

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

DEPARTMENT OF MINES
FOR THE PERIOD
JULY 1, 1974 - JUNE 30, 1978



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

The Honorable Encll Bailey
Legislative Auditor
State Capitol - Main Unit
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 Department of Mines.

Our examination covers the period July 1, 1974 through June 30, 1978. The results of our examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1978 and June 30, 1977 are included in this report. The financial statements covering the years ended June 30, 1976 and June 30, 1975 are included in our audit workpapers.

Respectfully submitted,

Thedford L. Shanklin

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/rmh

DEPARTMENT OF MINES
FOR THE PERIOD
JULY 1, 1974 - JUNE 30, 1978

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DEPARTMENT OF MINES

INTRODUCTION

The Department of Mines provides for the inspection of mines, surface mining and quarries, looking toward the safety of workmen and the protection of property; maintains mine rescue stations and trains mine rescue crews for emergencies; holds examinations and issues certificates of competency in mining, and supervises the drilling, casing, and plugging of oil and gas wells.

DEPARTMENT OF MINES
ADMINISTRATIVE OFFICERS AND STAFF

JUNE 30, 1978

Administration

Director
Assistant to Director
Supervising Inspector
Comptroller
Safety Director
Hearing Officer
Computer Technician
Mine Foreman Examiner
Mine Foreman Clerk
Mine Foreman Clerk
Secretary
Secretary
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk
Clerk

Walter N. Miller
Albert Jordan
Travis Grimmatt
Terry Saunders
Roger P. Stewart
Rudolph P. Duranti
David J. Kessler
Raymond A. Porter
Elizabeth Arthur
Debra Ann
Linda Estep
Dorothy Maruish
Cindy Anderson
Claudine P. Byrne
Kimberly Armande
Drema A. Davis
Stanley Corkhill
Brenda F. Fields
Juliette A. Fortner
Eleanor McClung
Sandra McCullough
Danny Ramella
Kathy J. Weaver

Oil and Gas Division

Deputy Director
Draftsman
Secretary
Clerk
Clerk
Clerk
Supervising Inspector

Robert L. Dodd
Philip K. Martino
Lois Simpkins
Faye Fleet
Charlotte Milam
Linda White
Fred Burdette

Surface Mining Division
Supervisor

Thomas Shingleton

Mine Inspectors Underground Division

Inspectors-at-Large
Inspectors-at-Large
Inspectors-at-Large
Inspectors-at-Large
Inspectors-at-Large
Assistant Inspectors-at-Large
Assistant Inspectors-at-Large
Assistant Inspectors-at-Large
Assistant Inspectors-at-Large
Clerk
Clerk
Clerk
Clerk
Clerk

Grant King
Jay A. Philpott
Edward Jarvis
J. Arnold Cook
James R. Gillespie
Carl F. Kinty
Frank Legg
Carl Rutledge
Joaquine Ferrell
Linda Miller
Galena W. Iddings
Beverly Greathead
Sheila Propst
Alice Palmer

DEPARTMENT OF MINES

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FUNDS COLLECTED AND REMITTED TO STATE TREASURY
ASSESSED CIVIL PENALTIES

1. During our attempted examination of assessed civil penalties we noted the records were filed in a disorganized manner and it was impossible to determine the total of civil penalties assessed or paid. Deposits are not made on a timely basis, nor are funds being safeguarded. Also, it appears there is a serious need for an adequate receipt and deposit system.

We recommend deposits be made on a timely basis, all funds be safeguarded, and an adequate receipt and deposit system be installed. (See pages 6-7.)

PERSONAL SERVICES

2. During our review of payroll and personnel procedures, we noted weaknesses in internal control.

We recommend steps be taken to strengthen the control over payroll. (See pages 8-9.)

CURRENT EXPENSE

3. During our review of the controls over long distance telephone calls we noted there was no procedure for monitoring calls made from the office.

We recommend the Director establish procedures for monitoring long distance calls made from office phones in order to check for any abuse of the Department's phone system. (See page 9.)

EQUIPMENT

4. During our examination of the Equipment Account we noted there was no current inventory listing. The last inventory listing was prepared in February,

1978 and approved May 1, 1979. Also, it was noted some equipment was not tagged and some items could not be located.

We recommend:

- a. An effort be made to locate the missing items of equipment.
- b. A physical inventory be taken annually and the listing be approved more promptly.
- c. All equipment be tagged with an identification number.
- d. A column be added on the listing to indicate location of the equipment. (See pages 9-10.)

GAS AND OIL TRUST DEPOSITS

5. A certificate of deposit in the amount of \$2,500.00 for a company was found to be nonnegotiable.

We recommend:

- a. A certificate of deposit in the amount of \$2,500.00 be obtained to replace the nonnegotiable certificate.
- b. The Department maintain an up-to-date listing of all securities being held for safekeeping by the State Treasury.
- c. The Department review the listing on a monthly basis. (See page 11.)

OIL AND GAS RECLAMATION TRUST FUND

6. The transfer of \$7,445.54 to the General Revenue Fund was recommended in the prior audit period in accordance with the West Virginia Code, Chapter 22, Article 4, Section 12A, as amended. This transfer was not made.

We recommend the transfer of \$7,445.54 be made to the General Revenue Fund. (See page 12.)

PNEUMOCONIOSIS EVALUATION PROGRAM

7. The Department of Mines applies for and receives the money for this program

from the Mine Health and Safety Administration; however, Workmen's Compensation disburses the funds and maintains the records.

We recommend the Department request Compensation to establish a special revenue account in the State Treasury so that the Department can transfer the funds for disbursement. (See page 12.)

GENERAL REMARKS

SCOPE OF AUDIT

We have completed a financial and compliance audit of the Department of Mines. The examination covered the period July 1, 1974 through June 30, 1978.

DEPOSITS

The Department of Mines made deposits during the audit period in the following accounts:

<u>Account Number</u>	<u>Description</u>
4600-83	General Revenue Fund - Mine Operating Permit Fees
7000-99	General School Fund - Cash Control

Monies deposited in the General Revenue Fund - Mine Operating Permit Fees are for the opening and reopening of mines. Monies deposited in the General School Fund - Cash Control are civil penalties assessed by the Department on companies and individuals who have violated health and safety rules and regulations as provided by the West Virginia Code, Chapter 22, Article 1, Section 20, as amended.

During our attempted examination of assessed civil penalties we noted the records were filed in a disorganized manner and it was impossible to determine the total of civil penalties assessed or paid. We tried to confirm the penalties with coal companies and individuals but this failed because of incomplete data, companies no longer in business, and no replies. Therefore a financial audit of these civil penalties could not be conducted.

We believe an adequate assessed civil penalties receivable system should be instituted by the Department. Such a system should indicate, at a minimum, on the subsidiary ledgers the following information:

1. Name and address of company or individual.
2. Date of assessed civil penalty.
3. Date assessed civil penalty is delinquent.
4. Amount assessed.
5. Amount voided or increased.
6. Amount paid.
7. Amount due.

Also, there should be control assessed civil penalties ledgers maintained which should contain, at a minimum, the following:

1. Total company or individual assessed civil penalties receivable.
2. Amount assessed.
3. Amount voided or increased.
4. Amount paid.
5. Amount due.

The above should be balanced with the subsidiary ledgers on a monthly basis along with tracing the monthly amount paid to the deposits in the State Treasury for the month. Should there be a difference it should be reconciled or resolved at once. We recommend management institute an adequate receivable system.

During the years ended June 30, 1978 and June 30, 1977 the Department made eleven deposits to the State Treasury each year. The average amount of each deposit for the years ended June 30, 1978 and June 30, 1977 was \$52,700.05 and \$25,818.27, respectively.

On one occasion we noted a check, deposit number 16575 dated April 10, 1979 for \$26,393.00, was not deposited until June 12, 1979; on the other occasion, August 13, 1979, we noted various checks, with dates ranging from May 30, 1979 to July 25, 1979, had not been deposited. These checks totaling \$3,235.00 were left on a desk overnight.

It is apparent from the above that deposits are not made on a timely basis, nor are funds being safeguarded. Also, it appears there is a serious need for an adequate receipt and deposit system, especially, when we consider the interest that could have been earned on the funds.

We recommend deposits be made on a timely basis, all funds be safeguarded, and an adequate receipt and deposit system be installed.

APPROPRIATED ACCOUNTS

During the audit period the Department of Mines operated from the following appropriated accounts:

<u>Account Number</u>	<u>Description</u>
4600-00	Personal Services
4600-01	Current Expense
4600-03	Equipment
4600-06	Special Mine Drainage Program
4600-07	Miners Training and Education
4600-08	Subsidence - Federal Matching
4600-09	Board of Coal Mine Health and Safety
4600-79	Claims Against the State Fiscal Year 1977

PERSONAL SERVICES

As of June 30, 1978 there were one-hundred forty persons employed by the Department.

The employees are located throughout the State's coal mining areas and the State Capitol, Charleston, West Virginia.

We reviewed the Department's payroll and personnel procedures and noted the following:

1. One employee performs the following: a) prepares the payroll; b) receives and distributes the checks; and c) adds and deletes individuals from the payroll.
2. No employee is reviewing or checking the work of "1" above.
3. Time sheets and leave records are maintained for only one year in arrears. This is not in accordance with the West Virginia Code, Chapter 5, Article 17, Section 8, which deals with record retention.
4. The mine rescue team payroll checks and W-2 forms are distributed by the same individual who adds and deletes members from the team and maintains the attendance records.

It can readily be seen from the above that since there are no checks and balances in the payroll functions the chances for errors and irregularities are enhanced.

We realize due to the size of the central office it may not be practical to achieve an ideal segregation of duties, but we recommend the following be done to strengthen control over payroll:

1. The Director or someone he delegates who is independent of the person preparing the payroll review and approve the payroll.
2. Someone other than the person preparing the payroll distribute the checks.
3. On a periodic basis the mine safety team members' checks be sent directly to the members.
4. The West Virginia Code, Chapter 5, Article 14, Section 8, be followed.

CURRENT EXPENSE

During our review of the control over the Current Expense Account we noted the same employee performed the following functions: purchasing; accounts payable; receiving; and mailing invoice payments.

Just as in Personal Services, there are no checks and balances in this account and the chances for errors and irregularities are enhanced. Again, due to the size of the central office it may not be practical to achieve an ideal segregation of duties, but we believe assigning the purchasing and mailing of invoice payments to one individual; and receiving and recording of accounts payable to another individual will help strengthen control in the above areas.

During our review of the controls over long distance telephone calls we noted the Director reviewed all credit card calls each month, however, there was no procedure for monitoring calls made in the office.

We recommend the Director establish procedures for monitoring long distance calls made from office phones in order to check for any abuse of the Department's phone system.

EQUIPMENT

During our examination of the Equipment Account we noted there was no current inventory listing. The last inventory listing was prepared in February, 1978 and approved May 1, 1979. Also, it was noted some equipment was not tagged and the following items could not be located:

<u>Date</u>	<u>Description</u>	<u>Cost</u>	<u>Tag Number</u>
3-54	File, 4 Dr. Legal-Steel	\$ 45.00	249
3-54	File, 4 Dr. Legal-Steel	45.00	714
3-54	File, 4 Dr. Letter-Steel	30.00	24
3-54	File, 4 Dr. Legal-Steel	45.00	725
4-61	Typewriter, 17" IBM Electric	427.50	2138
3-54	File, 4 Dr. Letter-Steel	30.00	282
11-56	File, 4 Dr. Letter-Steel	99.75	1184RE
2-65	File, 4 Dr. Letter-Steel	59.60	2544
10-63	Chair, Executive Swivel	168.00	2371
5-62	Chair, Royal	105.75	2232
6-64	Chair, Secretary	65.00	2446
2-73	Offset Press - A.B. Dick	1,380.54	3802
11-75	Hand Truck	57.00	3803
10-63	Chair, Arm	65.60	2382
5-65	Chair, Secretary	55.38	2550
7-60	Desk, Executive Steel	80.00	105
6-64	Chair, Secretary	65.00	2450
10-63	Chair, Arm	65.50	2379
1-78	Chair, Executive	240.00	3914
6-68	Desk, Executive Wood	182.50	2613
10-63	Chair, Arm	72.00	2376
5-65	Pedestal with Lock	75.01	2522
6-60	Typewriter, IBM	427.50	2137
3-54	File, 4 Dr. Legal-Steel	45.00	101
3-54	File, 4 Dr. Legal-Steel	40.00	8
3-54	File, 4 Dr. Legal-Steel	45.00	93
3-54	File, 4 Dr. Legal-Steel	45.00	629
3-54	File, 4 Dr. Letter-Steel	30.00	705
6-56	File, 4 Dr. Legal-Steel	77.93	1496
		<u>\$4,169.46</u>	

We recommend:

1. An effort be made to locate the above listed equipment.
2. There be a physical inventory taken annually and the listing be approved more promptly.
3. All equipment be tagged with an identification number.
4. A column be added on the listing to indicate location of the equipment.

SPECIAL REVENUE ACCOUNTS

During the audit period the Department of Mines had six special revenue accounts as follows:

<u>Account Number</u>	<u>Description</u>
8091-16	Oil and Gas Trust Deposits
8093-16	Oil and Gas Reclamation Trust Fund
8093-17	Mine Reclamation Bonds
8094-10	Pneumoconiosis Evaluation Program
8094-11	Coal Mine Health and Safety Program
8094-12	Farmington Mines Subsidence Project

Gas and Oil Trust Deposits

The function of this account is to collect from companies or individuals who drill, redrill or fracture an oil or gas well a bond of \$2,500.00 for each well, or a blanket bond of \$15,000.00 which entitles a company or individual to drill, redrill or fracture a well anywhere in the State. This \$2,500.00 or \$15,000.00 in bonds may be in the form of certificate of deposit, cash or securities which are deposited in the State Treasury for safekeeping. When the company decides to seal the well the certificate of deposit, cash or security is returned to the company.

Nonnegotiable Certificate of Deposit

A certificate of deposit in the amount of \$2,500.00 for a company was found to be nonnegotiable. The certificate was issued by a Savings and Loan which went bankrupt. The Department received a check from the Savings and Loan in the amount of \$1,291.68 for this certificate which was mailed to the company leaving the Department with no security for the company. A letter has been written to this company for a certificate to replace the nonnegotiable certificate. The Department should have held the check until the company replaced the nonnegotiable certificate with a new certificate.

We recommend:

1. There be a new certificate of deposit in the amount of \$2,500.00 to replace the nonnegotiable certificate.
2. The Department maintain an up-to-date listing of all securities on hand in the State Treasury.
3. The Department review the listing on a monthly basis.

Oil and Gas Reclamation Trust Fund

According to the West Virginia Code, Chapter 22, Article 4, Section 12A, in addition to any other fee, every applicant for a permit to drill a well shall, before the permit is issued, pay to the deputy director for oil and gas a special reclamation fee of one hundred dollars for each well drilled. These funds shall be deposited in a special reclamation fund within the State Treasury of West Virginia. As the funds become available the Director of Mines shall reclaim and properly plug abandoned wells. These funds can be used to purchase abandoned wells where the purchase is necessary for reclamation of such abandoned wells.

Transfer of \$7,445.54 to General Revenue Fund

The transfer of \$7,445.54 to the General Revenue Fund was recommended in the prior audit period. These moneys should have been transferred in accordance with the West Virginia Code, Chapter 22, Article 4, Section 12A, as amended. The Department did not adequately train personnel in making transfers and management failed in supervising the work to see that it is properly done. We recommend the transfer of \$7,445.54 be made to the General Revenue Fund.

Pneumoconiosis Evaluation Program

The function of this program is to set up examinations for persons who may have pneumoconiosis. This account is funded by the Mine Health and Safety Administration. All records are held in Workmen's Compensation but the Department of Mines applies for the money.

Since the Department receives the funds and Workmen's Compensation disburses the funds, we recommend the Department request Compensation to establish a special revenue account in the State Treasury so that the Department can transfer the funds for disbursement.

EXIT CONFERENCE

An exit conference was held on Thursday, April 10, 1980 with the Director, Deputy Director of the Oil and Gas Division, Comptroller, Director of Miner Health, Education and Training Program and the clerk in charge of assessments. All findings and recommendations were reviewed and these officials concurred with our findings and stated that implementation of the recommendations had commenced.

AUDITORS' OPINION

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

Sir:

We have examined the financial statements of the Department of Mines for the years ended June 30, 1978 and June 30, 1977 as listed in the foregoing table of contents. Except as explained in the following paragraph, our examination was made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

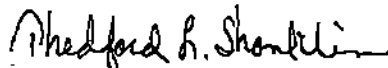
Proper internal accounting control over cash receipts for the Assessed Civil Penalties - Health and Safety Rules and Regulations Account had not been maintained. The amount of cash receipts applicable to the aforementioned account could not be properly determined. We were unable to apply alternative procedures to satisfy ourselves as to the fairness of the amounts, therefore this account is not included in the financial statements.

As more fully described in Note A, the Department's policy is to prepare its financial statements on a cash basis; consequently, 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 statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, subject to the effects, if any, of the conditions stated in paragraph two above, the financial statements of the Department of Mines as listed in the aforementioned table of contents, present fairly appropriations and expenditures, funds collected and remitted to State Treasury and cash receipts and disbursements for the years ended June 30, 1978 and June 30, 1977 on a basis consistent with the preceding year.

The accompanying supplemental information is not necessary for fair presentation of the financial statements, but is presented as additional analytical data. The supplemental information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

September 17, 1979

Auditors: James R. Blake, Supervisor-in-Charge
M. Douglas Jones, Auditor-in-Charge
Harvey Burke

DEPARTMENT OF MINES

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
Reappropriations	\$ 234,278.21	\$ 253,193.83
Appropriations	<u>3,506,635.00</u>	<u>3,004,779.35</u>
	3,740,913.21	3,257,973.18
Expenditures:		
Personal Services	2,193,773.77	1,932,445.67
Current Expense	522,880.75	497,479.67
Equipment	79,835.64	40,689.85
Special Mine Drainage Program	8,900.20	6,928.00
Miners Training and Education	120,730.21	138,617.36
Subsidence - Federal Matching	86,516.92	15,591.97
Board of Coal Mine Health and Safety	5,289.63	-0-
Claims Against the State	1,754.35	-0-
	<u>3,019,681.47</u>	<u>2,631,752.52</u>
	721,231.74	626,220.66
Transmittals Paid July 1 - July 30	<u>54,933.05</u>	<u>143,484.57</u>
Balance	<u>\$ 776,164.79</u>	<u>\$ 769,705.23</u>

See Notes to Financial Statements

DEPARTMENT OF MINES

STATEMENT OF FUNDS COLLECTED AND REMITTED TO STATE TREASURY

GENERAL REVENUE

<u>Mine Operating Permit Fees - Account 4600-83</u>	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
Beginning Balance	\$ -0-	\$ -0-
Collections:		
Fees	<u>1,400.00</u>	<u>3,890.00</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$1,400.00</u>	<u>\$3,890.00</u>
Deposits:		
State Treasury	\$1,400.00	\$3,890.00
Ending Balance	<u>-0-</u>	<u>-0-</u>
TOTAL CASH ACCOUNTED FOR	<u>\$1,400.00</u>	<u>\$3,890.00</u>

See Notes to Financial Statements

DEPARTMENT OF MINES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
Beginning Balance:		
State Treasury	\$ 516,633.43	\$ 374,789.55
Cash Receipts:		
Oil and Gas Trust Deposit Fund	42,500.00	62,500.00
Oil and Gas Reclamation Trust Fund	191,500.00	137,100.00
Surface Reclamation Bonds Mine Openings	55,000.00	88,970.00
Pneumoconiosis Evaluation Program	45,955.00	25,264.00
Coal Mine Health and Safety Program	352,505.12	164,604.19
Farmington Mine Subsidence Project	259,550.76	35,437.50
	<u>947,010.88</u>	<u>513,875.69</u>
 TOTAL CASH TO ACCOUNT FOR	 <u>\$1,463,644.31</u>	 <u>\$ 888,665.24</u>
 Disbursements:		
Current Expense	\$ 617,378.91	\$ 148,358.58
Repairs and Alterations	-0-	20,720.45
Equipment	51,563.45	2,539.34
Plugging of Wells	143,807.77	108,649.44
Charleston Memorial Hospital	45,955.00	25,264.00
Refunds	129,750.00	66,500.00
	<u>988,455.13</u>	<u>372,031.81</u>
 Ending Balance:		
State Treasury	 <u>475,189.18</u>	 <u>516,633.43</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$1,463,644.31</u>	 <u>\$ 888,665.24</u>

See Notes to Financial Statements

DEPARTMENT OF MINES

NOTES TO FINANCIAL STATEMENTS

Note A - Significant Account Policies

Accounting Method: The Agency's accounting method is on a cash basis. 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. Expenditures for office furniture and equipment are charged to operations when purchased; accordingly, depreciation is not recognized in the accounts.

Note B - Pension Plan

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employees' contributions are 4½% of their compensation and employees are vested under certain circumstances. Contributions by the West Virginia Public Employees' Retirement Board are 9½% of the employees' compensation.

SUPPLEMENTAL INFORMATION

DEPARTMENT OF MINES

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
<u>Personal Services - Account 4600-00</u>		
Appropriations	\$2,647,604.00	\$2,200,000.00
Expenditures	<u>2,193,773.77</u> 453,830.23	<u>1,932,445.67</u> 267,554.33
Transmittals Paid July 1 - July 30	<u>870.00</u>	<u>9,571.00</u>
Balance	<u>\$ 454,700.23</u>	<u>\$ 277,125.33</u>
<u>Current Expense - Account 4600-01</u>		
Appropriations	\$ 525,000.00	\$ 500,000.00
Expenditures	<u>522,880.75</u> 2,119.25	<u>497,479.67</u> 2,520.33
Transmittals Paid July 1 - July 30	<u>46,041.09</u>	<u>69,327.36</u>
Balance	<u>\$ 48,160.34</u>	<u>\$ 71,847.69</u>
<u>Equipment - Account 4600-03</u>		
Appropriations	\$ 101,700.00	\$ 53,025.00
Expenditures	<u>79,835.64</u> 21,864.36	<u>40,689.85</u> 12,335.15
Transmittals Paid July 1 - July 30	<u>1,364.40</u>	<u>14,662.81</u>
Balance	<u>\$ 23,228.76</u>	<u>\$ 26,997.96</u>
<u>Special Mine Drainage Program - Account 4600-06</u>		
Reappropriations - Fiscal Year 1974	\$ 49,499.03	\$ 54,577.03
Appropriations	<u>50,000.00</u> 99,499.03	<u>50,000.00</u> 104,577.03
Expenditures:		
Labor, Contractual	<u>8,900.20</u> 90,598.83	<u>6,928.00</u> 97,649.03
Transmittals Paid July 1 - July 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 90,598.83</u>	<u>\$ 97,649.03</u>

DEPARTMENT OF MINES

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,	
	1978	1977
<u>Miners Training and Education - Account 4600-07</u>		
Appropriations	\$172,331.00	\$200,000.00
Expenditures	<u>120,730.21</u>	<u>138,617.36</u>
	51,600.79	61,382.64
Transmittals Paid July 1 - July 30	<u>6,545.56</u>	<u>49,923.40</u>
Balance	<u>\$ 58,146.35</u>	<u>\$111,306.04</u>
<u>Subsidence - Federal Matching - Account 4600-08</u>		
Reappropriations - Fiscal Year 1976	\$183,024.83	\$198,616.80
Disbursements	<u>86,516.92</u>	<u>15,591.97</u>
	96,507.91	183,024.83
Transmittals Paid July 1 - July 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 96,507.91</u>	<u>\$183,024.83</u>
<u>Board of Coal Mine Health and Safety - Account 4600-09</u>		
Appropriation	\$ 10,000.00	\$ -0-
Expenditure	<u>5,289.63</u>	<u>-0-</u>
	4,710.37	-0-
Transmittals Paid July 1 - July 30	<u>112.00</u>	<u>-0-</u>
Balance	<u>\$ 4,822.37</u>	<u>\$ -0-</u>
<u>Claims Against the State - Account 4600-79</u>		
Reappropriation	\$ 1,754.35	\$ -0-
Appropriation	<u>-0-</u>	<u>1,754.35</u>
	1,754.35	1,754.35
Expenditure	<u>1,754.35</u>	<u>-0-</u>
	-0-	1,754.35
Transmittals Paid July 1 - July 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ -0-</u>	<u>\$ 1,754.35</u>

DEPARTMENT OF MINES

STATEMENTS OF FUNDS COLLECTED AND REMITTED TO STATE TREASURY

FOR THE PERIOD JULY 1, 1974 - JUNE 30, 1978

Mine Operating Permit Fees - Account 4600-83

Beginning Balance	\$ -0-
Cash Receipts:	
Fees	<u>14,530.25</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$ 14,530.25</u>
Disbursements:	
State Treasury - General Revenue Fund	\$ 14,530.25
Ending Balance	<u>-0-</u>
TOTAL CASH ACCOUNTED FOR	<u>\$ 14,530.25</u>

Penalties - Health and Safety Rules and Regulations -
Account 7000-99

Beginning Balance:	
Cash on Hand	\$ 36,318.50
Cash Receipts	<u>1,315,142.36</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$1,351,460.86</u>
Disbursements:	
State Treasury - General School Fund	\$1,309,763.96
Unidentified Difference	<u>41,696.90</u>
	<u>1,351,460.86</u>
Ending Balance:	
State Treasury	<u>-0-</u>
TOTAL CASH ACCOUNTED FOR	<u>\$1,351,460.86</u>

DEPARTMENT OF MINES

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
<u>Oil and Gas Trust Deposit Fund - Account 8091-16</u>		
Beginning Balance:		
State Treasury	\$ 67,500.00	\$ 8,500.00
Cash Receipts	<u>42,500.00</u>	<u>62,500.00</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$110,000.00</u>	<u>\$ 71,000.00</u>
Disbursements:		
Refunds	\$ 47,500.00	\$ 3,500.00
Ending Balance:		
State Treasury	<u>62,500.00</u>	<u>67,500.00</u>
TOTAL CASH ACCOUNTED FOR	<u>\$110,000.00</u>	<u>\$ 71,000.00</u>
 <u>Oil and Gas Reclamation Trust Fund - Account 8093-16</u>		
Beginning Balance:		
State Treasury	\$124,683.86	\$117,378.65
Cash Receipts	<u>191,500.00</u>	<u>137,100.00</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$316,183.86</u>	<u>\$254,478.65</u>
Disbursements:		
Plugging of Wells	\$143,807.77	\$108,649.44
Rental Expense (Machine and Miscellaneous)	684.00	135.00
Building Repairs and Alterations	-0-	20,720.45
Research and Educational Equipment	-0-	289.90
Vehicles	<u>6,316.00</u>	<u>-0-</u>
	<u>150,807.77</u>	<u>129,794.79</u>
Ending Balance:		
State Treasury	<u>165,376.09</u>	<u>124,683.86</u>
TOTAL CASH ACCOUNTED FOR	<u>\$316,183.86</u>	<u>\$254,478.65</u>

DEPARTMENT OF MINES

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

SPECIAL REVENUE

<u>Surface Reclamation Bonds Mine Opening - Account 8093-17</u>	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
Beginning Balance:		
State Treasury	\$253,970.00	\$228,000.00
Cash Receipts	<u>55,000.00</u>	<u>88,970.00</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$308,970.00</u>	<u>\$316,970.00</u>
Disbursements:		
Refunds	\$ 82,250.00	\$ 63,000.00
Ending Balance:		
State Treasury	<u>226,720.00</u>	<u>253,970.00</u>
TOTAL CASH ACCOUNTED FOR	<u>\$308,970.00</u>	<u>\$316,970.00</u>
 <u>Pneumoconiosis Evaluation Program - Account 8094-10</u>		
Beginning Balance:		
State Treasury	\$ 2,276.50	\$ 2,276.50
Cash Receipts:		
Mine Health and Safety Administration	<u>45,955.00</u>	<u>25,264.00</u>
TOTAL CASH TO ACCOUNT FOR	<u>\$ 48,231.50</u>	<u>\$ 27,540.50</u>
Disbursements:		
Charleston Memorial Hospital	\$ 45,955.00	\$ 25,264.00
Ending Balance:		
State Treasury	<u>2,276.50</u>	<u>2,276.50</u>
TOTAL CASH ACCOUNTED FOR	<u>\$ 48,231.50</u>	<u>\$ 27,540.50</u>

DEPARTMENT OF MINES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1978</u>	<u>1977</u>
<u>Coal Mine Health and Safety Program - Account 8094-11</u>		
Beginning Balance:		
State Treasury	\$ 66,112.66	\$ 16,543.99
Cash Receipts:		
Mine Health and Safety Administration	319,610.12	164,604.19
Anti-Recessional Funds (8012-06)	<u>32,895.00</u>	<u>-0-</u>
	<u>352,505.12</u>	<u>164,604.19</u>
 TOTAL CASH TO ACCOUNT FOR	 <u>\$418,617.78</u>	 <u>\$181,148.18</u>
Disbursements:		
Research and Educational Expenses	\$ 5,000.00	\$ 1,751.01
Professional and Contractual Services	352,144.13	111,035.07
Office and Communications Equipment	2,708.45	-0-
Research and Educational Equipment	-0-	2,249.44
Vehicles	<u>42,539.00</u>	<u>-0-</u>
	402,391.58	115,035.52
Ending Balance:		
State Treasury	<u>16,226.20</u>	<u>66,112.66</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$418,617.78</u>	 <u>\$181,148.18</u>
<u>Farmington Mine Subsidence Project - Account 8094-12</u>		
Beginning Balance:		
State Treasury	\$ 2,090.41	\$ 2,090.41
Cash Receipts:		
U.S. Department of Interior	<u>259,550.76</u>	<u>35,437.50</u>
 TOTAL CASH TO ACCOUNT FOR	 <u>\$261,641.17</u>	 <u>\$ 37,527.91</u>
Disbursements:		
Professional and Contractual Services	\$259,550.78	\$ 35,437.50
Ending Balance:		
State Treasury	<u>2,090.39</u>	<u>2,090.41</u>
 TOTAL CASH ACCOUNTED FOR	 <u>\$261,641.17</u>	 <u>\$ 37,527.91</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 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 6th day of May,
1980.

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 Director of the Department of Mines; Attorney General; Governor; and State Auditor.