

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

WEST VIRGINIA MUNICIPAL BOND COMMISSION
FOR THE PERIOD
JULY 1, 1976 - JUNE 30, 1984



OFFICE OF LEGISLATIVE AUDITOR
CAPITOL BUILDING
CHARLESTON 5, WEST VIRGINIA

WEST VIRGINIA MUNICIPAL BOND COMMISSION

FOR THE PERIOD

JULY 1, 1976 - JUNE 30, 1984

West Virginia



LEGISLATIVE AUDITOR
CHARLESTON

The Honorable Encll 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 13, Article 3, as amended, we have examined the accounts of the West Virginia Municipal Bond Commission.

Our examination covers the period July 1, 1976 through June 30, 1984. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1984 and June 30, 1983 are included in this report. The financial statements covering the period July 1, 1976 through June 30, 1982 are included in our audit workpapers.

Respectfully submitted,

A handwritten signature in cursive script, reading "Thedford L. Shanklin".

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/lst

WEST VIRGINIA MUNICIPAL BOND COMMISSION

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WEST VIRGINIA MUNICIPAL BOND COMMISSION

ACKNOWLEDGMENT

We extend our thanks and appreciation to the Executive Director and his staff for their cooperation in supplying the information necessary to prepare this report.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

EXIT CONFERENCE

We met with the Executive Director on April 19, 1985 and discussed our findings and recommendations with him. The above named official's responses are included in italics in the Summary of Findings, Recommendations and Responses and the General Remarks section of this report.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

INTRODUCTION

In 1921, the West Virginia Legislature created the State Sinking Fund Commission to act as the fiscal agent for the bond issues of the State and its political subdivisions. The agency was charged with the responsibility of receiving the deposits of the various issuers, investing them for maximum return consistent with State statute, disbursing funds to meet debt services to the appropriate paying agents, receiving and reconciling cancelled securities, maintaining and reporting the financial accounts of each depositor, and aiding the issuers of these financial instruments in the management of their resources. The agency would encourage the financial growth of the State by helping to maintain a receptive financial market for West Virginia bond issues through professional management services. In 1977, the name of the Commission was changed to the Municipal Bond Commission.

The Commission is composed of five members: State Tax Commissioner, Herschel H. Rose III, Chairman; State Treasurer, Larrie Bailey, Secretary; State Auditor, Glen B. Gainer, Jr., member; James R. Brotherton, former member of the Jackson County Commission, member; and, John Roach, former mayor of Oceana, Wyoming County, member. The Commission elects an Executive Director who is responsible for the day to day operations of the Commission. The Board meets 3 times during each fiscal year, with one of those meetings being in July which is the annual meeting, to oversee the Commission.

Under State statute, the Commission is appointed as fiscal agent for all general obligation (tax levy) bond issues of the county commissions, municipalities, and school districts of the State. It determines levy requirements for all such issues each year. The Commission is also appointed fiscal agent for revenue bond issues of municipal utilities. Additional accounts

are maintained for State agencies including: Armory, Building Commission, Colleges, Highways, and Natural Resources. The Commission also serves as fiscal agent for most, though not all, Public Service Districts. It does not handle State and local housing bonds, Turnpike Commission issues, or most industrial development bond issues. At the present, there are 517 bond issues and 970 accounts under supervision.

Customarily, the Legislature makes a blanket appropriation annually to cover possible deficiencies that could arise in State and general obligation sinking fund accounts. This Act in part reads, "Sinking Fund Deficiencies - There is hereby appropriated to the Governor a sufficient amount to meet a deficiency that may arise...in the funds of the Municipal Bond Commission because of the failure of any State agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirement. The Governor is authorized to transfer from time to time such amounts to the Municipal Bond Commission as may be necessary for this purpose." The Commission also maintains discretionary accounts where State and local governments may deposit surplus funds for investment.

All funds on deposit with the Commission are invested to earn the highest possible yield, consistent with the investment restrictions of State statute, and bond ordinances. Escrowed investments are held for specific bond issues at the request of the issuer. All other funds are invested in the Consolidated Pool of Investment at the State Treasury.

The Commission's services are performed without cost to our depositors, as the agency is funded exclusively from the State General Revenue Fund. The Commission is located in Building Six of the Capitol Complex, on the 4th floor, room 4.

WEST VIRGINIA MUNICIPAL BOND COMMISSION

COMMISSION MEMBERS AND STAFF

JUNE 30, 1984

Herschel H. Rose III
State Tax Commissioner Chairman

Larrie Bailey
State Treasurer Secretary

Glen B. Gainer, Jr.
State Auditor Member

James Brotherton Member

John Roach Member

R. Witter Hallan Executive Director

Edward K. Collins Accountant

Carol L. Kraft Reconciliation Administrator

Reva Bowles Clerk

WEST VIRGINIA MUNICIPAL BOND COMMISSION
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Salary Paid Before Services Rendered

1. We noted that an employee resigned with a negative sick leave balance, and it appears that the Commission may have paid for services before they were rendered.

We recommend that the Commission comply with Chapter 12, Article 3, Section 13 of the West Virginia Code.

The Commission will comply with the West Virginia Code, Chapter 12, Article 3, Section 13 in the future. (See page 9.)

Equipment Inventory

2. We found the Inventory Master Control Listing had not been updated since October 1979, and annual reports had not been sent to Finance and Administration.

We recommend the Commission comply with Chapter 5A, Article 3, Section 42 of the West Virginia Code.

The Commission will comply with the West Virginia Code, Chapter 5A, Article 3, Section 42 in the future. (See pages 9-10.)

Daily Time Records

3. We noted there was no record kept for each employee noting the number of hours worked each workday and total hours worked each workweek.

We recommend the Commission set up daily and weekly time records on each employee so they will be in compliance with the West Virginia Department of Labor's Laws and Regulations.

The Commission will comply with the West Virginia Department of Labor's Laws and Regulations. (See page 10.)

Long Distance Telephone Calls

4. We noted in our review of telephone expenses the Commission has no internal control over long distance telephone calls.

We recommend the Commission strengthen their internal control over long distance telephone calls.

The Commission will strengthen its internal controls of long distance phone calls. (See page 12.)

Negative Sick Leave Balance

5. We noted in our review of sick and annual leave records one employee had a sick leave balance for a five-month period while she still had a positive annual leave balance.

We recommend the Commission strengthen their internal control over sick and annual leave.

The Commission will strengthen its internal control over sick and annual leave records. (See page 12.)

WEST VIRGINIA MUNICIPAL BOND COMMISSION

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Municipal Bond Commission. A financial and compliance audit determines whether the financial statements of an audited entity present fairly the financial position and the results of 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, 1976 through June 30, 1984.

APPROPRIATED ACCOUNTS

Expenditures required for the general operation of the West Virginia Municipal Bond Commission were made from the following appropriated accounts:

<u>Number</u>	<u>Description</u>
1700-00	Personal Services
1700-01	Current Expenses
1700-03	Equipment
1700-79	Claims Against the State

SPECIAL REVENUE ACCOUNTS

During the audit, the Commission maintained two special revenue accounts. These two accounts are the ones used for the transactions concerning the Sinking Fund procedures.

<u>Number</u>	<u>Description</u>
7320-10	Operating Account
7325-15	Special Investment Account

AREAS OF NONCOMPLIANCE

Chapter 13, Article 3 of the West Virginia Code, as amended, generally governs the West Virginia Municipal Bond 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 discussed below.

Salary Paid Before Services Rendered

An employee resigned during November 1982 with a negative eight day sick leave balance. This was over a five-month period. The employee had a positive five and a quarter day annual leave balance over the same period. The Commission used the annual leave to offset the sick leave and deducted the remaining two and three quarter days from the employee's final paycheck.

From the above, it appears the Commission did not lose any money. However, it appears the Commission may have paid for services before the services were rendered over a four-month period because of the negative sick leave balance. According to Chapter 12, Article 3, Section 13 of the West Virginia Code which states, "No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

We recommend the Commission comply with Chapter 12, Article 3, Section 13 of the West Virginia Code.

The Commission will comply with the West Virginia Code, Chapter 12, Article 3, Section 13 and exercise greater supervision over sick and annual leave records.

Equipment Inventory

During our review of equipment, we found the Inventory Master Control Listing had not been updated since October 1979, therefore, there has been equipment purchased since that is not recorded on the Finance and Administration's Inventory Master Control Listing. The West Virginia Code, Chapter 5A, Article 3, Section 42 states, "The head of every department of the state government shall, on or before July 15 of each year, file with the director an inventory of all real and personal property, and all of the equipment, supplies and commodities in its possession as of the close of the last fiscal year." The Commission has not received a control listing since October 1979,

therefore, has not filed an inventory listing since. Due to the inventory listing not being up-to-date, the Commission or the Department of Finance and Administration have accurate records of property the State owns.

We recommend the Commission comply with the West Virginia Code, Chapter 5A, Article 3, Section 42.

With each purchase of new equipment by the Bond Commission, an Added Property Form has been filed. Therefore, Finance and Administration should have a complete list of all equipment owned by this agency. A separate file is maintained by the Commission containing the 1979 Master Control Listing and all Added Property Forms. The Commission knows exactly what equipment it owns. All equipment is tagged.

The Commission was unaware that it was required to file an inventory of all real and personal property each year as required by Chapter 5A, Article 3, Section 42. The Commission will in the future comply with the requirement

Daily Time Records

During our review of leave records, we noted there were no records kept for each employee noting the number of hours worked each workday and total hours worked each workweek. The West Virginia Department of Labor's Laws and Regulations, Regulation 2, Section 200-2 states, "The written record or records with respect to each and every employee shall contain ... (G) Hours worked each workday and total hours worked each workweek."

We recommend the Commission comply with the West Virginia Department of Labor's Laws and Regulations, Regulation 2, Section 200-2.

The Commission will comply with WV Department of Labor's Laws and Regulations, Regulation 2, Section 200-2.

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 on 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, 1976 to June 30, 1984, 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 condi-

tions that we believe to be weaknesses.

Long Distance Telephone Calls

We found in our review of telephone expenses the Commission has no internal control on long distance phone calls. All long distance calls should be logged so the phone system has internal control in effect and is not abused. Good control would comprise a plan to ensure all calls are for business and not for personal use. Also, a telephone log should be maintained showing name of the individual making the call, the reason, number and date. The Commission should request a monthly breakdown of Dain calls from the Department of Finance and Administration so they can reconcile this with their log.

We recommend the Commission strengthen their internal control over long distance telephone calls.

Finance and Administration has now begun to provide this agency with a printout of DAIN calls each month. Greater control will now be exercised to ensure there is no abuse of the DAIN lines.

Negative Sick Leave Balance

In our review of sick and annual leave records, we found one employee of the Commission had a eight day negative sick leave balance for a five-month period while she still had a positive five and a quarter day annual leave balance for the same period. The recording and reviewing of all leave records should be performed periodically by the director so the above may be detected.

The reason for the above condition was the employee who had the negative balance also was responsible for recording sick and annual leave. It appears there was very little internal control over the recording of sick and annual leave.

We recommend the Commission strengthen their internal control over sick and annual leave.

These records are now supervised by the Executive Director.

AUDITORS' OPINION

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

Sir:

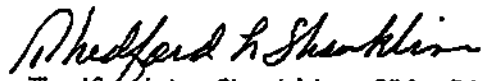
We have examined the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balance of the West Virginia Municipal Bond Commission for the years ended June 30, 1984 and June 30, 1983. Our examination was made in accordance with generally accepted auditing standards, and, accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances.

As more fully described in Note, the financial statement is prepared using the cash and modified 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 aforementioned financial statement of the West Virginia Municipal Bond Commission presents fairly cash transactions for the years ended June 30, 1984 and June 30, 1983 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, 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 3, 1984

Auditors: Ram P. Rao, CPA, Acting Supervisor
Robert Fisher

WEST VIRGINIA MUNICIPAL BOND COMMISSION

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/

DISBURSEMENTS AND CHANGES IN FUND BALANCE

	Year Ended June 30, 1984		
	General Revenue	Trust Funds	Combined Totals
Appropriations/Cash Receipts:			
General Revenue Appropriation	\$ 103,833.00	\$ -0-	\$ 103,833.00
Trust Funds	-0-	63,239,713.96	63,239,713.96
Public Utility Taxes	-0-	3,949,759.95	3,949,759.95
Interest	-0-	17,390,023.43	17,390,023.43
	<u>103,833.00</u>	<u>84,579,497.34</u>	<u>84,683,330.34</u>
Expenditures/Disbursements:			
Personal Services	68,942.69	-0-	68,942.69
Current Expenses	27,871.83	32,210,004.01	32,237,875.84
Equipment	310.30	-0-	310.30
Payment of Claims	531.49	-0-	531.49
Interest Expense	-0-	37,209,367.79	37,209,367.79
Refunds	-0-	3,648,576.98	3,648,576.98
	<u>97,656.31</u>	<u>73,067,948.78</u>	<u>73,165,605.09</u>
Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements	6,176.69	11,511,548.56	11,517,725.25
July 1-31 Expenditures or Expirations	(6,708.18)	-0-	(6,708.18)
	<u>(531.49)</u>	<u>11,511,548.56</u>	<u>11,511,017.07</u>
Beginning Balance	531.49	148,048,578.07	148,049,109.56
Ending Balance	\$ -0-	\$159,560,126.63	\$159,560,126.63

See Notes to Financial Statement

Year Ended June 30, 1983

<u>General</u> <u>Revenue</u>	<u>Trust</u> <u>Funds</u>	<u>Combined</u> <u>Totals</u>
\$ 91,123.49	\$ -0-	\$ 91,123.49
-0-	60,973,376.90	60,973,376.90
-0-	3,860,717.15	3,860,717.15
-0-	16,810,446.87	16,810,446.87
91,123.49	81,644,540.92	81,735,664.41
63,044.75	-0-	63,044.75
7,504.66	31,382,695.04	31,390,199.70
200.00	-0-	200.00
-0-	-0-	-0-
-0-	34,472,039.97	34,472,039.97
-0-	4,391,386.45	4,391,386.45
70,749.41	70,246,121.46	70,316,870.87
20,374.08	11,398,419.46	11,418,793.54
(19,842.59)	-0-	(19,842.59)
531.49	11,398,419.46	11,398,950.95
-0-	136,650,158.61	136,650,158.61
\$ 531.49	\$148,048,578.07	\$148,049,109.56

WEST VIRGINIA MUNICIPAL BOND COMMISSION

NOTES TO FINANCIAL STATEMENTS

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 92-day carry-over period is provided at the end of fiscal year 1983 and 1984, 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 90 days after the fiscal year end. The cash basis of accounting is followed by all other funds. Therefore, certain revenue and 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 during the 92-day carry over period and expirations were as follows:

	Expenditures		Expirations	
	After June 30,		After June 30,	
	1984	1983	1984	1983
Personal Services	\$ -0-	\$ -0-	\$ 2,533.31	\$ 11,642.25
Current Expenses	3,121.65	4,763.23	313.52	3,437.11
Equipment	72.49	-0-	567.21	-0-
	<u>\$ 3,194.14</u>	<u>\$ 4,763.23</u>	<u>\$ 3,514.04</u>	<u>\$ 15,079.36</u>

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' Retirement System. Employees contribute 4% percent of their compensation and have vested rights under certain circumstances. The West Virginia Legislature through a general revenue appropriation matches the employees' contribution at 9% percent of the employees' compensation.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 APPROPRIATED ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
<u>Personal Services - Account 1700-00</u>		
Appropriations	\$74,687.00	\$74,687.00
Appropriation Reduction	3,211.00	-0-
Expenditures	<u>68,942.69</u>	<u>63,044.75</u>
Transmittals Paid After June 30	<u>2,533.31</u>	<u>11,642.25</u>
	-0-	-0-
Balance	<u>\$ 2,533.31</u>	<u>\$11,642.25</u>
<u>Current Expenses - Account 1700-01</u>		
Appropriations	\$31,307.00	\$15,705.00
Expenditures	<u>27,871.83</u>	<u>7,504.66</u>
	3,435.17	8,200.34
Transmittals Paid After June 30	<u>3,121.65</u>	<u>4,763.23</u>
Balance	<u>\$ 313.52</u>	<u>\$ 3,437.11</u>
<u>Equipment - Account 1700-03</u>		
Appropriations	\$ 1,050.00	\$ 200.00
Expenditures	<u>310.30</u>	<u>200.00</u>
	739.70	-0-
Transmittals Paid After June 30	<u>72.49</u>	<u>-0-</u>
Balance	<u>\$ 667.21</u>	<u>\$ -0-</u>
<u>Claims Against the State - Account 1700-79</u>		
Appropriations	\$ 531.49	\$ 531.49
Expenditures	<u>531.49</u>	<u>-0-</u>
	-0-	531.49
Transmittals Paid After June 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ -0-</u>	<u>\$ 531.49</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1984

<u>Operating Account -</u> <u>7320-10</u>	<u>State</u> <u>Road</u> <u>#1 Issues</u>	<u>Toll</u> <u>Bridge</u> <u>Issues</u>	<u>State</u> <u>Building</u> <u>Commission</u>	<u>BOR and</u> <u>College</u> <u>Issues</u>
Cash Receipts:				
Trust Funds	\$969,937.50	\$ 965,960.22	\$ 250,000.00	\$12,547,184.92
Interest - Escrow	-0-	100,837.93	1,729,778.86	306,466.05
Interest Earned Pool	726.92	504,049.72	364,605.03	3,874,466.65
	<u>970,664.42</u>	<u>1,570,847.87</u>	<u>2,344,383.89</u>	<u>16,728,117.62</u>
Disbursements:				
Debt Service	972,591.25	595,616.70	1,567,076.25	7,768,485.55
Interest Expense	-0-	462,952.50	1,203,372.50	6,835,829.87
Refunds	-0-	-0-	-0-	1,600,000.00
	<u>972,591.25</u>	<u>1,058,569.20</u>	<u>2,770,448.75</u>	<u>16,204,315.42</u>
Cash Receipts Over (Under) Disbursements	(1,926.83)	512,278.67	(426,064.86)	523,802.20
Beginning Balance	<u>2,362.48</u>	<u>5,540,237.69</u>	<u>16,147,783.84</u>	<u>39,147,840.83</u>
Ending Balance	<u>\$ 435.65</u>	<u>\$6,052,516.36</u>	<u>\$15,721,718.98</u>	<u>\$39,671,643.03</u>

<u>State Armory Board</u>	<u>Dept. of Natural Resources</u>	<u>Public Utility Tax Suspense Account</u>	<u>County Commission Revenue Issues</u>	<u>Industrial Development Revenue Issues</u>
\$ 471,997.86	\$1,137,350.00	\$-0-	\$212,042.52	\$181,487.10
-0-	-0-	-0-	-0-	-0-
<u>106,242.28</u>	<u>51,435.19</u>	<u>706.47</u>	<u>48,231.02</u>	<u>3,743.54</u>
578,240.14	1,188,785.19	706.47	260,273.54	185,230.64
345,157.30	614,000.00	-0-	147,021.05	110,077.95
130,025.40	523,350.00	-0-	56,830.58	71,300.00
-0-	-0-	-0-	14,983.47	-0-
<u>475,182.70</u>	<u>1,137,350.00</u>	<u>-0-</u>	<u>218,385.10</u>	<u>181,377.95</u>
103,057.44	51,435.19	706.47	41,888.44	3,852.69
<u>905,324.40</u>	<u>299,278.97</u>	<u>2.25</u>	<u>406,111.65</u>	<u>20,635.76</u>
<u>\$1,008,381.84</u>	<u>\$ 350,714.16</u>	<u>\$708.72</u>	<u>\$448,000.09</u>	<u>\$ 24,488.45</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1984 - CONTINUED

	<u>Commission General Obligation Issues</u>	<u>Municipal Revenue Issues</u>	<u>County School Issues</u>
Cash Receipts:			
Trust Funds	\$1,138,738.16	\$21,029,489.94	\$19,461,634.75
Public Utility Taxes	79,106.29	-0-	3,456,313.93
Interest - Escrow	-0-	86,272.47	51,006.86
Interest Earned Pool	104,966.88	3,860,098.38	4,462,698.18
	<u>1,322,811.33</u>	<u>24,975,860.79</u>	<u>27,431,653.72</u>
Disbursements:			
Debt Service	716,269.78	4,958,996.77	12,562,395.52
Interest Expense	243,606.25	15,456,591.29	8,735,953.54
Refunds	-0-	1,006,859.17	449,758.06
	<u>959,886.03</u>	<u>21,422,447.23</u>	<u>21,748,107.12</u>
Cash Receipts Over (Under) Disbursements	362,925.30	3,553,413.56	5,683,546.60
Beginning Balance	<u>941,848.00</u>	<u>33,560,668.60</u>	<u>36,301,029.42</u>
Ending Balance	<u>\$1,304,773.30</u>	<u>\$37,114,082.16</u>	<u>\$41,984,576.02</u>

<u>Municipal General Obligation Issues</u>	<u>Public Service District Issues</u>	<u>Bank Com. Suspense Account</u>	<u>Combined Totals</u>
\$2,053,999.05	\$2,819,891.94	\$ -0-	\$ 63,239,713.96
414,339.73	-0-	-0-	3,949,759.95
-0-	-0-	-0-	2,274,362.17
233,113.16	438,644.47	-0-	14,053,727.89
<u>2,701,451.94</u>	<u>3,258,536.41</u>	<u>-0-</u>	<u>83,517,563.97</u>
1,305,794.92	546,510.97	-0-	32,210,004.01
1,505,226.00	1,984,779.86	-0-	37,209,367.79
39,663.72	100,646.80	-0-	3,211,911.22
<u>2,850,684.64</u>	<u>2,631,937.63</u>	<u>-0-</u>	<u>72,631,283.02</u>
(149,232.70)	626,598.78	-0-	10,886,280.95
<u>2,012,838.97</u>	<u>3,646,231.67</u>	<u>2,786.85</u>	<u>138,934,981.38</u>
<u>\$1,863,606.27</u>	<u>\$4,272,830.45</u>	<u>\$2,786.85</u>	<u>\$149,821,262.33</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1983

<u>Operating Account -</u> <u>7320-10</u>	<u>State</u> <u>Road</u> <u>#1 Issues</u>	<u>Toll</u> <u>Bridges</u> <u>Issues</u>	<u>State</u> <u>Building</u> <u>Commission</u>	<u>BOR and</u> <u>College</u> <u>Issues</u>
Cash Receipts:				
Trust Funds	\$1,368,548.12	\$1,044,023.98	\$ 1,151,819.54	\$13,640,025.30
Interest Earned - Escrow	-0-	103,237.06	1,458,400.57	348,225.55
Interest Earned - Pool	2,980.34	469,684.45	421,738.22	3,875,353.92
	<u>1,371,528.46</u>	<u>1,616,945.49</u>	<u>3,031,958.33</u>	<u>17,863,604.77</u>
Disbursements:				
Debt Service	1,372,100.00	571,519.50	1,480,492.80	6,966,982.40
Interest Expense	-0-	485,672.50	1,286,945.00	7,146,282.13
Refunds	-0-	10,359.77	-0-	925,591.00
	<u>1,372,100.00</u>	<u>1,067,551.77</u>	<u>2,767,437.80</u>	<u>15,038,855.53</u>
Cash Receipts Over (Under) Disbursements	(571.54)	549,393.72	264,520.53	2,824,749.24
Beginning Balance	<u>2,934.02</u>	<u>4,990,843.97</u>	<u>15,883,263.31</u>	<u>36,323,091.59</u>
Ending Balance	<u>\$ 2,362.48</u>	<u>\$5,540,237.69</u>	<u>\$16,147,783.84</u>	<u>\$39,147,840.83</u>

<u>State Armory Board</u>	<u>Dept. of Natural Resources</u>	<u>Public Utility Tax Suspense Account</u>	<u>County Com. Revenue Issues</u>	<u>Industrial Development Revenue Issues</u>
\$472,169.25	\$1,160,000.00	\$-0-	\$210,652.80	\$182,500.41
-0-	-0-	-0-	-0-	-0-
<u>103,852.22</u>	<u>48,083.54</u>	<u>-0-</u>	<u>48,750.08</u>	<u>2,610.67</u>
<u>576,021.47</u>	<u>1,208,083.54</u>	<u>-0-</u>	<u>259,402.88</u>	<u>185,111.08</u>
337,127.00	614,000.00	-0-	158,047.50	105,080.80
144,701.90	545,160.00	-0-	72,334.75	77,337.50
-0-	-0-	-0-	-0-	-0-
<u>481,828.90</u>	<u>1,159,160.00</u>	<u>-0-</u>	<u>230,382.25</u>	<u>182,418.30</u>
94,192.57	48,923.54	-0-	29,020.63	2,692.78
<u>811,131.83</u>	<u>250,355.43</u>	<u>2.25</u>	<u>377,091.02</u>	<u>17,942.98</u>
<u>\$905,324.40</u>	<u>\$ 299,278.97</u>	<u>\$2.25</u>	<u>\$406,111.65</u>	<u>\$ 20,635.76</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1983 - CONTINUED

<u>Operating Account -</u> <u>7320-10</u>	County Com. General Obligation	Municipal Revenue Issues	County School Issues
Cash Receipts:			
Trust Funds	\$ 925,177.13	\$19,846,113.49	\$14,884,628.68
Public Utility Taxes	60,595.42	-0-	3,388,211.41
Interest Earned - Escrow	-0-	464,372.30	-0-
Interest Earned - Pool	80,487.05	3,494,625.01	4,163,025.75
	<u>1,066,259.60</u>	<u>23,805,110.80</u>	<u>22,435,865.84</u>
Disbursements:			
Debt Service	426,696.26	6,883,099.50	10,704,877.99
Interest Expense	195,097.50	14,785,954.76	6,547,898.02
Refunds	-0-	649,639.45	302,261.19
	<u>621,793.76</u>	<u>22,318,693.71</u>	<u>17,555,037.20</u>
Cash Receipts Over (Under) Disbursements	444,446.84	1,486,417.09	4,880,828.64
Beginning Balance	<u>497,382.16</u>	<u>32,074,251.51</u>	<u>31,420,200.78</u>
Ending Balance	<u>\$ 941,848.00</u>	<u>\$33,560,668.60</u>	<u>\$36,301,029.42</u>

<u>Municipal General Obligation</u>	<u>Public Service Districts</u>	<u>Bank Com. Suspense Account</u>	<u>Combined Totals</u>
\$2,423,099.55	\$2,141,286.22	\$ -0-	\$ 59,450,044.47
411,910.32	-0-	-0-	3,860,717.15
-0-	-0-	-0-	2,374,235.48
266,098.17	401,348.16	-0-	13,378,637.58
<u>3,101,108.04</u>	<u>2,542,634.38</u>	<u>-0-</u>	<u>79,063,634.68</u>
1,310,838.14	451,833.15	-0-	31,382,695.04
1,565,949.45	1,618,706.46	-0-	34,472,039.97
639,853.19	72,908.25	-0-	2,600,612.85
<u>3,516,640.78</u>	<u>2,143,447.86</u>	<u>-0-</u>	<u>68,455,347.86</u>
(415,532.74)	399,186.52	-0-	10,608,286.82
<u>2,428,371.71</u>	<u>3,247,045.15</u>	<u>2,786.85</u>	<u>128,326,694.56</u>
<u>\$2,012,838.97</u>	<u>\$3,646,231.67</u>	<u>\$2,786.85</u>	<u>\$138,934,981.38</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION

INVESTMENTS AND CASH

<u>Operating Account - 7320-10</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1984</u>
<u>State Issues</u>		
State Road - Pool #1	\$ 435.65	\$ 2,362.48
Toll Bridges - Pool #2	6,052,516.36	5,540,237.69
Building Commission - Pool #3	15,721,718.98	16,147,783.84
Colleges - Pool #4	39,671,643.03	39,147,840.83
Armory Board - Pool #5	1,008,381.84	905,324.40
State Parks - Pool #7	350,714.16	299,278.97
	<u>62,805,410.02</u>	<u>62,042,828.21</u>
<u>County Issues</u>		
County Commission Revenue - Pool #9	448,000.09	406,111.65
Industrial Development - Pool #10	24,488.45	20,635.76
County Commission General Obligation - Pool #11	1,304,773.30	941,848.00
County Schools	41,984,576.02	36,301,029.42
	<u>43,761,837.86</u>	<u>37,669,624.83</u>
<u>Municipal Issues</u>		
Municipal Revenues - Pool #12	37,114,082.16	33,560,668.60
Municipal General Obligation - Pool #14	1,863,606.27	2,012,838.97
	<u>38,977,688.43</u>	<u>35,573,507.57</u>
<u>Public Service Commission</u>		
Pool #6	4,272,830.45	3,646,231.67
Public Utility Taxes - Pool #8	708.72	2.25
Bank Commission Suspense Account	2,786.85	2,786.85
	<u>4,276,326.02</u>	<u>3,649,020.77</u>
 Total	 <u>\$149,821,262.33</u>	 <u>\$138,934,981.38</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION

INVESTMENTS AND CASH

<u>Operating Account - 7320-10</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Escrowed Investments	\$ 20,553,683.11	\$ 20,404,657.49
Amount With Board of Investments Pool	129,261,509.10	117,879,006.21
Cash	<u>6,070.12</u>	<u>651,317.68</u>
Total Balance Accounted for	<u>\$149,821,262.33</u>	<u>\$138,934,981.38</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 1984

<u>Special Investment Account -</u> <u>7325-15</u>	<u>State Dis-</u> <u>cretionary</u>	<u>Local Current</u> <u>Expense</u>	<u>Capital Out-</u> <u>lay & Improve</u>
Cash Receipts:			
Interest	\$ 76,830.00	\$ 658,923.76	\$ 113,152.53
Disbursements:			
Refunds	-0-	109,028.81	245,475.00
	<u>-0-</u>	<u>109,028.81</u>	<u>245,475.00</u>
Cash Receipts Over (Under)			
Disbursements	76,380.00	549,894.95	(132,322.47)
Beginning Balance	<u>649,146.80</u>	<u>5,606,600.61</u>	<u>1,010,951.86</u>
Ending Balance	<u>\$725,526.80</u>	<u>\$6,156,495.56</u>	<u>\$ 878,629.39</u>

<u>Bond Fund</u>	<u>Combined Totals</u>
\$ 213,477.08	\$1,061,933.37
<u>82,161.95</u>	<u>436,665.76</u>
<u>82,161.95</u>	<u>436,665.76</u>
131,315.13	625,267.61
<u>1,846,897.42</u>	<u>9,113,596.69</u>
<u>\$1,978,212.55</u>	<u>\$9,738,864.30</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1983

	<u>State Dis-</u> <u>cretionary</u>	<u>Local Current</u> <u>Expense</u>	<u>Capital Out-</u> <u>Lay & Improve</u>
Cash Receipts:			
Trust Funds	\$ -0-	\$ -0-	\$ 2,622.43
Interest	<u>72,781.75</u>	<u>650,019.53</u>	<u>250,189.77</u>
	72,781.75	650,019.53	252,812.20
Disbursements:			
Refunds	<u>-0-</u>	<u>249,820.82</u>	<u>1,510,626.98</u>
	-0-	249,820.82	1,510,626.98
Cash Receipts Over (Under)			
Disbursements	72,781.75	400,198.71	(1,257,814.78)
Beginning Balance	<u>576,365.05</u>	<u>5,206,401.90</u>	<u>2,268,766.64</u>
Ending Balance	<u>\$649,146.80</u>	<u>\$5,606,600.61</u>	<u>\$1,010,951.86</u>

<u>Bond Fund</u>	<u>Combined Totals</u>
\$1,520,710.00	\$1,523,332.43
84,582.76	1,057,573.81
<u>1,605,292.76</u>	<u>2,580,906.24</u>
30,325.80	1,790,773.60
<u>30,325.80</u>	<u>1,790,773.60</u>
1,574,966.96	790,132.64
<u>271,930.46</u>	<u>8,323,464.05</u>
<u>\$1,846,897.42</u>	<u>\$9,113,596.69</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION

INVESTMENTS AND CASH

<u>Special Investment Account -</u> <u>7325-15</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
State - Pool #15	\$ 725,526.80	\$ 649,146.80
Local Current Expense - Pool #16	6,156,495.56	5,606,600.61
Local Capital Outlay/Perm. Improvement - Pool #17	878,629.39	1,010,951.86
Local Bond Fund - Pool #18	<u>1,978,212.55</u>	<u>1,846,897.42</u>
Total	<u>\$9,738,864.30</u>	<u>\$9,113,596.69</u>

Summary of Account Breakdown

Amount With Board of Investments Pool	\$9,738,290.81	\$9,113,307.44
Cash	<u>573.49</u>	<u>289.25</u>
Total Balance Accounted for	<u>\$9,738,864.30</u>	<u>\$9,113,596.69</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
STATEMENT OF CHANGES IN INVESTMENT BALANCE

<u>Investments - Accounts</u> <u>7320-10 and 7325-15</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Additions:		
Transfers to State Board of Investments	\$ 57,198,200.00	\$ 65,851,535.03
Interest Reinvested	15,115,661.26	14,436,211.29
	<u>72,313,861.26</u>	<u>80,287,746.32</u>
Deductions:		
Withdrawals from State Board of Investments	60,306,375.00	64,142,239.42
	<u>12,007,486.26</u>	<u>16,145,506.90</u>
Beginning Balance	<u>126,992,313.65</u>	<u>110,846,806.75</u>
Ending Balance	<u>\$138,999,799.91</u>	<u>\$126,992,313.65</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
STATEMENT OF CHANGES IN ESCROWED INVESTMENT BALANCE

<u>Escrowed Investments</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1983</u>
Additions:		
Transfer to State Board of Investments	<u>\$ 1,509,142.03</u>	<u>\$ -0-</u>
	1,509,142.03	-0-
Deductions:		
Withdrawals from State Board of Investments	<u>1,360,116.41</u>	<u>5,324,042.90</u>
	149,025.62	5,324,042.90
Beginning Balance	<u>20,404,657.49</u>	<u>25,728,700.39</u>
Ending Balance	<u>\$20,553,683.11</u>	<u>\$20,404,657.49</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 ESCROWED INVESTMENTS OUTSTANDING JUNE 30, 1984

<u>Maturity Dates</u>	<u>Description</u>	<u>Par</u>	<u>Principal Cost</u>
<u>Huntington Toll Bridge</u>			
05/15/99	Treasury Bond 8.5%	100,000	\$ 101,750.00
08/15/00-95	Treasury Bond 8.375%	430,000	431,612.50
08/15/01-96	Treasury Bond 8%	475,000	459,859.38
<u>New Martinsville Toll Bridge</u>			
08/15/84	Treasury Notes 7.25%	258,000	242,358.75
<u>State Building Commission</u>			
02/15/86	Treasury Notes 13.5%	1,500,000	1,483,828.13
02/15/87	Treasury Notes 12.75%	1,500,000	1,447,500.00
01/15/88	Treasury Notes 12.375%	1,000,000	948,437.50
01/15/89	Treasury Notes 14.625%	2,000,000	2,073,125.00
11/15/89	Treasury Notes 10.75%	1,175,000	1,026,656.25
11/15/90	Treasury Notes 13.00%	2,000,000	1,946,250.00
02/15/92	Treasury Notes 14.625%	2,000,000	2,103,750.00
02/15/93	Treasury Bonds 7.875%	1,500,000	1,044,375.00
02/15/94	Treasury Bonds 9%	350,000	262,062.50
02/15/95	Treasury Bonds 10.50%	320,000	264,800.00
11/15/95	Treasury Bonds 11.50%	550,000	487,265.63
<u>West Virginia University - Project 11</u>			
08/15/84	Treasury Note 6.375%	405,000	393,735.91
05/15/85	Treasury Note 3.25%	975,000	793,406.25
08/15/86	Treasury Note 8%	50,000	52,500.00
04/06/87	GNMA 5.10%	910,000	777,481.25
04/08/88	GNMA 6.45%	720,000	670,275.00
08/12/88	GNMA 6.2%	25,000	22,773.44
04/23/89	FHA 9%	300,000	333,000.00
04/23/89	FHA 9%	625,000	693,750.00
<u>Charles Town Sewer</u>			
11/15/86	Treasury Note 6.125%	557,000	557,000.00
<u>Marmet Sewer</u>			
11/15/95	Treasury Bonds 11.50%	127,000	113,625.31
	Accrued Interest Paid		1,230.31
<u>Masontown Water</u>			
02/15/95	Treasury Bonds 11.50%	40,000	37,075.00
<u>Ranson Sewer</u>			
05/15/85	Treasury Bond 3.25%	4,000	4,000.00
11/15/86	Treasury Bond 6.125%	423,000	423,000.00

Hancock County Schools 83

03/15/94	Treasury S&LGS 8%	662,200	662,200.00
03/15/95	Treasury S&LGS 8%	<u>695,000</u>	<u>695,000.00</u>
TOTAL ESCROWED INVESTMENTS - 7320-10		<u>\$21,676,200</u>	<u>\$20,553,683.11</u>

WEST VIRGINIA MUNICIPAL BOND COMMISSION
 ESCROWED INVESTMENTS OUTSTANDING JUNE 30, 1983

<u>Maturity Date</u>	<u>Description</u>	<u>Par</u>	<u>Principal Cost</u>
<u>Huntington Toll Bridge</u>			
05/15/99	Treasury Bonds 8.5%	\$ 200,000	\$ 101,750.00
08/15/00-95	Treasury Bonds 8.375%	430,000	431,612.50
08/15/01-96	Treasury Bonds 8%	475,000	459,859.38
<u>New Martinsville Toll Bridge</u>			
08/15/84	Treasury Notes 7.25%	258,000	242,358.75
<u>State Building Commission</u>			
02/15/86	Treasury Notes 13.5%	1,500,000	1,483,828.13
02/15/87	Treasury Notes 12.75%	1,500,000	1,447,500.00
01/15/88	Treasury Notes 12.375%	1,000,000	948,437.50
01/15/89	Treasury Notes 14.625%	2,000,000	2,073,125.00
11/15/89	Treasury Notes 10.75%	1,175,000	1,026,656.25
11/15/90	Treasury Notes 13.00%	2,000,000	1,946,250.00
02/15/92	Treasury Notes 14.625%	2,000,000	2,103,750.00
02/15/93	Treasury Bonds 7.875%	1,500,000	1,044,375.00
02/15/94	Treasury Bonds 9.00%	350,000	262,062.50
02/15/95	Treasury Bonds 10.50%	320,000	264,800.00
11/15/95	Treasury Bonds 11.50%	550,000	487,265.63
<u>West Virginia University - Project 11</u>			
02/15/84	Treasury Notes 7.25%	940,000	951,280.00
08/15/84	Treasury Notes 6.375%	405,000	393,735.91
05/15/85	Treasury Notes 3.25%	975,000	793,406.25
08/15/86	Treasury Notes 8.00%	50,000	52,500.00
04/06/87	GNMA 5.10%	910,000	777,481.25
04/08/88	GNMA 6.45%	720,000	670,275.00
08/12/88	GNMA 6.2%	25,000	22,773.44
04/23/89	FHA 9.0%	300,000	333,000.00
04/23/89	FHA 9.0%	625,000	693,750.00
<u>Charles Town Sewer</u>			
11/15/86	Treasury Notes 6.125%	557,000	557,000.00
<u>Fairmont Sewer</u>			
08/15/83	Treasury Notes 11.875%	220,000	210,925.00
<u>Parkersburg Sewer</u>			
12/01/83	Treasury Notes: S&LGS 11.2662%	197,900	197,900.00
<u>Ranson Sewer</u>			
05/15/85	Treasury Bonds 3.25%	4,000	4,000.00
11/15/86	Treasury Bonds 6.125%	423,000	423,000.00
TOTAL ESCROWED INVESTMENTS		<u>\$21,509,900</u>	<u>\$20,404,657.49</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 13, Article 3, as amended, and that the same is a true and correct copy of said report.

Given under my hand 11th day of June,
1985.

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 State Tax Commissioner, Chairman; the Executive Secretary of the Municipal Bond Commission; Governor; Attorney General; and, State Auditor.