

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
FOR THE PERIOD
JULY 1, 1979 - JUNE 30, 1985



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
FOR THE PERIOD
JULY 1, 1979 - JUNE 30, 1985



LEGISLATIVE AUDITOR
CHARLESTON

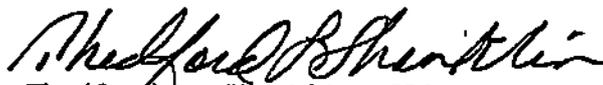
The Honorable Encil Bailey
Legislative Auditor
State Capitol - West Wing
Charleston, West Virginia

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the West Virginia Department of Culture and History.

Our examination covers the period July 1, 1979 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 June 30, 1985 and June 30, 1984 are included in this report. The financial statements covering the period July 1, 1979 through June 30, 1983 are included in our audit workpapers.

Respectfully submitted,


Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/nkk, spg

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

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WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
EXIT CONFERENCE

We held an exit conference on March 4, 1987 with the Commissioner, Administrative Officer and Comptroller of the West Virginia Department of Culture and History and all findings and recommendations were reviewed and discussed. The above officials' 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.

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

INTRODUCTION

The Department of Culture and History was created by an Act of the Legislature effective July 1, 1977 as set forth in Article 1, Chapter 29 of the West Virginia Code. The Department of Archives and History and several divisions of the Department of Commerce and Antiquities Commission were merged upon their abolishment into the Department of Culture and History. The Department consists of five divisions: Administration, Archives and History, Arts and Humanities, Historic Preservation, and Programming; and, two corresponding citizens commissions: Archives and History Commission and Arts and Humanities Commission.

Housed in the West Virginia Science and Cultural Center, the purposes and duties of the Department are to advance, foster and promote the creative and performing arts and crafts, including both indoor and outdoor exhibits and performances; to identify, acquire, mark and care for historical, prehistorical, archaeological and unique architectural sites, structures and objects in the State; to coordinate all cultural and artistic activities in the State government and at the state-owned facilities; to acquire, preserve and classify books, documents and memorabilia of historical interest or importance; and, in general, to do all things necessary or convenient to preserve and advance the culture of the State.

Administration Division

The Administrative Division provides central administrative, technical, security and information services for all divisions and coordinates the operations and affairs of the divisions, commissions, and allied activities of the Department.

Programming Division

The Programming Division plans and schedules activity and exhibits showcasing West Virginia talent for the Cultural Center complex, the divisions within the Department of Culture and History, the West Virginia Independence Hall and Washington Carver Camp. Additionally, it takes activity and technical assistance throughout the State to serve needs beyond the Charleston-based facility. Also, it sees to the publishing of quarterly folklife publication, Goldenseal; a quarterly newsmagazine, Culture and History; and operates "The Shop", a marketing outlet for the craftspeople, musicians and writers in West Virginia.

Division of Archives and History

The Division of Archives and History of the Department of Culture and History traces its roots back to early beginnings as a private sector organization in 1869. It joined State government in 1905 as the Bureau of Archives and History under the Board of Public Works. With legislation enacted in 1925, the agency became the Department of Archives and History and remained under this title headquartered in the State Capitol Building until its integration into the Department of Culture and History in 1977.

This division is responsible for the acquisition of records, books, microfilm, artifacts, and memorabilia, documenting and preserving the history of the State from pre-history to the present; maintaining and exhibiting these materials in the State Library, Archives, and Museum for their informational and enrichment value, thereby enhancing the public's awareness and understanding of the State's history and culture. This division provides referral and consultative services to the public, State agencies, historical societies, and museums. In addition, the division publishes a history journal and other information of historic value; and administers the State's Historical Highway Marker Program.

Archives and History Commission

The Archives and History Commission was created under Chapter 7, Acts of the Legislature, 1st Extraordinary Session, 1977, and replaced the West Virginia Antiquities Commission effective July 1, 1977. This commission consists of nine members appointed by the Governor with the consent of the Senate. The Director of the Division of Archives and History, President of the State Historical Society, President of the State Historical Association of College and University Teachers, Director of State Geological and Economic Survey and the State Historic Preservation Officer shall serve ex officio. Each member or ex officio member of the commission shall serve without compensation, but shall be reimbursed for all reasonable and necessary expenses actually incurred in the performance of his duties.

The commission advises the Commissioner of the Department of Culture and History and the Director of the Division of Archives and History concerning the accomplishments of the purposes of that division and to establish a State plan with respect thereto; approves and distributes grants-in-aid and awards from Federal and State funds relating to the purposes of the Archives and History Division; encourages and promotes the purposes of the Archives and History Division.

Arts and Humanities Division

The Arts and Humanities Division involves artists, craftspeople, arts institutions and citizens of West Virginia in ongoing programs which promote the development of the arts. The division provides financial and technical assistance to further develop arts through the communities of West Virginia.

Arts and Humanities Commission

The West Virginia Arts and Humanities Commission, which was created by Chapter 20, Acts of Legislature, Regular Session 1967, and continued under Chapter 85, Acts of Legislature, Regular Session 1977, replaced the West Virginia Arts and Humanities Council. The commission consists of fifteen members appointed by

the Governor with the consent of the Senate. The Director of the Arts and Humanities Division shall be an ex officio nonvoting member. Each member or ex officio member of the commission shall serve without compensation, but shall be reimbursed for all reasonable and necessary expenses actually incurred in the performance of his duties.

The commission advises the Commissioner of the Department of Culture and History and the Director of the Arts and Humanities Division concerning the accomplishments of the purposes of the division and to establish a State plan with respect thereto; approves and distributes grants-in-aid and awards from Federal and State funds; stimulates and promotes performing and creative arts in the State.

Historic Preservation Unit

With the creation of the Department of Culture and History in the 1977-78 year, the Historic Preservation Unit administratively absorbed the functions of the former West Virginia Antiquities Commission. The division is responsible for locating, surveying, identifying, registering and protecting West Virginia's historic buildings, structures, objects, districts and sites. Activities consist of: administering a State grant program for restoration of historic sites and covered bridges; a Federal grants program for survey and planning; reviewing of Federal or federally-assisted projects; processing applications and provide assistance for tax benefits for rehabilitation; providing technical assistance; nominating properties to the National Register of Historic Places; and, providing the public with information on the economic benefits of historic preservation.

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

ADMINISTRATIVE OFFICERS AND STAFF

Norman L. Fagan Commissioner
Connie Ginsberg Assistant Commissioner, Administration
Robert Shreve Assistant Commissioner, Programming
Jo Ann H. Petry Administrative Officer
Florence Yocum Comptroller
Sara Johe Coordinator, Information Services
Pam Brooks Coordinator, Printing and Graphics
Sharon Mullins Director of Exhibits
Erin D. Grass Exhibits Coordinator
Nancy Herholdt Director of Events
Sandi Keller Coordinator, Outreach and Education
Ken Sullivan Editor, Goldenseal
Michael Keller Director, Photographic Services
Michael Switalski Director, Technical Services
Rebecca Stelling Marketing Coordinator
Lynn Stacy Manager, "The Shop"

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Operation of "The Shop"

1. We noted the Department allows a craft shop known as "The Shop" to occupy space in the Science and Cultural Center on a rent-free basis and provides two full-time employees for its operation. "The Shop" is operated by a private non-profit corporation.

We recommend the Department request an Attorney General's Opinion to determine the legality of the existence of the West Virginia Arts and Humanities Council Foundation, Inc., in regard to its participation in the operation of the "The Shop".

Due to the nature of the mission of The Shop, it must be subsidized and the procurement of the various craft work could not be made based on the criteria set by the selection committee if State purchasing procedures were utilized. (See pages 14-15.)

Disbursement of Grant Funds

2. We noted the Department contracts with an organization known as Mountain Arts, Inc. to coordinate various cultural activities. In actuality, Mountain Arts, Inc. acts as a conduit to disburse State funds and once those funds are disbursed to Mountain Arts, Inc., we do not have access to financial records to evaluate compliance with State purchasing regulations, laws and other oversight procedures.

We recommend the Department comply with Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended. Also, we recommend the Department

review the prior proposed legislation and take necessary corrective action to ensure the ability to apply auditing procedures and determine compliance with State laws, rules and regulations.

The use of Mountain Arts, Inc. is necessary for the Department to fulfill its mission regarding cultural activities in light of present State laws affecting the Department. (See pages 15-21.)

Expenditures from Wrong Accounts

3. We noted several disbursements made from Repairs and Alterations Account (3510-02) for the operation of Independence Hall and Washington Carver Camp.

We recommend the Department comply with Chapter 5A, Article 2, Section 19 of the West Virginia Code, as amended.

We do not agree with this audit finding. (See pages 22-23.)

Failure to Reimburse Current Expense Account

4. We noted the Department paid \$37,879.06 in fiscal year 1984 and \$37,654.56 in fiscal year 1985 for printing of the Goldenseal magazine and \$13,301.00 in fiscal year 1984 for printing of the West Virginia History quarterly from the Current Expense Account (3510-01). Although subscription and voluntary subscription fees were received, no redeposits were made to reimburse the aforementioned appropriated account.

We recommend the Department comply with Chapter 12, Article 3, Section 12 of the West Virginia Code, as amended.

We do not agree with this audit recommendation. (See pages 23-24.)

Transfer of Accrued Sick Leave Balance

5. We noted an employee was allowed to transfer 84.50 days accrued sick leave to the Department of Culture and History. However, due to the fact the employee was separated from service with the State of West Virginia for more than 12 successive calendar months, only 30 days should have been transferred.

We recommend the Department comply with Section 16.04, Subsection (e), (1) of the Civil Service System Rules and Regulations and deduct 54.50 days of accrued sick leave from the employee's accrued sick leave balance.

We have complied with this audit recommendation. (See pages 24-25.)

Carry-forward of Accrued Annual Leave

6. We noted the Associate Director of the Division of Archives and History was allowed to carry-forward ten days in 1984 in excess of the allowable 30 days in noncompliance with Section 16.03 of the Civil Service System Rules and Regulations.

We recommend the Department comply with Section 16.03 of the Civil Service System Rules and Regulations.

We have complied with this audit recommendation. (See pages 25-26.)

Unpaid Rent Obligation

7. We noted the Department of Culture and History had accumulated an unpaid rent obligation payable to the State Building Commission of \$4,817,680.32 as of June 30, 1985. The lease agreement calls for monthly payments of \$50,184.17.

We recommend the Department take the necessary steps to request budgetary funds to meet its rent obligation.

We have complied with this audit recommendation. (See pages 26-27.)

Usage of Compensatory Time

8. We noted seven instances where it appears compensatory time off was not taken within the time specified in the Department Staff Handbook. We could find no evidence to indicate the employees were given permission to retain the compensatory time for a period longer than specified in the Department Staff Handbook.

We recommend the Department comply with the Department Staff Handbook regarding the usage of accrued compensatory time.

We will comply with this audit recommendation. (See page 27.)

Time Records

9. We noted several employees' leave records showed compensatory time accrued but did not identify the activity the employee was performing for the agency. Also, leave records for the Assistant Commissioner showed compensatory time off taken but we were unable to ascertain when the compensatory time was accrued.

We recommend the Department comply with Chapter 21, Article 5C, Section 5 of the West Virginia Code.

We will comply with this audit recommendation. (See pages 27-28.)

Inability to Reference Deposits

10. We noted receipt books were not maintained for remittances from sales of Goldenseal magazine, West Virginia History quarterly and charges for photocopying. As a result, we were unable to determine if monies were deposited within 24 hours of receipt.

We recommend the Department comply with Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended.

We have complied with this audit recommendation. (See pages 28-29.)

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Department of Culture and History. The audit covered the period July 1, 1979 through June 30, 1985.

GENERAL REVENUE ACCOUNTS

All expenditures required for the general operation of the West Virginia Department of Culture and History were made from the following accounts:

<u>Number</u>	<u>Description</u>
<u>General Administration</u>	
3510-00	Personal Services
3510-01	Current Expenses
3510-02	Repairs and Alterations
3510-03	Equipment
3510-04	Grants, Fairs and Festivals
3510-05	Washington Carver Camp
3510-06	Historical Preservation
<u>Arts and Humanities Fund</u>	
3515-00	Personal Services
3515-01	Current Expenses
3515-05	Grants and Contractual Services
<u>Department Programming Funds</u>	
3520-06	Outreach and Education
3520-07	Technical Assistance
3520-08	Cultural Center Programs

SPECIAL REVENUE ACCOUNTS

The West Virginia Department of Culture and History maintained the following special revenue accounts. The funds in these accounts were for specific purposes as defined below:

<u>Number</u>	<u>Description</u>
8570-09	West Virginia Arts and Humanities Council Federal funds; for promotion of arts and humanities through grants and awards.

- 8580-07 Antiquities Commission Historic Sites
Federal, local and State funds; to
locate, restore, acquire and protect
historic sites.
- 8580-10 Unclassified Expenses
Donations and Bookstore sales;
for miscellaneous expenses.

FEDERAL FUND ACCOUNTS

The West Virginia Department of Culture and History maintained the following Federal fund accounts during the audit period:

<u>Number</u>	<u>Description</u>
<u>Consolidated Federal Fund - General Administration</u>	
7828-00	Personal Services
7828-01	Current Expenses
7828-03	Equipment
7828-06	Historic Preservation
7828-99	Cash Control

Consolidated Federal Fund - Arts and Humanities Fund

7831-01	Current Expenses
7831-05	Grants and Contractual Services
7831-99	Cash Control

FEDERAL REVENUE SHARING FUNDS

The West Virginia Department of Culture and History maintained the following Federal revenue sharing fund accounts during the audit period:

<u>Number</u>	<u>Description</u>
9750-12	Oglebay Park - Lights
9750-23	Farm Museum
9750-34	Delf Norna

AREAS OF NONCOMPLIANCE

Chapter 29, Article 1 of the West Virginia Code generally governs the West Virginia Department of Culture and History. 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.

Operation of "The Shop"

We noted in our previous audit an organization known as the West Virginia Arts and Humanities Council Foundation, Inc., a private non-profit corporation operates a craft shop known as "The Shop". "The Shop" is a show-place and marketing outlet for the work of West Virginia's quality craftsmen.

"The Shop" occupies facilities in the Science and Cultural Center Building and is operated by two full-time State employees. The State of West Virginia receives no funds from the corporation for rental of the facilities or to reimburse the salaries of the State employees maintaining "The Shop". All income from "The Shop" is used for the purchase of additional craftwork and the support of technical and marketing programs.

The method of operation of the craft shop has not changed since our previous audit. During the previous audit, the auditors discussed the reasons for a private non-profit corporation being allowed to exist on State premises and be maintained by State employees with the Commissioner of the Department of Culture and History. At that time, the Commissioner commented as follows:

"The Shop is, first of all, an exhibit, a regular stop by all groups and individuals touring the building. For many years, it has been widely recognized that the need existed to have a showcase of quality West Virginia Crafts. It was impossible to see quality featured in most commercial establishments. One had to dig through three feet of Japanese plastic to find something of hand-made quality. With the advent of the Center, it was finally possible to present such a showcase. So secondly, as a showcase, the Shop serves as a major marketing effort through which buyers and exhibitors are brought together with the producers so that their wares can receive a much wider distribution and acceptance. The Shop also provides Technical Assistance to shop owners in West Virginia by putting them in touch with the producers and assisting them in obtaining quality West Virginia crafts. Finally, and incidentally, The Shop is a retail

outlet, and it is for this purpose that it was established as a non-profit corporation. It is commercially impossible to operate a shop of this type. It must be subsidized, and that is why the space is provided and two State employees are charged with fulfilling all three of its functions. It should be noted that even if The Shop were not a retail outlet, we would still have these two marketing positions on the staff.

There are no public funds in The Shop. It was initially advanced \$10,000 from the Bicentennial Grant awarded to open and operate the Science and Culture Center. These funds have been repaid. Since the primary function of The Shop is promotional, it provides a unique tool to fulfill this function. Many State agencies purchase items for presentation to visiting dignitaries. When the retail function of The Shop was established, it was determined that it could not function within State government because all items in The Shop are selected by an independent jury of West Virginia craftsmen so that only the very highest quality is maintained. Income from The Shop is used to purchase crafts, to restock its inventory, and for other promotional efforts on behalf of our craftsmen."

We recommend the Department request an Attorney General's Opinion to determine the legality of the existence of the West Virginia Arts and Humanities Council Foundation, Inc., in regard to its participation in the operation of "The Shop".

No further response by the Department.

Disbursement of Grant Funds

We noted various disbursements were made from several appropriated accounts of the West Virginia Department of Culture and History to an organization identified as Mountain Arts, Inc.. Specifically, the disbursements were made from Grants and Contractual Services Account (3515-05), Outreach and Education Account (3520-06), Technical Assistance Account (3520-07) and Cultural Center Programs Account (3520-08). All of these disbursements were paid as contractual

and professional services utilizing Line Item 025. Previously, the staff of the West Virginia Legislature's Commission on Special Investigations reviewed the nature of these grant activities and the operation of Mountain Arts, Inc., in late 1980.

It appears Mountain Arts, Inc. is a non-profit corporation which acts as a conduit to coordinate various cultural activities of the West Virginia Department of Culture and History. However, supporting documentation for disbursements from the above mentioned accounts do not appear to provide adequate support as audit evidence. The audit function cannot be fulfilled because the funds are disbursed as lump-sum transfers and we do not have access to Mountain Arts, Inc. financial records to determine compliance with various State laws and regulations. For example, an invoice supporting a disbursement from the Cultural Center Programs Account (3520-08) states, "To produce and present outreach and education, technical assistance, and cultural center programs." The amount paid was \$100,000.00. Once the funds were transferred to the corporation, the funds could be used for various types of expenditures but compliance with State purchasing regulations, laws and other oversight procedures could not be evaluated by us. In order to rectify the situation, several recommendations were made in the report by the Commission on Special Investigations.

Specifically, recommendations made by the Commission on Special Investigations included the following proposed legislation:

- "1) Permit the Department of Culture and History to accomplish its mission and purpose and, when necessary, be given the latitude to conduct business in an environment acceptable both to performing its tasks and fully protect State funds or federal funds entrusted to the State;
- 2) That all funds disbursed by the State be subject to State auditing and oversight, regardless of whether such funds have been transferred to non-State accounts;
- 3) That private corporations, such as Mountain Arts, Inc., or the Arts and Humanities Foundation (The Shop), not be formed for the purpose of operating within a State facility or on State property, and be precluded from being subject to audit by the Legislative Auditor's office, or any State legislative body or commission;

- 4) That in the event a separate corporate entity needs to be established to perform certain functions for State government, or on State property, that the officials of such a corporation should not be the same officials who have control over the agency in which the corporation is to function."

It appears the current method of disbursing these funds may be in violation of Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended which states, "It shall be unlawful for any state officer to issue his requisition on the state auditor in payment of any claim unless an itemized account is filed in the office of the officer issuing the requisition. If the account is for services, it shall show the kind of service, dates when performed and names of persons performing the service; if the account is for materials or supplies, it shall show in detail the kind of material or supplies, the quantity, dates of delivery and to whom delivered; and if the account is for automobile hire or other transportation, it shall show the date, from where, to where, and the purpose of the expenditure. No account shall contain an item designated as 'sundry', 'miscellaneous', or by terms of like general nature." The possible violation occurs because the itemized statement called for in the aforementioned Code section could be maintained since all of these activities are actually coordinated by the West Virginia Department of Culture and History.

We asked the Commissioner of the Department of Culture and History about the relationship between the Department of Culture and History and Mountain Arts, Inc., and his comments follow:

"Mountain Arts Foundation, a private non-profit 501-C-3 corporation, was created to assist the Department of Culture and History in carrying out its programs. Because of the unique nature of presenting cultural programs, it was not possible to accomplish the purposes of Chapter 29-1-1 of the Code within the existing financial structure of state government. Therefore, when the legislation was being written creating the Department of Culture and History, a provision was inserted to allow the Department to contract with non-profit cultural

organizations for carrying out its purposes or for raising money to fund the functions of the Department.

After an extensive investigation by the Commission on Special Investigations which recognized the unique situation of the Department, legislation was introduced by the Commission to enable the Department to draw funds in advance. The legislation passed the Senate on two consecutive years, but was rejected by the House both times. The House Finance Committee said that they would rather continue the present system (Mountain Arts, Inc.) than establish a precedent whereby every state agency would want the same situation.

In that regard, Mountain Arts continues to be a vital non-profit arm of the Department of Culture and History. It has a full-time comptroller and is reviewed annually by a CPA. Copies of these reports are made available on an annual basis to the State Auditor, Commissioner of the Department of Finance and Administration, and Director of the Commission on Special Investigations.

Mountain Arts has three basic accounts:

EARNED INCOME

This is income derived from the sale of crafts, books, and other artifacts and documents from The Shop at the Cultural Center, The Shop at West Virginia Independence Hall, and the Country Store at Camp Washington-Carver. The funds received from this operation are used to replenish the inventory and to assist craftsmen in marketing their products.

Contributed Income

This is provided by private individuals, foundations, and organizations for specific activities of the Department. Among these are support for the Coal Exhibit, the 50th Birthday of the Capitol Celebration, the development of an acquisition fund for the State Museum, and a reward fund for stolen historic highway markers.

GRANTS PROGRAM FUNDS

These are funds that are contracted for with Mountain Arts and the

Department for the presentation of cultural programs at the Department's three facilities and those which take place throughout the State of West Virginia.

Following are some examples of the kinds of programs which are funded

with Mountain Arts programming funds and the reasons why it is necessary to have

a non-profit entity for this purpose.

Technical Assistance is a program structured to react to a one-time problem ex-

perienced by an artist, community, school, organization, etc. which occurs and

must have instant response. In most cases, funds are required in advance of the

program and are needed on a very short notice. Since the average processing time

for an Arts and Humanities grant is 90-120 days and since most of the recipients

of technical assistance are not "state vendors," it would be impossible to carry

out this program in the established grants making process. Technical assistance

has been one of the most successful programs of the Department in that we are able

to react immediately; unlike most government programs.

Arts in the Community Grants are usually less than \$1,000 and more often range

from \$50 to \$400 and are provided to schools and communities for presenting West

Virginia artists. Again, because of processing time, the applicants could not

meet established Arts and Humanities grants deadline and still present the pro-

grams. Also, the cost of processing a grant through the established system would

be four or five times the cost of the actual program itself. In most cases,

schools raise the matching funds for these grants through a variety of programs

which range from selling chocolate bars to bake sales, etc. They must be assured

before they get into this that the grants will be available.

Exhibits and Performances: When an exhibit is conceived it takes two to four years

to complete. That includes the process of research, acquisition of the artifacts

and documents which will be part of the exhibit, the production of an educational

program for the exhibit, and the design of the exhibit. When the process is begun, funds must be set aside at that point to complete the exhibit. Otherwise, if a portion of the preparation is done and no funds are available to complete it, then those initial funds are wasted. The same is true in presenting performing artists programs. When a commitment is made to present a major festival (Jazz, Dance, Vandalia Gathering), it is not just the performers who require advance payment or payment in cash; but all ancillary activities must be committed at the same time; i.e., sound systems, special lighting, extra crew, etc.. These are all part of a contract with any major artists and once again to provide a 50% advance to the artist (which is required from most national artists) and not be able to deliver on the rest of the commitment, perhaps seven months later, would be throwing money down the drain.

Coal Exhibit: West Virginia's Coal Exhibit was invited to participate in the World's Fair, free of rental costs. It would have been impossible for us to accept the invitation without having Mountain Arts. We quickly solicited private and government funds for the re-design and shipment of the exhibit to Knoxville. The time element was so tight that funds had to be expended immediately. We got it, we did it, and the West Virginia Coal Exhibit, along with the exhibit from China, were considered by all, both press and public, to be the two best exhibits at the Fair.

Poet Laureate of West Virginia: The law provides that the Poet Laureate of West Virginia receive a \$900 annual stipend. However, no funds or mechanism is provided to accomplish this requirement. We are able to do this through Mountain Arts. Many times when artists contract with the Department they require, along with their fees, prepaid airline tickets, this as much as three months in advance to obtain super saver rates. We would not be able to do this without Mountain Arts.

Cash Payments: Many national artists not only require advance payment of 50% of their fee, but also require that the final 50% be paid in cash on the day of the performance, in advance of the performance. In addition, many of the old timers

who participate in the Vandalia Gathering are unable to deal with checks for their honorariums and expenses and need to be paid in cash.

Independent Commissions: From time to time support for independent commissions is assigned to the Department. These require immediate action to get a program underway which is often behind at the start. Currently, the Department supports the following commissions:

Martin Luther King, Jr. Holiday Commission of West Virginia
Vietnam Veterans Memorial Commission of West Virginia
U.S. Constitution Bicentennial Commission of West Virginia
State Council for Children's Services

New Festivals: Before a new festival or arts program achieves an identity, it is difficult for it to obtain any funding. Many times the community does not know how it wants to develop this new program. The Weirton International Food Festival is an excellent example. We worked with the community in planning it initially and provided funds to very quickly get it off the ground. We could not have done it without having our non-profit arm, Mountain Arts Foundation, to work through. This same thing is true of the Irish Heritage Festival in Raleigh County. The Flood Relief Telethon required extensive support by the Department since it took place at the Cultural Center. This was something that had to be instantly planned and executed and without Mountain Arts we would have been unable to do it.

In addition to the examples cited above, there are many, many more specific instances of programs which the Department conducts which require the flexibility of a non-profit arm. Thus, the Mountain Arts Foundation."

We recommend the Department comply with Chapter 12, Article 3, Section 10 of the West Virginia Code, as amended. Also, we recommend the Department review the prior proposed legislation and take necessary corrective action to ensure the ability to apply auditing procedures and determine compliance with State laws, rules and regulations.

No further response by the Department.

Expenditures from Wrong Accounts

Chapter 5A, Article 2, Section 19 of the West Virginia Code, as amended states, "Notwithstanding any other provision of the law to the contrary, there shall be no transfer of amounts between items of appropriations nor shall moneys appropriated for any particular purpose be expended for any other purpose by any spending unit of the executive, legislative or judicial branch except as hereinafter provided" We noted the Legislature appropriated funds for the operation of Independence Hall (site of the first State Capitol) through its inclusion as a line item in Grants, Fairs and Festivals Account (3510-04) and likewise funded the operations of Washington Carver Camp through Washington Carver Camp Account (3510-05). We noted in the course of our examination of expenditures the following line items paid from the Repairs and Alterations Account (3510-02).

<u>Transmittal Number</u>	<u>Fiscal Year</u>	<u>Paid Date</u>	<u>Line Item Code</u>	<u>Amount</u>	<u>Proper Account</u>	<u>Incurred By</u>	<u>Description</u>
916	1984	01/19/84	064	\$ 27.95	Grants, Fairs and Festivals	Independence Hall	Ice Melter
1145	1984	03/07/84	064	\$ 17.32	Grants, Fairs and Festivals	Independence Hall	Projector Bulb
682	1985	09/25/84	064	\$ 18.96	Washington Carver Camp	Washington Carver Camp	Cap Screws
798	1985	10/24/84	064	\$ 4.27	Grants, Fairs and Festivals	Independence Hall	Putty, Screws, Check Air- Conditioning
798	1985	10/24/84	060	\$370.00	Grants, Fairs and Festivals	Independence Hall	Putty, Screws, Check Air- Conditioning
1018	1985	12/11/84	064	\$ 17.60	Washington Carver Camp	Washington Carver Camp	Angelo Flicker Bulbs
1044	1985	12/19/84	064	\$ 3.76	Grants, Fairs and Festivals	Independence Hall	Screws, Washers, Nuts, 7ME Blade
1044	1985	12/19/84	064	\$ 12.00	Grants, Fairs and Festivals	Independence Hall	Screws, Washers, Nuts, 7ME Blade

It appears the aforementioned expenditures should not have been paid from the Repairs and Alterations Account.

We recommend the Department comply with Chapter 5A, Article 2, Section 19 of the West Virginia Code, as amended.

Departmental appropriations are made to run the Department. West Virginia Independence Hall and Camp Washington-Carver were assigned by the Governor to the Department for programming. The expenditures listed were made for items to prepare these facilities for Departmental programs. This is over and above, and in addition to, the regular operations budget for Camp Washington-Carver and West Virginia Independence Hall. Therefore, we feel they were legitimate expenditures.

Failure to Reimburse Current Expense Account

Chapter 12, Article 3, Section 12 of the West Virginia Code, as amended states, "... Every appropriation which is payable out of general revenue, or so much thereof as may remain undrawn at the end of the year for which made, shall be deemed to have expired at the end of the year for which it is made"

We noted the Department of Culture and History published the Goldenseal magazine during fiscal years 1984 and 1985; the Department expended \$37,879.06 for printing costs associated with Fall 1983 and Winter 1983 issues, and \$37,654.56 for printing costs associated with Fall 1984 and Winter 1984 issues from the Current Expense Account (3510-01). Also, the Department published the West Virginia History quarterly as an annual edition in fiscal year 1984; the printing costs for the edition totaled \$13,301.00. The moneys derived from the voluntary subscription fee for the Goldenseal magazine and the annual subscription fee (\$8.00) for the West Virginia History quarterly are deposited into Unclassified Expenses Account (8580-10). We did not observe redeposits being made to the Current Expense Account (3510-01) to reimburse the account for printing costs related to the Goldenseal magazine and the West Virginia History quarterly. It appears the Department of

Culture and History failed to expire the proper amounts of appropriated funds by not making the necessary reimbursements.

We recommend the Department comply with Chapter 12, Article 3, Section 12 of the West Virginia Code, as amended.

GOLDENSEAL was wholly published by the Department through its printing budget when it was initiated. As the popularity of the magazine grew, concurrently its demand increased. At that point we initiated a "voluntary" subscription of \$10.00 per annum. Voluntary so that many of our elder citizens, living on fixed incomes, who could not afford the subscription costs would not be shut out from receiving the magazine; because these are the very people who furnish most of the stories.

As subscription monies accumulated, that portion of the printing costs was transferred to the unclassified account and each year as subscription monies grew, increased proportionate costs shifted to the unclassified account. The goal had been to make the magazine self-sufficient, which we have now achieved. Were we to have reimbursed the current expense account, those funds would have expired at the end of the fiscal year, thereby preventing us from utilizing the subscription monies for publication.

WEST VIRGINIA HISTORY, because of the nature of the publication, i.e., a professional journal, has never been self-sufficient. It must be subsidized. The portion of funds received from subscription monies are used to pay editorial costs, costs of photography, and non-printing expenditures. Once again, were we to have reimbursed the current expense account, we would not have been able to publish the journal.

Transfer of Accrued Sick Leave Balance

An employee was allowed to transfer 84.50 days accrued sick leave from another State agency to the Department of Culture and History on November 26, 1984. The employee had terminated his employment with his previous employer on August 31, 1981.

Section 16.04, Subsection (e), (1) of the Civil Service System Rules and Regulations states, "... All accumulated sick leave shall be cancelled as of the effective date of separation of employment or last day worked during the notice period ... If the employee returns to work within twelve (12) successive calendar months all lost sick leave shall be restored. However, if the employee returns to work after more than twelve (12) successive calendar months from his effective date of separation of employment, no more than thirty (30) days of lost sick leave shall be restored"

It appears the Department of Culture and History should have reinstated only 30 days of lost sick leave for the aforementioned employee. An adjustment of 54.50 days is required in accordance with Section 16.04, Subsection (e), (1) of the Civil Service System Rules and Regulations.

We recommend the Department comply with Section 16.04, Subsection (e), (1) of the Civil Service System Rules and Regulations and deduct 54.50 days of accrued sick leave from the employee's accrued sick leave balance.

This occurred when an employee was reinstated and transferred to our agency from another agency. The audit clerk picked up the full amount of sick leave in error because the employee had not worked in state government for two years and was only eligible to transfer thirty days of sick leave. This has been corrected and the employee only allowed to transfer thirty (30) days of accrued sick leave.

Carry-forward of Accrued Annual Leave

Section 16.03 of the Civil Service System Rules and Regulations states, "... The table below lists rates of accrual according to the employee's length of service category and the number of hours of annual leave that may be carried-forward from one calendar year to another"

Length of Service Category

Carry-forward Hours

5 years but less than 10
years of regular employment

240 Hours

We noted the Associate Director of the Division of Archives and History was allowed to retain ten days in 1984 in excess of the allowable 30 days. We reviewed correspondence requesting permission to carry-forward the additional days to the subsequent year.

We recommend the Department comply with Section 16.03 of the Civil Service System Rules and Regulations.

The transaction was incorrectly recorded. It should have been recorded as compensatory time instead of annual leave per memorandum dated December 4, 1984, from the Deputy Commissioner. This has been corrected.

Unpaid Rent Obligation

We noted the Department of Culture and History has accumulated an unpaid rent obligation payable to the State Building Commission of \$4,817,680.32 as of June 30, 1985. The Department of Culture and History entered into an agreement with the State Building Commission effective July 1, 1977 to lease space in the Science and Cultural Center at a monthly rental rate of \$50,184.17. It appears the Department of Culture and History has not made the required rental payments since the inception of the lease agreement. Also, we noted the State Building Commission has provided for maintenance and operation of the Science and Cultural Center.

We recommend the Department take the necessary steps to request budgetary funds to meet its rent obligation.

In the early years of our existence, we requested funds for rent in our budget request. They were passed through to the Legislature for one year and not funded. In succeeding years, we were told by Finance and Administration not to include rent in our budget request. Over the past two years, 1986 and 1987, we did

request funds for rent which were included in the Executive Budget Request; but the Legislature chose not to provide funds. We will continue to request these funds on an annual basis.

Usage of Compensatory Time

While examining the leave records, we noted seven instances where it appears compensatory time off was not taken within the time specified in the Department Staff Handbook which states on page 10 in the section entitled "Overtime and Compensatory Time", "... Compensatory Time should be taken the week following the date he or she accrued it, but no later than four weeks ... an employee may not accumulate compensatory time beyond one months time unless he has written approval of the Deputy Commissioner" In the seven instances noted, we could find no evidence to indicate the failure to use accrued compensatory time within the specified four-week time frame was approved by the Deputy Commissioner. However, the employees involved were classified as exempt employees and, accordingly, there does not appear to be any noncompliance with applicable laws and regulations regarding payment of overtime.

We recommend the Department comply with the Department Staff Handbook regarding the usage of accrued compensatory time.

The instances of having advance approval by the Deputy Commissioner to carry compensatory time beyond a four-week time frame have been noted and steps have been taken to correct this situation.

Time Records

Chapter 21, Article 5C, Section 5 of the West Virginia Code states, "Every employer subject to the provisions of this article shall make or cause to be made, and shall keep and preserve at his place of business for a period of two years, a written record or records of the name and address of each of

his employees as herein defined, his rate of pay, hours of employment, payroll deductions, and amount paid him for each pay period."

We noted in the course of our examination of leave records that the Assistant Commissioner was shown as utilizing compensatory time off, but we were unable to ascertain from leave records when the compensatory time had been accrued. Also, several employees' leave records showed compensatory time accrued but did not identify the activity the employee was performing for the agency. It appears the aforementioned occurrences would be in violation of the provisions of Chapter 21, Article 5C, Section 5 of the West Virginia Code regarding documentation of hours of employment.

We recommend the Department comply with Chapter 21, Article 5C, Section 5 of the West Virginia Code.

This finding is well taken and we have instituted a system whereby we are complying with your recommendations.

Inability to Reference Deposits

We noted in our examination of receipts the Division of Archives and History receives moneys for Goldenseal, a quarterly folklife publication; West Virginia History, a journal of State history, biography, genealogy and bibliography; and charges for photocopying; and deposits such receipts into Unclassified Expenses Account (8580-10).

Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended states, "... All officials and employees of the State authorized by statute to accept moneys due the State of West Virginia shall keep a daily itemized record of such moneys so received for deposit in the state treasury and shall deposit within twenty-four hours with the state treasurer all moneys received or collected by them for or on behalf of the State for any purpose whatsoever" Receipt books were not maintained and utilizing the informal records which were maintained,

we were unable to determine that all moneys received were deposited within the specified twenty-four hours.

We recommend the Department comply with Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended.

The recommendation is well taken and a system was implemented on July 1, 1986.

AUDITORS' OPINION

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 fund balances of the West Virginia Department of Culture and History for the years ended June 30, 1985 and June 30, 1984. 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 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 statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of the West Virginia Department of Culture and History presents fairly appropriations, expenditures and 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, 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

May 9, 1986

Auditors: Michael E. Sizemore, CPA, Supervisor
Sandra L. Boswell, Auditor-in-Charge
Debra A. Pauley
Patsy Hunt

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/

DISBURSEMENTS AND CHANGES IN FUND BALANCES

	<u>Year Ended June 30, 1985</u>			
	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Federal Programs</u>	<u>Revenue Sharing Funds</u>
Appropriations/Cash Receipts:				
Appropriations	\$3,558,074.00	\$ -0-	\$ -0-	\$ 175,000.00
Federal Funds	-0-	-0-	1,212,466.00	-0-
Bookstore Sales	-0-	114,132.74	-0-	-0-
Gifts, Grants and Donations	-0-	-0-	-0-	-0-
Miscellaneous	-0-	-0-	-0-	-0-
	<u>3,558,074.00</u>	<u>114,132.74</u>	<u>1,212,466.00</u>	<u>175,000.00</u>
Expenditures/Disbursements:				
Personal Services	1,303,834.52	20,818.13	99,781.45	-0-
Current Expenses	1,846,563.25	46,429.81	962,278.25	-0-
Repairs and Alterations	65,724.38	16,095.67	441.79	-0-
Equipment	33,531.64	-0-	6,553.55	-0-
Remittance of Taxes	1,019.87	-0-	-0-	-0-
Unclassified	-0-	-0-	-0-	-0-
Refunds	-0-	-0-	-0-	-0-
	<u>3,250,673.66</u>	<u>83,343.61</u>	<u>1,069,055.04</u>	<u>-0-</u>
Appropriations/Cash Receipts Over (Under) Expenditures/ Disbursements	307,400.34	30,789.13	143,410.96	175,000.00
Expirations and Expenditures After June 30	(291,580.13)	-0-	-0-	-0-
Beginning Balance	10,093.93	147,689.44	269,383.22	-0-
Transfers to Consolidated Federal Fund - General Administration Cash Control Account (7828-99)	-0-	-0-	-0-	-0-
Transfer from West Virginia Department of Natural Resources	-0-	40,000.00	-0-	-0-
Ending Balance	<u>\$ 25,914.14</u>	<u>\$ 218,478.57</u>	<u>\$ 412,794.18</u>	<u>\$ 175,000.00</u>

See Notes to Financial Statement

Year Ended June 30, 1984

<u>Combined Totals</u>	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Federal Programs</u>	<u>Revenue Sharing Funds</u>	<u>Combined Totals</u>
\$3,733,074.00	\$3,052,812.00	\$ -0-	\$ -0-	\$ -0-	\$3,052,812.00
1,212,466.00	-0-	-0-	757,520.00	-0-	757,520.00
154,132.74	-0-	97,049.69	-0-	-0-	97,049.69
-0-	-0-	3,409.49	-0-	-0-	3,409.49
-0-	-0-	-0-	18.00	-0-	18.00
<u>5,099,672.74</u>	<u>3,052,812.00</u>	<u>100,459.18</u>	<u>757,538.00</u>	<u>-0-</u>	<u>3,910,809.18</u>
1,424,434.10	1,192,524.83	-0-	49,338.55	-0-	1,241,863.38
2,855,271.31	1,454,862.07	55,757.94	790,285.47	-0-	2,300,905.48
82,261.84	147,669.13	14,571.66	-0-	-0-	162,240.79
40,085.19	49,147.39	527.53	787.05	-0-	50,461.97
1,019.87	1,019.87	-0-	-0-	-0-	1,019.87
-0-	923.14	-0-	-0-	-0-	923.14
-0-	-0-	13,000.00	-0-	-0-	13,000.00
<u>4,403,072.31</u>	<u>2,846,146.43</u>	<u>83,857.13</u>	<u>840,411.07</u>	<u>-0-</u>	<u>3,770,414.63</u>
696,600.43	206,665.57	16,602.05	(82,873.07)	-0-	140,394.55
(291,580.13)	(229,490.22)	-0-	-0-	-0-	(229,490.22)
427,166.59	32,918.58	483,343.68	-0-	-0-	516,262.26
-0-	-0-	(352,256.29)	352,256.29	-0-	-0-
-0-	-0-	-0-	-0-	-0-	-0-
<u>\$ 832,186.89</u>	<u>\$ 10,093.93</u>	<u>\$ 147,689.44</u>	<u>\$ 269,383.22</u>	<u>\$ -0-</u>	<u>\$ 427,166.59</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 30-day carry-over period is provided at the end of the fiscal year ended June 30, 1985 and a 92-day carry-over period is provided at the end of the fiscal year ended June 30, 1984 for the payment of obligations incurred in those years. 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 ended June 30, 1985 and 92 days after the fiscal year ended June 30, 1984; 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 in the carry-over period and expirations were as follows:

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>Paid After June 30,</u> <u>1985</u>	<u>1984</u>	<u>July 31,</u> <u>1985</u>	<u>Sept. 30,</u> <u>1984</u>
<u>General Administration</u>				
Personal Services	\$33,414.10	-0-	\$ 1,839.94	\$ 253.30
Current Expenses	43,764.44	45,216.66	85.55	109.98
Repairs and Alterations	765.47	356.69	27.65	9.91
Equipment	14,645.23	35,235.96	5,724.13	231.40
Grants, Fairs and Festivals	28,410.12	17,189.90	7,130.25	2,903.85
Washington Carver Camp	-0-	-0-	-0-	-0-
Historical Preservation	91,201.00	81,529.35	-0-	4,394.25
<u>Arts and Humanities Fund</u>				
Personal Services	6,909.00	-0-	19,687.79	8,963.33
Current Expenses	-0-	601.00	-0-	-0-
Grants and Contractual Services	37,028.00	4,857.00	250.00	1,012.78

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>Paid After June 30,</u>		<u>July 31,</u>	<u>Sept. 30,</u>
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
<u>Department Programming Funds</u>				
Outreach and Education	-0-	9,106.78	45.79	-0-
Technical Assistance	-0-	15,646.28	-0-	43.38
Cultural Center Programs	<u>651.67</u>	<u>1,820.95</u>	<u>-0-</u>	<u>7.47</u>
	<u>\$256,789.03</u>	<u>\$211,560.57</u>	<u>\$34,791.10</u>	<u>\$17,929.65</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 purposes only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note B - Pension Plan

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employees' contributions are 4.5% of their annual compensation and employees have vested rights under certain circumstances. The West Virginia Public Employees' Retirement System matches contributions at 9.5% of the compensation on which the employees made contributions. The West Virginia Department of Culture and History matches contributions at 9.5% of the compensation on which the employees made contributions for all employees whose compensation is paid from any funds other than appropriations from the General Revenue Fund of West Virginia. The West Virginia Department of Culture and History pension expenditures were as follows:

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Federal Programs	\$3,137.94	\$3,759.32
Special Revenue	<u>1,508.86</u>	<u>281.96</u>
	<u>\$4,646.80</u>	<u>\$4,041.28</u>

SUPPLEMENTAL INFORMATION

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

<u>GENERAL ADMINISTRATION</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Personal Services - Account 3510-00</u>		
Appropriations	\$1,048,872.00	\$ 933,939.00
Reductions of Appropriations:		
House Bill No. 120	-0-	(9,076.00)
House Bill No. 1520	-0-	(10,000.00)
	1,048,872.00	914,863.00
Expenditures	1,047,032.06	914,609.70
	1,839.94	253.30
Transmittals Paid After June 30	33,414.10	-0-
Balance	\$ 35,254.04	\$ 253.30
<u>Current Expenses - Account 3510-01</u>		
Appropriations	\$ 287,899.00	\$ 282,231.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(5,977.00)
	287,899.00	276,254.00
Expenditures	287,813.45	276,144.02
	85.55	109.98
Transmittals Paid After June 30	43,764.44	45,216.66
Balance	\$ 43,484.99	\$ 45,326.64
<u>Repairs and Alterations - Account 3510-02</u>		
Appropriations	\$ 30,100.00	\$ 32,500.00
Expenditures	30,072.35	32,490.09
	27.65	9.91
Transmittals Paid After June 30	765.47	356.69
Balance	\$ 793.12	\$ 366.60

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Equipment - Account 3510-03</u>		
Appropriations	\$ 51,900.00	\$ 59,500.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(10,000.00)
	<u>51,900.00</u>	<u>49,500.00</u>
Expenditures	<u>46,175.87</u>	<u>49,268.60</u>
	5,724.13	231.40
Transmittals Paid After June 30	<u>14,645.23</u>	<u>35,235.96</u>
Balance	<u>\$ 20,369.36</u>	<u>\$ 35,467.36</u>
<u>Grants, Fairs and Festivals -</u>		
<u>Account 3510-04</u>		
Appropriations	\$ 711,500.00	\$ 374,250.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(8,828.00)
	<u>711,500.00</u>	<u>365,422.00</u>
Expenditures:		
Personal Services	58,319.01	40,381.76
Current Expenses	644,253.81	310,793.47
Repairs and Alterations	777.06	4,031.27
Equipment	-0-	5,368.64
Remittance of Taxes	1,019.87	1,019.87
Unclassified	-0-	923.14
	<u>704,369.75</u>	<u>362,518.15</u>
	7,130.25	2,903.85
Transmittals Paid After June 30	<u>28,410.12</u>	<u>17,189.90</u>
Balance	<u>\$ 35,540.37</u>	<u>\$ 20,093.75</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Washington Carver Camp -</u>		
<u>Account 3510-05</u>		
Appropriations	\$ 140,113.00	\$ 140,000.00
Reappropriations - FY 1981	-0-	145.00
- FY 1983	-0-	32,773.58
- FY 1984	10,093.93	-0-
	<u>150,206.93</u>	<u>172,918.58</u>
Expenditures:		
Personal Services	82,168.14	70,699.95
Current Expenses	28,222.70	6,481.41
Repairs and Alterations	12,476.95	70,728.86
Equipment	1,425.00	14,914.43
	<u>124,292.79</u>	<u>162,824.65</u>
	25,914.14	10,093.93
Transmittals Paid After June 30	-0-	-0-
Balance	<u>\$ 25,914.14</u>	<u>\$ 10,093.93</u>
 <u>Historical Preservation -</u>		
<u>Account 3510-06</u>		
Appropriations	\$ 150,751.00	\$ 184,776.00
Expenditures:		
Personal Services	-0-	30,261.75
Current Expenses	150,751.00	139,579.35
Repairs and Alterations	-0-	10,540.65
	<u>150,751.00</u>	<u>180,381.75</u>
	-0-	4,394.25
Transmittals Paid After June 30	<u>91,201.00</u>	<u>81,529.35</u>
Balance	<u>\$ 91,201.00</u>	<u>\$ 85,923.60</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

<u>ARTS AND HUMANITIES FUND</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Personal Services - Account 3515-00</u>		
Appropriations	\$ 178,688.00	\$ 165,147.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(19,612.00)
	178,688.00	145,535.00
Expenditures	159,000.21	136,571.67
	19,687.79	8,963.33
Transmittals Paid After June 30	6,909.00	-0-
Balance	\$ 26,596.79	\$ 8,963.33
<u>Current Expenses - Account 3515-01</u>		
Appropriations	\$ 601.00	\$ 601.00
Expenditures	601.00	601.00
	-0-	-0-
Transmittals Paid After June 30	-0-	601.00
Balance	\$ -0-	\$ 601.00
<u>Grants and Contractual Services - Account 3515-05</u>		
Appropriations	\$ 477,250.00	\$ 487,974.00
Expenditures:		
Current Expenses	477,000.00	486,961.22
	250.00	1,012.78
Transmittals Paid After June 30	37,028.00	4,857.00
Balance	\$ 37,278.00	\$ 5,869.78

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

<u>DEPARTMENT PROGRAMMING FUNDS</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Outreach and Education -</u>		
<u>Account 3520-06</u>		
Appropriations	\$ 92,570.00	\$ 97,564.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(10,000.00)
	92,570.00	87,564.00
Expenditures:		
Current Expenses	90,544.06	76,938.28
Repairs and Alterations	1,980.15	6,786.27
Equipment	-0-	3,839.45
	92,524.21	87,564.00
	45.79	-0-
Transmittals Paid After June 30	-0-	9,106.78
Balance	\$ 45.79	\$ 9,106.78
 <u>Technical Assistance -</u>		
<u>Account 3520-07</u>		
Appropriations	\$ 92,830.00	\$ 97,823.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(10,000.00)
	92,830.00	87,823.00
Expenditures:		
Current Expenses	92,796.00	67,015.02
Repairs and Alterations	34.00	6,210.60
Equipment	-0-	14,554.00
	92,830.00	87,779.62
	-0-	43.38
Transmittals Paid After June 30	-0-	15,646.28
Balance	\$ -0-	\$ 15,689.66

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	Year Ended June 30,	
	1985	1984
Cultural Center Programs - Account 3520-08		
Appropriations	\$ 295,000.00	\$ 300,000.00
Reductions of Appropriations:		
House Bill No. 1520	-0-	(20,000.00)
	295,000.00	280,000.00
Expenditures:		
Current Expenses	272,356.85	234,916.19
Repairs and Alterations	22,067.15	26,783.75
Equipment	576.00	18,292.59
	295,000.00	279,992.53
	-0-	7.47
Transmittals Paid After June 30	651.67	1,820.95
Balance	\$ 651.67	\$ 1,828.42

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>West Virginia Arts and Humanities Council - Account 8570-09</u>	<u>Year Ended June 30,</u> <u>1985</u> <u>1984</u>	
Cash Receipts	\$ -0-	\$ -0-
Disbursements:		
Current Expenses	-0-	8,364.50
Transfers to Cash Control Account (7828-99)	-0-	1,781.75
Refunds	-0-	13,000.00
	-0-	23,146.25
Cash Receipts (Under) Disbursements	-0-	(23,146.25)
Beginning Balance	-0-	23,146.25
Ending Balance	\$ -0-	\$ -0-
<u>Antiquities Commission Historic Sites - Account 8580-07</u>		
Cash Receipts	\$ -0-	\$ -0-
Disbursements:		
Current Expenses	-0-	25,378.97
Repairs and Alterations	-0-	1,373.08
Equipment	-0-	527.53
Transfers to Cash Control Account (7828-99)	-0-	350,474.54
	-0-	377,754.12
Cash Receipts (Under) Disbursements	-0-	(377,754.12)
Beginning Balance	-0-	377,754.12
Ending Balance	\$ -0-	\$ -0-

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>Unclassified Expenses-</u> <u>Account 8580-10</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Cash Receipts:		
Gifts, Grants and Donations	\$ -0-	\$ 3,409.49
Bookstore Sales	114,132.74	97,049.69
Transfer from West Virginia Department of Natural Resources	40,000.00	-0-
	154,132.74	100,459.18
Disbursements:		
Personal Services	20,818.13	-0-
Current Expenses	46,429.81	22,014.47
Repairs and Alterations	16,095.67	13,198.58
	83,343.61	35,213.05
Cash Receipts Over Disbursements	70,789.13	65,246.13
Beginning Balance	147,689.44	82,443.31
Ending Balance	\$ 218,478.57	\$ 147,689.44

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL PROGRAMS

<u>CONSOLIDATED FEDERAL FUNDS -</u> <u>GENERAL ADMINISTRATION</u>	<u>Year Ended June 30,</u> <u>1985</u> <u>1984</u>	
<u>Personal Services - Account 7828-00</u>		
Appropriations	\$ 81,743.00	\$ 40,000.00
Supplemental Appropriations - Governor	-0-	35,000.00
Reappropriations - FY 1984	25,661.45	-0-
	107,404.45	75,000.00
 Expenditures	 72,412.69	 49,338.55
	34,991.76	25,661.45
 Transmittals Paid After June 30	 2,614.50	 -0-
 Balance	 \$ 37,606.26	 \$ 25,661.45
 <u>Current Expenses - Account 7828-01</u>		
Appropriations	\$ 100,364.00	\$407,500.00
Supplemental Appropriations - Governor	-0-	845,446.00
Reappropriations - FY 1984	593,719.33	-0-
	694,083.33	1,252,946.00
 Expenditures	 315,756.99	 659,226.67
	378,326.34	593,719.33
 Transmittals Paid After June 30	 3,104.19	 -0-
 Balance	 \$ 381,430.53	 \$ 593,719.33
 <u>Equipment - Account 7828-03</u>		
Appropriations	\$ 4,000.00	\$ 2,500.00
Supplemental Appropriations - Governor	-0-	8,000.00
Reappropriations - FY 1984	10,108.95	-0-
	14,108.95	10,500.00
 Expenditures	 6,553.55	 391.05
	7,555.40	10,108.95
 Transmittals Paid After June 30	 -0-	 -0-
 Balance	 \$ 7,555.40	 \$ 10,108.95

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL PROGRAMS

<u>Historic Preservation -</u> <u>Account 7828-06</u>	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Appropriations	\$ 171,565.00	\$ -0-
Reappropriations - FY 1983	<u>279,545.20</u>	<u>411,000.00</u>
	451,110.20	411,000.00
Expenditures:		
Personnel Services	33,041.76	-0-
Current Expenses	260,060.11	131,058.80
Repairs and Alterations	441.79	-0-
Equipment	<u>-0-</u>	<u>396.00</u>
	<u>293,543.66</u>	<u>131,454.80</u>
	157,566.54	279,545.20
Transmittals Paid After June 30	<u>7,178.50</u>	<u>-0-</u>
Balance	<u>\$ 164,745.04</u>	<u>\$ 279,545.20</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL GENERAL ADMINISTRATION - ACCOUNT 7828-99

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Beginning Balance:		
State Treasury	\$ 269,383.22	\$ -0-
Cash Receipts:		
Federal Funds - National Endowment for the Arts	39,572.00	126,277.00
Federal Funds - Historical Preservation	766,389.00	242,721.00
Federal Funds - Federal Urban Mass Transportation Administration	-0-	388,522.00
Transfers from West Virginia Arts and Humanities Council - Account 8570-09	-0-	1,781.75
Transfers from Antiquities Commission Historic Sites - Account 8580-07	-0-	350,474.54
Miscellaneous Receipts	-0-	18.00
	<u>805,961.00</u>	<u>1,109,794.29</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$1,075,344.22</u>	<u>\$1,109,794.29</u>

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
Ending Balance:		
State Treasury	\$ 399,974.52	\$ 269,383.22
Disbursements:		
Personal Services	105,454.45	49,338.55
Current Expenses	575,817.10	790,285.47
Repairs and Alterations	441.79	-0-
Equipment	6,553.55	787.05
	<u>688,266.89</u>	<u>840,411.07</u>
Add Transmittals Paid After June 30 Beginning and (Less Transmittals Paid After June 30 Ending)		
(Personal Services)	(5,673.00)	-0-
(Current Expenses)	(7,224.19)	-0-
	<u>(12,897.19)</u>	<u>-0-</u>
	<u>675,369.70</u>	<u>840,411.07</u>
TOTAL CASH ACCOUNTED FOR	<u>\$1,075,344.22</u>	<u>\$1,109,794.29</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL PROGRAMS

<u>CONSOLIDATED FEDERAL FUNDS -</u> <u>ARTS AND HUMANITIES FUND</u>	<u>Year Ended June 30,</u> <u>1985</u> <u>1984</u>	
<u>Current Expenses - Account 7831-01</u>		
Appropriations	\$ 7,500.00	\$ -0-
Expenditures	<u>7,500.00</u>	<u>-0-</u>
	-0-	-0-
Transmittals Paid After June 30	<u>76.66</u>	<u>-0-</u>
Balance	<u>\$ 76.66</u>	<u>\$ -0-</u>
 <u>Grants and Contractual Services -</u> <u>Account 7831-05</u>		
Appropriations	\$ 422,900.00	\$ -0-
Expenditures:		
Current Expenses	<u>394,842.00</u>	<u>-0-</u>
	28,058.00	-0-
Transmittals Paid After June 30	<u>8,580.00</u>	<u>-0-</u>
Balance	<u>\$ 36,638.00</u>	<u>\$ -0-</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CASH CONTROL ARTS AND HUMANITIES FUND - ACCOUNT 7831-99

	Year Ended June 30,	
	1985	1984
Beginning Balance: State Treasury	\$ -0-	\$ -0-
Cash Receipts: Federal Funds - National Endowment For the Arts	406,505.00	-0-
TOTAL CASH TO ACCOUNT FOR	\$ 406,505.00	\$ -0-
Disbursements: Current Expenses	\$ 402,342.00	\$ -0-
Add Transmittals Paid After June 30 Beginning and (Less Transmittals Paid After June 30 Ending): (Current Expenses)	(8,656.66)	-0-
	393,685.34	-0-
Ending Balance: State Treasury	12,819.66	-0-
TOTAL CASH ACCOUNTED FOR	\$ 406,505.00	\$ -0-

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 REVENUE SHARING FUNDS

	<u>Year Ended June 30,</u>	
	<u>1985</u>	<u>1984</u>
<u>Oglebay Park - Lights -</u>		
<u>Account 9750-12</u>		
Appropriations	\$ 75,000.00	\$ -0-
Expenditures	-0-	-0-
	<u>75,000.00</u>	<u>-0-</u>
Transmittals Paid After June 30	-0-	-0-
Balance	<u>\$ 75,000.00</u>	<u>\$ -0-</u>
<u>Farm Museum - Account 9750-23</u>		
Appropriations	\$ 50,000.00	\$ -0-
Expenditures	-0-	-0-
	<u>50,000.00</u>	<u>-0-</u>
Transmittals Paid After June 30	-0-	-0-
Balance	<u>\$ 50,000.00</u>	<u>\$ -0-</u>
<u>Delf Norna - Account 9750-34</u>		
Appropriations	\$ 50,000.00	\$ -0-
Expenditures	-0-	-0-
	<u>50,000.00</u>	<u>-0-</u>
Transmittals Paid After June 30	-0-	-0-
Balance	<u>\$ 50,000.00</u>	<u>\$ -0-</u>

WEST VIRGINIA DEPARTMENT OF CULTURE AND HISTORY

RECONCILIATIONS

SPECIAL REVENUE/FEDERAL PROGRAMS

JUNE 30, 1985

Unclassified Expenses - Account 8580-10

Balance per State Treasury and Agency \$218,478.57

Consolidated Federal Fund - General Administration -
Account 7828-99

Balance per State Treasury and Agency \$399,974.52

Consolidated Federal Fund - Arts and Humanities
Fund - Account 7831-99

Balance per State Treasury and Agency \$ 12,819.66

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 15th day of September
1987.

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 Department of Culture and History; Governor; Attorney General; and, State Auditor.