

STATE OF WEST VIRGINIA
AUDIT REPORT
OF

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL
FOR THE PERIOD
JULY 1, 1980 - JUNE 30, 1983



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

FOR THE PERIOD

JULY 1, 1980 - JUNE 30, 1983



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 Labor-Management Advisory Council.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Thedford L. Shanklin".

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

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WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

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WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

ACKNOWLEDGMENT

We extend our thanks and appreciation to the Commissioner of Labor, the Director of the Labor-Management Advisory Council and staff for their cooperation in supplying information necessary in preparing this report.

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL
EXIT CONFERENCE

We held an exit conference on May 31, 1984 with the Commissioner of the West Virginia Department of Labor and his staff. We reviewed the audit report and the above officials concurred with our report.

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

INTRODUCTION

The West Virginia Labor-Management Advisory Council was created by Chapter 119, Acts of 1977 Legislature. (Chapter 21, Article 10, Sections 1 through 3, Code of West Virginia, as amended.)

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

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

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

ADMINISTRATIVE OFFICERS AND STAFF

<u>Representing Labor</u>	<u>Term Ending</u>
Mr. James Bowen, Assistant Director District 23, United Steelworkers of America Wheeling, WV	June 30, 1985
Mr. Howard Cashwell, Chairman Railroad Workers Executive Board Hinton, WV	June 30, 1984
Mr. Burdette Crowe, Past President United Mine Workers of America, District 31 Morgantown, WV	June 30, 1984
Mr. E. Allen Fisher, Secretary-Treasurer West Virginia State Building and Construction Trades Council Charleston, WV	June 30, 1987
Mr. Donald B. Johnson, Retired President Communications Workers of America Local #2009 Huntington, WV	June 30, 1984
Mr. George V. Mehalic, President North Central West Virginia Construction and Trades Council Morgantown, WV	June 30, 1987
Mr. Joseph W. Powell, President West Virginia Labor Federation, AFL-CIO Scott Depot, WV	June 30, 1985
Mr. Paul David Sexton, Past President United Mine Workers of America, State Coal Miners' Political Action Committee (COMPAC)	June 30, 1985

Representing Industry

Mr. James L. Litman, President Vally Camp Coal Company; Ohio Valley Division Triadelphia, WV	June 30, 1985
Mr. E. W. Wayland, Plant Manager FMC Corporation, South Charleston Plant South Charleston, WV	June 30, 1987
Mr. Thomas A. Cerra, Executive Director Ohio Valley Construction Employers Council Wheeling, WV	June 30, 1985
Mr. Jim Cerra, Executive Director Mid-Ohio Valley Industrial Council Charleston, WV	June 30, 1987

Mr. John D. Lough, Director of Corporate Affairs
 Consolidated Gas Company
 Bridgeport, WV June 30, 1984

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

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

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

Ex Officio Members

Mr. Lawrence Barker, Commissioner of Labor
 West Virginia Department of Labor 1/

Mr. Nyle Hughes, Commissioner of Employment Security
 West Virginia Department of Employment Security 1/

Mr. Miles Dean, Director
 Governor's Office of Economic and Community Development 1/

Staff

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

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

1/ Member by virtue of office.

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia Labor-Management Advisory Council. A financial and compliance audit determines whether the financial statements of an audited entity presents fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements. The audit covered the period July 1, 1980 through June 30, 1983.

APPROPRIATED ACCOUNT

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

<u>Account Number</u>	<u>Description</u>
4500-06	Labor-Management Advisory Council - Operating Expenses

SPECIAL REVENUE ACCOUNT

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

8129-15	West Virginia Productivity Demonstration Project
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AUDITORS' OPINION

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

Sir:

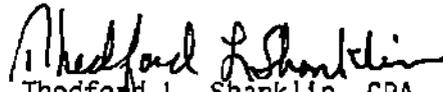
We have examined the statement of appropriations/cash receipts, expenditures/disbursements and changes in cash balance of the West Virginia Labor-Management Advisory Council for the years ended June 30, 1982 and June 30, 1983. Our examination was made in accordance with generally accepted auditing standards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

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

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

Our examination was made for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,


Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

March 7, 1984

Auditors: Nick Arvon, Supervisor-in-Charge
Nadia J. Hodge, Auditor-in-Charge

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL
 STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/
 DISBURSEMENTS AND CHANGES IN CASH BALANCE

	Year Ended June 30, 1983		
	<u>General Revenue</u>	<u>Federal Programs</u>	<u>Combined Totals</u>
Appropriations/Cash Receipts:			
General Revenue Appropriations	\$28,474.00	\$ -0-	\$28,474.00
Expenditures/Disbursements:			
Personal Services	19,903.68	18,561.84	38,465.52
Current Expenses	<u>3,262.87</u>	<u>4,102.97</u>	<u>7,365.84</u>
	<u>23,166.55</u>	<u>22,663.81</u>	<u>45,831.36</u>
Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements	5,307.45	(22,664.81)	(17,357.36)
Transmittals Paid and Expirations After June 30	<u>(5,307.45)</u>	<u>-0-</u>	<u>(5,307.45)</u>
	-0-	(22,664.81)	(22,664.81)
Beginning Balance	<u>-0-</u>	<u>36,084.01</u>	<u>36,084.01</u>
Ending Balance	<u>\$ -0-</u>	<u>\$13,419.20</u>	<u>\$13,419.20</u>

See Notes to Financial Statement

Year Ended June 30, 1982		
<u>General Revenue</u>	<u>Federal Programs</u>	<u>Combined Totals</u>
\$26,699.00	\$ -0-	\$26,699.00
15,886.96	12,534.13	28,421.09
910.85	1,850.86	2,761.71
<u>16,797.81</u>	<u>14,384.99</u>	<u>31,182.80</u>
9,901.19	(14,384.99)	(4,483.80)
<u>(9,901.19)</u>	<u>-0-</u>	<u>(9,901.19)</u>
-0-	(14,384.99)	(14,384.99)
<u>-0-</u>	<u>50,469.00</u>	<u>50,469.00</u>
<u>\$ -0-</u>	<u>\$36,084.01</u>	<u>\$36,084.01</u>

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

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 each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 30 days after the fiscal year-end for fiscal year 1982; and 90 days after the fiscal year-end for fiscal year 1983; however, appropriations for buildings and land remain in effect until three years after the passage of the act by which such appropriations were made. The cash basis of accounting is followed by all other funds. Therefore, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Expenditures paid after June 30 were as follows:

	Expenditures		Expirations	
	1983	1982	1983	1982
Personal Services	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Current Expenses	-0-	160.40	5,307.45	9,901.19
Total	<u>\$ -0-</u>	<u>\$ 160.40</u>	<u>\$5,307.45</u>	<u>\$9,901.19</u>

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the appropriations and cash receipts of certain funds are restricted by various laws, rules and regulations, the totaling of the accounts is for memorandum only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note B - Pension Plan

All eligible employees are members of the West Virginia Public Employees' Pension and Retirement Plan. Employee contributions are 4.5% of their compensation and employees are vested under certain circumstances. The West Virginia Public Employees' Retirement Board and the Appalachian Regional Commission matches contributions at 9.5% of the employees' compensation.

The Commission's contributions were as follows:

<u>Year Ended June 30,</u>	
<u>1983</u>	<u>1982</u>
<u>\$860.88</u>	<u>\$ -0-</u>

There were no pension expenses during fiscal year 1982 because of part-time employment.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA LABOR-MANAGEMENT ADVISORY COUNCIL

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

APPROPRIATED ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Appropriations	\$28,474.00	\$26,699.00
Expenditures:		
Personal Services	19,903.68	15,886.96
Travel	1,070.31	601.75
Office Expenses	307.50	-0-
Machine Rental	659.80	321.00
Hospitality	-0-	103.50
Contractual and Professional Services	794.36	-0-
Building Rental	430.90	45.00
	<u>23,166.55</u>	<u>16,958.21</u>
	5,307.45	9,740.79
Transmittal Paid after June 30	<u>-0-</u>	<u>160.40</u>
Balance	<u>\$ 5,307.45</u>	<u>\$ 9,901.19</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 13th day of June, 1984.



Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the West Virginia Department of Labor; Labor-Management Advisory Council; Governor; Attorney General; and, State Auditor.