

BLANNERHASSETT HISTORICAL PARK COMMISSION

AUDIT REPORT

JULY 1, 1975 - JUNE 30, 1988



LEGISLATIVE AUDITOR

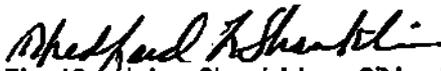
CHARLESTON

The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of the Blennerhassett Historical Park Commission.

Our examination covers the period July 1, 1975 through June 30, 1988. 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, 1988 and June 30, 1987 are included in this report. The financial statements covering the period July 1, 1975 through June 30, 1986 are included in our audit workpapers.

Respectfully submitted,


Theford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/dws, asc, ela

BLANNERHASSETT HISTORICAL PARK COMMISSION

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BLENNERHASSETT HISTORICAL PARK COMMISSION

EXIT CONFERENCE

We held an exit conference on July 26, 1989 with the Executive Director. All findings and recommendations were reviewed and discussed. The above official concurred with all findings and recommendations, and his responses are included in italics in the Summary of Findings, Recommendations and Responses and in the General Remarks sections of this report.

BLENNERHASSETT HISTORICAL PARK COMMISSION

INTRODUCTION

The Blennerhassett Historical Park Commission was created by Chapter 112, Acts of the Legislature, during the 1975 Regular Session, as set forth in Article 8, Chapter 29, as amended, of the West Virginia Code. The Commission was established as a public corporation within the executive branch of government and is composed of ten public members and may have, in addition, not more than five government members. The Commission was established to plan and execute a program for the development of educational, cultural and recreational attractions related to events known or believed to have occurred on and near Blennerhassett Island. Also, plan and execute a program for the development of Blennerhassett Island and related locations in the county of Wood so as to preserve and enhance the island and related locations as a significant historical, natural and archaeological resource of importance to this state and the nation.

BLENNERHASSETT HISTORICAL PARK COMMISSION

COMMISSION MEMBERS AND STAFF

Members

Suzanne Bayley, Wood County;
term expires September 16, 1988 Vienna
Mary Ann Price, Ohio County;
term expires September 16, 1988 Wheeling
Julian Stanley, Pleasants County;
term expires September 16, 1987 Grape Island
Barbara Cork, Wetzel County;
term expires September 16, 1986 New Martinsville
Stephen Haid, Wood County;
term expires September 16, 1988 Parkersburg
Elizabeth A. Fowler, Jackson County;
term expires September 16, 1987 Ravenswood
Adam Kelly, Tyler County;
term expires September 16, 1989 Sistersville
Fay P. Green, Wood County;
term expires September 16, 1987 Parkersburg
Paul D. Marshall, Kanawha County;
term expires September 16, 1986 Charleston
Ethel Gibson, Calhoun County;
term expires September 16, 1986 Grantsville

Staff

James K. Todd Executive Director
Jeffrey Graybill Special Assistant
Pamela Denise Salisbury Executive Assistant
Ronald R. Swick Historian
James L. Snider Operations Director
Richard K. Bentley Administrative Assistant
Donald Vandergrift Operations Assistant
William Airhart Construction/Maintenance
Mary Ellen Robinson Clerk/Typist

BLENNERHASSETT HISTORICAL PARK COMMISSION
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Deposit of Receipts and Payment of Obligations

1. During our examination of receipts we noted that obligations payable to vendors were settled with cash and in some cases third party checks were endorsed by the Commission to the vendors and were never deposited. Accordingly, gross receipts were not deposited with the State Treasurer. Contracts with the vendors were not reviewed by the Department of Finance and Administration and the Attorney General. As a result of the items above, safeguards to ensure accountability for State funds were not place.

We recommend the Commission comply with Chapter 12, Article 2, Section 2; Chapter 12, Article 3, and Chapter 5A, Article 3, Section 15 of the West Virginia Code.

The Commission has obtained a check-writing account to handle these payments. All receipts are deposited in this account daily. Contracts with the boat operators were declared null and void by the Public Service Commission in June 1988. (See Pages 8-11)

Accrued Annual Leave Payments

2. An individual was overpaid \$1,988.16 as a result of being paid for accumulated annual leave of 12 days in excess of the maximum amount allowed.

We recommend the Commission comply with the Employee's Handbook of Personnel Policies Section 3.3. We also recommend the Commission attempt to collect the \$1,988.16 that was overpaid.

We will comply with this audit recommendation. (See pages 11-12)

Transfers to the General Revenue Fund of the State

3. Accrued interest was not transferred to the General Revenue fund of the State as required by Senate Bill 763, passed May 13, 1987. As of June 30, 1988 the Commission owed the State General Revenue fund \$1,300.36.

We recommend the Commission transfer all funds due to the General Revenue fund of the State as required by Senate Bill 763.

We have complied with this audit recommendation. (See pages 12-13)

Expenditures from the Wrong Account

4. Expenditures were made from the Current Expenses Account when they should have been made from the Repairs and Alterations Account (5660-02).

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

We will comply with this audit recommendation. (See pages 13-14)

Inventory

5. During our examination of equipment we noted the Commission had not filed an annual inventory by July 15 of each year as required by Chapter 5A, Article 3, Section 42 of the West Virginia Code. Also, three items of camera equipment with a total cost of \$264.85 could not be located.

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

We will comply with this audit recommendation. (See pages 14-15)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Deposit of Receipts and Payment of Obligations

6. Our examination of internal accounting controls over cash showed procedures for the payment of various vendors providing services to the Commission resulted in material weaknesses over the control of cash. The practice of making payments to vendors by withholding cash from collections results in poor internal control over cash because receipts are not deposited in tact.

We recommend the Commission strengthen internal controls over the collection and disbursement of cash.

We have complied with this audit recommendation. (See pages 16-17)

Inventory

7. We noted the Commission had not been performing a regular physical inventory and updating its inventory records on a timely basis. As a result, three equipment items which could easily be converted to personal use could not be located by us during our examination and we were not able to determine how long the items had been missing.

We recommend the Commission strengthen internal controls over equipment.

We have complied with this audit recommendation. (See page 17)

BLANNERHASSETT HISTORICAL PARK COMMISSION

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the Blennerhassett Historical Park Commission. The audit covered the period July 1, 1975 through June 30, 1988.

APPROPRIATED ACCOUNTS

Expenditures required for the general operation of the Blennerhassett Historical Park Commission were made from the following accounts during the period under audit:

<u>Account Number</u>	<u>Account Description</u>
5660-00	Personal Services
5660-01	Current Expenses
5660-02	Repairs and Alterations
5660-03	Equipment
5660-07	Blennerhassett Island
5660-08	Unclassified
5660-13	Unclassified
5660-66	Annual Increment

FEDERAL FUNDS ACCOUNTS

The Blennerhassett Historical Park Commission maintained the following Federal Fund Accounts during the audit period:

<u>Number</u>	<u>Description</u>
<u>Consolidated Federal Fund - Blennerhassett Historical Park Commission</u>	
7934-06	Capital Outlay
7934-99	Cash Outlay

SPECIAL REVENUE FUND

The Blennerhassett Historical Park Commission maintained three special revenue accounts during the audit period. These accounts are used to account for the proceeds of special revenue sources or to finance specified activities as

required by law or administrative regulations. The funds in these accounts were for specific purposes as defined below:

<u>Number</u>	<u>Description</u>
8554-06	Facilities Revenue Bond Series 1985; Investments and bond sales; for building facilities at Blennerhassett Island and for museum in Parkersburg.
8554-10	Operating Expenses; Transfer from Account 8329-06; for building repairs and alterations.
8554-16	Concession Sales; Revenue from concession sales; for operation of concession.

AREAS OF NONCOMPLIANCE

Chapter 29, Article 8 of the West Virginia Code, as amended, generally governs the Blennerhassett Historical Park Commission. We tested applicable sections of the above plus general State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are listed below.

Deposit of Receipts and Payment of Obligations

Tickets for horse and wagon rides are sold by Blennerhassett Historical Park Commission (Blennerhassett) personnel. They collect gross receipts and record sales on a daily ticket report. On a weekly basis the account is settled with Blennerhassett retaining 20% of gross sales and the horse and wagon concessionaire receiving 80% of gross sales in the form of cash. The contract between Blennerhassett and the horse and wagon concessionaire started April 30, 1988. Blennerhassett records show gross sales for the horse and wagon rides during the period of April 30, 1988 through June 30, 1988 amounted to \$13,141.00. Of this total, Blennerhassett remitted \$2,628.20 to the State Treasurer as its 20% share and paid \$10,512.80 to the horse and wagon concessionaire. Blennerhassett contracted for transportation services with Ruble's Sternwheelers and River City

Tours. Payments to the boat operators are made either on a weekly or monthly basis, based on the method preferred by the operator. The payments consist of the boat transportation portion of combination tickets sold at the museum and such payments are made in cash or by endorsed check. Our examination of the ledger account of Ruble's Sternwheelers for the period April 30, 1988 showed the ledger is apparently in error. The ledger showed collections from full package sales totaled \$3,507.50 with \$1,780.00 paid to Ruble's Sternwheelers and \$1,758.00 being deposited in the State Treasury. However, these amounts total \$30.50 more than \$3,507.50 collected.

Further, the ledger account for River City Tours covering the period April 30, 1988 to May 22, 1988 shows full package sales totaled \$1,103.00. Of the total, \$472.50 was deposited in the State Treasury and \$598.00 was paid to River City Tours, meaning \$1,070.50 was distributed. As a result, collections exceeded the amounts distributed by \$32.50 indicating apparent errors in the ledger account for River City Tours.

Also, our examination showed three checks totaling \$870.50 made payable to Blennerhassett were endorsed over to River City Tours as follows:

<u>Date of Check</u>	<u>From</u>	<u>Amount</u>
5/25/88	Hartford P.T.O.	\$ 92.50
5/25/88	Leivasy Grade School P.T.A.	175.00
5/26/88	Fairview Heights P.T.O.	603.00
		<u>\$870.50</u>

Chapter 12, Article 2, Section 2 of the West Virginia Code states, in part:

"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."

"The gross amount collected in all cases shall be paid into the state treasury, and commissions, costs and expenses of collections authorized by general law to be paid out of the gross collection are hereby authorized to be paid out of the moneys collected and paid into the state treasury in the same manner as other payments are made from the state treasury."

In our opinion, the practice of paying State obligations by withholding cash from collections or endorsing over checks reduces accountability for State funds and bypasses the safe guards provided by Chapter 12, Article 3, (Appropriations and Expenditures) of the West Virginia Code.

Also, Chapter 12, Article 2, Section 6 of the West Virginia Code, as amended states in part, "... Any person violating any of the provisions of this article shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not exceeding one thousand dollars or confined in jail not exceeding one year, or both, in the discretion of the court, and in addition thereto shall forfeit whatever office or position he holds in connection with the state government."

Our examination of the contracts with these vendors indicated they had not been approved as to form by the Attorney General of West Virginia and signed by the Commissioner of Finance and Administration. Chapter 5A, Article 3, Section 15 of the West Virginia Code which deals with the purchasing authority of the Commissioner of Finance and Administration states in part, "... Contracts shall be signed by the commissioner in the name of the state. They shall be approved as to form by the attorney general" In our opinion, since these contracts were not submitted for bid through the purchasing division of the Department of Finance and Administration, the provisions of Chapter 5A, Article 3, Section 15 were not complied with.

We recommend the Commission comply with Chapter 12, Article 2, Section 2; Chapter 12, Article 3, and Chapter 5A, Article 3, Section 15 of the West Virginia Code.

The Blennerhassett Historical Park Commission has completed actions suggested by the reviewing auditors, establishing with the State treasurer's office a check-writing account so as to provide a proper vehicle by which the B.H.P.C. can issue to concessionaires collected by the B.H.P.C. via ticket sales, on behalf of those concessionaires.

Corrective action has been implemented to insure that all receipts collected by the B.H.P.C. are deposited into a state-authorized account on a daily basis.

Contracts issued to both operators principally established operating standards. All such contracts were declared null and void and of no force or effect by the Public Service Commission in June, 1988. No further contracts have been promulgated or sought with those boat operators until such time as the Public Service Commission determines which boat operator(s) will be issued permanent certificate(s) of authority. At that time, the Department of Commerce (under who's auspices this facility now operates) will determine issuance of any such contracts.

Accrued Annual Leave Payments

The Blennerhassett Historical Park Commission's Employee's Handbook of Personnel Policies dated December 1985, Section 3.3 states, "Except as otherwise noted in this section, each full-time employee shall be entitled to annual leave with full pay computed and accumulated based on days worked and tenure as follows:

<u>Years of Service</u>	<u>Per Month</u>	<u>Per Year</u>	<u>Carry Over Per Year</u>
0-5	1 1/4 days	15 days	30 days
5-10	1 1/2 days	18 days	30 days
10-15	1 3/4 days	21 days	35 days
15-more	2 days	24 days	40 days

Annual leave carried over in excess of the above will be transferred to sick leave at the end of each calendar year. If an employee's services are terminated for any reason, he/she cannot be paid for more than sixty-four (64) days of accumulated annual leave "

On January 1, 1987, an employee with 14 years and six months of service with the State carried over 54.50 days of annual leave, an excess of 19.50 days over the 35 days allowed by the Personnel Policies. Between January 1, 1987 and July 31, 1987 the employee earned 12.50 days of annual leave and used 7 days. The employee resigned July 31, 1987 and remained on the payroll until the pay period ending at noon, October 16, 1987. The employee was paid for 52.50 work days. Because of the carryover per year policy, we calculated the employee was only supposed to be paid for 40.50 days of annual leave which would have allowed him to remain on the payroll until noon, September 29, 1987.

In our opinion, the employee was overpaid \$1,988.16, as a result of being paid for 12 days of annual leave in excess of the maximum amount allowed by Section 3.3 of the Employee's Handbook of Personnel Policies. Our calculation included \$248.52 for one-half day September 29, and a full day September 30, at \$165.68 a day and \$1,739.67 for the pay period ending at noon, October 16, 1987.

We recommend the Commission comply with the Employee's Handbook of Personnel Policies Section 3.3. We also recommend the Commission attempt to collect the \$1,988.16 that was overpaid.

In accordance with your revised figure of overpayment to an employee who separated from service Oct. 16, 1987, we are initiating correspondence (copy attachment) seeking reimbursement of overpayment.

Transfers to the General Revenue Fund of the State

Senate Bill 763, passed May 13, 1987, in effect July 1, 1987, states in part,

"An Act supplementing, amending, directing transfer of and causing to expire monthly, into the state fund, general revenue of the state, the unexpended and unencumbered amounts of accruing interest in the following designated interest accounts or from any principal account, should such interest have been so distributed, earned from July 1, 1987 through June 30, 1988, from accounts: . . . of the Blennerhassett Historical Park, account no. 8554-06I;"

Accrued interest earnings as of June 30, 1988, totaling \$1,300.36, for the period of July 1, 1987 to June 30, 1988, had not been transferred to the General Revenue Fund of the State. We were told that the Intra-Governmental Transaction Documents (IGT's) to transfer July and August 1987 accrued interest earnings were prepared according to State Treasury instructions but the Department of Finance and Administration would not process them. The IGT's were resubmitted in October 1987, to the Department of Finance and Administration and were again rejected. We were told that the Commission contacted the Department of Finance and Administration concerning the IGT's and their response was that they didn't know what to do with the IGT's. The Commission did not prepare any more IGT's to transfer the accrued interest. On July 11, 1988, the IGT's transferring July and August 1987 accrued interest were posted to the State Auditors Office Account Status Report for \$223.65 and \$233.65, respectively. This transfer reduced the amount of interest due to the General Revenue Fund of the State to \$843.06. The Commission is in the process of submitting IGT's to transfer the remaining accrued interest due the General Revenue Fund of the State.

We recommend the Commission transfer all funds due to the General Revenue Fund of the State in accordance with Senate Bill 763.

Your office was advised in February, 1989, that proper action had been initiated to correct this matter. All transfers have since been completed.

Expenditures from the Wrong Account

The Commission purchased \$4,200.00 of gravel for a septic field during the fiscal year ended June 30, 1987. This purchase was made from Current Expense Account (5660-01) under line item code 051. The Department of Finance and Administration's Budget Division's Line Item Codes effective July 1, 1986 lists and defines each line item. Line item code 051 is defined as, "Miscellaneous: Those supplies and services which are not classified under any other line item."

Line item code 066 is defined as, "Ground Improvements: Labor and material for improvements to the grounds only."

The Commission had an appropriated Repairs and Alterations Account (5660-02) during the fiscal year ended June 30, 1987. The Repairs and Alterations Account should, in our opinion, have been used for the gravel expenditure.

Chapter 5A, Section 2, Article 19 states in part:

"Notwithstanding any other provision of 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:

(1) Any transfer of amounts between items of appropriations for the executive branch of state government shall be made only as specifically authorized by the legislature."

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

This error occurred as a result of human error. This matter has been brought to the attention of the appropriate staff members, and they have been cautioned to exercise greater care and attention to detail to avoid future recurrences of such error.

Inventory

Chapter 5A, Article 3, Section 42 of the West Virginia Code, as amended states, "The head of every department of the state government shall, on or before July fifteenth of each year, file with the director an inventory of all real and personal property, and of all equipment, supplies and commodities in its possession as of the close of the last fiscal year." During our examination of equipment we noted the Commission's last inventory list update was dated July 22, 1982. The inventory list contained those items with inventory tag numbers one through 99. As of June 30, 1988, there were 301 tag numbers and added property forms, but tag numbers 100 through 301 are not included on the inventory listing.

We ascertained that a 16-foot aluminum extension ladder with a cost of \$122.33 had been purchased, but did not have an added property form prepared and did not have a tag number. We also ascertained that three items with a total cost of \$264.85 could not be located. These three items are camera equipment as listed below:

<u>Tag Number</u>	<u>Description</u>	<u>Amount</u>
258	Floodlight and Stand	\$99.95
260	Wide Angle Lens	85.95
261	Camera Flash	78.95
		<u>\$264.85</u>

We were told by the Executive Director that the above items were missing prior to his employment with the Commission. We were also told that the Commission had not taken a physical inventory, but they planned to do so.

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

Physical inventory has been completed, all property tagged, and recorded.

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

As a part of our examination, we reviewed and tested the system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal

accounting control should not exceed the benefits derived, and also recognizes that the evaluation of these factors necessarily requires estimates and judgements by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgement, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect either to the execution and recording of transactions or with respect to the estimates and judgements required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the period July 1, 1975 to June 30, 1988, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be material weaknesses.

Deposit of Receipts and Payment of Obligations

Our examination of internal accounting controls over cash showed procedures for the payment of various vendors providing services to the Commission resulted in material weaknesses over the control of cash. The practice of making payments to vendors by withholding cash from collections results in poor internal control over cash because receipts are not deposited in tact.

We recommend the Commission strengthen internal controls over the collection and disbursement of cash.

It is our belief that we have corrected all material weaknesses/deficiencies your staff pointed out to us in the audit of the 13 year period of July 1, 1975 through June 30, 1988.

It is our further belief that all internal controls will continue to improve through the support of the Dept. of Commerce auditors, as we have moved into the Division of Parks and Recreation effective July 1, 1989.

Inventory

We noted the Commission had not been performing a regular physical inventory and updating its inventory records on a timely basis. As a result, three equipment items which could easily be converted to personal use could not be located by us during our examination and we were not able to determine how long the items had been missing.

We recommend the Commission strengthen internal controls over equipment.

It is our belief that we have corrected all material weaknesses/deficiencies your staff pointed out to us in the audit of the 13 year period of July 1, 1975 through June 30, 1988.

It is our further belief that all internal controls will continue to improve through the support of the Dept. of Commerce auditors, as we have moved into the Division of Parks and Recreation effective July 1, 1989.

INDEPENDANT AUDITORS' OPINION

The Joint Committee on Government and Finance

We have examined the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund and investments balances of the Blennerhassett Historical Park Commission for the years ended June 30, 1988 and June 30, 1987. The financial statement is the responsibility of the management of the Blennerhassett Historical Park Commission. Our responsibility is to express an opinion on the financial statement is based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted audit standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

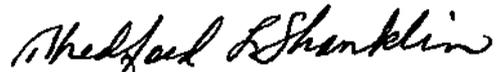
The Commission did not have adequate internal control over cash receipts for the Concession Sales Account. The amount of cash receipts applicable to this account could not be fully determined. We were unable to apply alternative procedures to satisfy ourselves as to the fairness of the amounts.

As described in Note A, the financial statement was prepared on the cash and modified cash basis of accounting, which are comprehensive bases of accounting other than generally accepted accounting principles.

In our opinion, except for the effects, if any, of the Commission's lack of adequate internal control over certain cash receipts and our inability to apply alternative procedures to satisfy ourselves as to the amounts of those receipts as noted in paragraph three above, the financial statement referred to above presents fairly, in all material respects, the revenues collected and expenses paid of the Blennerhassett Historical Park Commission for the years ended June 30, 1988 and June 30, 1987, on the bases of accounting described in Note A.

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 the 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, except for the effects, if any, of the matters discussed in the second paragraph above, 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

August 31, 1988

Auditors: Raymond Shingler, CPA, Supervisor
David Given, Auditor-in-Charge
Steve Gunter

BLANNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/
 DISBURSEMENTS AND CHANGES IN FUND AND INVESTMENTS BALANCES

	Year Ended June 30, 1988			
	General Revenue	Federal Programs	Special Revenue	Sinking Fund
Appropriations/Cash Receipts:				
Appropriations	\$389,091.00	\$ -0-	\$ -0-	\$ -0-
Federal Funds	-0-	91,725.26	-0-	-0-
Concession Sales	-0-	-0-	56,710.04	-0-
Interest Earnings	-0-	-0-	1,462.75	9.86
	<u>389,091.00</u>	<u>91,725.26</u>	<u>58,172.79</u>	<u>9.86</u>
Expenditures/Disbursements:				
Personal Services	188,118.59	-0-	-0-	-0-
Current Expenses	128,582.71	135,186.26	37,732.12	-0-
Repairs and Alterations	24,476.45	-0-	2,694.92	-0-
Equipment	11,414.54	-0-	142.75	-0-
Remittance of Taxes	-0-	-0-	1,226.18	-0-
Bonds Matured and Paid	-0-	-0-	-0-	46,802.99
Interest Paid	-0-	-0-	-0-	23,197.01
	<u>352,592.29</u>	<u>135,186.26</u>	<u>41,795.97</u>	<u>70,000.00</u>
Appropriations/Cash Receipts: Over (Under) Expenditures/ Disbursements				
	36,498.71	(43,461.00)	16,376.82	(69,990.14)
Expirations and Expenditures After June 30				
	(58,560.62)	-0-	-0-	-0-
Beginning Balance				
	110,676.18	43,461.00	126,358.10	136.27
Transfers to State General Revenue Fund				
	-0-	-0-	(1,294.19)	-0-
Transfers to Sinking Fund				
	<u>(70,000.00)</u>	<u>-0-</u>	<u>-0-</u>	<u>70,000.00</u>
Ending Balance				
	<u>\$ 18,614.27</u>	<u>\$ -0-</u>	<u>\$141,440.73</u>	<u>\$ 146.13</u>

See Notes to Financial Statement

<u>Combined Totals</u>	<u>General Revenue</u>	<u>Year Ended June 30, 1987</u>		<u>Sinking Fund</u>	<u>Combined Totals</u>
		<u>Federal Programs</u>	<u>Special Revenue</u>		
\$389,091.00	\$409,569.00	\$ -0-	\$ -0-	\$ -0-	\$409,569.00
91,725.26	-0-	113,796.00	-0-	-0-	113,796.00
56,719.04	-0-	-0-	37,049.96	-0-	37,044.96
<u>1,472.61</u>	<u>-0-</u>	<u>-0-</u>	<u>4,462.50</u>	<u>135.63</u>	<u>4,598.13</u>
538,998.91	409,569.00	113,796.00	41,507.46	135.63	558,147.23
188,118.59	184,355.18	-0-	-0-	-0-	184,355.18
301,501.09	186,418.85	70,335.00	33,091.53	-0-	289,845.38
27,171.37	21,699.62	-0-	45.00	-0-	21,744.62
11,557.29	532.49	-0-	-0-	-0-	532.49
1,226.18	-0-	-0-	1,218.16	-0-	1,218.16
46,802.99	-0-	-0-	-0-	39,775.05	39,775.05
<u>23,197.01</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>30,224.95</u>	<u>30,224.95</u>
<u>599,574.52</u>	<u>393,006.14</u>	<u>70,335.00</u>	<u>34,354.69</u>	<u>70,000.00</u>	<u>567,695.83</u>
(60,575.61)	16,562.86	43,461.00	7,152.77	(69,864.37)	(2,687.74)
(58,560.62)	(79,353.77)	-0-	-0-	-0-	(79,353.77)
280,631.55	243,406.89	-0-	122,590.08	60.84	366,057.81
(1,294.19)	-0-	-0-	(3,384.75)	-0-	(3,384.75)
<u>-0-</u>	<u>(69,939.80)</u>	<u>-0-</u>	<u>-0-</u>	<u>69,939.80</u>	<u>-0-</u>
<u>\$160,201.13</u>	<u>\$110,676.18</u>	<u>\$ 43,461.00</u>	<u>\$126,358.10</u>	<u>\$ 136.27</u>	<u>\$280,631.55</u>

BLENNERHASSETT HISTORICAL PARK COMMISSION

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policy

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 thirty day carry-over period is provided at the end of the fiscal year. During the period under examination, all balances of the General Revenue Fund appropriations, with the exception of Blennerhassett Island (Account 5660-07), expired the last day of such fiscal year and reverted to the unappropriated surplus of the fund from which the appropriations were made with two exceptions. One is that expenditures encumbered prior to the end of the fiscal year may be paid up to thirty days after the fiscal year end. The second is that appropriations for building and land remain in effect until three years after the passage of the act by which such appropriations were made. During the period under examination, any unexpended balance remaining in the appropriation for Blennerhassett Island (Account 5660-07) at the close of each fiscal year was reappropriated for expenditure during the subsequent fiscal year.

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:

	Expenditures		Expirations	
	Paid After June 30,		July 31,	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
Personal Services	\$ -0-	\$ 1,577.85	\$ -0-	\$ 1,233.97
Current Expenses	-0-	2,454.47	-0-	1,967.84
Repairs and Alterations	-0-	800.51	-0-	139.56
Equipment	-0-	4,438.79	-0-	28.72
Unclassified	<u>53,889.14</u>	<u>14,369.59</u>	<u>4,671.48</u>	<u>52,342.47</u>
	<u>\$53,889.14</u>	<u>\$23,641.21</u>	<u>\$ 4,671.48</u>	<u>\$55,712.56</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 percent of their compensation and employees have vested rights under certain circumstances. The West Virginia Public Employees' Retirement System matches contributions at 9.5 percent of the compensation on which the employees made contributions.

Note C - Commission Facilities Revenue Bond

The Blennerhassett Historical Park Commission has issued one series of Commission Facilities Revenue Bonds to finance part of the costs of renovating and improving a museum building. The debt instrument was issued with an interest rate of 8.62% per annum. The initial interest rate is adjusted quarterly on the first day of January, April, July and October during the term of the debt instrument to a rate of interest which is equal to 75 percent of the prime rate of interest being charged at that time by the purchaser to its prime corporate borrowers in its lending capacity as a commercial bank. The debt instrument shall mature on August 1, 1994. Due to the nature of the debt instrument's variable interest rate, we could not present a repayment schedule; however, the remaining principal outstanding as of June 30, 1988 is \$305,000.09, according to the West Virginia Municipal Bond Commission. Payment of the debt instrument is secured by a first lien on the net revenues derived from the Commission Facilities.

Note D - Fund Balances

The components of the Special Revenue fund balances are as follows:

	<u>Year Ended June 30,</u>	
	<u>1988</u>	<u>1987</u>
Facilities Revenue Bond Series 1985:		
Cash	\$ 1,246.31	\$ 1,077.75
Investments	<u>8,769.26</u>	<u>33,978.00</u>
	<u>10,015.57</u>	<u>35,055.75</u>
Operating Expenses:		
Cash	<u>47,744.30</u>	<u>49,402.30</u>
Concession Sales:		
Cash	<u>62,448.27</u>	<u>30,056.64</u>
	<u>\$120,208.14</u>	<u>\$114,514.69</u>

SUPPLEMENTAL INFORMATION

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

<u>General Administration</u>	<u>Year Ended June 30,</u>	
	<u>1988</u>	<u>1987</u>
<u>Personal Services - Account 5660-00</u>		
Appropriations	\$ -0-	\$185,475.00
Expenditures	-0-	184,457.03
	-0-	1,017.97
Transmittals Paid after June 30	-0-	1,577.85
Balance	<u>\$ -0-</u>	<u>\$ 2,595.82</u>
 <u>Current Expenses - Account 5660-01</u>		
Appropriations	\$ -0-	\$ 53,402.00
Expenditures	-0-	51,434.16
	-0-	1,967.84
Transmittals Paid After June 30	<u>\$ -0-</u>	<u>\$ 2,454.47</u>
 <u>Repairs and Alterations - Account 5660-02</u>		
Appropriations	\$ -0-	\$ 18,000.00
Expenditures	-0-	17,860.44
	-0-	139.56
Transmittals Paid After June 30	-0-	800.51
Balance	<u>\$ -0-</u>	<u>\$ 940.07</u>
 <u>Equipment - Account 5660-03</u>		
Appropriations	\$ -0-	\$ 5,000.00
Expenditures	-0-	4,971.28
	-0-	28.72
Transmittals Paid After June 30	-0-	4,438.79
Balance	<u>\$ -0-</u>	<u>\$ 4,467.51</u>

BLANNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

	Year Ended June 30,	
	1988	1987
<u>Blennerhasset Island - Account 5660-07</u>		
Reappropriations	\$110,676.18	\$243,406.89
Expenditures:		
Current Expenses	82,047.13	132,730.71
Repairs and Alterations	10,014.78	-0-
	92,061.91	132,730.71
	18,614.27	110,676.18
Transmittals Paid After June 30	-0-	-0-
Balance	\$ 18,614.27	\$110,676.18
<u>Unclassified - Account 5660-08</u>		
Appropriations	\$ -0-	\$146,000.00
Expenditures:		
Current Expenses	-0-	15,211.82
Repairs and Alterations	-0-	8,505.91
Transfers to Sinking Fund	-0-	69,939.80
	-0-	93,657.53
	-0-	52,342.47
Transmittals Paid After June 30	-0-	14,369.59
Balance	\$ -0-	\$ 66,712.06
<u>Unclassified - Account 5660-13</u>		
Appropriations	\$389,091.00	\$ -0-
Expenditures:		
Personal Services	189,302.82	-0-
Current Expenses	76,881.34	-0-
Repairs and Alterations	33,897.48	-0-
Equipment	14,337.88	-0-
Transfer to Sinking Fund	70,000.00	-0-
	384,419.52	-0-
	4,671.48	-0-
Transmittals Paid After June 30	53,889.14	-0-
Balance	\$ 58,560.62	\$ -0-

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES
 GENERAL REVENUE

	Year Ended June 30,	
	1988	1987
<u>Annual Increment - Account 5660-66</u>		
Appropriations	\$ -0-	\$1,692.00
Expenditures	-0-	1,476.00
	-0-	216.00
Transmittals Paid After June 30	-0-	-0-
Balance	\$ -0-	\$ 216.00

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES
 FEDERAL PROGRAMS

<u>Consolidated Federal Funds</u>	<u>Year Ended June 30,</u>	
	<u>1988</u>	<u>1987</u>
<u>Blennerhassett Historical Park Commission -</u>		
<u>Account 7934-06</u>		
Reappropriations	\$191,850.00	\$262,185.00
Expenditures:		
Current Expenses	<u>135,186.26</u>	<u>70,335.00</u>
	56,663.74	191,850.00
Transmittals Paid After June 30	<u>-0-</u>	<u>-0-</u>
Balance	<u>\$ 56,663.74</u>	<u>\$191,850.00</u>

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 CASH CONTROL - ACCOUNT 7934-99

	Year Ended June 30,	
	1988	1987
Beginning Balance:		
State Treasury	\$ 43,461.00	\$ -0-
Cash Receipts:		
Economic Development Administration	91,725.26	113,796.00
TOTAL CASH TO ACCOUNT FOR	\$135,186.26	\$113,796.00
Ending Balance:		
State Treasury	\$ -0-	\$ 43,461.00
Disbursements:		
Current Expenses	135,186.26	70,335.00
TOTAL CASH ACCOUNTED FOR	\$135,186.26	\$113,796.00

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE
 FACILITIES REVENUE BOND SERIES 1985

	Year Ended June 30,	
	1988	1987
Cash Receipts:		
Interest on Investments	\$ 9.86	\$ 135.63
Disbursements:		
Bonds Matured and Paid	46,802.99	39,775.05
Interest Paid	23,197.01	30,224.95
	70,000.00	70,000.00
Decrease in Cash During Year Before Account Transfers	(69,990.14)	(69,864.37)
Transfers:		
From Account 5660-08 (General Administration - Unclassified)	-0-	69,939.80
From Account 5660-13 (General Administration - Unclassified)	70,000.00	-0-
	9.86	75.43
Increase in Cash During Year		
Beginning Fund Balance	136.27	60.84
Ending Fund Balance	\$ 146.13	\$ 136.27

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES
 IN CASH AND INVESTMENT BALANCE
 SPECIAL REVENUE

<u>Facilities and Revenue Bond Series 1985 -</u>	<u>Year Ended June 30,</u>	
<u>Account 8554-06</u>	<u>1988</u>	<u>1987</u>
Cash Receipts:		
Interest on Investments	\$ 1,462.75	\$ 4,462.50
Disbursements:		
Current Expenses	<u>25,208.74</u>	<u>16,587.00</u>
Cash Receipts (Under) Disbursements	(23,745.99)	(12,124.50)
Fund Balance:		
State Treasury - Cash	1,077.75	-0-
Board of Investments	<u>33,978.00</u>	<u>50,565.00</u>
Beginning Balance	<u>35,055.75</u>	<u>50,565.00</u>
Transfers to State General Revenue Fund	1,294.19	3,384.75
Fund Balance		
State Treasury - Cash	1,246.31	1,077.75
Board of Investments	<u>8,769.26</u>	<u>33,978.00</u>
Beginning Balance	<u>\$10,015.57</u>	<u>\$35,055.75</u>

BLENNERHASSETT HISTORICAL PARK COMMISSION
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1988</u>	<u>1987</u>
<u>Operating Expenses - Account 8554-10</u>		
Cash Receipts	\$ -0-	\$ -0-
Disbursements:		
Current Expenses	158.00	-0-
Repairs and Alterations	1,500.00	-0-
	<u>1,658.00</u>	<u>-0-</u>
Cash Receipts (Under) Disbursements	(1,658.00)	-0-
Beginning Balance	<u>49,402.30</u>	<u>49,402.30</u>
Ending Balance	<u>\$47,744.30</u>	<u>\$49,402.30</u>
 <u>Concession Sales - Account 8554-16</u>		
Cash Receipts	\$56,710.04	\$37,044.96
Disbursements:		
Current Expenses	12,365.38	16,504.53
Repairs and Alterations	1,194.92	45.00
Equipment	142.75	-0-
Remittance of Taxes	1,226.18	1,218.16
	<u>14,929.23</u>	<u>17,767.69</u>
Cash Receipts Over Disbursements	41,780.81	19,277.27
Beginning Balance	<u>41,900.05</u>	<u>22,622.78</u>
Ending Balance	<u>\$83,680.86</u>	<u>\$41,900.05</u>

BLENNERHASSETT HISTORICAL PARK COMMISSION
RECONCILIATIONS
JUNE 30, 1988

Facilities Revenue Bond Series 1985 - Account 8554-06

Balance per State Treasury and Commission \$ 1,246.31

Operating Expenses - Account 8554-10

Balance per State Treasury and Commission \$47,744.30

Concession Sales - Account 8554-16

Balance per State Treasury \$62,448.27

Deposits in Transit FY 1988 21,232.59

Balance per Commission \$83,680.86

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, Director, Legislative Postaudit Division, 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 1st day of AUGUST,
1989.


Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the Blennerhassett Historical Park Commission; Governor; Attorney General; Secretary of State; State Treasurer; and State Auditor.