STATE OF WEST VIRGINIA

AUDIT REPORT

OF

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

FOR THE PERIOD

JULY 1, 1980 - JUNE 30, 1983

OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305
WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

FOR THE PERIOD

JULY 1, 1980 - JUNE 30, 1983
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 4, Article 2, as amended, we have examined the accounts of the West Virginia Labor-Management Advisory Council.  

Our examination covers the period July 1, 1980 through June 30, 1983. The results of the examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1983 and June 30, 1982 are included in this report. The financial statements covering the period July 1, 1980 through June 30, 1981 are included in our audit workpapers.  

Respectfully submitted,  

Thedford L. Shanklin, CPA, Director  
Legislative Postaudit Division  

TLS/jaw
WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

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We extend our thanks and appreciation to the Commissioner of Labor, the Director of the Labor-Management Advisory Council and staff for their cooperation in supplying information necessary in preparing this report.
We held an exit conference on May 31, 1984 with the Commissioner of the West Virginia Department of Labor and his staff. We reviewed the audit report and the above officials concurred with our report.
The West Virginia Labor-Management Advisory Council was created by Chapter 119, Acts of 1977 Legislature. (Chapter 21, Article 1C, Sections 1 through 3, Code of West Virginia, as amended.)

The Council is composed of nineteen members. Sixteen members are appointed by the Governor with the advice and consent of the Senate, eight members representing labor and eight members representing industry. Members are appointed for terms of four years. The three remaining members are State officials who serve as ex officio non-voting members. The Commissioner of Labor serves as chairman of the Council. The other two ex officio members are the Commissioner of Employment Security or his designated representative and a member of the Economic Development Authority. The Council meets at least two times each year and at other times on call of the chairman or a majority of the members. Ten members of the Council constitute a quorum for the transaction of business. Members are reimbursed for reasonable and necessary expenses incurred in carrying out their duties. The Commissioner of Labor supplies the Council with necessary staff and supplies.

The primary function of the Council is to serve as an advisory agency of State government and provide leadership and assistance for labor and management in this State and to serve to effect improved labor-management relations within the State and to thereby attract and encourage new and existing industry in this State.
Representing Labor

Mr. James Bowen, Assistant Director  
District 23, United Steelworkers of America  
Wheeling, WV ........................................... June 30, 1985

Mr. Howard Cashwell, Chairman  
Railroad Workers Executive Board  
Hinton, WV ............................................. June 30, 1984

Mr. Burdette Crowe, Past President  
United Mine Workers of America, District 31  
Morgantown, WV ........................................ June 30, 1984

Mr. E. Allen Fisher, Secretary-Treasurer  
West Virginia State Building and Construction Trades Council  
Charleston, WV ........................................ June 30, 1987

Mr. Donald B. Johnson, Retired President  
Communications Workers of America Local #2009  
Huntington, WV ........................................ June 30, 1984

Mr. George W. Mehalić, President  
North Central West Virginia Construction and Trades Council  
Morgantown, WV ........................................ June 30, 1987

Mr. Joseph W. Powell, President  
West Virginia Labor Federation, AFL-CIO  
Scott Depot, WV ........................................ June 30, 1985

Mr. Paul David Sexton, Past President  
United Mine Workers of America, State  
Coal Miners' Political Action Committee (COMPAC) ........... June 30, 1985

Representing Industry

Mr. James L. Litman, President  
Vally Camp Coal Company; Ohio Valley Division  
Triadelphia, WV ....................................... June 30, 1985

Mr. E. W. Wayland, Plant Manager  
FMC Corporation, South Charleston Plant  
South Charleston, WV .................................. June 30, 1987

Mr. Thomas A. Cerra, Executive Director  
Ohio Valley Construction Employers Council  
Wheeling, WV .......................................... June 30, 1985

Mr. Jim Cerra, Executive Director  
Mid-Ohio Valley Industrial Council  
Charleston, WV ........................................ June 30, 1987
Mr. John D. Lough, Director of Corporate Affairs  
Consolidated Gas Company  
Bridgeport, WV ........................................ June 30, 1984

Mr. Joseph C. Midkiff, President  
Industrial Development and Holding Company  
Huntington, WV ...................................... June 30, 1984

Mr. Jack O'Brien, Manager  
Construction and Contractor Labor Relations  
South Charleston, WV ................................ June 30, 1985

Mr. Hope F. Wilmer, Retired Employment Manager  
Houdaille Industries  
Huntington, WV ...................................... June 30, 1984

Ex Officio Members

Mr. Lawrence Barker, Commissioner of Labor  
West Virginia Department of Labor  

Mr. Nyle Hughes, Commissioner of Employment Security  
West Virginia Department of Employment Security  

Mr. Miles Dean, Director  
Governor's Office of Economic and Community Development

Staff

Mr. Mark R. Julian, Director  
Labor-Management Advisory Council

Mr. Stephen A. Edens, Assistant Director  
Labor-Management Advisory Council

I/ Member by virtue of office.
INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Labor-Management Advisory Council. A financial and compliance audit determines whether the financial statements of an audited entity presents 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, 1980 through June 30, 1983.

APPROPRIATED ACCOUNT

Expenditures required for the general operation of the West Virginia Labor-Management Advisory Council are made from the following appropriated account:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4500-06</td>
<td>Labor-Management Advisory Council - Operating Expenses</td>
</tr>
</tbody>
</table>

SPECIAL REVENUE ACCOUNT

The West Virginia Labor-Management Advisory Council receives funds from the Appalachian Regional Commission for activities and programs conducted from the following account:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>8129-15</td>
<td>West Virginia Productivity Demonstration Project</td>
</tr>
</tbody>
</table>
The Honorable Encil Bailey  
Legislative Auditor  
State Capitol - West Wing  
Charleston, West Virginia

Sir:

We have examined the statement of appropriations/cash receipts, expenditures/disbursements and changes in cash balance of the West Virginia Labor-Management Advisory Council for the years ended June 30, 1982 and June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

In our opinion, the statement of appropriations/cash receipts, expenditures/disbursements and changes in cash balance of the West Virginia Labor-Management Advisory Council presents fairly cash transactions for the years ended June 30, 1982 and June 30, 1983, on a basis consistent with the preceding audit.

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, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,

[Signature]

Thedford L. Shanklin, CPA, Director  
Legislative Postaudit Division

March 7, 1984

Auditors: Nick Arvon, Supervisor-in-Charge  
Nadia J. Hodge, Auditor-in-Charge
WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/

DISBURSEMENTS AND CHANGES IN CASH BALANCE

<table>
<thead>
<tr>
<th>Year Ended June 30, 1983</th>
<th>General Revenue</th>
<th>Federal Programs</th>
<th>Combined Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations/Cash Receipts:</td>
<td>$28,474.00</td>
<td>$0</td>
<td>$28,474.00</td>
</tr>
<tr>
<td>General Revenue Appropriations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures/Disbursements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>19,903.68</td>
<td>18,561.04</td>
<td>38,464.72</td>
</tr>
<tr>
<td>Current Expenses</td>
<td>3,262.87</td>
<td>4,102.97</td>
<td>7,365.84</td>
</tr>
<tr>
<td></td>
<td>23,166.55</td>
<td>22,663.81</td>
<td>45,831.36</td>
</tr>
<tr>
<td>Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements</td>
<td>5,307.45</td>
<td>(22,664.81)</td>
<td>(17,357.36)</td>
</tr>
<tr>
<td>Transmittals Paid and Expirations After June 30</td>
<td>(5,307.45)</td>
<td>0</td>
<td>(5,307.45)</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>(22,664.81)</td>
<td>(22,664.81)</td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>0</td>
<td>36,084.01</td>
<td>36,084.01</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$0</td>
<td>$13,419.20</td>
<td>$13,419.20</td>
</tr>
</tbody>
</table>

See Notes to Financial Statement
### Year Ended June 30, 1982

<table>
<thead>
<tr>
<th></th>
<th>General Revenue</th>
<th>Federal Programs</th>
<th>Combined Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$26,699.00</td>
<td>0</td>
<td>$26,699.00</td>
</tr>
<tr>
<td>15,886.96</td>
<td>12,534.13</td>
<td>28,421.09</td>
<td></td>
</tr>
<tr>
<td>910.85</td>
<td>1,850.86</td>
<td>2,761.71</td>
<td></td>
</tr>
<tr>
<td>16,797.81</td>
<td>14,384.99</td>
<td>31,182.80</td>
<td></td>
</tr>
<tr>
<td>9,901.19</td>
<td>(14,384.99)</td>
<td>(4,483.80)</td>
<td></td>
</tr>
<tr>
<td>(9,901.19)</td>
<td>0</td>
<td>(9,901.19)</td>
<td></td>
</tr>
<tr>
<td>(14,384.99)</td>
<td>0</td>
<td>(14,384.99)</td>
<td></td>
</tr>
<tr>
<td>-0-</td>
<td>50,469.00</td>
<td>50,469.00</td>
<td></td>
</tr>
<tr>
<td>$ -0-</td>
<td>$36,084.01</td>
<td>$36,084.01</td>
<td></td>
</tr>
</tbody>
</table>
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 30-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 30 days after the fiscal year-end for fiscal year 1982; and 90 days after the fiscal year-end for fiscal year 1983; 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 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.

Expenditures paid after June 30 were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$ -0-</td>
<td>$ -0-</td>
<td>$ -0-</td>
<td>$ -0-</td>
</tr>
<tr>
<td>Current Expenses</td>
<td>-0-</td>
<td>160.40</td>
<td>5,307.45</td>
<td>9,901.19</td>
</tr>
<tr>
<td>Total</td>
<td>$ -0-</td>
<td>$ 160.40</td>
<td>$5,307.45</td>
<td>$9,901.19</td>
</tr>
</tbody>
</table>

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the appropriations and 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' Pension and Retirement Plan. Employee contributions are 4.5% of their compensation and employees are vested under certain circumstances. The West Virginia Public Employees' Retirement Board and the Appalachian Regional Commission matches contributions at 9.5% of the employees' compensation.
The Commission's contributions were as follows:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1983</td>
</tr>
<tr>
<td></td>
<td>$860.88</td>
</tr>
</tbody>
</table>

There were no pension expenses during fiscal year 1982 because of part-time employment.
## WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

### STATEMENT OF APPROPRIATIONS AND EXPENDITURES

#### APPROPRIATED ACCOUNTS

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>1983</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations</td>
<td>$28,474.00</td>
<td>$26,599.00</td>
</tr>
<tr>
<td>Expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services</td>
<td>19,903.68</td>
<td>15,886.96</td>
</tr>
<tr>
<td>Travel</td>
<td>1,070.31</td>
<td>601.75</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>307.50</td>
<td>-0-</td>
</tr>
<tr>
<td>Machine Rental</td>
<td>659.80</td>
<td>321.00</td>
</tr>
<tr>
<td>Hospitality</td>
<td>-0-</td>
<td>103.50</td>
</tr>
<tr>
<td>Contractual and Professional Services</td>
<td>794.36</td>
<td>-0-</td>
</tr>
<tr>
<td>Building Rental</td>
<td>430.90</td>
<td>45.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,166.55</td>
<td>16,958.21</td>
</tr>
<tr>
<td>Transmittal Paid after June 30</td>
<td>-0-</td>
<td>160.40</td>
</tr>
<tr>
<td>Balance</td>
<td>$ 5,307.45</td>
<td>$ 9,901.19</td>
</tr>
</tbody>
</table>
**West Virginia Labor-Management Advisory Council**

**Statement of Cash Receipts, Disbursements and Changes in Cash Balance**

**Federal Program:**

<table>
<thead>
<tr>
<th>Project - Account 8129-15</th>
<th>Year Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1983</td>
</tr>
</tbody>
</table>

**Cash Receipts:**
- Appalachian Regional Commission: $0 - $0

**Disbursements:**
- Personal Services: 18,561.84 - 12,534.13
- Current Expenses: 4,102.97 - 1,850.86

**Cash Receipts Over (Under) Disbursements:** (22,664.81) - (14,384.99)

**Beginning Balance:** 36,084.01 - 50,469.00

**Ending Balance:** $13,419.20 - $36,084.01

**Year Ended June 30, 1983**

**Ending Balance:**
- State Treasury: $13,419.20 - $36,084.01 - $50,469.00
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 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 13th day of June 1984.

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 West Virginia Department of Labor; Labor-Management Advisory Council; Governor; Attorney General; and, State Auditor.