

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

**WEST VIRGINIA STATE TREASURER
FOR THE PERIOD
JANUARY 12, 1985 - JANUARY 13, 1997**



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0610

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

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The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the West Virginia State Treasurer.

Our examination covers the period January 12, 1985 through January 13, 1997. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the period ended January 13, 1997 and the years ended June 30, 1996 and June 30, 1995 are included in this report.

Respectfully submitted,

A handwritten signature in black ink that reads "Theford L. Shanklin".

Theford L. Shanklin, CPA, Director
Legislative Post Audit Division

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WEST VIRGINIA STATE TREASURER

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WEST VIRGINIA STATE TREASURER

EXIT CONFERENCE

We held an exit conference on August 24, 1998 with the Assistant State Treasurer and other representatives of the West Virginia State Treasurer's Office. All findings were reviewed and discussed. The State Treasurer's responses are included in italics in the Summary of Findings and Responses and after our findings in the General Remarks section of this report.

WEST VIRGINIA STATE TREASURER

INTRODUCTION

The Office of the State Treasurer was created by Article VII, Section I, of the Constitution of 1863, whose duties shall be prescribed by law. As prescribed, the principle duties are to serve as chief fiscal officer and as manager of the State's debt.

These duties encompass the receipt, custody, and investment of the State's moneys (these responsibilities of the State Treasurer were placed under the West Virginia State Board of Investments by an Act of Legislature during the Regular Session in 1989).

The State Treasurer is to receive and disburse the State Budget; receive and deposit in the State depository financial institutions all funds collected by the State departments, agencies, and institutions; after he has ascertained if a warrant has been drawn in pursuance of an appropriation made by law, endorse his check upon such warrant; and keep a record of all appropriations made by the Legislature and of the several sums drawn thereon.

The State Treasurer is also responsible for disbursing the Coal Severance Taxes to counties and municipalities as well as the Liquor Municipal Taxes to local governments. In addition, the State Treasurer is responsible for the collection of moneys associated with the Crime Victim Reparation Fund and the Law Enforcement Training Fund, the Tobacco Company Settlement Proceeds, the Oil and Gas Revenue Fund, as well as processing of applications for and distribution of moneys from the Police and Firemen's Pension Funds. Also, the State Treasurer is responsible for the collection and disposition of abandoned and unclaimed property as defined in Chapter 36, Article 8 of the West Virginia Code.

The State Treasurer, by law, serves as a member on the State Board of Investments and the West Virginia Consolidated Public Retirement Board. He also serves as statutory treasurer of the Municipal Bond Commission and the West Virginia Housing Development Fund.

In addition, the State Treasurer holds membership in the following boards and commissions: the Board of Public Works, the West Virginia Lending and Credit Rate Board, the Hospital Finance Authority, the Board of the School Fund, the Council of Finance and Administration, the Advisory Commission to Information Services and Communications Division, and the State Building Commission.

The Office of the State Treasurer consists of an Accounting Division, Automated Check Processing Division, Check Distribution Division, Safekeeping Division, Stop Payments Division, and Unclaimed Property Division.

Accounting Division

The Accounting Division is responsible for payroll, personnel, accounts payable, purchasing, budget, the expenditure schedules, distribution of wine, liquor, and coal severance taxes. The Division compiles all reports that reflect the expenditures of the agency in adhering to the budget process.

Automated Check Processing

The purposes of the Automated Check Processing Division is to receive and mechanically prepare all State warrants and medical forms printed by the State Auditor's Office and the West Virginia Department of Health and Human Resources. These forms include vendor

warrants, payroll warrants, workers' compensation warrants, welfare warrants, and medical cards.

Check Distribution

The purposes of the Check Distribution Division are the same as the Automated Check Processing Division with the addition of processing all inquiries from State agencies and vendors concerning State warrants and medical cards.

Safekeeping

The Safekeeping Division is responsible for: providing cashier services; ensuring that deposits received meet certain criteria in order to be approved by the State Auditor; and securing the transfer of securities from various State agencies or companies owning securities that have accounts with various State agencies to the Treasurer's Office and also the release of these securities back to the proper agency or bank. The Safekeeping Division is also responsible for the processing of applications for and the distribution of monies from the Police and Firemen's Pension Funds as well as receiving and depositing remittances for Crime Victim's Compensation Fund, Regional Jail and Prison Authority, Law Enforcement Training, Probationer Fee, Interest, Family Law Master, Domestic Violence Shelter, and Jury Fees.

Stop Payments

The purpose of the Stop Payments Division is to place a stop payment on all State warrants that are either lost, stolen, or not received.

Unclaimed Property

The purpose of the Unclaimed Property Division is to collect all unclaimed property belonging to residents of the State and return that property to the rightful owners.

WEST VIRGINIA STATE TREASURER
ADMINISTRATIVE OFFICERS AND STAFF

JANUARY 13, 1997

Larrie Baile Treasurer
Sam ColeAssistant Treasurer
JoAnn Petry.....Administrative Assistant
Rene Strigle.....Administrative Assistant
Sherri Sullivan Payroll/Purchasing/Accounting
Mark Ryan Director of Automated Processing/Check Processing
Andy Henson Director of Check Distribution
Jackie Barker..... Director of Automated Information Systems Services
Gail M. Scott..... Director of Safekeeping
Pamela Brown.....Director of Stop Payment
D. Dwight Smith..... Director of Abandoned and Unclaimed Property
Carolyn LeggDirector of Auditing

WEST VIRGINIA STATE TREASURER
SUMMARY OF FINDINGS AND RESPONSES

Lack of Effective System of Internal Controls

1. During the course of our post audit, it became apparent to us, based on the observed violations of the West Virginia Code and other rules and regulations, the State Treasurer's Office did not have an effective system of internal controls in place to insure compliance with applicable State laws, rules and regulations. We believe an effective system of internal controls would have alerted management to these violations at an earlier date and allowed more timely corrective action.

State Treasurer's Response

I have taken several steps to improve the internal control structure of the Treasurer's Office.

(See pages 13-15.)

Cash Shortage in Check-Cashing Fund

2. Our cash count of the Treasurer's Check-Cashing Fund revealed a cash shortage of \$79,999.90. We were able to account for only \$120,000.10 in the fund which should have contained a total of \$200,000.00. The check cashing service has been discontinued and the cash shortage was investigated by the staff of the Commission on Special Investigations in conjunction with the Charleston Police Department.

State Treasurer's Response

I immediately closed the fund. In July 1998, \$200.00 was paid to the State as directed by a plea agreement in this case. (See pages 16 and 17.)

Inadequate Accounting Records - Unclaimed Property Division

3. The Unclaimed Property Division's records documenting the receipt and disposition of unclaimed properties are inadequate and incomplete. We believe the condition of these records has hindered both the Division's ability to generate additional revenues for the State and its efforts to return properties to their rightful owners.

State Treasurer's Office

The computer software used to track unclaimed property has been replaced and this action should correct the problems noted by the legislative auditors. (See pages 17-21.)

Conflicting Work and Travel Records

4. The Treasurer's Office paid a total of \$1,853.79 for travel reimbursements to six employees for days where agency records indicated employees did not work.

State Treasurer's Response

We are now in compliance with the governing statutes relating to these types of transactions. (See pages 21 and 22.)

Incomplete Travel Expense Settlement Forms

5. The Treasurer's Office did not require Travel Expense Settlement Forms to be fully completed when submitted for reimbursement. Therefore, it could not always be determined if expenses were reasonable and in compliance with applicable laws and regulations.

State Treasurer's Response

We are now in compliance with the governing statutes relating to these types of transactions. (See pages 22 and 23.)

Excessive Travel Reimbursements

6. We noted the Treasurer's Office paid \$221.76 for employee travel expenses in excess of the amounts allowed in the Treasurer's Office Travel Regulations.

State Treasurer's Response

We are now in compliance with the governing statutes relating to these types of transactions.

(See pages 23 and 24.)

Incorrect Wine Tax Distribution

7. The Treasurer's Office underpaid Monongalia County \$21,756.56 and the City of White Sulphur Springs \$18,166.95 for their wine tax distributions during our test period.

State Treasurer's Response

The correction was to be made to the reports for the next distribution. Our office cannot make changes to the distribution list received from the Department of Tax and Revenue. (See pages 24 and 25.)

Miscalculation of Increment Pay

8. Based on our calculations, the Treasurer's Office overpaid seven employees a total of \$3,006.00 in annual increment payments.

State Treasurer's Response

The problem has been corrected. (See pages 25 and 26.)

Overtime Calculation

9. Eight employees were paid overtime which cost the Treasurer's Office a total of \$1,471.69 in excess of what the State's labor law requires. Also, an executive employee was unnecessarily paid overtime which cost the Treasurer's Office \$433.73.

State Treasurer's Response

All overtime is now calculated in accordance with federal and state laws. (See pages 26-28.)

Incorrect Sick & Annual Leave Balances

10. Based on our calculations of employee leave balances, four employees had overstated annual leave balances totaling 37.5 days, one employee had an understated annual leave balance of 2.0 days, and two employees had overstated sick leave balances totaling 1.6 days. Due to these errors, three of these employees were overcompensated a total of \$3,251.61 for unused annual leave settlements when they terminated employment with the Treasurer's Office.

State Treasurer's Response

The problem had been corrected. (See pages 28-30.)

Miscalculation of Final Pay

11. The Treasurer's Office miscalculated the final payment of unused annual leave and prorata annual increment for three employees. As a result, two employees were overpaid a total of \$1,241.36 and one employee was underpaid \$48.04.

State Treasurer's Response

Appropriate procedures are now in place to correct the problem. (See pages 30-32.)

Equipment Inventory

12. The Treasurer's Office did not have a complete equipment inventory list on file for our audit period. Also, two notebook computers purchased for \$2,580.00 could not be located or traced to the Treasurer's Office current inventory list.

State Treasurer's Response

We have developed an equipment inventory program to correct the problems you noted. (See pages 32 and 33.)

WEST VIRGINIA STATE TREASURER

GENERAL REMARKS

INTRODUCTION

We have completed a post audit of the Office of the West Virginia State Treasurer. The audit covered the period January 12, 1985 through January 13, 1997.

GENERAL REVENUE ACCOUNTS

The West Virginia State Treasurer was appropriated funds for the general operations of the Office of the State Treasurer in the following accounts during the period of examination:

<u>Fund Number</u>	<u>Old Account Number</u>	<u>Description</u>
0126-001	1600-00	Personal Services
0126-002	1600-X0	Salary of Elected Officials
0126-004	1600-66	Annual Increment
0126-006	1600-04	Imaging System (FY95)
0126-006	1600-04	Imaging System (FY96)
0126-010	1600-35	Employee Benefits
0126-099	1600-13	Unclassified
0126-118	1600-38	Abandoned Property Program
0126-518	N/A.....	Hardware/Software Up-grade
0126-511	1600-86	Revenues from Horse and Dog Races
0126-584	N/A.....	Fines and Penalties
0126-561	1600-80	Closed/Inactive Ac-counts and Other In-come
0126-554	1600-85	Abandoned and Un-claimed Property Transfer
0126-553	N/A.....	Statutory Transfers
0126-523	1600-82	Investment Earnings
0127-553	N/A.....	Statutory Transfers
0535-564	1600-83	Prior Year Expiring Funds
0542-565	N/A.....	Probation Fees

SPECIAL REVENUE ACCOUNTS

During the audit period, the West Virginia State Treasurer operated the following special revenue accounts:

<u>Fund Number</u>	<u>Old Account Number</u>	<u>Description</u>
1302-099	8001-10.....	Unclassified
1302-640	8001-10.....	Rewrite Old/Lost Checks Fund
1304-099	8001-35.....	Unclassified
1304-640	8001-35.....	Foreign Check Fees - Clearing Fund
1306-099	8001-53.....	Unclassified
1306-999	8001-53.....	Governor's Contingency Transfers
1307-099	8002-05.....	Unclassified
1307-640	8002-05.....	Liquor Municipal Tax Fund
1309-099	8002-24.....	Unclassified
1309-640	8002-24.....	Municipal Pension and Protection Fund - 1% Distribution Fund
1311-099	8003-05.....	Unclassified
1311-640	8003-05.....	County Coal Revenue Fund - 75% Fund
1312-099	8003-06.....	Unclassified
1312-640	8003-06.....	County and Municipal Fund - 25% Fund
1313-503	8003-16.....	Personal Income Tax
1313-640	8003-16.....	Special Income Tax Refund Reserve Fund
1314-099	8003-18.....	Unclassified
1314-640	8003-18.....	Jury Fees Funds
1315-099	N/A.....	Unclassified
1315-523	N/A.....	Investment Earnings
1315-640	N/A.....	Fire Protection Dis-tribution Fund
1315-553	N/A.....	Statutory Transfers
1316-640	N/A.....	Tobacco Company Set-tlement Proceeds
1316-523	N/A.....	Investment Earnings
1317-504	N/A.....	All Counties and Mu-nicipalities Revenue Fund 25% - Severance Tax
1318-504	N/A.....	Oil and Gas County Revenue Fund - 75% Severance Tax

COMPLIANCE MATTERS

Chapter 12, Articles 1 through 6 and Chapter 36, Article 8 of the West Virginia Code generally govern the Office of the West Virginia State Treasurer. We tested applicable sections of the above plus the State Treasurer's regulations and other applicable chapters, articles, and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are discussed below.

Lack of Effective System of Internal Controls

During the course of our post audit, it became apparent to us, based on the observed violations of the West Virginia Code and other rules and regulations which governed the State Treasurer's Office, the State Treasurer's Office did not have an effective system of internal controls in place to insure compliance with applicable State laws, rules and regulations.

Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, states in part:

“The head of each agency shall: . . .
(b) Make and maintain records containing adequate and proper documentation of the organization functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities....”

This law requires the agency head to have in place an effective system of internal controls in the form of policies and procedures set up to insure the agency operates in compliance with the laws, rules, and regulations which govern it.

During our audit of the State Treasurer's Office, we found the following violations of State laws or other rules and regulations: **(1)**. An \$79,999.90 cash shortage in the State Treasurer's Check-Cashing Fund; **(2)**. Inadequate accounting records maintained by the

Unclaimed Property Division in relation to the receipting, recording, and disposition of unclaimed property; **(3)**. Six employees were reimbursed a total of \$1,853.79 for travel expenses where the agency records indicated the employees were not working; **(4)**. Employees were not required to fully complete their travel expense settlement forms when submitted for reimbursement; **(5)**. Three employees were reimbursed \$221.76 for travel expenses in excess of the amounts allowed by the State Treasurer's Office Travel Regulations; **(6)**. One county was underpaid \$21,756.56 and one municipality was underpaid \$18,166.95 for their wine tax distribution during the period July 1, 1994 - January 10, 1997; **(7)**. Seven employees were overpaid a total of \$3,006.00 in annual increment payments; **(8)**. Eight employees were paid overtime at a cost of \$1,471.69 more than what the State's labor law required the State Treasurer to pay them; **(9)**. Three employees were overcompensated a total of \$3,251.61 for unused annual leave settlements when they terminated their employment with the State Treasurer's Office; **(10)**. Two employees were overpaid a total of \$1,241.36 and one employee was underpaid \$48.08 for their final payment of unused annual leave and prorata annual increment; and **(11)**. Two notebook computers costing a total of \$2,580.00 could not be located or traced to the current inventory list of the State Treasurer's Office.

We believe, if the State Treasurer's Office would have had an effective system of internal controls in place, management would have been aware of these violations of State laws, rules, and regulations at an earlier date and would have been able to take corrective action in a more timely fashion. The following pages of this report contain additional information regarding the specific violations of State laws, rules, and regulations which came to our attention.

State Treasurer's Response

I recognize the importance of having an effective system of internal controls. Since assuming office, I have taken steps to improve the internal control structure of the Treasurer's Office. I have changed the organizational structure to better define the responsibilities, authority, and accountability of each of the Office's divisions and their respective employees.

As part of an ongoing process, I have required that each division prepare operating procedures that outline the applicable State laws, rules or regulations that govern their functions and the procedures that are used to ensure their operations are carried out in compliance with such laws, rules and regulations. For example, West Virginia State Code §12-5-5 prescribes that the Treasurer shall designate certain employees to take special care of the securities held in the vault. Further §12-5-5 also states that only the Treasurer and the designated employees shall have access to the securities, and at least two of these employees must be present whenever the securities are handled. I have implemented procedures that designate eight employees as having authority to enter the vault. At least two of these employees must be present at the time the vault is opened and closed or when the securities are handled.

I have hired an internal auditor to review the procedures and ongoing operations of each division to ensure that appropriate controls are in place to comply with applicable laws, rules and regulations. The internal auditor reports the results of his audits and related recommendations directly to me.

Cash Shortage In Check-Cashing Fund

As a part of our audit we performed a cash count of the State Treasurer's Check-Cashing Fund which consisted of two separate funds of \$100,000.00 each for a total of \$200,000.00. We originally attempted to accomplish this cash count on the afternoon of January 10, 1997, the final business day before the change of administration. Since only one of the two employees who were each assigned control of a \$100,000.00 cash fund was present that afternoon, we did not complete the cash count that day. We returned to the Treasurer's Office on January 14, 1997, at the start of the first business day after the change of administration and conducted a cash count at that time.

Our count revealed a total cash shortage of \$79,999.90 with one cash fund containing \$23,000.10 and the other containing \$97,000.00 for a total of \$120,000.10 in cash on hand. We immediately notified the staff of the Commission on Special Investigations who in conjunction with the Charleston Police Department conducted an investigation which has resulted in the indictment of three individuals. Two of these individuals have signed plea agreements in which they were ordered to make restitution to the State. One has been ordered to make restitution in the amount of \$26,666.63 and sentenced to five years probation. A second individual, as part of a plea agreement, was ordered to make restitution in the amount of \$11,480.00 and is scheduled for sentencing in October of this year. The third person who was indicted is scheduled to go to trial in November of this year.

The Treasurer discontinued the check cashing service in his office the same day the cash shortage was discovered and the \$120,000.10 was deposited into the State's General Revenue Fund.

State Treasurer's Response

On the day the shortage was found, I closed this fund. It should be noted that in July 1998 Melissa Neace repaid \$200.00 as part of the plea agreement.

It should be noted that as of this date none of the funds required to be repaid by Marilyn Celeta Harris have been paid as part of the plea agreement.

**Inadequate Accounting Records -
Unclaimed Property Division**

The Treasurer's Office Unclaimed Property Division deposited approximately \$6.8 million in net revenues in the State's General Revenue Fund from July 1, 1994 through January 10, 1997. However, we believe inadequate and incomplete records have hindered the Division's efforts in generating additional revenues and, as a result, unclaimed property has not been fully realized as a revenue source for the State. We also believe the condition of the Division's records may have prevented persons with valid claims from recovering their properties.

Chapter 36, Article 8, Section 13 of the West Virginia Code, states in part:

“... The administrator shall record the name and last known address of each person appearing from the holders' reports to be entitled to the property and the name and last known address of each insured person or annuitant and beneficiary and with respect to each policy or annuity listed in the report of an insurance company, its number, the name of the company and the amount due...”

In accordance with the Uniform Disposition of Unclaimed Property Act, various entities (holders) are required to submit unclaimed properties, as defined by the Act, to the Office of the State Treasurer's Unclaimed Property Division. The primary records maintained by the Division documenting the receipt and disposition for such properties are as follows:

<u>Record</u>	<u>Description</u>
Holder Reports.....	Prepared by holders and submitted with unclaimed properties - the reports describe abandoned properties and identify last owners (if known).
Accounts' Database.....	Primary record for unclaimed properties - used to record holder and owner information and account balances.
Claims' Database.....	Record of information pertaining to claims of unclaimed properties.
Claims' Files.....	Used to store hard copy documents related to claims.

During our audit of the accounting records of the Division, we attempted to trace 190 unclaimed property accounts listed on Holder Reports to the Accounts' Database. We noted 27 or 14.2% contained one or more recording errors. We also attempted to trace 73 claimed accounts obtained from Holder Reports and Claims' Files to the Claims' Database. We noted 19 or 26.0% of these claims contained one or more recording errors. While selecting accounts and claims information from holder files, we noted holder reports and other supporting documents were often misfiled.

The Director of the Unclaimed Property Division stated the information in the Accounts' Database entered after July 1996, was essentially correct. He added the information entered before July 1996, however, was incomplete and inaccurate. The Director attributed database errors to changes in the database systems made over the past eight years and the filing errors to the use of temporary employees.

Non-monetary personal properties of value are auctioned and the proceeds deposited. At the time items are auctioned, bid prices are recorded on Ticket Receipts.

According to the Ticket Receipts we audited for two auctions held in January and October 1996, bids exceeded deposits by a total of \$879.35. These differences are shown in the following table:

<u>Auction</u>	<u>Bid Totals</u>	<u>Deposit Totals</u>	<u>Bids Over/ (Under) Deposits</u>
January 96	\$27,315.90	\$26,410.20	\$905.70
October 96	<u>35,878.65</u>	<u>35,905.00</u>	<u>(26.35)</u>
TOTALS	<u>\$63,194.55</u>	<u>\$62,315.20</u>	<u>\$879.35</u>

Based on interviews with Treasurer's Office personnel and the results of our test, receipts for auctions are not properly reconciled to deposits. As a result, we were unable to determine if all moneys received for auctioned items were deposited.

During our audit of unclaimed property securities, we noted the Unclaimed Property Division maintained a record of the securities received from holders. However, this record was not reconciled with the quarterly reports prepared and forwarded to the Division by the bank holding the securities in trust. Also, the Division's record reflected only current totals for securities by issue name (e.g., General Electric, AT&T, etc.). The record did not document receipts and transfers of securities.

We requested the Division research the Accounts Database or Holder Report files to explain the source of four receipts of securities listed on the Custodial Bank Report. The Division was unable to find documentation explaining two security receipts with a total market value of \$3,970.38. In addition, we requested the Division research their Claims' Files or Claims' Database to establish the reason for 17 transfers of securities made to individuals that

were listed on the Bank Report. The Division was unable to locate documentation explaining two transfers of securities with a total market value of \$4,003.25.

The Division received and deposited \$8,428.59 from the Federal Deposit Insurance Corporation (FDIC). The Division Director stated no owner information accompanied the remittance and subsequent attempts by the Division to obtain information from the FDIC were unsuccessful. Since the Division has no record of owners, claims cannot be paid from these moneys. According to the Director, the Division must return all unclaimed FDIC moneys after ten years.

We were told that no record exists documenting the date moneys were received by the Unclaimed Property Division. Therefore, we were unable to determine if moneys were deposited within twenty-four hours as required by Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended, which states in part:

“All officials and employees of the state authorized by statute to accept moneys due the state of West Virginia . . . shall deposit within twenty-four hours with the state board of investments all moneys received or collected by them for or on behalf of the state for any purpose whatsoever. . . .”

State Treasurer's Response

Upon assuming office, I requested my staff to review the entire operation of this division. Most of the problems could be traced to the computer software program being used to track unclaimed property information. It appears that when this program was made operational, no parallel testing was done and all records over three years old were lost. Also, this program didn't adequately track the accounts.

I undertook a national search for a software program to replace this system and provide my office more accountability for the assets maintained within this division. In July 1998 we purchased a software package developed by the Virginia Treasurer's Office, Unclaimed Property Division. It appears that this software will address most of the problems that have previously been identified and will give our office better controls for both receipts and claims.

Conflicting Work and Travel Records

The Treasurer's Office paid a total of \$1,853.79 for travel reimbursements for days where agency records indicated employees did not work. Of this amount, the Treasurer's Office paid for 48 days of travel totaling \$1,662.57 to four field representatives; however, their respective time records indicated the employees did not work those days. Also, the Treasurer's Office paid one employee \$160.84 for travel expenses incurred from December 5, 1994 through December 9, 1994. The employee's time record showed that he worked on those days, but the employee's leave record showed he was on annual leave. The Treasurer's Office reimbursed another employee \$30.38 for single-day travel expenses incurred on Saturday, September 7, 1996. The employee's work record, however, did not show the employee worked that day.

West Virginia Code Chapter 12, Article 3, Section 13, as amended, states:

“No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered.”

Apparently, the Treasurer's Office did not investigate and reconcile differences between conflicting records. Consequently, we believe they may have reimbursed employees a total of \$1, 853.79 for travel expenses in which no State business was conducted.

State Treasurer's Response

I have directed my staff to review how all work and travel records are maintained. It appears that we are in compliance with the recommendations contained in your audit findings for these items.

Incomplete Travel Expense Settlement Forms

The Treasurer's Office expended approximately \$93,000.00 for travel during the period July 1, 1994 through January 10, 1997. However, based on our audit of travel, the Treasurer's Office did not require employees to fully complete Travel Expense Settlement Forms before reimbursements were made. As a result, we could not always determine if travel reimbursements were reasonable.

Section 2.02 of the Office of the State Treasurer's Travel Regulations states in part:

“(a) Itemized Expense Account - An actual itemized expense account must be filed on the provided travel form . . .”

Most of the Travel Expense Settlement Forms we audited did not have the time column completed. Also, many forms failed to show adequately employees' travel destinations in the city/state column of the settlement form. For example, it was the practice of one field representative, who was reimbursed approximately \$18,500.00 for travel expenses during our test period, to list only the county as a travel destination. Based on our findings, the Treasurer's Office did not follow their travel regulations.

Completed time columns are necessary in determining when employees are on travel status. This also allows supervisors and other interested parties to determine if travel times

are reasonable. Additionally, determining employees' travel destinations and the reasonableness of mileage charges are not possible when only counties are disclosed on the forms.

State Treasurer's Response

I have directed my staff to review how all work and travel records are maintained. It appears that we are in compliance with the recommendations contained in your audit findings for these items.

Excessive Travel Reimbursements

The Treasurer's Office paid travel reimbursements which exceeded the amount allowed in the Treasurer's Office Travel Regulations by a total of \$221.76. Of this amount, the Treasurer's Office paid \$34.51 in excess of the amount allowed for an employee's out-of-state meals.

Section 3.02(b)(1) of the Office of the State Treasurer's Travel Regulations, states in part:

“Reimbursement will be made for meals for the actual costs of meals while absent from official stations, but shall not exceed Forty-Five Dollars (\$45) per day. In major cities and metropolitan areas, the reimbursable cost for meals shall be increased to a maximum of Seventy-Five Dollars (\$75) per day.”

Also, two employees had hotel reimbursements that exceeded the amount allowed in the Treasurer's Office Travel Regulations by a total of \$141.68. Both employees' spouses accompanied them on their trips and both employees received full reimbursement for their hotel expenses. We believe the employees should have only been reimbursed 80% of their hotel expenses as set out in Section 5.03 of the Office of the State Treasurer's Travel Regulations, which states in part:

“Spouses Accompanying Employees - When Spouses accompany employees on in-state or out-of-state official business which involves overnight stays,. . .(a) the Office of the State Treasurer will reimburse the employee for only eighty (80) percent of the employee’s hotel or motel lodging expense . . .”

Another employee was apparently reimbursed twice for the same travel expenses. The employee was reimbursed \$41.07 on June 22, 1995 for meals and mileage expense incurred on June 15, and June 16, 1995. He was also reimbursed \$45.57 on November 11, 1995 for meals and mileage expense incurred on June 15, and June 16, 1995. On both Travel Expense Settlement Forms the employee stated the expenses were incurred for travel to and from Pipestem State Park.

Section 2.01 of the State Treasurer’s Office Travel Regulations state in part:

“General Purpose - In-state travel costs will be reimbursed only for travel necessary for the proper conduct of the State’s Business.”

We believe the employees’ travel expense forms were not adequately reviewed for compliance with the State Treasurer’s Office Travel Regulations before they were paid.

State Treasurer’s Response

I have directed my staff to review how all work and travel records are maintained. It appears that we are in compliance with the recommendations contained in your audit findings for these items.

Incorrect Wine Tax Distribution

We noted the Treasurer’s Office underpaid Monongalia County \$21,756.56 and the City of White Sulphur Springs \$18,166.95 for their wine tax distributions during our audit period. As a result, the two entities were deprived of the moneys on which they depend for operation.

Chapter 60, Article 3A, Section 21, of the West Virginia code, states in part:

“(a) For the purpose of providing financial assistance to and for the use and benefit of the various counties and municipalities of this state, there is hereby levied tax upon all purchases of liquor from retail licensees. . . .

“(c). . . all such taxes shall be deposited with the state treasurer and distributed quarterly by the state treasurer upon warrants of the auditor payable to the counties and municipalities.”

The underpayments were due to clerical errors. When we brought these errors to the attention of the responsible employee in the Treasurer’s Office, corrections were made and the two entities received the balance due them.

State Treasurer’s Response

As soon as my staff was made aware of this error, the Tax Division was notified. The correction was to be made to the reports for the next distribution. Our office cannot make changes to the distribution list received from the Department of Tax and Revenue.

Miscalculation of Increment Pay

The Treasurer’s Office miscalculated the annual increment payments for seven employees. As a result, these employees were overpaid a total of \$3,006.00.

Chapter 5, Article 5, Section 2, of the West Virginia Code, as amended, states in part:

“. . . Effective for the fiscal year beginning the first day of July, one thousand nine hundred eighty-five, every eligible employee with three or more years of service shall receive an annual salary increase equal to thirty-six dollars times the employees’ years of service, not to exceed twenty years of service. In each fiscal year thereafter and on the first day thereof, each such employee shall receive an annual increment increase of thirty-six dollars for such fiscal year: Provided, That every employee becoming newly eligible as a result of meeting the three years of service minimum requirement on the first day of July in any fiscal year subsequent to

one thousand nine hundred eighty-five, shall be entitled to the annual salary increase equal to aforesaid thirty-six dollars times the employee's years of service, . . .”

During the 1996 regular session, the West Virginia Legislature increased annual increment from \$36.00 to \$50.00 times an employee's years of service. Chapter 5, Article 5, Section 2, as amended, March 9, 1996, states in part:

“Effective for the fiscal year beginning the first day of July, one thousand nine hundred ninety-six, every eligible employee with three or more years of service shall receive an annual salary increase equal to fifty dollars times the employees' years of service, not to exceed twenty years of service. . . .”

Our examination of the Treasurer's Office calculations for the seven overpaid employees indicated: (1) four employees were incorrectly given credit for non-state service; (2) two employees were given credit for temporary service; and (3) one employee's years of service was miscalculated. A payroll employee agreed the seven employees were overpaid.

State Treasurer's Response

As soon as my staff was made aware of this problem, it was corrected.

Overtime Calculation

We calculated 256.58 hours of overtime paid to eight Treasurer's Office employees during the period January 1, 1995 through December 31, 1996. These employees were paid overtime which cost the Treasurer's Office a total of \$1,471.69 in excess of what the State's labor law requires.

Chapter 21, Article 5C, Section 3 of the West Virginia code, as amended, states in part:

“(a) On and after the first day July, one thousand nine hundred eighty, no employer shall employ any of his employees for a workweek longer than forty hours, unless such employee receives

compensation for this employment in excess of the hours above specified at a rate of not less than one and one-half times the regular rate at which he is employed. . . .”

Also, Title 42, Series 8, Sections 9.2 and 9.3 of the Division of Labor’s

Legislative Rules define nonwork time and work time as follows:

“9.2. Nonwork time. -- Periods during which an employee is completely relieved from duty and which are long enough to enable him to use the time effectively for his own time are not hours worked.

9.3. Work time. -- The employee whose time is spent in physical or mental exertion under control and direction of the employer constitutes hours worked.”

The Treasurer’s Office paid overtime at a time and one-half rate to their employees for time worked beyond 35 hours per week during our test period. Furthermore, the Treasurer’s Office considered holidays, sick leave, and annual leave as work time in their calculations of overtime.

We consider the use of an overtime pay rate for all hours worked beyond the employees’ normal workweek (35 hours), but less than 40 hours, an extravagant method of compensating employees. Furthermore, we believe time taken off for holidays, sick leave, and annual leave should not be included as work time in the overtime calculation; rather, these hours should be paid at a regular hourly rate.

In addition, we noted “Overtime Request” forms were not available for the July 16, 1994 through December 31, 1994 payroll cycles as well as for the February 15, 1996 payroll cycle. As a result, we could not verify the accuracy or entitlement of \$981.95 in overtime to four employees.

Also, an executive employee was unnecessarily paid overtime for work during the January 1996-auction. This cost the Treasurer's Office \$433.73. Chapter 21, Article 5C, Section 1 (f) of the West Virginia Code defines an employee subject to overtime pay as:

“ . . . any individual employed by an employer but shall not include . . . (6) any individual employed in a bona fide professional, executive or administrative capacity. . . .”

However, we noted this executive employee was previously underpaid \$79.66 on the August 16, 1994-payroll. The underpayment was a result of a miscalculated payroll adjustment.

State Treasurer's Response

Upon assuming office, I switched my staff to a 40-hour workweek. To the best of my knowledge, all overtime is calculated in accordance with federal and state laws.

Incorrect Sick & Annual Leave Balances

Based on our calculations of employee leave balances, four employees had overstated annual leave balances totaling 37.5 days and one employee had an understated annual leave balance of 2.0 days. Also, we noted two employees had overstated sick leave balances totaling 1.6 days. Three of the employees with overstated annual leave balances resigned from the Treasurer's Office and were paid for unused annual leave. Due to these errors, these three employees were overcompensated a total of \$3,251.61.

The leave policy of the Treasurer's Office states in part:

“Leave Records: The State Treasurer's Office shall maintain a current leave record of its employees' accrued and used leave . . . Department heads and employees shall attest to the accuracy of the records . . .”

The differences in the leave balances were attributable to the following: 1) Miscalculations of sick and annual leave accruals for partially worked months; 2) Miscalculations of leave balances; 3) Improper accrual of sick and annual leave during leaves of absence; 4) Misinterpretations of qualifying service for determination of annual leave accrual rates.

While examining the leave records in our test period, we noted leave request forms and time sheets could not always be reconciled to the Treasurer's Office leave records. We noted 30 instances where employees' leave records did not agree with the employees' leave request forms and 36 instances where employees' leave records did not agree with employees' time sheets.

Apparently, department heads and employees are not attesting to the accuracy of the leave records as required by the Treasurer's Office leave policy. As a result, employees may be granted or denied sick and annual leave based on an incorrect balance.

In addition, the Treasurer's Office worked seven-hour days during our audit period. However, sick and annual leave were accrued based on an eight-hour day. We believe overstatements in employees' sick and annual leave balances may be created following the eight-hour method utilized by Treasurer's Office for calculating leave balances. During the period July 1, 1994 through December 31, 1996 the Treasurer's Office had the policy of charging sick or annual leave in two hour increments. Based on these policies, the potentials for overstated leave balances are as follows:

<u>EIGHT HOUR DAY</u>	<u>SEVEN HOUR DAY</u>	<u>DIFFERENCE</u>
2 Hours = .250 Days	2 Hours = .286 Days	.036 Days
4 Hours = .500 Days	4 Hours = .571 Days	.071 Days

<u>EIGHT HOUR DAY</u>	<u>SEVEN HOUR DAY</u>	<u>DIFFERENCE</u>
6 Hours = .750 Days	6 Hours = .857 Days	.107 Days
8 Hours = 1.0 Days	7 Hours = 1.0 Days	-0- Days

An improper amount may be charged to employees' leave balances when following the eight-hour method of calculating sick or annual leave balances. In instances where any increment of leave other than a full day is taken following this method, employees' leave balances may be overstated.

Any errors in leave balances could result in employees being overcompensated or under compensated for their services upon their resignation or retirement. Also, this may result in employees taking unearned leave.

State Treasurer's Response

As soon as my staff was made aware of the problem it was corrected.

Miscalculation of Final Pay

The Treasurer's Office miscalculated the final payment of unused annual leave and prorata annual increment for three employees when their employment terminated with the Treasurer's Office. As a result, two employees were overpaid a total of \$1,241.36 and one employee was underpaid \$48.04.

Letter 'C' of the "Attendance and Leave" section of the Office of the State Treasurer's Personnel Policy states in part:

" . . . No employee is entitled to payment for any holiday which occurs prior to the first day of work or after the effective date of separation."

Letter 'F', Number 2 of the "Annual Leave" section of the Office of the State Treasurer's Personnel Policy states in part:

“Any eligible employee as defined in WV Code §5-5-1, as amended, who is separated from employment by resignation, layoff, dismissal, retirement, death, or termination, may be paid in a lump sum, at his option, for accrued and unused annual leave. Terminal leave payment for an employee who selects a lump sum payment shall be calculated using the daily rate of pay for the half-month(s) or portion of the month which the accrued and unused annual leave covers.”

Chapter 5, Article 5, Section 1 of the West Virginia Code, as amended, that addresses annual increment payments, states in part:

“ . . . (2) ‘years of service’ means full years of totaled service as an employee of the state of West Virginia; . . . ”

Lastly, the Attorney General’s Opinion No. 37, dated June 27, 1990 states in part:

“Considering that this section’s incremental increase constitutes part of an eligible state employee’s regular pay for services previously rendered, any such employee has a statutory right to any accrued pro rata share of that increment owing but not due on his final day of employment. . . .”

The differences in the amounts were due to the following: (1) inclusion of holiday pay after the effective date of separation; (2) inclusion of annual increment in hourly rates; (3) accrual of annual leave after the effective date of separation; (4) inclusion of non-state employment in calculating employees’ prorated increment settlements; and (5) failure to pay a prorated annual increment to an employee.

A payroll employee agreed the payments were calculated incorrectly and added the Treasurer’s Office was not always consistent in making their calculations. The employee added that, on occasion, the Comptroller or the Assistant Treasurer would instruct her on how to calculate a particular payment.

State Treasurer's Response

Appropriate procedures are now in place to ensure that all final pay and increment pay is calculated correctly.

Equipment Inventory

The Treasurer's Office had equipment purchases totaling approximately \$391,000.00 during July 1, 1994 through January 13, 1997. However, no complete inventory list for this period was available for our review. Without accurate inventory records, the Treasurer's Office has no means to effectively manage their inventory. As a result, the likelihood of losses and thefts are increased.

Chapter 5A, Article 3, Section 36 of the West Virginia Code, as amended, states in part:

“The director shall have the power and the duty to: (1) Make and keep current an inventory of all removable property belonging to the state. Such inventory shall be kept on file in the office of the director as a public record. The inventory shall disclose the name and address of the vendor, the date of the purchase, the price paid for the property therein described and the disposition thereof; . . .”

Upon request, a current inventory list was completed and submitted for our review. While the inventory list was a step in the right direction in safeguarding assets, we noted this list did not include vendor names and addresses, dates of purchase, or the purchase prices of listed equipment. Also, we were unable to locate or trace the two notebook computers costing \$2,580.00 to this inventory list. In addition, three other notebook computers costing \$5,700.00 were located, but these computers were neither tagged with an inventory number nor included on the inventory list.

Based on conversations with Treasurer's Office personnel, no employee was made responsible for conducting inventories, maintaining current inventory lists, and submitting completed lists to the Purchasing Division as required by statute.

State Treasurer's Response

My staff has developed an equipment inventory program to track all equipment from the time of purchase until retirement. All equipment will be bar-coded to ensure the ability to track the equipment by location.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of the West Virginia State Treasurer for the period ending January 13, 1997 and for the years ending June 30, 1996 and June 30, 1995. The financial statement is the responsibility of the management of the West Virginia State Treasurer. Our responsibility is to express an opinion on the financial statement based on our audit.

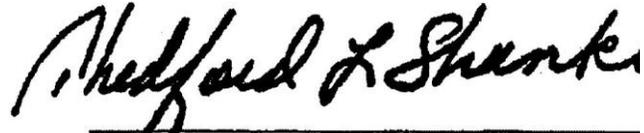
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, the financial statement was prepared on the cash and modified cash bases of accounting, which are comprehensive bases of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the appropriations and expenditures and revenues collected and expenses paid of the West Virginia State Treasurer for the period ended January 13, 1997 and the years ended June 30, 1996 and June 30, 1995 on the bases of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,



Theoford L. Shanklin, CPA, Director
Legislative Post Audit Division

December 1, 1997

Auditors: Nick Arvon, Supervisor
Peter J. Maruish, Jr., CPA,
Auditor-in-Charge
Stanley D. Lynch, CPA
Noah E. Cochran
David N. Harris

**WEST VIRGINIA STATE TREASURER
STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/
DISBURSEMENTS AND CHANGES IN FUND BALANCES**

Period Ended January 13, 1997

	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Combined Totals</u>
Appropriations/Cash Receipts:			
Appropriations	\$1,367,587.00	\$ 0.00	\$ 1,367,587.00
Abandoned & Unclaimed Property Transfer	202,559.00	0.00	202,559.00
Collections, Fees, and Other Income	2,521,331.07	17,112,081.89	19,633,412.96
Operating Fund Transfer	0.00	13,399,522.19	13,399,522.19
Personal Income Tax	0.00	0.00	0.00
Transfers From Investment Accounts	<u>0.00</u>	<u>6,508,871.06</u>	<u>6,508,871.06</u>
	4,091,477.07	37,020,475.14	41,111,952.21
Expenditures/Disbursements:			
Personal Services	422,627.71	0.00	422,627.71
Annual Increment	8,600.00	0.00	8,600.00
Employee Benefits	112,824.48	0.00	112,824.48
Imaging System	5,774.44	0.00	5,774.44
Current Expenses	104,460.23	0.00	104,460.23
Repairs and Alterations	2,039.81	0.00	2,039.81
Equipment	28,066.90	0.00	28,066.90
County and Municipalities	0.00	18,485,081.56	18,485,081.56
Reissue - 6 Month Checks	0.00	(117,674.09)	(117,674.09)
Payment of Coal Severance to Counties	0.00	3,041,002.45	3,041,002.45
Transfers to Investment Accounts	<u>0.00</u>	<u>6,508,871.06</u>	<u>6,508,871.06</u>
	<u>684,393.57</u>	<u>27,917,280.98</u>	<u>28,601,674.55</u>
Less: Reimbursements	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Disbursements	<u>684,393.57</u>	<u>27,917,280.98</u>	<u>28,601,674.55</u>
Appropriations/Cash Receipts Over/(Under)			
Expenditures Disbursements	3,407,083.50	9,103,194.16	12,510,277.66
Expirations and Expenditures After June 30	0.00	0.00	0.00
Beginning Balance	<u>89,697.90</u>	<u>41,268,303.64</u>	<u>41,358,001.54</u>
Ending Balance	<u>\$ 3,496,781.40</u>	<u>\$50,371,497.80</u>	<u>\$53,868,279.20</u>

See Notes to Financial Statements

<u>Year Ended June 30 , 1996</u>			<u>Year Ended June 30 , 1995</u>		
<u>General Revenue</u>	<u>Special Revenue</u>	<u>Combined Totals</u>	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Combined Totals</u>
\$1,470,822.00	\$ 0.00	\$ 1,470,822.00	\$ 1,470,822.00	\$ 0.00	\$ 1,470,822.00
3,852,671.64	0.00	3,852,671.64	2,755,055.01	0.00	2,755,055.01
2,674,988.80	26,098,818.86	28,773,807.66	10,107,753.78	25,843,870.89	35,951,624.67
0.00	12,150,505.08	12,150,505.08	0.00	11,846,845.95	11,846,845.95
0.00	(26,955.07)	(26,955.07)	0.00	10,000,000.00	10,000,000.00
<u>0.00</u>	<u>6,088,283.03</u>	<u>6,088,283.03</u>	<u>0.00</u>	<u>6,021,736.32</u>	<u>6,021,736.32</u>
7,998,482.44	44,310,651.90	52,309,134.34	14,333,630.79	53,712,453.16	68,046,083.95
708,563.05	0.00	708,563.05	663,943.03	0.00	663,943.03
0.00	0.00	0.00	0.00	0.00	0.00
208,853.00	0.00	208,853.00	201,738.38	0.00	201,738.38
35,486.10	0.00	35,486.10	249,816.00	0.00	249,816.00
229,699.37	0.00	229,699.37	192,126.19	0.00	192,126.19
2,395.16	0.00	2,395.16	12,437.04	0.00	12,437.04
21,640.32	0.00	21,640.32	58,137.15	0.00	58,137.15
0.00	26,315,114.96	26,315,114.96	0.00	25,436,542.25	25,436,542.25
0.00	(36,689.59)	(36,689.59)	0.00	96,150.63	96,150.63
0.00	11,516,824.65	11,516,824.65	0.00	11,902,057.17	11,902,057.17
<u>0.00</u>	<u>6,288,283.03</u>	<u>6,288,283.03</u>	<u>0.00</u>	<u>6,021,736.32</u>	<u>6,021,736.32</u>
<u>1,206,637.00</u>	<u>44,083,533.05</u>	<u>45,290,170.05</u>	<u>1,378,197.79</u>	<u>43,456,486.37</u>	<u>44,834,684.16</u>
<u>8,333.30</u>	<u>0.00</u>	<u>8,333.30</u>	<u>9,999.96</u>	<u>0.00</u>	<u>9,999.96</u>
<u>1,198,303.70</u>	<u>44,083,533.05</u>	<u>45,281,836.75</u>	<u>1,368,197.83</u>	<u>43,456,486.37</u>	<u>44,824,684.20</u>
6,800,178.74	227,118.85	7,027,297.59	12,965,432.96	10,255,966.79	23,221,399.75
6,710,664.84	0.00	6,710,664.84	13,090,248.96	0.00	13,090,248.96
<u>184.00</u>	<u>41,041,184.79</u>	<u>41,041,368.79</u>	<u>125,000.00</u>	<u>30,785,218.00</u>	<u>30,910,218.00</u>
<u>\$ 89,697.90</u>	<u>\$ 41,268,303.64</u>	<u>\$ 41,358,001.54</u>	<u>\$ 184.00</u>	<u>\$41,041,184.79</u>	<u>\$41,041,368.79</u>

WEST VIRGINIA STATE TREASURER

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 31-day carry-over period is provided at the end of each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 31 days after the fiscal year-end; however, appropriations for buildings and land remain in effect until three years after the passage of the act by which such appropriations were made. The cash basis of accounting is followed by all other funds. Therefore, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Expenditures paid after June 30 in the carry-over period and expirations were as follows:

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>Paid After June 30,</u>		<u>July 31,</u>	<u>July 31,</u>
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Personal Services	(\$ 992.39)	(\$ 6,722.60)	\$ 65,718.58	\$ 77,809.41
Annual Increment	0.00	0.00	2,686.90	2,053.97
Employee Benefits	4,992.39	4,930.37	19,428.29	15,611.41
Unclassified	19,449.66	3,339.36	43,882.80	49,424.83
Abandoned & Unclaimed Property	1,922.36	22,132.49	6,638.99	4,860.93
Hardware/Software Upgrade	<u>132.93</u>	<u>20,431.50</u>	<u>19,143.89</u>	<u>33,568.50</u>
	<u>\$25,504.95</u>	<u>\$44,111.12</u>	<u>\$157,499.45</u>	<u>\$183,329.05</u>

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the appropriations and cash receipts are restricted by various laws, rules and regulations, the

totaling of the accounts is for memorandum purposes only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note B - Pension Plan

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employee' contributions are 4.5% of their annual compensation and employee have vested rights under certain circumstances. The West Virginia State Treasurer matches contributions at 9.5% of the compensation on which the employees made contributions. The West Virginia State Treasurer's pension expenditures were as follows:

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u>	
		<u>1996</u>	<u>1995</u>
General Revenue	<u>\$34,835.68</u>	<u>\$67,885.40</u>	<u>\$62,919.84</u>

Note C - Fund Balances

The components of the fund balances were as follows:

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u>	
		<u>1996</u>	<u>1995</u>
Fire Protection Distribution Fund:			
Cash	\$ 0.00	\$ 0.00	\$ 0.00
Investments	<u>6,754,068.21</u>	<u>6,468,866.48</u>	<u>6,051,114.39</u>
	6,754,068.21	6,468,866.48	6,051,114.39
Tobacco Company Settlement Proceeds:			
Cash	0.00	0.00	0.00
Investments	<u>208,211.63</u>	<u>202,341.80</u>	<u>0.00</u>
	<u>208,211.63</u>	<u>202,341.80</u>	<u>0.00</u>
	<u>\$6,962,279.84</u>	<u>\$6,671,208.28</u>	<u>\$6,051,114.39</u>

Note D - Collection Accounts

The Office of the West Virginia State Treasurer is assigned various collection accounts which act as conduits to remit collections to the State General Revenue Fund. The amounts disclosed below exclude remittances to the Abandoned and Unclaimed Property Transfer Account (Fund 1300-999, Source Code 554) which were disclosed in the basic financial statement:

	<u>Period Ended</u> <u>January 13,</u> <u>1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
0126-511 Horse & Dog Race	\$ 0.00	\$ 0.00	\$ 6,625,176.00
0126-584 Fines & Penalties	5,857.00	0.00	0.00
0126-561 Closing Inactive Accounts and other Income	766.11	243,591.44	134,137.13
0126-553 Statutory Transfers	286,300.21	287,964.06	704.23
0126-523 Investment Earnings	21,350.27	40,145.80	40,043.15
0127-553 Statutory Transfers	2,080,000.00	1,776,000.00	0.00
0535-564 Prior Year Expiring Funds	66,269.95	237,487.38	3,263,962.33
0542-565 Probation Fees	<u>60,769.53</u>	<u>89,800.12</u>	<u>43,730.94</u>
TOTALS	<u>\$2,521,313.07</u>	<u>\$2,674,988.80</u>	<u>\$10,107,753.78</u>

Note E - Safekeeping

In conformity with Chapter 12, Article 5, Section 2 of the West Virginia Code, as amended, the West Virginia State Treasurer acts as custodian of all securities required to be deposited with the State or held in legal custody by the State and all departments of the State. As of June 30, 1996, the par value of the safekeeping items was \$39,183,238.87.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA STATE TREASURER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Personal Services - Fund</u>			
<u>0126-001</u>			
Appropriations	\$493,960.00	\$488,110.00	\$478,110.00
Expenditures:			
Personal Services	260,341.98	436,124.72	412,254.30
Annual Increment	0.00	(5,813.10)	(7,092.00)
Employee Benefits	<u>(1,315.86)</u>	<u>4,413.10</u>	<u>5,138.25</u>
	259,026.12	430,724.72	410,300.55
Less: Reimbursements			
Attorney Generals'			
Office (Payroll)	0.00	8,333.30	9,999.96
Net Disbursements	<u>259,026.12</u>	<u>422,391.42</u>	<u>400,300.59</u>
	234,933.88	65,718.58	77,809.41
Transmittals Paid After June 30	<u>0.00</u>	<u>(992.39)</u>	<u>(6,722.60)</u>
Balance	<u>\$234,933.88</u>	<u>\$ 64,726.19</u>	<u>\$ 71,086.81</u>

WEST VIRGINIA STATE TREASURER
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
GENERAL REVENUE

	<u>Period Ended</u> <u>January 13,</u> <u>1997</u>	<u>Period Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Personal Services – Fund</u> <u>0126-002</u>			
Appropriations	\$57,099.00	\$50,400.00	\$50,400.00
Expenditures	<u>27,270.80</u>	<u>50,400.00</u>	<u>50,400.00</u>
	29,828.20	0.00	0.00
Transmittals Paid After June 30	0.00	0.00	0.00
Balance	<u>\$29,828.20</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<u>Annual Increment – Fund</u> <u>0126-004</u>			
<u>Appropriations</u>	<u>\$12,356.00</u>	<u>\$ 8,500.00</u>	<u>\$ 7,416.00</u>
<u>Expenditures</u>	<u>8,600.00</u>	<u>5,813.10</u>	<u>5,362.03</u>
	3,756.00	2,686.90	2,053.97
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$ 3,756.00</u>	<u>\$ 2,686.90</u>	<u>\$ 2,053.97</u>

WEST VIRGINIA STATE TREASURER

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Reappropriated FY 1996</u>			
<u>Imaging System - Fund 0126-006</u>			
Appropriations	\$ 0.00	\$125,000.00	\$ 0.00
Reappropriations:			
Fiscal Year 1995	184.00	184.00	0.00
Fiscal Year 1996	<u>89,513.90</u>	<u>0.00</u>	<u>0.00</u>
	89,697.90	125,184.00	0.00
Expenditures	<u>5,774.44</u>	<u>35,486.10</u>	<u>0.00</u>
	83,923.46	89,697.90	0.00
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$ 83,923.46</u>	<u>\$ 89,697.90</u>	<u>\$ 0.00</u>
<u>Employee Benefits - Fund 0126-010</u>			
Appropriations	\$169,720.00	\$168,725.00	\$162,496.00
Expenditures	<u>76,626.66</u>	<u>149,296.71</u>	<u>146,884.59</u>
	93,093.34	19,428.29	15,611.41
Transmittals Paid After June 30	<u>0.00</u>	<u>4,992.39</u>	<u>4,930.37</u>
Balance	<u>\$ 93,093.34</u>	<u>\$ 24,420.68</u>	<u>\$ 20,541.78</u>

WEST VIRGINIA STATE TREASUER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Unclassified - Fund 0126-099</u>			
Appropriations	\$254,575.00	\$255,187.00	\$272,824.00
Expenditures:			
Current Expenses	92,880.23	184,768.25	151,545.77
Repairs and Alterations	1,859.81	2,018.21	12,537.04
Equipment	17,358.90	24,185.39	58,795.15
County and Municipalities	<u>169.05</u>	<u>332.35</u>	<u>521.21</u>
	<u>112,267.99</u>	<u>211,304.20</u>	<u>223,399.17</u>
	142,307.01	43,882.80	49,424.83
Transmittals Paid After June 30	<u>0.00</u>	<u>19,449.66</u>	<u>3,339.36</u>
Balance	<u>\$142,307.01</u>	<u>\$ 63,332.46</u>	<u>\$ 52,764.19</u>

WEST VIRGINIA STATE TREASUER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Abandoned Property Program - Fund 0126-118</u>			
Appropriations	\$325,877.00	\$320,900.00	\$320,576.00
Expenditures:			
Personal Services	135,014.93	\$221,045.94	193,737.13
Annual Increment	0.00	0.00	1,729.97
Employee Benefits	37,513.68	66,057.94	57,226.40
Current Expenses	<u>0.00</u>	<u>27,157.13</u>	<u>63,021.57</u>
	<u>172,528.61</u>	<u>314,261.01</u>	<u>315,715.07</u>
	153,348.39	6,638.99	4,860.93
Transmittals Paid After June 30	<u>0.00</u>	<u>1,922.36</u>	<u>22,132.49</u>
Balance	<u>\$153,348.39</u>	<u>\$ 8,561.35</u>	<u>\$ 26,993.42</u>

WEST VIRGINIA STATE TREASURER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
 <u>Check Encoder FY 1994 - Fund 0126-441</u>			
Appropriations	\$0.00	\$0.00	\$125,000.00
Reappropriations:			
Fiscal Year 1994	<u>0.00</u>	<u>0.00</u>	<u>125,000.00</u>
	0.00	0.00	250,000.00
Expenditures:			
Equipment - FY 1994	0.00	0.00	125,000.00
Equipment - FY 1995	<u>0.00</u>	<u>0.00</u>	<u>124,816.00</u>
	<u>0.00</u>	<u>0.00</u>	<u>249,816.00</u>
	0.00	0.00	184.00
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$ 184.00</u>

WEST VIRGINIA STATE TREASURER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Hardware/Software Upgrade -</u>			
<u>Fund 0126-518</u>			
Appropriations	\$54,000.00	\$54,000.00	\$54,000.00
Expenditures:			
Current Expenses	11,410.95	24,022.16	5,972.50
Repairs & Alterations	180.00	436.95	0.00
Equipment	<u>10,708.00</u>	<u>10,397.00</u>	<u>14,459.00</u>
	<u>22,298.95</u>	<u>34,856.11</u>	<u>20,431.50</u>
	31,701.05	19,143.89	33,568.50
Transmittals Paid After June 30	<u>0.00</u>	<u>2.93</u>	<u>20,431.50</u>
Balance	<u>\$31,701.05</u>	<u>\$19,276.82</u>	<u>\$54,000.00</u>

WEST VIRGINIA STATE TREASURER

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Revenue From Horse and Dog Racing -</u>			
<u>Fund 0126-511</u>			
Cash Receipts:			
Revenues from Horse and Dog Racing	\$ 0.00	\$ 0.00	\$6,625,176.00
Expenditures	0.00	0.00	0.00
	<u>0.00</u>	<u>0.00</u>	<u>6,625,176.00</u>
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$6,625,176.00</u>
<u>Interest on Investment (Short Term) -</u>			
<u>Fund 0126-523</u>			
Cash Receipts:			
Interest on Investments - Short Term	\$21,350.27	\$40,145.80	\$ 40,043.15
Expenditures	0.00	0.00	0.00
	<u>21,350.27</u>	<u>40,145.80</u>	<u>40,043.15</u>
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$21,350.27</u>	<u>\$40,145.80</u>	<u>\$ 40,043.15</u>

WEST VIRGINIA STATE TREASURER
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Statutory Transfers - Fund 0126-553</u>			
Cash Receipts:			
Statutory Transfers	\$286,300.21	\$ 287,964.06	\$ 704.23
Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	286,300.21	287,964.06	704.23
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$286,300.21</u>	<u>\$ 287,964.06</u>	<u>\$ 704.23</u>

Abandoned and Unclaimed Property
Transfer - Fund 0126-554

Cash Receipts:			
Abandoned and Unclaimed Property Transfers	\$202,559.00	\$3,852,671.64	\$2,755,055.01
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$202,559.00</u>	<u>\$3,852,671.64</u>	<u>\$2,755,055.01</u>

WEST VIRGINIA STATE TREASURER

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Close Inactive Accounts and</u>			
<u>Other Income - Fund 0126-561</u>			
Cash Receipts:			
Close Inactive Accounts and Other Income	\$ 766.11	\$243,591.44	\$134,137.13
Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	766.11	243,591.44	134,137.13
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$ 766.11</u>	<u>\$243,591.44</u>	<u>\$134,137.13</u>
<u>Fines and Penalties - Fund 0126-584</u>			
Cash Receipts:			
Fines and Penalties	\$5,875.00	\$ 0.00	\$ 0.00
Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	5,875.00	0.00	0.00
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$5,875.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

WEST VIRGINIA STATE TREASURER

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Statutory Transfers - Fund 0127-553</u>			
Cash Receipts:			
Transfers			
Revenue From Horse and Dog Racing:			
Racing Commission Transfer Fund 7300-426	\$ 0.00	\$ 126,000.00	\$ 0.00
Racing Commission Transfer Fund 7305-426	<u>2,080,000.00</u>	<u>1,650,000.00</u>	<u>0.00</u>
	2,080,000.00	1,776,000.00	0.00
Expenditures	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	2,080,000.00	1,776,000.00	0.00
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$2,080,000.00</u>	<u>\$1,776,000.00</u>	<u>\$0.00</u>

WEST VIRGINIA STATE TREASURER

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Prior Year Refunds Fund - Fund 0535-564</u>			
Cash Receipts:			
Prior Year Expiring Funds	\$66,269.95	\$237,487.38	\$3,263,962.33
Expenditures	<u>0.00</u> 66,269.95	<u>0.00</u> 237,487.38	<u>0.00</u> 3,263,962.33
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$66,269.95</u>	<u>\$237,487.38</u>	<u>\$3,263,962.33</u>
 <u>Probation Fees - Fund 0542-565</u>			
Cash Receipts:			
Probation Fees	\$60,769.53	\$ 89,800.12	\$ 43,730.94
Expenditures	<u>0.00</u> 60,769.53	<u>0.00</u> 89,800.12	<u>0.00</u> 43,730.94
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$60,769.53</u>	<u>\$ 89,800.12</u>	<u>\$ 43,730.94</u>

WEST VIRGINIA STATE TREASURER
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Rewrite Old/Lost Checks -</u>			
<u>Fund 1302-099/640</u>			
Cash Receipts:			
Revenue Refunds	(\$107,107.23)	(\$53,651.97)	\$92,659.24
Disbursements:			
Reissue - 6 Month Checks	(117,674.09)	(39,615.63)	95,748.98
Payment of Coal Severance to Counties	414.32	0.00	921.50
	<u>(117,259.77)</u>	<u>(39,615.63)</u>	<u>96,670.48</u>
Cash Receipts Over/(Under)			
Disbursements	10,152.54	(14,036.34)	(4,011.24)
Beginning Balance	<u>10,935.60</u>	<u>24,971.94</u>	<u>28,983.18</u>
Ending Balance	<u>\$ 21,088.14</u>	<u>\$10,935.60</u>	<u>\$24,971.94</u>

WEST VIRGINIA STATE TREASURER
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Foreign Check Fees Clearing</u> <u>- Fund 1304-099/640</u>			
Cash Receipts:			
Fees & Other Income	\$ 0.00	\$ 2.00	\$ 0.00
Disbursements:			
Reissue - 6 Month Checks	0.00	0.00	401.65
Cash Receipts Over/(Under)			
Disbursements	0.00	2.00	(401.65)
Beginning Balance	<u>2,169.83</u>	<u>167.83</u>	<u>2,569.48</u>
Ending Balance	<u>\$2,169.83</u>	<u>\$2,169.83</u>	<u>\$2,167.83</u>
<u>Transfers Governors Contin-</u> <u>gency - Fund 1306-099/640</u>			
Cash Receipts:			
	\$ 0.00	\$ 0.00	\$ 0.00
Disbursements:			
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over/(Under)			
Disbursements	0.00	0.00	0.00
Beginning Balance	<u>104.24</u>	<u>104.24</u>	<u>104.24</u>
Ending Balance	<u>\$ 104.24</u>	<u>\$ 104.24</u>	<u>\$ 104.24</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Liquor Municipal Tax</u>			
<u>Fund 1307-099/640</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$2,163,959.84	\$3,769,524.66	\$3,692,385.94
Disbursements:			
Counties and Municipalities	<u>2,145,792.89</u>	<u>3,768,328.38</u>	<u>4,653,241.35</u>
Cash Receipts Over/(Under) Dis- bursements	18,166.95	1,196.28	(960,855.41)
Beginning Balance	<u>23,758.30</u>	<u>22,562.02</u>	<u>983,417.43</u>
Ending Balance	<u>\$ 41,925.25</u>	<u>\$ 23,758.30</u>	<u>\$ 22,562.02</u>

WEST VIRGINIA STATE TREASURER
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Municipal Pension/Protection Fund 1%</u>			
<u>Distribution - Fund 1309 - 099/640</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$ 0.00	\$ 0.00	\$ 56,157.96
Operating Fund, Transfer From, Municipal Pension & Protection Fund	13,399,522.19	12,150,505.08	11,846,845.95
	<u>13,399,522.19</u>	<u>12,150,505.08</u>	<u>11,903,003.91</u>
Disbursements:			
Counties and Municipalities	8,160,586.21	12,605,879.10	10,003,205.21
Reissue-6 Month Checks	<u>0.00</u>	<u>2,926.04</u>	<u>0.00</u>
	<u>8,160,586.21</u>	<u>12,608,805.14</u>	<u>10,003,205.21</u>
Cash Receipts Over/(Under)Disbursements	5,238,935.98	(458,300.06)	1,899,798.70
Beginning Balance	<u>2,856,365.19</u>	<u>3,314,665.25</u>	<u>1,414,866.55</u>
Ending Balance	<u>\$ 8,095,301.17</u>	<u>\$ 2,856,365.19</u>	<u>\$ 3,314,665.25</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>County Coal Revenue Fund 75%</u>			
<u>Fund - Fund 1311-099/640</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$6,126,033.20	\$11,516,991.07	\$11,901,327.17
Disbursements:			
Counties and Municipalities	0.00	195.89	0.00
Payment of Coal Severance to Counties	<u>3,041,002.45</u>	<u>11,516,824.65</u>	<u>11,901,135.67</u>
	<u>3,041,002.45</u>	<u>11,517,020.54</u>	<u>11,901,135.67</u>
Cash Receipts Over/(Under)Disbursements	3,085,030.75	(29.47)	191.50
Beginning Balance	<u>37,969.90</u>	<u>37,999.37</u>	<u>37,807.87</u>
Ending Balance	<u>\$3,123,000.65</u>	<u>\$ 37,969.90</u>	<u>\$ 37,999.37</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>County and Municipal Fund 25 % -</u>			
<u>Fund 1312-099/640</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$2,058,204.10	\$3,852,312.52	\$3,920,227.90
Disbursements:			
Counties and Municipalities	<u>1,669,417.08</u>	<u>3,852,428.56</u>	<u>4,758,359.37</u>
Cash Receipts Over/ (Under)Disbursements	388,787.02	(116.04)	(838,131.47)
Beginning Balance	<u>771.32</u>	<u>887.36</u>	<u>839,018.83</u>
Ending Balance	<u>\$ 389,558.34</u>	<u>\$ 771.32</u>	<u>\$ 887.36</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Special Income Tax Refund Reserve</u>			
<u>- Fund 1313 - 503</u>			
Cash Receipts:			
Personal Income Tax	\$ 0.00	(\$ 26,955.07)	\$10,000,000.00
Disbursements:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over /(Under) Disbursements	0.00	(26,955.07)	10,000,000.00
Beginning Balance	<u>31,271,520.67</u>	<u>31,298,475.74</u>	<u>21,298,475.74</u>
Ending Balance	<u>\$31,271,520.67</u>	<u>\$31,271,520.67</u>	<u>\$31,298,475.74</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Jury Fees - Fund 1314 - 099/640</u>			
Cash Receipts:			
Fees and Other Income	\$ 83,054.93	\$130,179.21	\$129,998.29
Disbursements:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over /(Under)Dis- bursements	83,054.93	130,179.21	129,998.29
Beginning Balance	<u>458,183.61</u>	<u>328,004.40</u>	<u>198,006.11</u>
Ending Balance	<u>\$541,238.54</u>	<u>\$458,183.61</u>	<u>\$328,004.40</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Fire Protection Distribution Fund -</u> <u>Fund 1315-099/640</u>			
Cash Receipts:			
Transfer From Fire Protection Fund	\$ 6,666,584.90	\$ 6,267,049.99	\$ 6,046,903.86
Transfer From Investment Account	6,508,871.06	6,088,283.03	6,021,736.32
Interest on Invest ment - Short Terr	<u>115,857.77</u>	<u>214,952.99</u>	<u>0.00</u>
	13,291,313.73	12,570,286.01	12,068,640.18
Disbursements:			
Transfers to Investment Account	6,782,442.67	6,482,002.98	6,046,903.86
Counties and Municipalities	<u>6,508,871.06</u>	<u>6,088,283.03</u>	<u>6,021,736.32</u>
	<u>13,291,313.73</u>	<u>12,570,286.01</u>	<u>12,068,640.18</u>
Cash Receipts Over/ (Under) Disbursements	0.00	0.00	0.00
Beginning Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Tobacco Company Settlement</u>			
<u>Proceeds - Fund 1316-640</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$ 0.00	\$200,000.00	\$0.00
Interest on Investment - Short Term	<u>5,494.38</u>	<u>1,458.39</u>	<u>0.00</u>
	5,494.38	201,458.39	0.00
Disbursements:			
Transfers to Investment Account	<u>5,494.38</u>	<u>201,458.39</u>	<u>0.00</u>
Cash Receipts Over/(Under)			
Disbursements	0.00	0.00	0.00
Beginning Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$0.00</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>All Counties and Municipalities</u>			
<u>Revenue Fund 25% - Fund 1317 -504</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$0.00	\$0.00	\$0.00
Interest on Investment - Short Term	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.00	0.00	0.00
Disbursements:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over/(Under)			
Disbursements	0.00	0.00	0.00
Beginning Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Period Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Oil and Gas County Revenue</u>			
<u>Fund - 75% - Fund 1318-504</u>			
Cash Receipts:			
Other Collections, Fees, Licenses & Income	\$0.00	\$0.00	\$0.00
Interest on Investment - Short Term	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.00	0.00	0.00
Disbursements:	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over/(Under)			
Disbursements	0.00	0.00	0.00
Beginning Balance	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u> <u>1995</u>	
<u>Investments - Account (56-01)</u>			
Receipts:			
Transfers from Fire Protection Distribution Fund-Fund 1315	\$6,666,584.90	\$6,267,049.99	\$6,046,903.86
Interest	<u>117,416.96</u>	<u>238,985.13</u>	<u>43,978.28</u>
	6,784,001.86	6,506,035.12	6,090,882.14
Disbursements:			
Transfers to Fire Protection Distribution Fund- Fund 1315	<u>6,508,871.06</u>	<u>6,088,283.03</u>	<u>6,021,736.32</u>
Cash Receipts Over Disbursements	275,130.80	417,752.09	69,145.82
Beginning Balance	<u>6,468,866.48</u>	<u>6,051,114.39</u>	<u>5,981,968.57</u>
Ending Balance	<u>\$6,743,997.28</u>	<u>\$6,468,866.48</u>	<u>\$6,051,114.39</u>

WEST VIRGINIA STATE TREASURER
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE

SPECIAL REVENUE

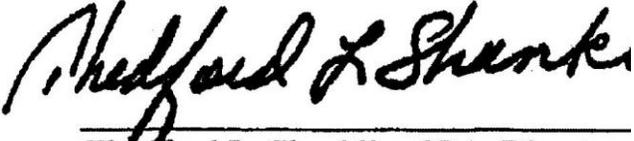
	<u>Period Ended</u> <u>January 13, 1997</u>	<u>Year Ended June 30,</u> <u>1996</u>	<u>1995</u>
<u>Investments - Account (56-02)</u>			
Receipts:			
Transfers from Tobacco Company Settlement Proceeds - Fund 1316	\$ 0.00	\$200,000.00	\$0.00
Interest	<u>5,869.83</u>	<u>2,341.80</u>	<u>0.00</u>
	5,869.83	202,341.80	0.00
Disbursements:			
Transfers to Tobacco Company Settlement Proceeds - Fund 1316	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over Disbursements	5,869.83	202,341.80	0.00
Beginning Balance	<u>202,341.80</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$208,211.63</u>	<u>\$202,341.80</u>	<u>\$0.00</u>

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia State Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 14th day of September 1998.



Thedford L. Shanklin, CPA, Director
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the West Virginia State Treasurer; Governor; Attorney General; and State Auditor.