

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

STATE BUILDING COMMISSION OF WEST VIRGINIA

FOR THE PERIOD

JULY 1, 1981 THROUGH JUNE 30, 1985



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

STATE BUILDING COMMISSION OF WEST VIRGINIA

FOR THE PERIOD

JULY 1, 1981 - JUNE 30, 1985



LEGISLATIVE AUDITOR

CHARLESTON

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 5, Article 6, Section 5, as amended, we have examined the accounts of the State Building Commission of West Virginia.

Our examination covers the period July 1, 1981 through June 30, 1985. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the years ended July 30, 1985 and June 30, 1984 are included in this report. The financial statements covering the period July 1, 1981 through June 30, 1983 are included in our audit workpapers.

Respectfully submitted,

Theford L. Shanklin, CPA, Director
Legislative Postaudit Division

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STATE BUILDING COMMISSION OF WEST VIRGINIA

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STATE BUILDING COMMISSION OF WEST VIRGINIA
EXIT CONFERENCE

We held an exit conference on December 20, 1985 with the Commissioner of the Department of Finance and Administration and all findings and recommendations were reviewed and discussed. The above official's responses are included in italics in the Summary of Findings, Recommendations and Responses and after our recommendations in the General Remarks sections of this report.

STATE BUILDING COMMISSION OF WEST VIRGINIA

INTRODUCTION

The State Building Commission of West Virginia was created on February 9, 1966 under Chapter 5, Article 6, Section 1, as amended of the West Virginia Code to replace the State Office Building Commission of West Virginia which was created under the same Code section in 1939.

By the enactment of this article, the Legislature has given the Building Commission broad powers and extensive authority to provide for the construction of buildings and related facilities for use and occupancy by the various agencies and departments of State government, and to finance the cost of construction of such buildings and incidental facilities by the issuance and sale of State Building Revenue Bonds. The Commission is empowered to charge rents for the use of a project or building financed with the proceeds from sales of such revenue bonds and to provide for the maintenance, repair and operation of such projects and buildings.

Prior to the 1971 amendment, this article authorized the issuance and sale of revenue bonds for the construction of State buildings and stated that the principal of and the interest on the bonds should be paid from general revenue appropriations made for payment of rent to the various State agencies as lessees of office space in the buildings so constructed. The State Supreme Court ruled in 1971 that this statute created a State debt in violation of the inhibitory provisions of the West Virginia Constitution, Article X, Section 4. Subsequently, the Legislature amended this article to allow the transfer of \$3,600,000.00 (\$250,000.00 in fiscal years 1984 and 1985) annually from liquor profits of the West Virginia Alcohol Beverage Control Commissioner to a special fund maintained by the State Municipal Bond Commission to retire the bond principal and interest.

Currently, rents collected from State agencies (lessees) are used solely for the maintenance, repair and operation of buildings constructed or acquired.

The State Building Commission has three bond issues outstanding, the proceeds of which were used to finance the construction of State buildings. State Building Revenue Bonds Series 1968 totaling \$24,200,000.00 for Buildings 5, 6 and 7 in the Capitol Complex, Public Safety Series 1968 totaling \$2,500,000.00 for the State Police Headquarters in South Charleston and Dormitory at the State Police Academy in Institute and Science and Cultural Center Series 1972 totaling \$9,000,000.00 for the Science and Cultural Center in the Capitol Complex. In fiscal 1976, the State Building Commission received an appropriation of \$1,000,000.00 in revenue sharing funds to construct a cafeteria in the Capitol Building. In fiscal 1979 and 1980 the Building Commission purchased several buildings in the Charleston area to house various State agencies, there has been no additional new construction or building purchases since that time.

Prior to April 23, 1982 separate sinking funds were maintained for the three outstanding bond issues. On that date, under the direction of Governor Rockefeller, all sinking funds were placed in a combined escrow account. A detailed listing of the escrowed investments held by the Municipal Bond Commission on behalf of the State Building Commission is included among the supplemental information in this audit report.

In a correspondence dated January 29, 1985 the Municipal Bond Commission informed the Department of Finance and Administration that further annual transfers from the Alcohol Beverage Control Commissioner would not be required. At that date, the remaining debt service totaled \$26,445,579.00. The Municipal Bond Commission projected that the cash balance at the next debt service date (March 31, 1985) plus the maturity value of the escrowed investments and projected interest earnings from escrowed investments would total \$26,477,438.50 over the

remaining life of the bond issues and be sufficient to defease the outstanding debt service liability.

In addition to collecting rent from State agencies for office space, the Commission charges lessees for repairs and alterations performed that are not part of the general maintenance of the buildings. The Building Commission collects monthly parking space rental fees from State employees and a limited number of State agencies for parking in various lots around the Capitol Complex, the fees are used to pay for parking guards and ground improvements. The Building Commission also collects monthly rent of 6% of gross sales from the vendor operating the Capitol cafeteria which is used to purchase and maintain cafeteria equipment.

STATE BUILDING COMMISSION OF WEST VIRGINIA

COMMISSION MEMBERS

Arch A. Moore, Jr., Governor
Chairman, Ex Officio Charleston

Ken Hechler, Secretary of State
Secretary, Ex Officio Charleston

Charlie Brown, Attorney General
Ex Officio Charleston

A. James Manchin, State Treasurer
Ex Officio Charleston

Delma Cannon,
Term Expired March 10, 1985 Wheeling

C. Joe Mullien,
Term Expires March 10, 1986 Parkersburg

William T. Milleson,
Term Expires March 10, 1987 Springfield

Forrest H. Kirkpatrick, 1/
Term Expires March 10, 1988 Wheeling

1/ Submitted resignation to Governor Moore on February 28, 1985 according to Executive Message Number 3.

The Governor serves as chairman of the Commission. The Secretary of State is a member of the Commission and serves as secretary of the Commission but does not have the right to vote on matters before the Commission. The State Treasurer and Attorney General are also members of the Commission, ex officio. Four citizen members are appointed by the Governor with the advice and consent of the Senate to serve staggered four-year terms. No more than three citizen members may be members of the same political party nor may any citizen members be members or employees of the executive, legislative or judicial branches of government of West Virginia or any political subdivision thereof. The members

of the Commission are reimbursed for necessary expenses incurred in carrying out their duties and receive a per diem of \$35.00 for each day engaged in the work of the Commission. Currently, one member's term has expired and one member has submitted his resignation to the Governor. All members of the Commission must be citizens and residents of West Virginia.

STATE BUILDING COMMISSION OF WEST VIRGINIA
ADMINISTRATIVE OFFICERS AND STAFF

Chapter 5, Article 6, Section 4 of the West Virginia Code gives the State Building Commission the power to appoint officers, agents and employees and fix their compensation. Prior to 1977 the Commission did employ administrative officers and staff to carry out their function. On December 20, 1976, by Executive Order 16-76 of the Governor, the care, control and maintenance of the Capitol and governmental buildings, grounds, lawns and gardens, located in the Capitol Complex, became vested in the General Services Division of the Department of Finance and Administration. .

On April 26, 1977, the Building Commission entered into an agreement with the Department of Finance and Administration to reimburse the Department for the payment of all commodities, contractual services and repairs and alterations furnished to the Building Commission. However, a ruling by the State Auditor's Office denied the Department of Finance and Administration authority to reimburse its account for repair work performed for State agencies. Accordingly, the Department transferred these employees to the Building Commission's personal services account. The Department of Finance and Administration is responsible for the supervision as well as hiring and firing of all employees paid from the Building Commission's personal services account. During the period of our examination, all janitorial services for buildings under the control of the Building Commission were provided by the Department of Finance and Administration from their Personal Services Account (2100-00).

At June 30, 1985, the Building Commission employed 13 employees in Parking Lot Operations and approximately 33 employees in Capitol Complex Operations for a total of approximately 46 employees. Approximately a dozen persons appear

on the Capitol Complex Operations payroll who performed part-time repairs and alterations work but are actually full-time employees of the Department of Finance and Administration.

STATE BUILDING COMMISSION OF WEST VIRGINIA
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Delinquent Accounts Receivable

1. We noted several State agencies are delinquent in rental payments to the State Building Commission.

We recommend the State Building Commission attempt to collect all accounts receivable.

We agree with this audit finding. (See pages 13-15.)

Travel Expense

2. We noted the State Building Commission paid \$729.97 in travel expense and \$5,832.64 in salaries to an employee who appeared to have performed duties for the Department of Finance and Administration.

We recommend the State Building Commission request reimbursement of \$6,562.61 from the Department of Finance and Administration and comply with the West Virginia Code, Chapter 5, Article 6, Section 4, Subsection 7.

We agree with this audit finding. (See pages 16-17.)

Commingling of Expenditures

3. We noted several instances in our audit period where the State Building Commission paid obligations for utilities and repairs and alterations for properties under the control of the Department of Finance and Administration.

We recommend the State Building Commission request reimbursement from the Department of Finance and Administration for \$147,108.27 of expenditures in fiscal year 1984 and \$156,679.19 of expenditures in fiscal year 1985.

We agree with this audit finding. (See pages 17-18.)

Bond Forfeiture and Fire Claim

4. We noted there was no activity in the bond forfeiture and fire claim accounts in fiscal years 1984 and 1985.

We recommend the balances in the above accounts be transferred to the Operating Expenses - Capitol Complex Account.

We will take the necessary actions to transfer the balances. (See pages 18-19.)

Annual Audit

5. We noted the State Building Commission accounts were not audited in fiscal year 1984 or fiscal year 1985 by an independent certified public accountant. The Commission is in the process of contracting for such an audit as of the date of the examination.

We recommend the State Building Commission have an annual audit of their operating and sinking fund accounts to comply with the intent of the bond resolutions.

We will comply with this recommendation. (See pages 19-20.)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Parking Space Rental

6. We noted that State Building Commission personnel are not analyzing parking space receipts to verify that all parking space receipts due monthly are being received. Also, records are not being maintained for parking space rentals.

We recommend the parking space assignments for agencies be compared with parking space receipts to verify proper collection. Also, we recommend the records detailing parking space receipts be maintained.

We will comply with this recommendation. (See pages 21-23.)

STATE BUILDING COMMISSION OF WEST VIRGINIA

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the State Building Commission of West Virginia. A financial and compliance audit determines whether the financial statements of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements. The audit covered the period July 1, 1981 through June 30, 1985.

SPECIAL REVENUE ACCOUNTS

The Commission maintained seven special revenue accounts during the period of the audit. These accounts represent funds to account for the proceeds of special revenue sources or to finance specified activities as required by law or administrative regulations. Funds are deposited with the State Treasurer in the following special revenue accounts:

<u>Number</u>	<u>Description</u>
9500-08	Parking Lots - Operating Parking fees and interest on investments; for ground improvements and purchase of investments.
9500-09	Operating Expenses - Capitol Complex Rentals and miscellaneous receipts, interest on investments; for Capitol Complex operating expenses and to purchase invest- ments.
9500-12	Cafeteria Operating Six percent gross receipts from cafeteria operations and interest on investments; for building repairs and alterations and to purchase investments.

<u>Number</u>	<u>Description</u>
9500-13	Craft Crew Operations Reimbursements from agencies; to pay for craft crew operations.
9500-15	Bond Forfeiture Bond forfeiture and interest on invest- ments; held to meet contractual obligations.
9500-16	Fire Claim - Building Number 5 Insurance reimbursements; to make necessary repairs for fire damages.
9600-06	Debt Service Alcoholic liquor profits; used to pay principal and interest of bonds not to ex- ceed \$3,600,000.00 (\$250,000.00 fiscal 1983- 1985) annually.

AREAS OF NONCOMPLIANCE

Chapter 5, Article 6 of the West Virginia Code generally governs the State Building Commission. We tested applicable sections of the above plus general State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are listed below.

Delinquent Accounts Receivable

We noted several State agencies are delinquent in rental payments to the State Building Commission. Chapter 5, Article 6, Section 4 of the West Virginia Code states that the Commission shall have power "...To charge rentals for the use of all or any part of a project or buildings at any time financed, constructed, acquired or improved in whole or in part with the proceeds of sale of bonds issued pursuant to this article, subject to and in accordance with such agreements with bond holders as may be made as hereinafter provided;..." A schedule of Building Commission accounts receivable follows:

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Agencies Currently Billed for Rent:		
Department of Finance and Administration - I.S.S.D.	\$ 60,188.22	\$ 60,188.22
Department of Highways	4,983,427.48	4,983,427.48
Department of Human Services	4,011,693.49	3,536,274.73
Department of Finance and Administration - Surplus Property Division	148,412.00	122,204.00
	<u>9,203,721.19</u>	<u>8,702,094.43</u>

Of the above agencies, the Department of Highways has met the current portion of its rent obligation since June 1982 and the Department of Finance and Administration - I.S.S.D. has met the current portion of its rent obligation since the end of the last audit period (June 1981). The Department of Human Services and the Department of Finance and Administration - Surplus Property Division did not pay rent during the period July 1, 1981 - June 30, 1985.

Agencies Not Currently Billed for Rent:		
Department of Culture and History	4,817,680.32	4,215,470.28
Library Commission	3,590,160.00	3,141,390.00
Department of Public Safety	3,859,410.60	3,602,116.56
Department of Education	5,085,441.00	4,746,411.60
	<u>17,352,691.92</u>	<u>15,705,388.44</u>
 Total of All Accounts Receivable	 <u>\$26,556,413.11</u>	 <u>\$24,407,482.87</u>

None of the above agencies remitted any rent payments to the State Building Commission during the period July 1, 1981 - June 30, 1985. Although all four agencies entered into lease agreements with the Building Commission, the Building Commission has ceased to bill these agencies and they are not included as lessees in the Building Commission rent ledgers. It should be noted that the Building Commission pays for maintenance and operation of Buildings 5, 6 and 7 as well as the Science and Cultural Center but not for the Department of Public Safety buildings or the Department of Finance and Administration - Surplus Property Division.

The Department of Culture and History lease took effect July 1, 1977 and called for monthly rental payments of \$50,184.17. The Library Commission lease

took effect July 1, 1977 and called for monthly rental payments of \$37,397.50. The Department of Education lease took effect on April 1, 1970 and called for monthly rental payments of \$28,252.45. The Department of Public Safety lease took effect July 1, 1970 and called for monthly rental payments of \$21,441.17. Of the above agencies, only the Department of Public Safety met its rent obligation in one instance, fiscal year 1971.

It is our understanding that some of the delinquencies are the result of disputes with the Federal Government involving the lack of a cost accumulation system in the past to prove the actual operating costs of particular buildings and disputes over the actual floor space in some buildings.

The Commission is in the implementation stages of a cost accounting system to allocate costs to individual buildings and is holding discussions with Federal officials and individual agencies to resolve disputes over actual floor space utilized.

As a result of the delinquencies, the Commission is paying for the operation and maintenance of office space without reimbursement. This practice tends to create an unfair burden on agencies that are paying rent.

We recommend the Commission comply with Chapter 5, Article 6, Section 4 of the West Virginia Code and continue their efforts to collect all rents due it.

Every effort is being made to correct said deficiency. Recommendations were included in my Tentative Budget to fund those agencies who in the past have not been appropriated monies to pay rental expense, i.e. the Department of Human Services, Department of Culture and History, Library Commission, Department of Public Safety, and the Department of Education. Any delinquent rental payments for the above agencies would be required to be funded through the Court of Claims, as you are aware that obligations may not be processed from an expiring account after the fiscal year is closed. Moreover, as you know, we are actively pursuing federal reimbursement for past delinquencies by Human Services.

Travel Expense

We noted that the State Building Commission paid the travel expenses and salary of an employee between July 1, 1983 and November 15, 1983 who appears to have performed job duties relating to the activities of the Department of Finance and Administration. A total of four transmittals totaling \$729.97 were paid from Operating Expenses - Capitol Complex Account (9500-09) for travel involving inspections, audit of purchasing reports and checking deliveries. The employee was stationed in Morgantown, West Virginia, and all travel initiated and terminated at that location. Our examination did not reveal any properties under the jurisdiction of the Commission in Morgantown or other points shown on the supporting documents.

In addition, the salary of the above employee was paid from the Commission's Operating Expenses - Capitol Complex Account (9500-09) between July 1, 1983 and November 15, 1983. The total salaries paid to the employee were \$5,832.64 in this period. The employee's job classification was junior buyer. Chapter 5, Article 6, Section 4, Subsection 7 of the West Virginia Code states that the Commission shall have power "...To appoint officers, agents and employees, and fix their compensation."

In our opinion, the payment of travel expenses and salary of an employee performing duties beneficial to the Department of Finance and Administration results in noncompliance with Chapter 5, Article 6, Section 4, Subsection 7 of the West Virginia Code.

We recommend the State Building Commission request reimbursement of \$6,562.61 from the Department of Finance and Administration and comply with Chapter 5, Article 6, Section 4, Subsection 7 of the West Virginia Code.

We agree that this employee should not have been paid from this account and, as you have noted, was removed from this account November 15, 1983. We also agree the Building Commission should be reimbursed for these expenses. These expenses, as you are aware, would be required to be funded through the Court of

Claims since the obligation was made in Fiscal Year 1984 and we may not transfer funds from a Fiscal Year 1986 appropriation to reimburse a Fiscal Year 1984 obligation.

Commingling of Expenditures

We noted in our examination several instances where expenditures which were obligations of the Department of Finance and Administration were paid from the Operating Expenses - Capitol Complex Account (9500-09) of the State Building Commission. Chapter 5A, Article 4, Section 1 of the West Virginia Code states the Director of the General Services Division of the Department of Finance and Administration has full responsibility for the care, control and custody of the Capitol buildings and shall "...furnish janitorial supplies, light, heat and ventilation for all the rooms and corridors of the buildings...." Chapter 5, Article 6, Section 11 of the West Virginia Code pertaining to the State Building Commission states, "...The commission shall properly maintain, repair, operate, manage and control the project...."

We noted the Commission paid the monthly billing for electricity for the Capitol Building and Department of Motor Vehicles Building on six occasions in fiscal year 1984 totaling \$141,528.27 and five occasions in fiscal year 1985 totaling \$156,679.19. Also, the Commission paid for the construction of a handicapped access ramp into the Governor's Mansion in fiscal year 1984 at a cost of \$5,580.00.

In our opinion, the expenditures mentioned above were obligations of the Department of Finance and Administration and payment of these expenditures by the Commission results in noncompliance with Chapter 5, Article 6, Section 11 of the West Virginia Code.

On the basis of our review of expenditures in the accounts of the State Building Commission since the financial statement date (June 30, 1985) made as a part of our review of subsequent events, it appears that the commingling of expenditures has been corrected. The development of the cost accounting system and

realignment of some employees designed to correct the problem of commingling of expenditures appears to have been effective.

We recommend the State Building Commission seek reimbursement of \$303,787.46 from the Department of Finance and Administration to correct these expenditures and comply with Chapter 5, Article 6, Section 11 of the West Virginia Code.

Again, we agree that past practices for allocating Building Commission expenses were improper. As you know, we have now created and implemented a sound cash accounting system for all Building Commission accounts and expenses to insure this type of discrepancy and will not happen in the future. We also agree the Building Commission should be reimbursed for these expenses, however, this will also be required to be processed through the Court of Claims due to the same reasons as noted in the finding above.

Bond Forfeiture and Fire Claim

We noted the receipt of a performance bond forfeiture of \$1,240.00 in fiscal year 1980. The forfeiture was the result of inadequate roof repairs on Building 4 in the Capitol Complex. We noted that the roof repairs were paid from Operating Expenses - Capitol Complex Account (9500-09) and the bond forfeiture was deposited in a new account, Bond Forfeiture Account (9500-15). At June 30, 1985, the balance in the bond forfeiture account was \$1,299.43 consisting of \$1,240.00 in the Bond Forfeiture Account (9500-15) and \$59.43 of earned interest in the Interest Account (9500-15I) with the State Board of Investments.

Also, we noted the Commission received an award of \$89,827.99 from the State Board of Risk and Insurance Management to repair fire damage incurred in Building 5 of the Capitol Complex in fiscal year 1982. We were informed by Commission personnel that required repairs have been made and that the balance of \$47,204.98 remaining in the Fire Claim - Building Number 5 Account (9500-16) is available for other uses. We noted there was no activity in the account in fiscal years 1984 and 1985.

Chapter 5, Article 6, Section 5 of the West Virginia Code states, "...All moneys of the commission from whatever source derived shall be paid to the treasurer of the State of West Virginia who shall not commingle said moneys with any other moneys, but shall deposit them in a separate bank account or accounts...." It appears that the bond forfeiture and fire claim were placed in new accounts to more easily identify the receipts and match any expenditures which might be required.

In our opinion, the balances remaining in these accounts should have been transferred to the Operating Expenses - Capitol Complex Account (9500-09) and the failure of the Commission to transfer the balances once the usefulness of the accounts was exhausted results in noncompliance with Chapter 5, Article 6, Section 5 of the West Virginia Code.

Accordingly, we recommend the balances in the Bond Forfeiture Account (9500-15) and Fire Claim - Building Number 5 Account (9500-16) be transferred to the Operating Expenses - Capitol Complex Account (9500-09).

We appreciate this recommendation and agree with it in full. We will immediately take the necessary action to transfer the balances in the Bond Forfeiture Account (9500-15) and Fire Claim - Building Number 5 Account (9500-16) into the Capitol Complex Account (9500-09).

Annual Audit

We noted the State Building Commission accounts were not audited in fiscal year 1984 or fiscal year 1985 by an independent certified public accountant. The bond resolutions for the two 1968 bond issues and the 1972 bond issue call for an annual audit of the Commission records by an independent certified public accountant.

The original purpose of the audit requirement in the bond resolutions was to guarantee the safety of the bondholder's investment by auditing the Commission's operating accounts which would eventually retire the bonds. However, the State

Supreme Court ruled in 1971 that rents paid to the Commission from general revenue funds could not be used to retire the bonds. The West Virginia Code was subsequently amended to allow for the transfer of \$3,600,000.00 annually from the liquor profits of the Alcohol Beverage Control Commissioner to retire the bonds. The retirement of the bonds is currently managed by the State Municipal Bond Commission. Therefore, the lack of an audit in fiscal years 1984 and 1985 did not materially affect the bondholders but it still resulted in noncompliance with the bond resolutions.

We were informed by Commission personnel that as of the date of our examination, the Commission was in the process of contracting for the audit of fiscal years 1984 and 1985. Also, we noted that sufficient funds are now available to fund the debt service liability as it matures according to the State Municipal Bond Commission.

We recommend the State Building Commission have an annual audit of their operating and sinking fund accounts to comply with the intent of the bond resolutions.

This recommendation is now being followed and will continue to be followed in the future. As you have noted, we are in the process of contracting for an audit for Fiscal Years 1984 and 1985. We expect this audit contract to be awarded within one (1) month.

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

As a part of our examination, we reviewed and tested the system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the period July 1, 1981 to June 30, 1985, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be a weakness.

Parking Space Rental

Prior to October 1984, fees for parking space rentals were submitted via cash or personal check to an employee of the General Services Division of

the Department of Finance and Administration. Ledgers were maintained on the basis of parking space number and cash receipts were posted to the ledger as received from State employees renting to particular spaces.

In October 1984, the Commissioner of the Department of Finance and Administration converted the system of payment to payroll deduction. Parking spaces were assigned to agencies and subsequently to individuals by the agencies. State agencies are currently responsible for enrolling employees for the payroll deduction. Under the present payment system, the State Building Commission receives a monthly check from each agency representing the total deduction for all employees assigned parking spaces with an accompanying copy of the payroll deduction register prepared by the State Auditor's Office.

In the course of our examination, we learned that the parking receipts ledgers are no longer maintained as the Department of Finance and Administration considers them to be unnecessary. Comparison of the amount remitted with the amount that should have been remitted from a particular agency based on a listing of parking spaces assigned to the agency is not performed on a monthly basis for all agencies. We were informed that a spot-check of the remittances is performed at intervals.

In our opinion, parking space fees remitted by payroll deduction should be proved monthly for all agencies to insure the proper amounts are being remitted. We agree with the Department of Finance and Administration personnel that elaborate ledgers that were required prior to October 1984 are no longer required; however, we feel that records in the form of a ledger or other suitable document recording checks received from individual agencies should be maintained.

Accordingly, we recommend the Commission personnel compare monthly receipts for parking space rentals with the amounts that should have been remitted based on parking space assignments to individual agencies. Also, we

recommend payments received be recorded using ledgers or another suitable format.

We agree with your recommendation to record payments, by agency, in ledger form and also to compare monthly receipts with expected receipts based upon parking space assignments to individual agencies. This recommendation will be implemented beginning January 1, 1986.

AUDITORS' OPINION

The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

We have examined the statement of cash receipts, disbursements and changes in cash and investment balances of the State Building Commission of West Virginia for the years ended June 30, 1985 and June 30, 1984. Except as explained in the following paragraph, our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such auditing procedures as we considered necessary in the circumstances.

In the course of the examination, we discovered various obligations of the West Virginia Department of Finance and Administration which were paid from the accounts of the State Building Commission of West Virginia. However, we were unable to apply auditing procedures to determine the full effect of any commingling of expenditures which may have occurred.

As more fully described in Note A, the financial statement was prepared using the cash basis of accounting. Accordingly, the financial statement is not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

In our opinion, subject to the effects, if any, on the financial statements resulting from the commingling of expenditures referred to in the preceding paragraph, the statement of cash receipts, disbursements and changes in cash and investment balances of the State Building Commission of West Virginia presents fairly cash transactions for the years ended June 30, 1985 and June 30, 1984 on a basis consistent with the preceding year.

Our examination was made 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 examination of the basic financial statement; and, in our opinion, subject to the effects of any commingling of expenditures which may have occurred as discussed in paragraph two above, such information is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

December 12, 1985

Auditor: Michael E. Sizemore, Acting Supervisor

Year Ended June 30, 1984

<u>Operating</u> <u>Accounts</u>	<u>Sinking Funds</u> <u>Accounts</u>	<u>Combined</u> <u>Totals</u>
\$ 2,547,654.59	\$ -0-	\$ 2,547,654.59
162,170.42	-0-	162,170.42
4,830.16	-0-	4,830.16
75,111.04	-0-	75,111.04
456,409.24	2,094,383.89	2,550,793.13
18,943.56	-0-	18,943.56
<u>3,265,119.01</u>	<u>2,094,383.89</u>	<u>5,359,502.90</u>
563,032.66	-0-	563,032.66
1,979,791.58	2,076.25	1,981,867.83
273,232.78	-0-	273,232.78
15,541.24	-0-	15,541.24
-0-	-0-	-0-
-0-	2,768,372.50	2,768,372.50
<u>2,831,598.26</u>	<u>2,770,448.75</u>	<u>5,602,047.01</u>
433,520.75	(676,064.86)	(242,544.11)
4,672,574.91	16,147,783.84	20,820,358.75
-0-	250,000.00	250,000.00
-0-	-0-	-0-
<u>\$ 5,106,095.66</u>	<u>\$15,721,718.98</u>	<u>\$20,827,814.64</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The cash basis of accounting is followed for all funds. Therefore, certain revenue 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.

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the cash receipts of certain funds are restricted by various laws, rules and regulations, the totaling of the accounts is for memorandum 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. Employees' contributions are 4½% of their compensation and employees have vested rights under certain circumstances. Contributions by the State Building Commission are 9½% of the employees' compensation. The Commission's pension expenses were as follows:

Year Ended June 30,	
<u>1985</u>	<u>1984</u>
<u>\$55,538.42</u>	<u>\$51,628.93</u>

Note C - Building Revenue Bonds

The State Building Commission of West Virginia has issued three series of building revenue bonds. The retirement of principal and interest on these bonds is the responsibility of the State Municipal Commission of West Virginia. As of June 30, 1985, the combined principal and interest outstanding was \$24,354,425.00. The Executive Committee of the Municipal Bond Commission directed the Bond Commission's executive secretary to purchase escrowed investments in the principal amount of \$13,895,000.00 on April 21, 1982. The debt service has been funded by annual transfers of \$3,600,000.00 from the Alcohol Beverage Control Commission between fiscal year 1972 and fiscal year 1982 and \$250,000.00 between fiscal year 1983 and fiscal year 1985. In a correspondence dated January 29, 1985, the Municipal Bond Commission informed the Department of Finance and Administration that the annual transfers were no longer required.

Revenue Bond Repayment Schedule

<u>Fiscal Year</u>	<u>Office Buildings Series Bonds Due</u>	<u>Public Safety Series Bonds Due</u>	<u>Science & Culture Center Series Bonds Due</u>	<u>Total Interest Due</u>	<u>Combined Totals</u>
1986	\$ 1,250,000.00	\$ 105,000.00	\$ 370,000.00	\$ 1,027,222.50	\$ 2,752,222.50
1987	1,315,000.00	125,000.00	395,000.00	933,787.50	2,768,787.50
1988	1,340,000.00	135,000.00	415,000.00	834,230.00	2,724,230.00
1989	1,455,000.00	140,000.00	445,000.00	731,345.00	2,771,345.00
1990	1,295,000.00	150,000.00	470,000.00	618,280.00	2,533,280.00
1991	1,615,000.00	155,000.00	495,000.00	511,725.00	2,776,725.00
1992	1,700,000.00	165,000.00	365,000.00	385,230.00	2,615,230.00
1993	1,285,000.00	175,000.00	560,000.00	260,675.00	2,280,675.00
1994	-0-	185,000.00	590,000.00	146,880.00	921,880.00
1995	-0-	-0-	630,000.00	106,300.00	736,300.00
1996	-0-	-0-	665,000.00	68,500.00	733,500.00
1997	-0-	-0-	705,000.00	35,250.00	740,250.00
Total	<u>\$11,255,000.00</u>	<u>\$ 1,335,000.00</u>	<u>\$ 6,105,000.00</u>	<u>\$ 5,659,425.00</u>	<u>\$24,354,425.00</u>

According to the Municipal Bond Commission, the remaining debt service will be retired by the principal and interest of the escrowed investments which mature at various dates. At June 30, 1985, the balance available for the retirement of debt service was \$15,259,705.17.

Note D - Purchase of Building

Subsequent to the date of the financial statement, the State Building Commission voted to purchase the building located at 2101 Washington Street, East, Charleston, West Virginia on October 18, 1985. The purchase price of the building and adjoining parking area was \$1,001,726.38.

SUPPLEMENTAL INFORMATION

STATE BUILDING COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH AND INVESTMENT BALANCE

	Year Ended June 30, 1985		
	Capitol Complex Operations	Parking Lot Operations	Cafeteria Operations
Receipts:			
Building Rentals	\$2,403,421.51	\$ -0-	\$ 21,387.97
Fees for Services	54,641.22	-0-	-0-
Parking Fees	-0-	171,511.80	-0-
Interest on Investments	372,926.05	135,870.84	24,336.48
Parking Meter Receipts	-0-	3,628.34	-0-
Miscellaneous Receipts	15,203.37	28.90	-0-
	<u>2,846,192.15</u>	<u>311,039.88</u>	<u>45,724.45</u>
Disbursements:			
Personal Services	521,006.49	147,428.42	-0-
Current Expenses	2,136,186.43	83,250.52	660.60
Repairs and Alterations	748,438.97	4,374.47	4,723.94
Equipment	26,982.55	70.02	650.00
Payment of Claims	11,013.12	-0-	-0-
	<u>3,443,627.56</u>	<u>235,123.43</u>	<u>6,034.54</u>
(Decrease) Increase in Cash During Year	(597,435.41)	75,916.45	39,689.91
Cash and Investment Balance, Beginning	3,645,155.01	1,176,932.81	205,684.10
Transfer to General Revenue Fund of West Virginia	(160,880.25)	(299,398.87)	(41,081.86)
Transfer from Craft Crew Operations (9500-13) to Capitol Complex Oper- ations (9500-09)	<u>29,650.00</u>	<u>-0-</u>	<u>-0-</u>
Cash and Investment Balance, Ending	<u>\$2,916,489.35</u>	<u>\$ 953,450.39</u>	<u>\$ 204,292.15</u>
Composition of Cash and Investment Balance, Ending:			
Cash	\$ 97,413.77	\$ 1,127.64	\$ 14,508.92
Investments	<u>2,819,075.58</u>	<u>952,322.75</u>	<u>189,783.23</u>
	<u>\$2,916,489.35</u>	<u>\$ 953,450.39</u>	<u>\$ 204,292.15</u>

<u>Craft Crew Operations</u>	<u>Year Ended June 30, 1985</u>		<u>Combined Totals</u>
	<u>Bond Forfeiture</u>	<u>Fire Claim</u>	
\$ -0-	\$ -0-	\$ -0-	\$2,424,809.48
-0-	-0-	-0-	54,641.22
-0-	-0-	-0-	171,511.80
-0-	176.26	-0-	533,309.63
-0-	-0-	-0-	3,628.34
-0-	-0-	-0-	15,232.27
<u>-0-</u>	<u>176.26</u>	<u>-0-</u>	<u>3,203,132.74</u>
-0-	-0-	-0-	668,434.91
-0-	-0-	-0-	2,220,097.55
-0-	-0-	-0-	757,537.38
-0-	-0-	-0-	27,702.57
-0-	-0-	-0-	11,013.12
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3,684,785.53</u>
-0-	176.26	-0-	(481,652.79)
29,650.00	1,468.76	47,204.98	5,106,095.66
-0-	(345.59)	-0-	(501,706.57)
<u>(29,650.00)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ 1,299.43</u>	<u>\$ 47,204.98</u>	<u>\$4,122,736.30</u>
\$ -0-	\$ -0-	\$ 47,204.98	\$ 160,255.31
-0-	1,299.43	-0-	3,962,480.99
<u>\$ -0-</u>	<u>\$ 1,299.43</u>	<u>\$ 47,204.98</u>	<u>\$4,122,736.30</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH AND INVESTMENT BALANCE

Year Ended June 30, 1984

	<u>Capitol Complex Operations</u>	<u>Parking Lot Operations</u>	<u>Cafeteria Operations</u>
Receipts:			
Building Rentals	\$2,524,481.93	\$ -0-	\$ 23,172.66
Fees for Services	71,508.04	-0-	-0-
Parking Fees	-0-	162,170.42	-0-
Interest on Investments	328,346.43	108,658.49	19,265.64
Parking Meter Receipts	-0-	4,830.16	-0-
Miscellaneous Receipts	18,513.86	429.70	-0-
	<u>2,942,850.26</u>	<u>276,088.77</u>	<u>42,438.30</u>
Disbursements:			
Personal Services	428,786.61	134,246.05	-0-
Current Expenses	1,915,337.10	63,819.64	634.84
Repairs and Alterations	243,906.12	2,324.43	27,002.23
Equipment	12,154.61	44.13	3,342.50
Payment of Claims	-0-	-0-	-0-
	<u>2,600,184.44</u>	<u>200,434.25</u>	<u>30,979.57</u>
Increase in Cash During Year	342,665.82	75,654.52	11,458.73
Cash and Investment Balance, Beginning	3,302,489.19	1,101,278.29	194,225.37
Transfer to General Revenue Fund of West Virginia	-0-	-0-	-0-
Transfer from Craft Crew Operations (9500-13) to Capitol Complex Opera- tions (9500-09)	-0-	-0-	-0-
Cash and Investment Balance, Ending	<u>\$3,645,155.01</u>	<u>\$1,176,932.81</u>	<u>\$ 205,684.10</u>
Composition of Cash and Investment Balance, Ending:			
Cash	\$ 304,829.03	\$ 36,082.03	\$ 19,155.49
Investments	3,340,325.98	1,140,850.78	186,528.61
	<u>\$3,645,155.01</u>	<u>\$1,176,932.81</u>	<u>\$ 205,684.10</u>

<u>Craft Crew Operations</u>	<u>Year Ended June 30, 1984</u>		<u>Combined Totals</u>
	<u>Bond Forfeiture</u>	<u>Fire Claim</u>	
\$ -0-	\$ -0-	\$ -0-	\$2,547,654.59
3,603.00	-0-	-0-	75,111.04
-0-	-0-	-0-	162,170.42
-0-	138.68	-0-	456,409.24
-0-	-0-	-0-	4,830.16
-0-	-0-	-0-	18,943.56
<u>3,603.00</u>	<u>138.68</u>	<u>-0-</u>	<u>3,265,119.01</u>
-0-	-0-	-0-	563,032.66
-0-	-0-	-0-	1,979,791.58
-0-	-0-	-0-	273,232.78
-0-	-0-	-0-	15,541.24
-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,831,598.26</u>
3,603.00	138.68	-0-	433,520.75
26,047.00	1,330.08	47,204.98	4,672,574.91
-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-
<u>\$ 29,650.00</u>	<u>\$ 1,468.76</u>	<u>\$ 47,204.98</u>	<u>\$5,106,095.66</u>
\$ 29,650.00	\$ -0-	\$ -0-	\$ 389,716.55
-0-	1,468.76	47,204.98	4,716,379.11
<u>\$ 29,650.00</u>	<u>\$ 1,468.76</u>	<u>\$ 47,204.98</u>	<u>\$5,106,095.66</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA
 SINKING FUNDS MAINTAINED BY STATE MUNICIPAL
 BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
 IN CASH BALANCE

	Year Ended June 30, 1985		
	<u>\$1,700,000.00</u> 1950 Issue Debt Service Reserve	<u>\$1,700,000.00</u> 1950 Issue Depreciation	<u>\$24,200,000.00</u> 1968 Issue
Receipts:			
Interest on Investments	\$ 224.94	\$ 483.95	\$ -0-
Disbursements:			
Bonds Redeemed and Cancelled	-0-	-0-	1,185,000.00
Interest Paid	-0-	-0-	679,110.00
Miscellaneous	-0-	-0-	820.08
	<u>-0-</u>	<u>-0-</u>	<u>1,864,930.08</u>
Increase (Decrease) in Cash During Year Before Account Transfers	224.94	483.95	(1,864,930.08)
Transfers:			
From West Virginia Alcohol Beverage Control Commissioner	-0-	-0-	-0-
From Special Revenue and Escrow Account to Issue Accounts	-0-	-0-	1,864,930.08
	<u>-0-</u>	<u>-0-</u>	<u>1,864,930.08</u>
Increase (Decrease) in Cash During Year	224.94	483.95	-0-
Balance, Beginning	<u>1,896.20</u>	<u>4,079.68</u>	<u>-0-</u>
Balance, Ending	<u>\$ 2,121.14</u>	<u>\$ 4,563.63</u>	<u>\$ -0-</u>

Year Ended June 30, 1985				
<u>\$2,500,000.00</u> 1968 Issue	<u>\$9,000,000.00</u> 1972 Issue	<u>Escrow</u> <u>Account</u>	<u>Special</u> <u>Revenue</u>	<u>Total Sinking</u> <u>Funds</u>
\$ -0-	\$ -0-	\$ 1,723,833.78	\$ 330,130.02	\$ 2,054,672.69
115,000.00	350,000.00	-0-	-0-	1,650,000.00
77,692.50	358,660.00	-0-	-0-	1,115,462.50
85.68	318.24	-0-	-0-	1,224.00
<u>192,778.18</u>	<u>708,978.24</u>	<u>-0-</u>	<u>-0-</u>	<u>2,766,686.50</u>
(192,778.18)	(708,978.24)	1,723,833.78	330,130.02	(712,013.81)
-0-	-0-	-0-	250,000.00	250,000.00
<u>192,778.18</u>	<u>708,978.24</u>	<u>(1,723,833.78)</u>	<u>(1,042,852.72)</u>	<u>-0-</u>
-0-	-0-	-0-	(462,722.70)	(462,013.81)
-0-	-0-	<u>13,088,050.01</u>	<u>2,627,693.09</u>	<u>15,721,718.98</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$13,088,050.01</u>	<u>\$ 2,164,970.39</u>	<u>\$15,259,705.17</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA
 SINKING FUNDS MAINTAINED BY STATE MUNICIPAL
 BOND COMMISSION

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
 IN CASH BALANCE

	<u>Year Ended June 30, 1984</u>		
	\$1,700,000.00	\$1,700,000.00	
	1950 Issue Debt	1950 Issue	\$24,200,000.00
	<u>Service Reserve</u>	<u>Depreciation</u>	<u>1968 Issue</u>
Receipts:			
Interest on Investments	\$ 196.21	\$ 422.14	\$ -0-
Disbursements:			
Bonds Redeemed and Cancelled	-0-	-0-	1,125,000.00
Interest Paid	-0-	-0-	738,172.50
Miscellaneous	-0-	-0-	1,391.09
	<u>-0-</u>	<u>-0-</u>	<u>1,864,563.59</u>
Increase (Decrease) in Cash During Year Before Account Transfers	196.21	422.14	(1,864,563.59)
Transfers:			
From West Virginia Alcohol Beverage Control Commissioner	-0-	-0-	-0-
From Special Revenue and Escrow Account to Issue Accounts	-0-	-0-	1,864,563.59
	<u>-0-</u>	<u>-0-</u>	<u>1,864,563.59</u>
Increase (Decrease) in Cash During Year	196.21	422.14	-0-
Balance, Beginning	<u>1,700.00</u>	<u>3,657.53</u>	<u>-0-</u>
Balance, Ending	<u>\$ 1,896.21</u>	<u>\$ 4,079.67</u>	<u>\$ -0-</u>

<u>\$2,500,000.00</u> 1968 Issue	<u>Year Ended June 30, 1984</u>			<u>Special</u> <u>Revenue</u>	<u>Total Sinking</u> <u>Funds</u>
	<u>\$9,000,000.00</u> 1972 Issue	<u>Escrow</u> <u>Account</u>			
\$ -0-	\$ -0-	\$ 1,729,778.86	\$	363,986.68	\$ 2,094,383.89
110,000.00	330,000.00	-0-		-0-	1,565,000.00
83,852.50	381,347.50	-0-		-0-	1,203,372.50
145.34	539.82	-0-		-0-	2,076.25
<u>193,997.84</u>	<u>711,887.32</u>	<u>-0-</u>		<u>-0-</u>	<u>2,770,448.75</u>
(193,997.84)	(711,887.32)	1,729,778.86		363,986.68	(676,064.86)
-0-	-0-	-0-		250,000.00	250,000.00
<u>193,997.84</u>	<u>711,887.32</u>	<u>(1,729,778.86)</u>		<u>(1,040,669.89)</u>	<u>-0-</u>
-0-	-0-	-0-		(426,683.21)	(426,064.86)
-0-	-0-	13,088,050.01		3,054,376.30	16,147,783.84
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$13,088,050.01</u>	<u>\$</u>	<u>2,627,693.09</u>	<u>\$15,721,718.98</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA
STATEMENTS OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Account 9500-08 (Parking Lot Operations)</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Additions:		
Transfers to State Board of Investments	\$ -0-	\$ -0-
Interest Reinvested	135,870.84	108,658.49
	<u>135,870.84</u>	<u>108,658.49</u>
Deductions:		
Withdrawals from State Board of Investments	<u>324,398.87</u>	<u>67,366.83</u>
	(188,528.03)	41,291.66
Beginning Balance	<u>1,140,850.78</u>	<u>1,099,559.12</u>
Ending Balance	<u>\$ 952,322.75</u>	<u>\$1,140,850.78</u>

<u>Investments - Account 9500-09 (Capitol Complex Operations)</u>		
	Additions:	
Transfers to State Board of Investments	\$ -0-	\$ 521,532.52
Interest Reinvested	372,926.05	328,346.43
	<u>372,926.05</u>	<u>849,878.95</u>
Deductions:		
Withdrawals from State Board of Investments	<u>894,176.45</u>	<u>681,953.71</u>
	(521,250.40)	167,925.24
Beginning Balance	<u>3,340,325.98</u>	<u>3,172,400.74</u>
Ending Balance	<u>\$2,819,075.58</u>	<u>\$3,340,325.98</u>

STATE BUILDING COMMISSION OF WEST VIRGINIA
STATEMENTS OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Account 9500-12 (Cafeteria)</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Additions:		
Transfers to State Board of Investments	\$ 20,000.00	\$ -0-
Interest Reinvested	24,336.48	19,265.64
	<u>44,336.48</u>	<u>19,265.64</u>
Deductions:		
Withdrawals from State Board of Investments	41,081.86	22,154.00
	3,254.62	(2,888.36)
Beginning Balance	<u>186,528.61</u>	<u>189,416.97</u>
Ending Balance	<u><u>\$189,783.23</u></u>	<u><u>\$186,528.61</u></u>
 <u>Investments - Account 9500-15 (Bond Forfeiture)</u>		
Additions:		
Transfers to State Board of Investments	\$ -0-	\$ -0-
Interest Reinvested	176.26	138.68
	<u>176.26</u>	<u>138.68</u>
Deductions:		
Withdrawals from State Board of Investments	345.59	-0-
	(169.33)	138.68
Beginning Balance	<u>1,468.76</u>	<u>1,330.08</u>
Ending Balance	<u><u>\$ 1,299.43</u></u>	<u><u>\$ 1,468.76</u></u>

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Encil Bailey, Legislative Auditor, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 5, Article 6, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 8th day of January,
1986.

Encil Bailey

Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the Building Commission Members; Governor; Attorney General; Secretary of State; State Treasurer; and, State Auditor.