments and Recommendations
June 30, 1974 and 1975

The Department of General Services serves as the central procurement and property management agency of the Commonwealth. Its housekeeping responsibilities entail the purchasing, leasing, construction, repair and maintenance of all facilities, equipment and supplies used by every administrative division of the Commonwealth.

On July 22, 1975 the Governor signed Act No. 45, Senate Bill No. 368, Printers No. 1103, which merged the former General State Authority and the former Department of Property and Supplies into the Department of General Services effective October 20, 1975.

Because of the varied nature and the importance of the activities of the Department of General Services in relation to the overall administration of the Commonwealth, we have conducted an extensive review of its program and operational efficiency in selected areas. The primary objective of this examination is to bring about greater efficiency and economy in the policies and procedures of the Department of General Services that are so vital to the entire Commonwealth.

A separate review of the operations of the Bureau of General Services, Capitol Police Office, was undertaken for which a report dated February 24, 1976 was issued under separate cover.

We now submit for your consideration our comments and recommendations relating to those areas which we reviewed as part of our examination of the Department of General Services.

BUREAU OF RISK AND INSURANCE MANAGEMENT

The Bureau of Risk and Insurance Management acts for and in behalf of the Secretary of the Department of General Services as ex officio Insurance Broker of Record for the Commonwealth. The Bureau purchases insurance contracts and surety bonds for all state agencies and their employees; investigates and prepares claims against the State Insurance Fund for loss or damage by force or other casualty to any structure, building, acquisition or other property of the Commonwealth; processes claims for vehicular accidents when Commonwealth vehicles are involved; and also administers the Commonwealth Employee Group Life Insurance Program.

Guidelines for Insurance Purchases

For the fiscal year ended June 30, 1975, the Bureau of Risk and Insurance Management expended approximately \$2.8 million for various types of insurance coverage. Our examination revealed that there is a lack of written guidelines governing the method to be used by the Bureau in securing these various types of insurance.

We noted, for example, that no specific criteria exist to determine when a particular type of insurance policy should be secured thru negotiation with a carrier or made subject to competitive bidding, other than the opinion of the risk manager or broker as to which method would be in the best interests of the Commonwealth.

We also noted that the Secretary has directed the Bureau to purchase insurance coverage and surety bonds directly from insurance companies whenever possible. However, our review showed that 42 of the 102 policies in the Bureau's portfolio for the fiscal year ended June 30, 1975 were procured thru an insurance agent or broker.

In our opinion, the Bureau's failure to establish specific guidelines for procuring insurance coverages inhibits efficiency and economy in carrying out this function. Therefore, we recommend that management establish written guidelines, possibly with the advisory assistance of the Insurance Department, for use by the Bureau in procuring insurance coverages and/or surety bonds.

Broker Fees

Section 2404.1 of The Administrative Code of 1929 states in part:

Any and all fees collected by the Secretary of Property and Supplies (General Services) for the performance of the duties of a licensed insurance broker in contracting insurance or surety bonds for any department, board, agency, commission or authority of this Commonwealth shall be paid into the Higher Education Assistance Fund.

Negotiating Net of Commissions

Our review revealed that during the fiscal year ended June 30, 1975 the Secretary paid premiums amounting to \$1,029,801 for insurance coverage on a net of commission basis. We have reviewed the following insurance laws applicable to the purchase of insurance coverages for the Commonwealth by the Secretary when negotiated net of commissions.

Section 635 of The Insurance Department Act, 40 P.S. 275, provides in part:

No insurance agent, solicitor or broker, personally or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy or on any policy or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment of contract for services of any kind, or any other valuable consideration or inducement, to or from insurance on any risk in this Commonwealth....

Section 636 of The Insurance Department Act, 40 P.S. 276, provides:

No insured person or party or applicant for insurance shall, directly or indirectly, receive or accept, or agree to receive or accept, any rebate of premium, or of any part thereof, or all or any part of any agent's, solicitor's, or broker's commission thereon, or any favor or advantage, or share in any benefit to accrue under any policy of insurance, or any valuable consideration or inducement, other than such as are specified in the policy.

Section 346 of The Insurance Corporation Law, 40 P.S. 471, provides in pertinent part:

No insurance company, association, or exchange, by itself or by its officers, or members, attorney-in-fact or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or on any policy or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing, or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind, or any other valuable consideration or inducement, to or for insurance on any risk in this Commonwealth....

It is our opinion that since Section 2404.1 of The Administrative Code, 71 P.S. 634.1, authorizes the Secretary of Property and Supplies (General Services) to transact business as a licensed insurance broker, he is subject to the provisions of Sections 635 and 636 of The Insurance Department Act, 40 P.S. 275 and 276. Also, since Section 103 of The Insurance Corporation Law, 40 P.S. 363, provides that the law applies to all insurance companies doing business in the Commonwealth, it is our opinion that the insurance companies with which the Secretary contracts for insurance coverages are subject to the provisions of Section 346 of The Insurance Corporation Law, 40 P.S. 471.

The provisions of The Insurance Department Act, 40 P.S. 275 and 276, and The Insurance Corporation Law, 40 P.S. 471, prohibit insurance brokers and companies from setting off the commission payable to the agent or broker against the companies.

Therefore, it is our opinion that the actions of the Secretary and the insurance companies in negotiating the purchase of insurance at a reduced premium by eliminating the agent's and broker's commission or fee is not in conformity with the provisions of The Insurance Department Act or The Insurance Corporation Law.

The policy of negotiating net of commissions is a more efficient and beneficial procedure for the Commonwealth to follow but it is not in compliance with the law. In addition, this practice deprives the Higher Education Assistance Fund of commissions due as required by law. We recommend the Department take the necessary measures to comply with the law, or, if deemed more feasible, seek necessary legislation to amend the Act.

Personnel Qualifications

According to Departmental Procedure No. 20-308, included among the Bureau's functions is the responsibility to "counsel and advise agencies on proper coverage, answer inquiries relating to policies and bonds in effect or on new coverage, review current policies for correct coverage or for the purpose of combining coverage or policies, and recommend any changes in coverage which will result in a savings to the Commonwealth".

Our review of the Bureau's present personnel complement revealed a lack of personnel with sufficient experience in the insurance field to adequately fulfill the above objectives. The present staff consists of the following personnel:

- 1 Risk and Insurance Manager
- 1 Administrative Officer II
- 1 Clerical Supervisor II
- 1 Clerk-Stenographer III
- 2 Clerk-Typist III's
- 3 Clerk-Typist II's
- 1 Clerk I

Of the above listed employees, only the Risk and Insurance Manager and the Administrative Officer II have had any formal training or prior experience in the insurance field. In our opinion, this lack of training and experience has prevented the Bureau from effectively performing its assigned duties and responsibilities.

We therefore recommend that the Bureau be provided with staff members who possess the knowledge and skills necessary to effectively perform the duties assigned to the Bureau. We also recommend that appropriate training programs be developed for the internal development of all staff members.

Statutory Limit of State Insurance Fund

The State Insurance Fund was established by Act 227 of May 14, 1915, P.L. 524, and was created for the purpose of rebuilding, restoring or replacing state property damaged or destroyed by fire or other casualty. The Fund is financed as follows:

- One-half the tax on foreign fire insurance premiums.
- Payments from insurance companies for loss or damage to Commonwealth property.
- Interest on investments.

The statutory limit of the Fund, as set in 1915, is \$1 million. In our opinion, this limit is no longer realistic considering the present value of Commonwealth-owned buildings and equipment. We also believe that increasing the statutory limit would permit the Fund to expand into areas not presently covered and would allow the Commonwealth to increase deductibles on certain policies, thereby reducing premium costs.

We therefore recommend that a study be undertaken to determine the current value of state property insurable under the Fund. We further recommend that the feasibility of increasing the statutory limit of the Fund be considered so the Fund can be more effectively utilized.

Exclusions from Coverage Under the State Insurance Fund

In our review we noted various references indicating that certain agencies are exempt from coverage under the State Insurance Fund because they are considered "proprietary enterprises". Exclusion means that no claims may be presented against the Fund, and therefore outside insurance coverage must be acquired by those agencies.

The confusing point is that conflicting references exist concerning which agencies are excluded. This was affirmed in discussion with responsible Bureau officials.

Because of this uncertainty and the fact that certain agencies may be purchasing unnecessary insurance coverage, we recommend that management seek legal advice to resolve this matter.

Insurance Coverage

Although the scope of our audit did not include an individual review of the 102 policies and 150 bonds held by the Commonwealth, a report on the Bureau's operations issued by the House Sub-Committee on Insurance in November 1974 indicated that there are a number of similar policies and bonds for various agencies. The report commented on the need for the consolidation of policies and bonds which provide similar and sometimes overlapping coverage. Currently, the Bureau Director has only taken limited steps to implement this recommendation because of the lack of qualified personnel.

We therefore urge management to undertake a review of all policies and bonds immediately to determine whether:

- present coverage is adequate or excessive,
- similar policies or bonds could be combined,
- the agencies insured could absorb a larger deductible,
- self-insurance would be more effective.

Insurance Premium Payments

The Commonwealth presently pays in excess of \$1 million annually in premium payments thru brokers. It is standard procedure that when a premium for insurance purchased thru a broker is paid, remittance is made to the same invoicing party. In the past this procedure has resulted in one broker failing to forward the premium payments of the Commonwealth to the particular insurance company. To prevent similar occurrences, we believe that the Bureau of Risk and Insurance Management should implement appropriate measures to adequately protect the interests of the Commonwealth.

To improve control in this area, we recommend that the Bureau consider the use of confirmation letters to verify that premium payments made thru third parties have been properly handled. In addition, it should be a matter of procedure to require that brokers doing business with the Commonwealth be adequately bonded.

Delinquent and Partial Claims

The Bureau refers delinquent and partial payment claims to the Department of Justice for collection. The Department of Justice, upon collection of all or part of the claim, deposits these funds in its "Fee Deduction System" account. Monthly the Department issues a check to the Bureau for deposit to the State Insurance Fund. The check is first sent to the Comptroller's Office and then forwarded to the Bureau which credits the appropriate claim and returns the check to the Comptroller's Office for deposit. In our opinion, the present procedure for handling these payments is inefficient and uneconomical.

We recommend that claims collected by the Department of Justice be deposited directly into the State Insurance Fund in order to maximize their use. Appropriate documentation of the deposits can subsequently be forwarded to the Comptroller and the Bureau for processing purposes.

Service Purchase Contract

Subsequent to the completion of our audit we were advised that since the Department was aware of certain operational weaknesses a contract was executed on December 15, 1975 with George Betterley Consulting Group in the amount of \$28,500 to conduct a study of the Bureau's operations. The purpose of this study according to the contract is "to minimize loss of Commonwealth assets and revenues through study and design of a risk management plan which is geared to the particular needs and circumstances of the Commonwealth and its instrumentalities".

As of the date of our closing conference, George Betterley Consulting Group had not yet submitted the final report on the results of this study.

BUREAU OF REAL ESTATE

The Bureau of Real Estate, under the jurisdiction of the Deputy Secretary for State Properties, is composed of two divisions: the Leasing and Contracts Division and the Administrative Division. The basic responsibility of the Bureau is the leasing of facilities outside the Capitol Complex for departments, boards and commissions which cannot be properly and adequately accommodated within Commonwealth-owned facilities. In addition, the Bureau is responsible for conducting appraisals, field investigations, lessor-lessee negotiations, intra and interdepartmental coordination, the selling of Commonwealth-owned real estate, processing requests from Commonwealth agencies for the demolition of obsolete buildings, and maintaining the official files and records pertaining to Commonwealth lease transactions.

According to the Bureau's records, as of October 1, 1975, the Bureau was responsible for maintaining 2,013 active leases with annual rentals amounting to \$21,709,471. During the 1974-75 fiscal year the Bureau had an operating budget of \$248,300.

Elimination of Field Representatives

Our analysis of activity reports, lease activity, and changes in Bureau procedures indicates that Bureau operations no longer justify the need for seven field representatives considering the following:

- A review of the field representatives' daily activity reports revealed that only four of the seven representatives had activity reports on file. In addition, the reports submitted were vague and general in nature. It is our opinion that the original intention of these reports was not served due to the manner in which they were completed and accepted.
- The Bureau had instituted a new policy whereby advertisements are placed in local newspapers soliciting proposals on lease sites. This new procedure greatly diminishes the primary function of the field representatives to locate lease sites.
- Presently, the Bureau maintains 2,013 leases. However, the field representatives' services are not required for 780 leases pertaining to the Pennsylvania Liquor Control Board, 123 parking leases, or 300 leases continuing on a month-to-month basis which would only require attention by field representatives if canceled. Therefore, only 810 leases require direct attention from the field representatives. It should also be noted that a new state office building expected to be completed in 1976 will eliminate an additional 19 leases.
- Staffing policy for these positions is totally inadequate. These positions are, in some instances, made available to unqualified personnel. Of the seven positions, only two are subject to the Commonwealth Civil Service System. Only four of the seven field representatives have had any prior experience or education in the real estate field.
- A review of the comparative workloads among the seven districts revealed wide variations and indicated that the workloads in some districts do not warrant full-time employees. The report of The Governor's Management Review - 1972 recommended that the number of districts and field representatives be reduced from five to three. Instead, the recommendation was rejected and the number increased to seven.

We believe that the functions performed by the field representatives are such that the present responsibilities do not justify the need for seven representatives. We therefore recommend that the Bureau reduce the number of field representatives accordingly, thereby realizing a potential cost reduction, after a proper study and evaluation of the aforementioned areas.

Subsequent to the completion of our audit we were advised that effective July 15, 1976 the positions of the field representatives will be abolished and their functions will be absorbed by two individuals to be headquartered in Harrisburg. It is estimated that approximately \$62,000 in savings will be realized by the Commonwealth as a result of this reorganization.

Control Over Lease Files

In our prior audit we commented on the inadequate control being exercised over lease files. Accordingly, we recommended the implementation of a file charge-out card system to improve control.

Our present review indicated that the Bureau of Real Estate has failed to implement our recommendation or initiate any type of action to correct the situation. Although during our current review the occurrence of missing lease documents was not frequent, several original lease documents could not be located and copies had to be obtained.

We therefore again recommend that appropriate steps be taken to improve internal control over lease files to safeguard them against theft, misuse or possible loss.

Continuation of Expired Leases

Our examination disclosed that 152 leases are currently being continued on a month-to-month basis after expiration of the original lease agreement. This practice can be attributed to use of the following language in the standard lease agreement:

Renewal - A lawful continuance of the tenancy beyond said term or any renewal thereof without three months written notice from either party of desire to terminate lease shall be deemed a renewal thereof for the term of one month and so on from month-to-month until either party shall give the other three months' notice in writing of intention to terminate the tenancy.

The Bureau is of the opinion that this "Renewal Clause" is being used in order to save agencies from negotiating new leases which might result in increased rental costs.

We question whether the policy of allowing leases to continue on a month-to-month basis serves the best interests of the parties involved. It is our belief that in many cases the Commonwealth would benefit from the stability afforded by a long-term lease. Therefore, we recommend that the Bureau of Real Estate refer this matter to its legal staff to determine the advisability of continuing the present procedure rather than negotiating a new lease.

Commonwealth Vehicles

Our examination of automotive equipment reports revealed the inefficient usage of Commonwealth vehicles by the field representatives. Our analysis of monthly automotive reports indicated that of the seven field representatives three had operated assigned Commonwealth vehicles an average of less than five hundred miles per month. Furthermore, numerous reports were found to be incomplete or filled out carelessly.

According to criteria established by the Bureau of Vehicle Management, the above utilization rate does not justify the full-time assignment of a Commonwealth vehicle and in such instances it may be more feasible to allow personal automobile use. Therefore, we recommend that management consider this alternative when making vehicle assignments. We also recommend that monthly automotive reports be completed properly so that management can accurately evaluate vehicle utilization.

Telephone Toll Calls

Our review indicated that administrative control over telephone toll charges is inadequate.

We noted that the Bureau does not require the submission of Form OA-522, Telephone Service Request, when issuing telephone credit cards although submission of this form is required by Management Directive 240.2.

In addition, the procedure currently being used to verify the validity and propriety of long-distance telephone calls is completely ineffective. At present field representatives are responsible for verifying their own toll calls. Previously, the Bureau required the submission of Form OA-503, Report of Telephone Toll Calls, for all long-distance calls and these were then compared to the telephone bill as well as being reviewed for propriety. We were informed that this procedure was discontinued because of the field representatives' failure to submit these forms on a timely basis, thus delaying payment to the vendor.

We recommend that Telephone Service Request forms be completed for all credit cards issued in compliance with Management Directive 240.2. We also recommend that field representatives be required to complete and submit a Form OA-503 for toll calls made and that these forms be reviewed by the Central Office for propriety.

BUREAU OF GROUNDS AND BUILDINGS

The Bureau of Grounds and Buildings, under the jurisdiction of the Deputy Secretary for State Properties, is responsible for the maintenance and care of Commonwealth-owned buildings and grounds in Harrisburg, Philadelphia, Pittsburgh, and Altoona.

The responsibility of the Fire and Safety Section is to establish fire safety and evacuation programs for all state-owned buildings in Harrisburg, Philadelphia, Pittsburgh, and Altoona. Other duties include testing of fire alarm systems, maintaining monthly inspection reports, making monthly fire inspections of all state office buildings, inspecting sprinkler systems, and inspecting all fire extinguishers.

In our review it was noted that the above responsibilities and functions were not being performed in a well organized manner for proper control.

Building Inspections

According to Department policy, all state-owned buildings are to be inspected monthly by the Fire and Safety Section of the Bureau of Grounds and Buildings. Our examination indicated that these inspections are not routinely conducted.

While we found that all Harrisburg office buildings are inspected as required, we noted that the regional office buildings in Philadelphia and Pittsburgh are only inspected when problems arise. Furthermore, we noted that the Altoona office building has never been inspected by the Section.

In our opinion, periodic inspections are necessary to detect and correct safety violations on a timely basis. Therefore, we recommend that periodic inspections of regional offices be conducted to comply with established policies and, more importantly, to provide appropriate protection to their inhabitants.

Fire Alarm Systems

Our observation of the fire alarm systems serving the Capitol Complex revealed certain deficiencies which should be corrected.

We determined that the buildings in the Capitol Complex are currently protected by three different types of fire alarm systems. Two of these, which are utilized in sixteen buildings, involve notification of the Capitol Police by either a flashing light signal or coded tape message. The third system, utilized in six buildings, merely involves notification of the Capitol Police by telephone. In each of these systems, it is the responsibility of the Capitol Police to notify the local fire department.

We believe the involvement of a middleman (the Capitol Police) creates an unnecessary delay prior to notification of the fire department. In addition, the present procedures increase the possibility of human error.

It is our opinion that the Department should consider the implementation of an alarm system which would involve direct notification of the fire department thus eliminating unnecessary delays and the possibility of reporting errors.

Fire Drills

Our examination disclosed that fire drills at the various state office buildings are not being conducted on a regular basis. We noted, for example, that five of sixteen major office buildings had not had a fire drill in over a year.

Although no regulations exist specifying the frequency at which fire drills should be conducted, we believe that periodic fire drills are desirable to familiarize building inhabitants with proper evacuation procedures.

We therefore recommend that the Fire and Safety Section establish specific policies requiring the conduct of fire drills in all state buildings at periodic intervals.

Fire Extinguisher and Fire Alarm Tests

Our review of fire alarm reports indicated that fire alarm tests are generally conducted on a timely basis, usually quarterly. However, a review of fire extinguisher reports disclosed that testing of these safety devices is sporadic. We determined that the extinguishers for thirteen of twenty-one buildings had not been tested in more than a year, and several had not been tested for almost two years.

In our opinion, regular testing of fire extinguishers is essential to ensure their proper operation. Therefore, we recommend that the section establish a schedule for systematically testing all fire extinguishers in Commonwealth-owned buildings.

Main Capitol Building

The Main Capitol Building in Harrisburg houses approximately 2,500 Commonwealth employees. Our review of the fire and safety controls for this building disclosed several violations which we believe are serious and present a potentially dangerous situation to the employees and visitors.

We noted that there is no established fire evacuation plan for the Capitol, fire extinguishers have not been tested in over a year, and a fire drill has never been conducted.

We strongly recommend that immediate steps be taken to remedy all fire and safety violations so as to afford all building occupants adequate protection.

Correction of Reported Safety Violations

Our examination indicated that the Department has been remiss by failing to correct safety violations noted by the Department of Labor and Industry during its regular inspections of Commonwealth buildings. When unsafe conditions are noted, the Department of Labor and Industry forwards a written citation to the Secretary of General Services for appropriate corrective action. This action is to be instituted thru the Fire and Safety Section.

Our analysis of the section's compliance with cited violations revealed that only about 67.7% of the violations cited for the 1975 calendar year had been corrected or had corrective action initiated.

As landlord for all Commonwealth-owned buildings, the Secretary of General Services has the mandated power and responsibility to correct all violations and oversee all improvements and repairs unless the General Assembly provides otherwise. We recommend that the Department take the necessary steps to correct all cited safety violations and thereby comply with the Fire and Panic Law.

Inspections of Commonwealth Buildings

The Department of Labor and Industry is mandated under Section 2202 of The Administrative Code of 1929, 71 P.S. 562, to:

Annually inspect emergency lighting systems, sprinkler systems, and fire alarm systems, in all buildings owned or operated by the Commonwealth, and to report the respective operating conditions thereof to the departments of the Commonwealth having jurisdiction of the buildings.

In addition, the Building Division of the Department of Labor and Industry is responsible for the administration and enforcement of the Commonwealth's Fire and Panic Act, General Safety Act and Life Safety Code.

From our review, it appears that the Fire and Safety Section of the Bureau of Grounds and Buildings is performing functions similar to those assigned to the Department of Labor and Industry.

We recommend that management determine if, in fact, a duplication of effort does exist in this area. If so, appropriate legal advice should be sought to determine which Department has the mandated responsibility to perform these functions.

Security Services

Our analysis of expenditures for security services at various state office buildings indicated that the present method of providing these services may not be the most economical or efficient in some instances.

Our examination revealed that the Commonwealth employs a total of twenty security guards to provide security services at the Pittsburgh and Philadelphia State Office Buildings. We determined that the average salary of these security officers is \$8,600 annually or \$4.40 per hour. In addition to this, charges for fringe benefits, overtime and shift differential pay increase the average cost to the Commonwealth to \$11,180 annually or \$5.72 hourly per guard.

In contrast, we found that the Commonwealth has contracted with Globe Security Systems Company to provide security service for the Altoona State Office Building. The vendor is paid \$3.28 per hour per guard and provides twenty-four hour service. The contracted rate includes all fringe benefits, overtime, and shift differential pay.

In view of the above, we recommend that the Department consider the feasibility of acquiring professional security services at the Philadelphia and Pittsburgh office buildings. In addition to potential cost reductions, this method would provide officers who are trained and qualified. Of the twenty security officers currently employed at these two sites, we noted that only three had previous training and experience.

Subsequent to the completion of our audit it was determined that this function has been delegated to the Capitol Police in order to improve the calibre of security services provided.

Housekeeping Duties

The Building Operations Division is responsible for all cleaning and housekeeping activities at Commonwealth office buildings. The Division employs 204 part-time employees who work a five-hour night shift and 165 full-time employees with both day and night shifts of 7.5 hours.

Our examination of Division activities indicated that the present work schedule results in certain inefficiencies. We noted that various custodial and housekeeping functions are being performed during the day work shift. Because the vast majority of other Commonwealth employees and visitors are present during this time period, frequent work interruptions inevitably occur.

To alleviate this problem, we recommend that management schedule most of the custodial work for completion during the evening hours and that only a skeleton crew be maintained during the day for the purpose of handling emergencies.

COMMONWEALTH CAFETERIAS

We reviewed the operations of the three Commonwealth Cafeterias: Main Capitol Building, Labor and Industry Building, and the Agriculture Building.

Services were contracted with ARA Services, Inc. for the period October 1, 1974 thru September 30, 1975 for a set fee of \$1,762.50 per month being paid into the State Restaurant Fund. On October 1, 1975 the Commonwealth exercised the one-year renewal option, and the food service contract was accordingly extended. Prior to October 1, 1974 cafeteria operations were under contract with Cuisine Limited which paid commissions of 4.5% of gross sales into the State Restaurant Fund.

The following exhibit prepared from information available from the Restaurant Officer reflects the operations of the three Commonwealth Cafeterias for the fiscal years ended June 30, 1975 and 1974. Data concerning the transactions for the period October 1, 1974 to June 30, 1975 was never submitted by ARA Services, Inc. This violation of the food service contract is further commented upon later in this report.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Commonwealth Cafeterias
Comparative Statement of Gross Sales, Commissions and Fees
For the Fiscal Years Ended June 30, 1975 and 1974

	S a l e s				Commissions and Fees Payable to Commonwealth
	Main Capitol Building	Labor and Industry Building	Agriculture Building	Total	
<u>Fiscal Year Ended June 30, 1975</u>					
July	\$17,250	5,934	4,361	27,545	1,240
August	18,587	7,636	5,452	31,675	1,426
September	17,449	6,476	4,390	28,315	1,275
October	--	--	--	--	1,762
November	--	--	--	--	1,762
December	--	--	--	--	1,762
January	--	--	--	--	1,762
February	--	--	--	--	1,762
March	--	--	--	--	1,762
April	--	--	--	--	1,762
May	--	--	--	--	1,762
June	--	--	--	--	1,762
Total	<u>\$53,286</u>	<u>20,046</u>	<u>14,203</u>	<u>87,535</u>	<u>19,799</u>

<u>Fiscal Year Ended June 30, 1974</u>					
July	\$ 18,740	6,792	5,047	30,579	1,385
August	19,169	8,677	5,994	33,840	1,513
September	12,122	4,928	3,390	20,440	920
October	17,007	6,929	4,618	28,554	1,285
November	15,349	6,489	4,435	26,273	1,182
December	17,016	6,849	4,548	28,413	1,279
January	11,652	4,772	4,849	21,273	957
February	19,230	6,701	5,265	31,196	1,404
March	18,479	6,266	4,516	29,261	1,317
April	24,983	6,682	5,089	36,754	1,654
May	33,360	13,318	8,929	55,607	2,502
June	20,739	6,334	4,406	31,479	1,417
Total	<u>\$227,846</u>	<u>84,737</u>	<u>61,086</u>	<u>373,669</u>	<u>16,815</u>

Note 1: Transactions for the Main Capitol Building include those for both the cafeteria and snack bar located in that building.

Note 2: Information pertaining to transactions for the period from October 1, 1974 to June 30, 1975 is not available.

Note 3: Prior to October 1, 1974 the commission payable to the Commonwealth was 4.5% of gross sales. Subsequent to that date the Commonwealth received a monthly fee of \$1,762.

Food Preparation at the Agriculture Building Cafeteria

Our examination of the facilities at the Agriculture Building Cafeteria again revealed, as in our prior audit, that since October 1973 all menu items are not prepared on the premises. We noted that entrees are prepared at the Labor and Industry Cafeteria and transported to the Agriculture Cafeteria. After its arrival, the food is placed in steamers to await serving. During our prior audit the cafeteria manager stated that this practice is followed because of the inability to hire a competent head cook. We were currently informed by an ARA representative that this practice is followed because of a verbal agreement with management personnel.

We recommend that ARA be required to adhere to the provisions of the food service contract which states: "The general policy will be to prepare all food on the premises on the day it is served". We again recommend that the contractor hire qualified staff to prepare menu items on the premises and if management does not intend to enforce this provision then future contracts should be amended concerning this area.

Health Examinations

Section V(D) of the contract states:

The contractor will have all full and part-time employes, submit to periodic health examinations as required by statutes, ordinances and local regulations and evidence of such compliance shall be submitted to the Restaurant Officer.

Local ordinances of the City of Harrisburg require semiannual examinations of all persons handling food or drink. Our review indicated that as of January 1976 employees of only two cafeterias had undergone examinations, and that was for the first half of 1975. In addition, documentation on health examinations was in the possession of the contractor, not the Restaurant Office, contrary to the provisions of the contract.

We recommend that the Commonwealth enforce compliance with the health examination requirements of the contract and that the Restaurant Officer be provided with evidence of such compliance. The importance of safeguarding the health of cafeteria patrons and employees cannot be over-emphasized.

Inventory of Facilities and Equipment

The original contract with ARA Services, Inc. became effective October 1, 1974 and covered a period of one year. The contract was renewed on October 1, 1975 for an additional period of one year. Section III(F) of the original contract provided:

Sixty (60) days prior to the termination or renewal of this contract an inventory of facilities and equipment will be taken by the Contractor with a representative of the Commonwealth present. Determination shall be made at this time concerning any excessive wear or misuse of facilities and equipment on the part of the Contractor and compensation for excessive wear or misuse of facilities and equipment shall be paid to the Commonwealth by the Contractor.

Our examination disclosed that this provision of the contract had not been enforced by the State Restaurant Officer. We therefore recommend that a complete physical inventory be taken at once and that the Commonwealth be reimbursed for any excessive wear or misuse as required by the contract.

Furthermore, Section IV(C) of the contract provides that:

The Contractor shall take a monthly inventory of all glassware, flatware, and chinaware which will be submitted to the Restaurant Officer.

Our review revealed that this requirement also is not being enforced by the Restaurant Officer.

We recommend the immediate enforcement of this provision to ensure adequate control over inventory items.

Monthly Reports

According to Section VIII(C) of the food service contract, ARA is to maintain a complete record of the total amount of food served and the number of persons served daily. This information is to be certified by the contractor, summarized, and submitted to the Restaurant Officer at the end of each calendar month.

Our review revealed that ARA has not been providing the required reports to the Restaurant Officer.

In our opinion, the data contained in the required reports is essential for a proper assessment of cafeteria operations. Therefore, we recommend that management require the contractor to comply with this provision of the contract.

Bacteria Reports

Section VI(D) of the contract provides:

The Contractor at his expense will have an independent laboratory check the bacteria count each month of china-ware, glassware and flatware. A total count exceeding 100 will be considered unsatisfactory. A copy of this monthly report will be forwarded to the Restaurant Officer.

Again, our review indicated the lack of enforcement by the Restaurant Officer regarding this provision.

We recommend immediate enforcement of this provision to ensure that the established sanitation standards are being met at all cafeterias.

Inventory

A random sample was taken of inventory items located in the Commonwealth Cafeterias in the Main Capitol, Labor and Industry, and Agriculture Buildings. Our review indicated that in some cases there were two inventory control tags on some items. In addition, numbers on the equipment were not in agreement with those on the inventory records. There were also many cases where numbers were illegible due to exposure to heat and hot water.

Our examination also disclosed that items of the Terrace Snack Bar consisting of umbrella stands and picnic tables were transferred to the Pennsylvania Historical and Museum Commission without proper transfer documents being prepared or any evidence of the transfer on record.

We recommend that a physical inventory be immediately conducted and that the inventory control numbering system be corrected to ensure the necessary internal control. We also recommend that all inventory transfers be properly recorded and documented.

Terrace Snack Bar

The Department discontinued food service at the Terrace Snack Bar located on the plaza at the west end of the North Office Building in September of 1974. Since that time, the structure constructed at a cost of approximately \$11,000 has remained unoccupied while the Department has been pondering its future. In the interim, the building is not being properly maintained and is therefore vulnerable to accelerated deterioration.

We recommend that management immediately formulate plans for the utilization or removal of this building.

Subsequent to the completion of our audit, it was determined that the Department of Environmental Resources has accepted the building for placement in one of the state parks.

BUREAU OF VEHICLE MANAGEMENT

The Bureau of Vehicle Management, under the jurisdiction of the Deputy Secretary for Procurement, is the central Commonwealth agency responsible for the purchase, maintenance, inspection, storage and deposit of passenger and commercial vehicles for all state agencies.

Automotive Officers

As of March 9, 1976, the Department has failed to comply with Rule II of Executive Board Resolution No. AU-4-95, Rules and Regulations Governing the Commonwealth Automotive Fleet, approved April 17, 1974. This rule states that:

The Secretary of Property and Supplies (General Services) shall employ "Automotive Officers" who will be accountable to the Department of Property and Supplies and whose authority shall replace and supersede that of all personnel presently serving in the capacity of Automotive Officers. These Automotive Officers are responsible for determining and coordinating the motor vehicle requirements and monitoring the usage of motor vehicles by all Commonwealth Agencies.

Presently, the various Automotive Officers are hired by and work directly for their respective agencies. As a result, the Department of General Services is unable to fully direct the activities of the Automotive Officers as intended by the above resolution.

Accordingly, we recommend that the Department of General Services implement Rule II of the Executive Board Resolution No. AU-4-95 to centralize and strengthen control over all Commonwealth vehicles.

Inventory Control

Our examination revealed there is inadequate control being exercised over the Bureau's parts and supplies inventory.

We noted that security over inventoried items is virtually nonexistent. We observed that the inventory storeroom is left unattended at various times during the day and mechanics are allowed to withdraw items needed for vehicle repair work. In addition, the inventory storeroom is used as a gathering place by employees during break periods.

Management has failed to establish appropriate inventory-taking policies and procedures. There has only been one physical inventory conducted by the Bureau, and discrepancies between the physical count and the perpetual records were never properly resolved. The physical inventory conducted by us disclosed numerous discrepancies between the physical count and the perpetual records maintained by the Bureau.

It is evident that the Bureau has failed to institute necessary safeguards to protect inventory items from loss, pilferage or unauthorized use. To correct this situation we recommend that:

- Access to the storeroom be restricted to responsible employees.
- The storeroom be attended at all times and withdrawals be made only thru written requisition by authorized employees.
- The Bureau conduct periodic physical inventories and properly investigate material discrepancies.

Scheduling of Inspections

Our examination disclosed that the Field Inspection Division has failed to establish appropriate procedures to ensure the systematic inspection of all Commonwealth vehicles. We noted that appropriate records are not maintained for proper control as to those vehicles which have been inspected and those due for inspection. We observed that inspection reports are filed alphabetically by inspector, and inspection data on individual vehicles is not readily available. This lack of data precludes effective scheduling of inspections and, as a result, inspections are currently initiated in a haphazard manner.

We were informed that the Bureau of Vehicle Management is currently in the process of computerizing the routine inspection program data. Computerization of this activity will eliminate many of the scheduling problems which currently exist, and we recommend that it be implemented as soon as possible.

Field Inspectors

We noted the lack of supervisory control over the activities of the Division's field inspectors.

We determined that routine inspection activities are scheduled by the individual field inspectors themselves. No activity reports are submitted by the inspectors to the Central Office other than the Automobile Inspection Reports (Form PSAB-29) for each vehicle inspected.

In our opinion, field inspectors should be required to submit regular activity reports summarizing their activities for the reporting period. This procedure would better allow management to gauge the relative productivity of each inspector and provide a greater degree of supervisory control.

Temporary Transportation

The Commonwealth temporary pool fleet is available for use by any agency needing a vehicle for official use on a short-term basis. As of February 11, 1976 the fleet consisted of 322 passenger vehicles.

In order for an agency to obtain a pool vehicle, Form OA-540, Request for Temporary Transportation, must be submitted to the Bureau of Vehicle Management. Our examination of 633 forms that were submitted during the month of January 1976 revealed the following exceptions:

<u>Nature of Exception</u>	<u>Frequency</u>
Form OA-540 not signed by agency automotive officer.	6
Form OA-540 not signed by vehicle operator.	49
Operator had not completed the defensive driving course.	7
Vehicle driven an average of less than 10 miles per day.	29

We recommend that in the future the Bureau of Vehicle Management more closely scrutinize all Forms OA-540 for completeness and propriety prior to assignment of vehicles.

Full-Time Assignments of Commonwealth Vehicles

As of February 1976 the Commonwealth's full-time fleet totaled 11,730 vehicles. The Bureau is assigned the responsibility for reviewing full-time assignments on a continuous basis as a means of evaluating compliance with the Executive Board Resolution AU-4-95 which establishes criteria for the full-time assignment of vehicles.

Our review indicated that the Quarterly Cost Report which the Bureau utilizes to review automobile usage was not being maintained on a current basis. As of March 1, 1976, the Bureau had not compiled the Quarterly Cost Report for the period ended December 31, 1975. Therefore, the Bureau was not capable of adequately reviewing and justifying agency needs on a timely and efficient basis.

We recommend that the Quarterly Cost Report be prepared on a more prompt basis to better allow management to determine if Commonwealth vehicles are being used in an efficient and effective manner and in compliance with Bureau guidelines.

AUDIT REPLY

Administrative Directive No. 74, dated September 14, 1970 (superseded by Management Directive No. 305.1, dated May 19, 1976), requires all administrative departments to submit a reply to all Auditor General audit reports to the Director of Financial Management of the Governor's Office of Administration within thirty days after receipt.

As of the closing date of our field work, March 22, 1976, no audit reply had yet been received from the Department of Property and Supplies for the audit report covering the fiscal years ended June 30, 1972 and 1973.

In our opinion, the Director of Financial Management has been remiss in failing to enforce the provisions of Administrative Directive No. 74 concerning audit replies. We recommend that the Department of General Services be required to comply with the provisions of the Directive by submitting an appropriate reply to the Director of Financial Management. We further recommend that in the future the Director of Financial Management take appropriate follow-up action on those agencies who fail to comply with the audit reply deadline.

CLOSING CONFERENCE

At the closing conference the findings and recommendations of this audit were discussed with appropriate Department officials. Management concurred with our findings concerning program deficiencies and recommendations. We were advised that appropriate action has already been instituted or is contemplated to correct the deficiencies.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Financial Statements

June 30, 1974

and

June 30, 1975

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Balance Sheet
June 30, 1975 and 1974

<u>Assets</u>	<u>1975</u>	<u>1974</u>
<u>General Fund</u>		
Petty Cash	\$ 2,000	2,000
Expenditures Authorized - Committed (Note 2)	4,060,870	4,731,049
Expenditures Authorized - Uncommitted (Note 2)	4,492,823	2,653,030
Contingent Commitment on Future Revenue (Note 3)	<u>278,300</u>	<u>--</u>
Total Assets	<u>8,833,993</u>	<u>7,386,079</u>
 <u>Special Revenue Funds</u>		
Expenditures Authorized - Committed (Note 2)	<u>54,263</u>	<u>38,000</u>
Total Assets	<u>54,263</u>	<u>38,000</u>
 <u>Working Capital Fund</u>		
Cash with Treasury Department	22,205	542,486
Short-Term Investments	98,869	--
Anticipated Revenue (Note 5)	<u>1,716,691</u>	<u>1,259,509</u>
Total Assets	<u>1,837,765</u>	<u>1,801,995</u>
 <u>Bond Fund</u>		
Expenditures Authorized - Committed (Note 2)	4,679,886	5,765,255
Expenditures Authorized - Uncommitted (Note 2)	<u>13,534,869</u>	<u>11,065,831</u>
Total Assets	<u>18,214,755</u>	<u>16,831,086</u>
 <u>Trust and Agency Fund</u>		
Cash with Treasurer	121,344	193,238
Short-Term Investments	<u>1,182,985</u>	<u>783,647</u>
Total Assets	<u>1,304,329</u>	<u>976,885</u>

<u>Liabilities, Reserves, and Fund Balance</u>	<u>1975</u>	<u>1974</u>
<u>General Fund</u>		
Vouchers Payable	\$ 208,853	1,032,390
Reserve for Encumbrances:		
Prior Year Appropriations	3,491,116	3,263,645
Continuing Appropriations	362,901	437,014
Future Appropriations	278,300	--
Total Liabilities and Reserves	<u>4,341,170</u>	<u>4,733,049</u>
Restricted Receipts Fund Balance (Note 4)	4,447,004	2,634,121
Continuing Appropriation Fund Balance	45,819	18,909
Total Liabilities, Reserves, and Fund Balance	<u>8,833,993</u>	<u>7,386,079</u>
<u>Special Revenue Funds</u>		
Reserve for Prior Year's Encumbrance	<u>54,263</u>	<u>38,000</u>
Total Liabilities and Reserves	<u>54,263</u>	<u>38,000</u>
<u>Working Capital Fund</u>		
Vouchers Payable	937,489	559,846
Reserve for Encumbrances	<u>900,276</u>	<u>1,242,149</u>
Total Liabilities and Reserves	<u>1,837,765</u>	<u>1,801,995</u>
<u>Bond Fund</u>		
Vouchers Payable	101,620	109,825
Reserve for Encumbrances	<u>4,578,266</u>	<u>5,655,430</u>
Total Liabilities and Reserves	4,679,886	5,765,255
Fund Balance	<u>13,534,869</u>	<u>11,065,831</u>
Total Liabilities, Reserves, and Fund Balance	<u>18,214,755</u>	<u>16,831,086</u>
<u>Trust and Agency Fund</u>		
Vouchers Payable	31	--
Reserve for Encumbrances	<u>468,615</u>	<u>171,031</u>
Total Liabilities and Reserves	468,646	171,031
Fund Balance	<u>855,683</u>	<u>805,854</u>
Total Liabilities, Reserves, and Fund Balance	<u>1,304,329</u>	<u>976,885</u>

<u>Liabilities, Reserves, and Fund Balance</u>	<u>1975</u>	<u>1974</u>
<u>Enterprise Fund</u>		
Vouchers Payable	\$ 17	--
Reserve for Encumbrances	<u>2,004</u>	<u>5,278</u>
Total Liabilities and Reserves	2,021	5,278
Fund Balance	<u>65,414</u>	<u>57,940</u>
Total Liabilities, Reserves, and Fund Balance	<u>67,435</u>	<u>63,218</u>
 Total Liabilities, Reserves, and Fund Balance - All Funds	 <u>\$30,312,540</u>	 <u>27,097,263</u>

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Statement of Changes in General Fund Balance
For the Fiscal Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Balance at Beginning of Year	\$ 2,653,030	812,874
Add:		
Appropriations	81,750,300	79,228,000
Augmentations	20,173,280	20,034,022
Transfers In	--	17,684
Encumbered Balance Carried Forward	<u>3,700,659</u>	<u>5,465,815</u>
	105,624,239	104,745,521
	108,277,269	105,558,395
Deduct:		
Disbursements	97,212,784	98,040,383
Reserve for Encumbrances	4,132,317	3,700,659
Lapses	2,439,345	1,146,639
Transfers Out	--	17,684
	<u>103,784,446</u>	<u>102,905,365</u>
Balance at End of Year	<u>\$ 4,492,823</u>	<u>2,653,030</u>

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Status of Appropriations
June 30, 1975

Description	Appropriation Symbol Number	Undisbursed Balance at June 30, 1974		
		Encumbered	Unencumbered	Total
<u>General Fund</u>				
<u>Current Appropriations</u>				
Printing of the Pennsylvania Manual	01-15-07-74	\$ --	--	--
General Government Operations	01-15-81-74	--	--	--
General State Authority Rentals	01-15-82-74	--	--	--
Total Current Appropriations		--	--	--
<u>Prior Appropriations</u>				
Printing of the Pennsylvania Manual	01-15-07-72	119,963	--	119,963
General Government Operations	01-15-81-72	20,302	--	20,302
Capital Improvements	01-15-63-73	67,903	--	67,903
General Government Operations	01-15-81-73	3,055,477	--	3,055,477
Total Prior Appropriations		3,263,645	--	3,263,645
<u>Continuing Appropriations</u>				
Legislative-Judicial Printing Expenses	01-15-10-68	--	18,748	18,748
Pennsylvania Share of Utilities:				
Indiana	01-15-78-69	188,649	--	188,649
Camp Hill	01-15-87-70	122,945	--	122,945
Loysville	01-15-88-70	60,752	--	60,752
Emergency and Disaster Relief	01-15-13-72	64,668	161	64,829
Total Continuing Appropriations		437,014	18,909	455,923
<u>Restricted Receipts Fund Balances</u>				
Bid and Performance Security Deposit	01-15-91	--	433,089	433,089
Student Community Buildings	01-15-92	--	700,211	700,211
Postage Due Account - Harrisburg	01-15-93	--	9,905	9,905
Group Life Insurance Premiums	01-15-95	--	1,490,916	1,490,916
Total Restricted Receipts Fund Balances		--	2,634,121	2,634,121
<u>Contingent Commitments</u>				
General Government Operations (Note 3)	01-15-81-75	--	--	--
<u>Total General Fund</u>		3,700,659	2,653,030	6,353,689
<u>Special Revenue Funds</u>				
<u>Motor License Fund</u>				
General State Authority Rentals	10-15-03-73	30,000	--	30,000
General State Authority Rentals	10-15-03-74	--	--	--
Total Motor License Fund		30,000	--	30,000
<u>Fish Fund</u>				
General State Authority Rentals	12-15-01-73	8,000	--	8,000
General State Authority Rentals	12-15-01-74	--	--	--
Total Fish Fund		8,000	--	8,000

Amount of Appropriation Current Year	Augmentations and Restricted Receipts	Total Funds Available	Expenditures			Lapses	Department Balance June 30, 1975 Unencumbered
			Disbursements	Encumbered	Total		
140,000	--	140,000	432	139,568	140,000	--	--
23,362,000	5,363,949	28,725,949	25,400,875	3,325,028	28,725,903	46	--
57,970,000	1,902,988	59,872,988	57,578,843	--	57,578,843	2,294,145	--
<u>81,472,000</u>	<u>7,266,937</u>	<u>88,738,937</u>	<u>82,980,150</u>	<u>3,464,596</u>	<u>86,444,746</u>	<u>2,294,191</u>	<u>--</u>
--	--	119,963	119,963	--	119,963	--	--
--	--	20,302	15,578	--	15,578	4,724	--
--	--	67,903	52,067	15,836	67,903	--	--
--	--	3,055,477	2,904,363	10,684	2,915,047	140,430	--
<u>--</u>	<u>--</u>	<u>3,263,645</u>	<u>3,091,971</u>	<u>26,520</u>	<u>3,118,491</u>	<u>145,154</u>	<u>--</u>
--	188,545	207,293	165,065	--	165,065	--	42,228
--	--	188,649	--	188,649	188,649	--	--
--	--	122,945	9,445	113,500	122,945	--	--
--	--	60,752	--	60,752	60,752	--	--
--	--	64,829	61,238	--	61,238	--	3,591
<u>--</u>	<u>188,545</u>	<u>644,468</u>	<u>235,748</u>	<u>362,901</u>	<u>598,649</u>	<u>--</u>	<u>45,819</u>
--	735,810	1,168,899	709,796	--	709,796	--	459,103
--	963,931	1,664,142	--	--	--	--	1,664,142
--	105,875	115,780	91,700	--	91,700	--	24,080
<u>--</u>	<u>10,912,182</u>	<u>12,403,098</u>	<u>10,103,419</u>	<u>--</u>	<u>10,103,419</u>	<u>--</u>	<u>2,299,679</u>
<u>--</u>	<u>12,717,798</u>	<u>15,351,919</u>	<u>10,904,915</u>	<u>--</u>	<u>10,904,915</u>	<u>--</u>	<u>4,447,004</u>
278,300	--	278,300	--	278,300	278,300	--	--
<u>81,750,300</u>	<u>20,173,280</u>	<u>108,277,269</u>	<u>97,212,784</u>	<u>4,132,317</u>	<u>101,345,101</u>	<u>2,439,345</u>	<u>4,492,823</u>
--	--	30,000	--	--	--	30,000	--
1,543,000	--	1,543,000	1,463,921	46,226	1,510,147	32,853	--
<u>1,543,000</u>	<u>--</u>	<u>1,573,000</u>	<u>1,463,921</u>	<u>46,226</u>	<u>1,510,147</u>	<u>62,853</u>	<u>--</u>
--	--	8,000	--	--	--	8,000	--
75,000	--	75,000	62,296	8,037	70,333	4,667	--
<u>75,000</u>	<u>--</u>	<u>83,000</u>	<u>62,296</u>	<u>8,037</u>	<u>70,333</u>	<u>12,667</u>	<u>--</u>

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Status of Appropriations (Continued)
June 30, 1975

Description	Appropriation Symbol Number	Undisbursed Balance at June 30, 1974		
		Encumbered	Unencumbered	Total
<u>Special Revenue Funds (Continued)</u>				
<u>Boating Fund</u>				
General State Authority Rentals	25-15-01-74	--	--	--
<u>Total Special Revenue Funds</u>		<u>38,000</u>	<u>--</u>	<u>38,000</u>
<u>Working Capital Fund</u>				
<u>Purchasing Fund</u>				
General Government Operations (Note 6)	32-15-01-74	<u>1,242,149</u>	<u>(1,259,509)</u>	<u>(17,360)</u>
<u>Bond Fund</u>				
<u>Capital Facilities Fund</u>				
Public Improvement Projects - Original Equipment and Furniture	38-15-01-68	110,167	924,075	1,034,242
Public Improvement Projects - Original Equipment and Furniture	38-15-01-69	6,210	366,032	372,242
Public Improvement Projects - Original Equipment and Furniture	38-15-01-70 (Note 7)	1,033,990	573,268	1,607,258
Public Improvement Projects - Original Equipment and Furniture	38-15-01-71	1,449,726	2,317,328	3,767,054
Public Improvement Projects - Original Equipment and Furniture	38-15-01-72	3,055,337	3,692,428	6,747,765
Public Improvement Projects - Original Equipment and Furniture	38-15-01-73	--	3,192,700	3,192,700
Public Improvement Projects - Original Equipment and Furniture	38-15-01-74	--	--	--
<u>Total Bond Fund</u>		<u>5,655,430</u>	<u>11,065,831</u>	<u>16,721,261</u>
<u>Trust and Agency Fund</u>				
<u>State Insurance Fund</u>				
General Government Operations	58-15-01-74	<u>171,031</u>	<u>805,854</u>	<u>976,885</u>
<u>Enterprise Fund</u>				
<u>State Restaurant Fund</u>				
Department of General Services	81-15-01-74	<u>5,278</u>	<u>57,940</u>	<u>63,218</u>
<u>TOTAL - ALL FUNDS</u>		<u>\$10,812,547</u>	<u>13,323,146</u>	<u>24,135,693</u>

See Accompanying Notes to Financial Statements.

Amount of Appropriation Current Year	Augmentations and Restricted Receipts	Total Funds Available	Expenditures			Lauses	Department Balance June 30, 1975 Unencumbered
			Disbursements	Encumbered	Total		
<u>2,000</u>	<u>--</u>	<u>2,000</u>	<u>1,985</u>	<u>--</u>	<u>1,985</u>	<u>15</u>	<u>--</u>
<u>1,620,000</u>	<u>--</u>	<u>1,658,000</u>	<u>1,528,202</u>	<u>54,263</u>	<u>1,582,465</u>	<u>75,535</u>	<u>--</u>
<u>--</u>	<u>9,195,370</u>	<u>9,178,010</u>	<u>9,994,425</u>	<u>900,276</u>	<u>10,894,701</u>	<u>--</u>	<u>(1,716,691)</u>
<u>--</u>	<u>--</u>	<u>1,034,242</u>	<u>109,638</u>	<u>--</u>	<u>109,638</u>	<u>--</u>	<u>924,604</u>
<u>--</u>	<u>--</u>	<u>372,242</u>	<u>4,320</u>	<u>--</u>	<u>4,320</u>	<u>--</u>	<u>367,922</u>
<u>--</u>	<u>--</u>	<u>1,607,258</u>	<u>783,325</u>	<u>239,471</u>	<u>1,022,796</u>	<u>--</u>	<u>584,462</u>
<u>--</u>	<u>--</u>	<u>3,767,054</u>	<u>1,749,478</u>	<u>1,018,796</u>	<u>2,768,274</u>	<u>--</u>	<u>998,780</u>
<u>--</u>	<u>--</u>	<u>6,747,765</u>	<u>3,572,019</u>	<u>1,358,536</u>	<u>4,930,555</u>	<u>--</u>	<u>1,817,210</u>
<u>--</u>	<u>--</u>	<u>3,192,700</u>	<u>1,207,945</u>	<u>888,067</u>	<u>2,096,012</u>	<u>--</u>	<u>1,096,688</u>
<u>8,846,000</u>	<u>--</u>	<u>8,846,000</u>	<u>27,401</u>	<u>1,073,396</u>	<u>1,100,797</u>	<u>--</u>	<u>7,745,203</u>
<u>8,846,000</u>	<u>--</u>	<u>25,567,261</u>	<u>7,454,126</u>	<u>4,578,266</u>	<u>12,032,392</u>	<u>--</u>	<u>13,534,869</u>
<u>--</u>	<u>547,360</u>	<u>1,524,245</u>	<u>219,947</u>	<u>468,615</u>	<u>688,562</u>	<u>--</u>	<u>835,683</u>
<u>--</u>	<u>27,517</u>	<u>90,735</u>	<u>23,317</u>	<u>2,004</u>	<u>25,321</u>	<u>--</u>	<u>65,414</u>
<u>92,216,300</u>	<u>29,943,527</u>	<u>146,295,520</u>	<u>116,432,801</u>	<u>10,135,741</u>	<u>126,568,542</u>	<u>2,514,880</u>	<u>17,212,098</u>

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Status of Appropriations
June 30, 1974

Description	Appropriation Symbol Number	Undisbursed Balance at June 30, 1973			Amount of Appropriation Current Year
		Encumbered	Unencumbered	Total	
<u>General Fund</u>					
<u>Current Appropriations</u>					
Capital Improvements	01-15-63-73	\$ --	--	--	71,000
General Government Operations	01-15-81-73	--	--	--	21,157,000
General State Authority Rentals	01-15-82-73	--	--	--	58,000,000
Total Current Appropriations		--	--	--	79,228,000
<u>Prior Appropriations</u>					
Brandywine Battlefield Park Commission	01-15-02-72	19,941	--	19,941	--
Printing of the Pennsylvania Manual	01-15-07-72	119,963	--	119,963	--
Inventory of Pennsylvania Property	01-15-12-72	311,037	--	311,037	--
General Government Operations	01-15-81-72	3,581,017	--	3,581,017	--
General State Authority Rentals	01-15-82-72	100,000	--	100,000	--
Total Prior Appropriations		4,131,958	--	4,131,958	--
<u>Continuing Appropriations</u>					
Legislative-Judicial Printing Expenses	01-15-10-68	--	20,876	20,876	--
Pennsylvania Share of Utilities:					
Bloomsburg	01-15-75-69	90,808	--	90,808	--
Indiana	01-15-78-69	286,404	--	286,404	--
Titusville	01-15-79-69	61,990	--	61,990	--
Edinboro	01-15-83-69	234,616	--	234,616	--
Penn Soil Conservation Center	01-15-86-69	8,008	--	8,008	--
Camp Hill	01-15-87-70	227,001	--	227,001	--
Loysville	01-15-88-70	60,752	--	60,752	--
Emergency and Disaster Relief	01-15-13-72	364,278	110,742	475,020	--
Total Continuing Appropriations		1,333,857	131,618	1,465,475	--
<u>Restricted Receipts Fund Balances</u>					
Federal Reimbursement for Flood-Related Costs	01-15-90	--	--	--	--
Bid and Performance Security Deposits	01-15-91	--	--	--	--
Student Community Buildings	01-15-92	--	--	--	--
Postage Due Account - Harrisburg	01-15-93	--	3,517	3,517	--
Group Life Insurance Premiums	01-15-95	--	677,739	677,739	--
Total Restricted Receipts Fund Balances		--	681,256	681,256	--
<u>Total General Fund</u>		<u>5,465,815</u>	<u>812,874</u>	<u>6,278,689</u>	<u>79,228,000</u>
<u>Special Revenue Funds</u>					
<u>Motor License Fund</u>					
General State Authority Rentals	10-15-03-72	30,000	--	30,000	--
General State Authority Rentals	10-15-03-73	--	--	--	1,543,000
Total Motor License Fund		30,000	--	30,000	1,543,000
<u>Fish Fund</u>					
General State Authority Rentals	12-15-01-72	8,000	--	8,000	--
General State Authority Rentals	12-15-01-73	--	--	--	75,000
Total Fish Fund		8,000	--	8,000	75,000

Transfers In	Augmentations and Restricted Receipts	Total Funds Available	Transfers Out	Expenditures			Lapses	Department Balance June 30, 1974 Unencumbered
				Disbursements	Encumbered	Total		
--	--	71,000	--	3,097	67,903	71,000	--	--
--	4,875,991	26,032,991	--	22,548,095	3,055,477	25,603,572	429,419	--
--	<u>2,118,668</u>	<u>60,118,668</u>	--	<u>60,093,617</u>	--	<u>60,093,617</u>	<u>25,051</u>	--
--	<u>6,994,659</u>	<u>86,222,659</u>	--	<u>82,644,809</u>	<u>3,123,380</u>	<u>85,768,189</u>	<u>454,470</u>	--
--	--	19,941	--	13,998	--	13,998	5,943	--
--	--	119,963	--	--	119,963	119,963	--	--
--	--	311,037	--	309,110	--	309,110	1,927	--
--	--	3,581,017	--	3,236,310	20,302	3,256,612	324,405	--
--	--	<u>100,000</u>	--	<u>81,980</u>	--	<u>81,980</u>	<u>18,020</u>	--
--	--	<u>4,131,958</u>	--	<u>3,641,398</u>	<u>140,265</u>	<u>3,781,663</u>	<u>350,295</u>	--
--	109,860	130,736	--	111,988	--	111,988	--	18,748
--	--	90,808	--	5,071	--	5,071	85,737	--
--	--	286,404	--	97,755	188,649	286,404	--	--
--	--	61,990	--	40,713	--	40,713	21,277	--
--	--	234,616	--	--	--	--	234,616	--
--	--	8,008	--	7,764	--	7,764	244	--
--	--	227,001	--	104,056	122,945	227,001	--	--
--	--	60,752	--	--	60,752	60,752	--	--
<u>17,684</u>	--	<u>492,704</u>	--	<u>427,875</u>	<u>64,668</u>	<u>492,543</u>	--	<u>161</u>
<u>17,684</u>	<u>109,860</u>	<u>1,593,019</u>	--	<u>795,222</u>	<u>437,014</u>	<u>1,232,236</u>	<u>341,874</u>	<u>18,909</u>
--	17,684	17,684	17,684	--	--	--	--	--
--	1,129,028	1,129,028	--	695,939	--	695,939	--	433,089
--	700,211	700,211	--	--	--	--	--	700,211
--	86,388	89,905	--	80,000	--	80,000	--	9,905
--	<u>10,996,192</u>	<u>11,673,931</u>	--	<u>10,183,015</u>	--	<u>10,183,015</u>	--	<u>1,490,916</u>
--	<u>12,929,503</u>	<u>13,610,759</u>	<u>17,684</u>	<u>10,958,954</u>	--	<u>10,958,954</u>	--	<u>2,634,121</u>
<u>17,684</u>	<u>20,034,022</u>	<u>105,558,395</u>	<u>17,684</u>	<u>98,040,383</u>	<u>3,700,659</u>	<u>101,741,042</u>	<u>1,146,639</u>	<u>2,653,030</u>
--	--	30,000	--	992	--	992	29,008	--
--	--	<u>1,543,000</u>	--	<u>1,480,147</u>	<u>30,000</u>	<u>1,510,147</u>	<u>32,853</u>	--
--	--	<u>1,573,000</u>	--	<u>1,481,139</u>	<u>30,000</u>	<u>1,511,139</u>	<u>61,861</u>	--
--	--	8,000	--	--	--	--	8,000	--
--	--	<u>75,000</u>	--	<u>63,030</u>	<u>8,000</u>	<u>71,030</u>	<u>3,970</u>	--
--	--	<u>83,000</u>	--	<u>63,030</u>	<u>8,000</u>	<u>71,030</u>	<u>11,970</u>	--

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Status of Appropriations (Continued)
June 30, 1974

Description	Appropriation Symbol Number	Undisbursed Balance at June 30, 1973			Amount of Appropriation Current Year
		Encumbered	Unencumbered	Total	
<u>Special Revenue Funds (Continued)</u>					
<u>Boating Fund</u>					
General State Authority Rentals	25-15-01-73	--	--	--	2,000
<u>Total Special Revenue Funds</u>		<u>38,000</u>	<u>--</u>	<u>38,000</u>	<u>1,620,000</u>
<u>Working Capital Fund</u>					
<u>Purchasing Fund</u>					
General Government Operations (Note 6)	32-15-01-73	<u>775,127</u>	<u>(325,708)</u>	<u>449,419</u>	<u>--</u>
<u>Bond Fund</u>					
<u>Capital Facilities Fund</u>					
Public Improvement Projects - Original Equipment and Furniture	38-15-01-68	130,627	921,279	1,051,906	--
Public Improvement Projects - Original Equipment and Furniture	38-15-01-69	158,059	350,753	508,812	--
Public Improvement Projects - Original Equipment and Furniture	38-15-01-70 (Note 7)	1,257,528	1,778,228	3,035,756	--
Public Improvement Projects - Original Equipment and Furniture	38-15-01-71	2,326,419	4,270,086	6,596,505	--
Public Improvement Projects - Original Equipment and Furniture	38-15-01-72	2,376,182	7,998,544	10,374,726	--
Public Improvement Projects - Original Equipment and Furniture	38-15-01-73	--	--	--	<u>3,192,700</u>
<u>Total Bond Fund</u>		<u>6,248,815</u>	<u>15,318,890</u>	<u>21,567,705</u>	<u>3,192,700</u>
<u>Trust and Agency Fund</u>					
<u>State Insurance Fund</u>					
General Government Operations	58-15-01-73	<u>145,001</u>	<u>515,804</u>	<u>660,805</u>	<u>--</u>
<u>Enterprise Fund</u>					
<u>State Restaurant Fund</u>					
Department of General Services	81-15-01-73	<u>8,046</u>	<u>55,197</u>	<u>63,243</u>	<u>--</u>
<u>TOTAL - ALL FUNDS</u>		<u>\$12,680,804</u>	<u>16,377,057</u>	<u>29,057,861</u>	<u>84,040,700</u>

See Accompanying Notes to Financial Statements.

<u>Transfers In</u>	<u>Augmentations and Restricted Receipts</u>	<u>Total Funds Available</u>	<u>Transfers Out</u>	<u>Expenditures</u>			<u>Lapses</u>	<u>Department Balance June 30, 1974 Unencumbered</u>
				<u>Disbursements</u>	<u>Encumbered</u>	<u>Total</u>		
--	--	2,000	--	2,000	--	2,000	--	--
--	--	1,658,000	--	1,546,169	38,000	1,584,169	73,831	--
--	7,262,709	7,712,128	--	7,729,488	1,242,149	8,971,637	--	(1,259,509)
--	--	1,051,906	--	17,664	110,167	127,831	--	924,075
--	--	508,812	--	136,570	6,210	142,780	--	366,032
--	--	3,035,756	--	1,428,498	1,033,990	2,462,488	--	573,268
--	--	6,596,505	--	2,829,451	1,449,726	4,279,177	--	2,317,328
--	--	10,374,726	--	3,626,961	3,055,337	6,682,298	--	3,692,428
--	--	3,192,700	--	--	--	--	--	3,192,700
--	--	24,760,405	--	8,039,144	5,655,430	13,694,574	--	11,065,831
--	439,362	1,100,167	--	123,282	171,031	294,313	--	805,854
--	22,889	86,132	--	22,914	5,278	28,192	--	57,940
<u>17,684</u>	<u>27,758,982</u>	<u>140,875,227</u>	<u>17,684</u>	<u>115,501,380</u>	<u>10,812,547</u>	<u>126,313,927</u>	<u>1,220,470</u>	<u>13,323,146</u>

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Statement of Receipts
For the Fiscal Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
<u>General Fund</u>		
<u>Revenues Augmenting Current Appropriations</u>		
Reimbursement for Services Rendered by Department of General Services Processing Center	\$ 298,690	271,288
Emergency Employment Program	--	111,356
Automobile Replacement Rental Plan	3,040,779	2,828,628
Student Community Building:		
Bloomsburg	--	22,658
California	--	32,027
Cheyney	--	10,736
Clarion	--	23,871
East Stroudsburg	--	21,824
Edinboro	--	33,873
Kutztown	--	22,539
Lock Haven	--	13,182
Mansfield	--	15,816
Millersville	--	27,510
Shippensburg	--	24,550
Slippery Rock	--	30,390
Sale of Federal Surplus Property	397,640	455,262
Group Life Insurance Administration and Other Expenses	15,000	15,000
Service Provided Other Agencies by Comptroller's Office	749,931	604,153
Rental from State Warehouse	100,000	100,000
Sale of Automobiles and Other Vehicles	545,732	487,145
State Colleges - Additional Dormitory Rental Fees	1,902,988	1,839,692
Services Provided Other Agencies	13,857	3,159
Repairs for Special Fund Vehicles	8,320	--
Employer's Retirement Credit - General Government	194,000	--
	<hr/>	<hr/>
Total Revenues Augmenting Current Appropriations	7,266,937	6,994,659
<u>Revenues Augmenting Continuing Appropriations</u>		
Sale of Pennsylvania Code and Related Publications	188,545	109,860
<u>Revenues Augmenting Restricted Receipt Funds</u>		
Group Life Insurance Premiums	10,868,295	10,958,384
Group Life Insurance Premiums - Direct Billings	43,887	37,808
Student Community Building:		
Bloomsburg	88,004	60,498
California	85,829	61,548
Cheyney	35,366	29,619
Clarion	88,016	61,759
East Stroudsburg	67,953	52,026
Edinboro	125,100	89,627
Kutztown	81,510	61,409
Lock Haven	45,657	33,610
Mansfield	53,945	42,643
Millersville	91,856	67,080
Shippensburg	88,601	60,498
Slippery Rock	112,095	79,894
Federal Reimbursement for Flood-Related Costs	--	17,684
Postage Due Account - Harrisburg Post Office	105,875	86,388
Bid and Performance Security Deposits	735,809	1,129,028
	<hr/>	<hr/>
Total Revenues Augmenting Restricted Receipt Funds	12,717,798	12,929,503
Total Revenues Augmenting the General Fund	<hr/>	<hr/>
	20,173,280	20,034,022

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Statement of Receipts (Continued)
For the Fiscal Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
<u>General Fund (Continued)</u>		
<u>Augmenting Revenues Collected in Advance</u>		
Sale of Automobiles and Other Vehicles	\$ 11,906	63,883
Automobile Rentals	23,785	145,008
Group Life Insurance Administration and Other Expenses	--	15,000
	<hr/>	<hr/>
Total Augmenting Revenues Collected in Advance	35,691	223,891
<u>Revenues Received Not Credited to Appropriations</u>		
Traffic Violation Fines	18,149	18,400
Sale of Publications	54,679	62,791
Sale of Unserviceable Property	185,578	287,338
Rental of State Property	22,706	9,952
Recovery on Insurance and Surety Bonds	284	284
Mileage of State Automobiles	280,154	209,998
Contract Forfeitures and Damages	2,050	3,748
Allocation of Purchasing and Property Costs	4,438,456	3,369,662
Sale of State Property	258	15,499
Real Estate Services	92,619	94,563
Miscellaneous	14,553	6,390
Refunds of Expenditures Not Credited to Appropriations	112,695	--
	<hr/>	<hr/>
Total Revenues Received Not Credited to Appropriations	5,222,181	4,078,625
<u>Total Revenues - General Fund</u>	<u>25,431,152</u>	<u>24,336,538</u>
<u>Working Capital Fund</u>		
<u>Purchasing Fund</u>		
Reimbursements	9,177,081	7,262,709
Interest on Securities	17,810	--
Redeposit of Checks	479	--
	<hr/>	<hr/>
	9,195,370	7,262,709
<u>Trust and Agency Fund</u>		
<u>State Insurance Fund</u>		
Interest on Securities	87,284	46,935
Interest on Securities on Fire Insurance Tax	319,761	244,288
Redeposit of Checks	65	--
Recovered Damages	140,250	148,139
	<hr/>	<hr/>
	547,360	439,362
<u>Enterprise Fund</u>		
<u>State Restaurant Fund</u>		
Receipts from General Operations	19,456	16,803
Miscellaneous Revenue	5,289	6,086
Interest on Securities	2,772	--
	<hr/>	<hr/>
	27,517	22,889
<u>Total Augmenting Receipts - All Funds</u>	<u>29,943,527</u>	<u>27,758,982</u>

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Statement of Receipts (Continued)
For the Fiscal Years Ended June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
<u>Revenues Not Credited to Appropriations</u>		
<u>Special Revenue Funds</u>		
<u>Motor License Fund</u>		
Sale of Unserviceable Property	143,600	134,911
Rent of State Property	222	222
Sale of Real Estate	<u>1,500</u>	<u>13,185</u>
	<u>145,322</u>	<u>148,318</u>
<u>Fish Fund</u>		
Sale of Unserviceable Property	<u>--</u>	<u>10,714</u>
<u>Boating Fund</u>		
Sale of Unserviceable Property	<u>9,933</u>	<u>--</u>
<u>Game Fund</u>		
Sale of Publications	1	2
Sale of Unserviceable Property	<u>1,005</u>	<u>18,076</u>
	<u>1,006</u>	<u>18,078</u>
<u>Banking Department Fund</u>		
Sale of Unserviceable Property	<u>322</u>	<u>45</u>
<u>Total Special Revenue Funds</u>	<u>156,583</u>	<u>177,155</u>
<u>Working Capital Funds</u>		
<u>Employment Fund for the Blind</u>		
Sale of Surplus Property	<u>--</u>	<u>329</u>
<u>Manufacturing Fund</u>		
Recovered Damages	--	6,300
Sale of Scrap and Unserviceable Property	<u>14,145</u>	<u>17,071</u>
	<u>14,145</u>	<u>23,371</u>
<u>Total Working Capital Funds</u>	<u>14,145</u>	<u>23,700</u>
<u>Enterprise Fund</u>		
<u>State Stores Fund</u>		
Sale of Unserviceable Property	<u>3,309</u>	<u>1,482</u>
<u>TOTAL RECEIPTS - ALL FUNDS</u>	<u>\$35,375,436</u>	<u>32,263,835</u>

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Comparative Statement of Expenditures by Object Classification
Current Appropriations
For the Fiscal Years Ended June 30, 1975 and 1974

	1975		1974		Total	
	Disbursements	Encumbered	Disbursements	Encumbered	1975	1974
Salaries	\$15,276,826	477,522	13,705,615	472,014	15,754,348	14,177,629
Overtime	137,260	--	114,822	--	137,260	114,822
Shift Differential Pay	44,860	--	49,471	--	44,860	49,471
Wages	57,486	--	56,442	--	57,486	56,442
Employees Health and Welfare Fund	121,657	--	43,713	--	121,657	43,713
Hospitalization Insurance	485,292	--	437,317	--	485,292	437,317
Social Security Contributions	866,776	--	756,972	--	866,776	756,972
Retirement Contributions	1,324,837	483,914	820,791	269,029	1,808,751	1,089,820
Workmen's Compensation	66,688	--	28,610	--	66,688	28,610
Group Life Insurance	115,294	--	103,993	--	115,294	103,993
Out-Service Training	7,146	2,212	5,271	1,453	9,358	6,724
Unemployment Compensation	18,267	--	30,457	--	18,267	30,457
Civil Service Commission Services	25,109	--	15,405	--	25,109	15,405
Contracted Repairs	121,905	10,680	81,257	15,431	132,585	96,688
Classification and Pay Services	1,408	--	1,437	--	1,408	1,437
Data Processing Services	89,800	4,363	78,961	11,108	94,163	90,069
Consultant Fees	37,105	4,587	65,098	19,088	41,692	84,186
Specialized Services	38,823	10,264	32,450	1,255	49,087	33,705
Legal Fees	334	--	45	--	334	45
Special Conference Expenses	--	--	--	2,285	--	2,285
Contracted Personnel Services	6,432	320	--	--	6,752	--
Printing	23,798	139,976	2,820	5,350	163,774	8,170
Advertising	25,489	17,687	42,343	1,187	43,176	43,530
Postage	108,388	--	92,188	25	108,388	92,213
Freight Charges	7,864	76	11,019	--	7,940	11,019
Telephone and Telegraph	330,247	--	345,712	--	330,247	345,712
Travel	85,271	--	96,206	--	85,271	96,206
Water and Sewerage	116,522	--	100,962	--	116,522	100,962
Electricity	1,478,616	--	1,209,292	--	1,478,616	1,209,292
Heating Fuel	983,517	50	628,916	14,003	983,567	642,919
Subscriptions	4,598	71	3,407	57	4,669	3,464
Membership Dues	921	96	802	238	1,017	1,040
Insurance, Surety and Fidelity Bonds	1,398,167	--	830,315	--	1,398,167	830,315
Motorized Equipment Supplies	138,421	1,602	86,334	5,991	140,023	92,325
Motorized Equipment Repairs	433,667	450	154,414	--	434,117	154,414
Contracted Maintenance Service:						
Data Processing	14,658	--	12,540	1,140	14,658	13,680
Buildings and Grounds	703,263	87,844	551,551	94,834	791,107	646,385
Office Equipment	24,423	5,871	26,538	4,213	30,294	30,751
Other	53,215	3,824	47,923	10,622	57,039	58,545
Rent:						
Real Estate	137,952	1,910	96,497	8,017	139,862	104,514
EDP Equipment	47,404	12,610	38,913	10,123	60,014	49,036
Motorized Equipment	109,238	3,243	120,882	3,925	112,481	124,807
Other	42,304	8,086	31,851	15,123	50,390	46,974
Laboratory Supplies	354	101	328	85	455	413
Medical Supplies (Other than Drugs)	535	302	212	229	837	441
Wearing Apparel	20,030	786	6,980	15,915	20,816	22,895
Food	2,468	96	204	1,322	2,564	1,526
Supplies:						
Housekeeping	151,638	34,380	72,730	44,824	186,518	117,554
Office	118,351	18,162	96,557	21,729	136,513	118,286
Educational	2,296	--	3,493	39	2,296	3,532
Agricultural	6,834	3,483	5,683	5,536	10,317	11,219
Recreational	--	--	95	--	--	95
Maintenance	256,057	78,808	124,728	40,780	334,865	165,508
Other	3,812	115,241	4,028	319,602	119,053	323,630
Motor Vehicles	475,806	1,913,307	1,960,106	1,618,730	2,389,113	3,578,836
Equipment and Machinery	84,250	20,964	18,460	13,194	105,214	31,654
Furniture and Furnishings	12,149	1,208	1,956	6,981	13,357	8,937
Buildings and Structures	--	--	3,097	67,903	--	71,000
Authority Rentals	56,734,322	--	59,386,600	--	56,734,322	59,386,600
Total Expenditures - Current Appropriations	<u>\$82,980,150</u>	<u>3,464,596</u>	<u>82,644,809</u>	<u>3,123,380</u>	<u>86,444,746</u>	<u>85,768,189</u>

Note: Expenditures within Prior Appropriations, Continuing Appropriations, Restricted Receipts, Contingent Commitments, Special Revenue Funds, Working Capital Fund, Bond Fund, Trust and Agency Fund, and Enterprise Fund are not included in the above figures.

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Purchasing Fund
Comparative Statement of Cash Receipts and Disbursements
For the Fiscal Years Ended June 30, 1975 and 1974
and
Reconciliation with Treasury Department Balance
June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Balance at Beginning of Year	(\$ 17,360)	<u>449,419</u>
Receipts:		
Department of General Services	9,177,081	7,262,709
Treasury Department	<u>18,289</u>	<u>--</u>
	<u>9,195,370</u>	<u>7,262,709</u>
Total Available	9,178,010	7,712,128
Disbursements:		
Department of General Services	<u>9,994,425</u>	<u>7,729,488</u>
Balance at End of Year	(816,415)	(17,360)
Add Unwarranted Voucher Transmittals	<u>937,489</u>	<u>559,846</u>
Treasury Department Balance	<u>\$ 121,074</u>	<u>542,486</u>

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

State Insurance Fund
Comparative Statement of Cash Receipts and Disbursements
For the Fiscal Years Ended June 30, 1975 and 1974
and
Reconciliation with Treasury Department Balance
June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Balance at Beginning of Year	\$ <u>976,885</u>	<u>660,805</u>
Receipts:		
Department of General Services	140,250	148,139
Treasury Department	<u>407,110</u>	<u>291,223</u>
	<u>547,360</u>	<u>439,362</u>
Total Available	1,524,245	1,100,167
Disbursements:		
Department of General Services	<u>219,947</u>	<u>123,282</u>
Balance at End of Year	1,304,298	976,885
Add Unwarranted Voucher Transmittals	<u>31</u>	<u>--</u>
Treasury Department Balance	<u>\$1,304,329</u>	<u>976,885</u>

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

State Restaurant Fund
Comparative Statement of Cash Receipts and Disbursements
For the Fiscal Years Ended June 30, 1975 and 1974
and
Reconciliation with Treasury Department Balance
June 30, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Balance at Beginning of Year	\$ <u>63,218</u>	<u>63,243</u>
Receipts:		
Department of General Services	24,745	22,889
Treasury Department	<u>2,772</u>	<u>--</u>
	<u>27,517</u>	<u>22,889</u>
Total Available	90,735	86,132
Disbursements:		
Department of General Services	<u>23,317</u>	<u>22,914</u>
Balance at End of Year	67,418	63,218
Add Unwarranted Voucher Transmittals	<u>17</u>	<u>--</u>
Treasury Department Balance	<u>\$67,435</u>	<u>63,218</u>

See Accompanying Notes to Financial Statements.

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES

Notes to Financial Statements
June 30, 1974 and 1975

1. Accounting Principles

The accounts of the General Fund, Special Revenue Funds, and Bond Fund are subject to the regular allocation and allotment processes of the Commonwealth of Pennsylvania and are maintained in accordance with the principles set forth in the Manual of Accounting and Related Financial Procedures of the Commonwealth of Pennsylvania, revised edition, 1967:

- a) Augmentations are included on a cash basis.
- b) Expenditures are included on an accrual basis.

The accounts of the Purchasing Fund, State Insurance Fund, and State Restaurant Fund are maintained on a cash basis.

2. Expenditures Authorized

These amounts represent funds that have been approved for expenditure by passage of the Department's budget and are presently encumbered, in process of payment (committed), or available for expenditure (uncommitted). The Department records these funds in an account entitled "Budgetary Clearance".

3. Contingent Commitments

During the fiscal year ended June 30, 1975 the Department executed certain contracts for goods and services to be delivered during the ensuing fiscal year. These commitments are contingent upon eventual passage of an appropriation for the contracted goods and services, and money may not be paid out or goods and services delivered until such an appropriation has been made.

4. Restricted Receipts Fund Balances

The restricted receipts fund balances are reflected as being unencumbered at June 30, 1974 and 1975. Although these funds are available to the Department, they are restricted by outside agencies or persons as to their use.

5. Anticipated Revenue

These amounts represent funds due from various Commonwealth agencies to reimburse the Purchasing Fund for commitments made in their behalf.

6. Purchasing Fund

Accounts of the Purchasing Fund are maintained on a cash basis. Negative available balances at June 30, 1975 and 1974 as reflected on the status of appropriations for the respective fiscal years represent the total of the vouchers payable and reserve for encumbrances offset by the actual cash balances on those dates.

7. Capital Facilities Fund

As the result of an arithmetic error on the original Senate Bill, the Treasury Department shows a cash balance \$10,000 higher than that reflected on the records of the Department of General Services for Appropriation No. 38-15-01-70-3. The figures on our exhibit conform to the records of the Department of General Services.

END