

COLIN ANDERSON CENTER  
FOR THE YEAR ENDED  
JUNE 30, 1985

*West Virginia*



**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 Colin Anderson Center.

Our examination covers the year ended June 30, 1985. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,

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

Theodora L. Shanklin, CPA, Director  
Legislative Postaudit Division

TLS/asc

COLIN ANDERSON CENTER

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COLIN ANDERSON CENTER

EXIT CONFERENCE

We held an exit conference on October 2, 1989 with the Director of the Financial Services Division, Director of Accounting and Assistant Director of Accounting of the West Virginia Department of Health and Human Resources, Division of Health and various representatives of the Colin Anderson Center. 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 in the General Remarks sections of this report.

## COLIN ANDERSON CENTER

### INTRODUCTION

Colin Anderson Center is situated four miles north of St. Marys on State Route 2 in Pleasants County and was established in 1921, by an act of the Legislature, for the treatment and training of mentally defective boys and girls. The school formally opened on October 3, 1932.

In 1939, by executive order, the school was designated exclusively for boys, and all girls were transferred to the Children's Home in Elkins. However, the Legislature refuted the executive order and the girls were returned to the Center.

The main building was converted into an infirmary in 1943, thus providing for the first time, a complete service for the institution.

In 1964, the North and South living areas were built. The North and South Living Area (formerly called the Crib Building) houses the nursing, clinical director and physicians' offices along with the Department of X-Ray, laboratory, dental, registrar, physical therapy, social service, and medical records. The medical treatment room and infirmary are also located in this area. The Applied Behavioral Learning Environment Program commonly known as ABLE was implemented in this building in 1976 for the younger lower functioning nonambulatory residents. The program has since expanded to accommodate more residents and is called ABLE/Bridge/Probe to reflect its more diversified functions.

Home Life Program facilities were built in 1971-72. The four cottages are called Dawn, Promise, Faith, and Harmony. The newer Hope cottage is a function of the Home Life Department of the Center and houses younger developmentally disabled individuals from the community for intensive short-term training in preparation for return to the community.

The new school building was built in 1972 and includes eight classrooms, gymnasium, Prevocational Training Center and other education components.

The Modular Treatment Building was built in 1977 and accommodates 96 residents enrolled in the ECHO Intensive Training Program. These 96 beds and the 60 beds in the Home Life Cottages are certified as an Intermediate Care Facility/Mental Retardation provided under Title XIX (Medicaid). In 1975 a new swimming pool was built behind the Special Education Building.

The newest facility on campus is the new dining hall completed in 1982, located on the south end of the campus.

## COLIN ANDERSON CENTER

### IMPLEMENTATION OF PRIOR AUDIT RECOMMENDATIONS

In our prior audit, covering the period March 1, 1978 through June 30, 1984 there were 13 recommendations. We noted eight of these recommendations had not been fully implemented. The recommendations are listed below:

1. The Center comply with the provisions of Chapter 12, Article 2, Section 2 of the West Virginia Code concerning deposit and documentation of cash receipts. (See page 13.)
2. The Center comply with Chapter 27, Article 2, Section 2 of the West Virginia Code concerning household facilities and meals provided to employees. (See pages 14 and 15.)
3. The Center comply with Department of Health Financial Management Procedure #6046 concerning patient trust funds. (See pages 15 and 16.)
4. The Center comply with Department of Health Instruction #6047 concerning patient welfare funds. (See pages 16 and 17.)
5. The Center comply with Department of Health Instruction #6060 concerning patient accounts receivable. (See pages 17 and 18.)
6. The Center provide sufficient separation of duties to assure an appropriate level of internal control over local account transactions. (See page 20.)
7. The Center establish sufficient internal controls over patient accounts receivable. (See page 20 and 21.)
8. The Center establish controls over investment transactions. (See page 22.)

COLIN ANDERSON CENTER  
ADMINISTRATIVE OFFICERS AND STAFF

William E. Richards . . . . . Administrator  
Thomas C. Stalek . . . . . Assistant Administrator  
Genon Zerrudo, M.D. . . . . Clinical Director  
Ghislaine Douglass . . . . . Director of Nurses  
Gordon Bourland . . . . . Program Director  
Betty Barron . . . . . Personnel Director  
Charlene Butler . . . . . Cashier and Patient Accounts  
Clarence Lynch . . . . . Purchasing and Inventory Control

COLIN ANDERSON CENTER

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

COMPLIANCE MATTERS

Noncompliance With West Virginia Code

Chapter 12, Article 2, Section 2 -

Documentation and Deposit of Cash Receipts

1. The Center had not prepared receipt forms for all moneys received for deposit and a daily itemized record of moneys received had not been prepared in all cases.

We recommend the Center comply with the provisions of Chapter 12, Article 2, Section 2 of the West Virginia Code.

*We will comply with this audit recommendation. (See page 13.)*

Noncompliance with West Virginia Code

Chapter 27, Article 2, Section 2

Meals and Household Facilities Furnished to Employees

2. In our opinion, the cost of meals provided to employees were not fully recovered resulting in the employees receiving emoluments. The cafeteria was closed in October 1986. The balance in the Cafeteria Account was transferred to Patient Welfare Account and as of March 23, 1989, the balance remaining was \$849.95. We believe the remaining balance should have been transferred to the State General Revenue Fund. Further, the Center did not fully recover the cost of the rental unit provided to the Administrator, through the rent charged and collected in fiscal year 1985. We estimate the loss on the rental unit at \$2,016.00. As a result, we believe the Center Administrator received an emolument.

We recommend the Center comply with West Virginia Code, Chapter 27, Article 2, Section 2 by assuring the cost of housing provided the administrator is reimbursed. We further recommend the Center transfer

the balance of the Cafeteria Account to the State Treasury as general revenue.

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

Noncompliance with Department of Health Policy and Procedure #6046 -  
Patient Trustee Account Management

3. We noted checks made payable to cash totaling \$65,101.28 in the Superintendent's Trustee Account and \$6,993.52 in the Patient Welfare Account during fiscal year 1985. Also, we observed that receipts supporting purchases made from patient funds were not always available and some receipts which we did locate appeared to have been altered or defaced. Also, items costing over \$50.00, such as televisions, stereos and wheelchairs were not processed under regular State purchasing practices as they should have been. These conditions could allow misuse and/or theft of patient funds.

We recommend the Center comply with all the requirements of the Department of the Department of Health Policy and Procedure #6046.

*We will comply with this audit recommendation. (See pages 15 and 16.)*

Noncompliance with Department of Health Instruction #6047 -  
Patient Welfare Account Receipts Diverted to Employee Welfare Account

4. Our examination shows 25% of the profits from the Center's canteen operation is being placed into an Employee Welfare Account. By March 23, 1989, \$29,559.05 had been diverted and placed in the account. Disbursements from the Employee Welfare Account through March 23, 1989 totaled \$14,798.00 and included \$6,742.65 paid to purchase turkeys for employees for Christmas 1988.

We recommend the Center comply with Department of Health Instruction #6047. We further recommend the checking and savings account portions of Employee Welfare Account be closed immediately and the balances be transferred to the Patient Welfare Account.

*We will comply with this audit recommendation. (See pages 16 and 17.)*

Noncompliance with Department of Health Policy #6060 -  
Patient Charges and Charge Exonerations

5. In our opinion, the Center had not complied with material aspects of Department of Health Policy #6060. Specifically, we noted no evidence supporting a routine update of patient financial profiles and exonerations of patient charges were not properly documented. In addition, adequate records were not maintained which documented patient accounts receivable transactions. Because of various problems with posting of activity to individual patient ledger cards, the control account for patient accounts receivable could not be reconciled with the total balances of the individual patient ledgers.

We recommend the Center comply with Department of Health Financial Management Policy #6060 and take the steps necessary to properly account for accounts receivable transactions.

*We will comply with this audit recommendation. (See pages 17 and 18.)*

Movement of State Property

6. Our examination of equipment showed five items with a combined value of \$1,534.39 which could not be located. We were informed that a problem existed involving employees moving equipment without formally notifying inventory control.

We recommend the Center comply with Colin Anderson Center Policy #4550.

*We will comply with this audit recommendation. (See pages 18 and 19.)*

#### INTERNAL CONTROLS AND ACCOUNTING SYSTEM

##### Local Accounts

7. We noted an inadequate separation of duties in the Patient Accounts Section because one or more employees in that section are performing some or all of the accounting function for each local account.

We recommend the Center strengthen internal controls over local accounts through better separation of functions performed.

*We will comply with this audit recommendation. (See page 20.)*

##### Patient Accounts Receivable

8. We noted an inadequate separation of duties in the patient accounts receivable function because all accounting functions are performed by the cashier function who also has access to the accounting records.

We recommend internal control be strengthened over patient accounts receivable.

*We will comply with this audit recommendation. (See pages 20 and 21.)*

##### Equipment Inventory

9. We noted pieces of equipment which were not tagged and discrepancies between actual equipment tag numbers and assigned numbers according to the inventory records.

We recommend the Center strengthen internal control over equipment inventory.

*We will comply with this audit recommendation. (See pages 21 and 22.)*

Investments

10. We noted a weakness in internal control over investment transactions because only the signature of the cashier was required to authorize investment transactions. Also, no other employee reviewed the transactions or made any required adjustments in the subsidiary records.

We recommend internal controls be strengthened over investment transactions.

*We will comply with this audit recommendation. (See page 22.)*

COLIN ANDERSON CENTER

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of Colin Anderson Center. The audit covered the year ended June 30, 1985.

APPROPRIATED ACCOUNTS

All expenditures required for the general operation of Colin Anderson Center were made from the following accounts:

| <u>Number</u>     | <u>Description</u>      |
|-------------------|-------------------------|
| 4180-00 . . . . . | Personal Services       |
| 4180-01 . . . . . | Current Expenses        |
| 4180-02 . . . . . | Repairs and Alterations |
| 4180-03 . . . . . | Equipment               |

SPECIAL REVENUE ACCOUNTS

During the audit period, Colin Anderson Center maintained the following special revenue accounts:

| <u>Number</u>     | <u>Description</u>  |
|-------------------|---|
| 8500-05 . . . . . | Hospital Services Revenue -<br>Various Capital Improvements for<br>Institutions   |
| 8500-10 . . . . . | Hospital Services Revenue -<br>Miscellaneous Capital Improvement<br>Projects for Institutions                                 |
| 8500-26 . . . . . | Hospital Services Revenue -<br>Contingency for Repairs and<br>Alterations, Equipment, Emergency<br>Services and Miscellaneous |
| 8519-09 . . . . . | Care of Welfare Recipients -<br>Federal and State funds; for care<br>of welfare recipients                                    |
| 8519-10 . . . . . | School Lunch Program -<br>Federal funds; to provide meals<br>for eligible patients.   |

8519-11 . . . . . Deaf-Blind Program -  
Federal and State funds; programs  
for deaf and blind students.

8519-12 . . . . . Sewage Treatment Plant -  
Federal and State funds; for  
repairs and alterations at sewage  
plant.

LOCAL ACCOUNTS

During the audit period, Colin Anderson Center maintained the following local accounts:

| <u>Account Name</u>                          | <u>Description</u>   |
|--|--|
| Superintendent's Trustee Fund . . . . .      | Maintains patient funds. Receives funds from or for patients; disburses funds to or for patients.  |
| State Treasurer's Receipts Account . . . . . | Collection Account. Receives funds from patient maintenance, refunds to appropriations and other sources; for transfer to the State Treasury.                |
| Canteen Account . . . . .                    | Received funds from vending machine sales and interest earnings; disbursed for merchandise for resale and for the benefit of patients and employees.         |
| Cafeteria Account . . . . .                  | Received funds from sale of meals to employees and from interest earnings; disbursed for merchandise for resale and other current expenses.                  |
| Patient Welfare Account . . . . .            | Received funds from donations, Canteen Account profits and earned interest; disbursed for the general benefit of all patients or specific indigent patients. |
| Employee Welfare Account . . . . .           | Received funds from Canteen Account profits; disbursed for employee recreation and benefit.  |
| Horticulture Account . . . . .               | Received funds from sale of plants and flowers; disbursed for plants and supplies.   |
| Occupational Therapy Account . . . . .       | Received funds from sale of craft items; disbursed for craft supplies.   |
| Red Rooster Account . . . . .                | Received funds from sales of snacks to employees; disbursed for supplies and patient benefit.  |

Special Education and Adjunctive  
Therapies Account . . . . . Received funds from sale of arts and  
craft items; disbursed for supplies.

COMPLIANCE MATTERS

West Virginia Department of Health Instructions, Handbook of Purchasing Procedures and West Virginia Code, Chapter 27, Articles 2 and 8; Chapter 12, Article 2, Section 2; Chapter 21, Article 5C; and Chapter 16, Article 1, Section 15a generally govern Colin Anderson Center. We tested applicable sections of the Department of Health Instructions, Handbook of Purchasing Procedures and applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are as follows:

Noncompliance With West Virginia Code  
Chapter 12, Article 2, Section 2 -  
Documentation and Deposit of Cash Receipts

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 24 hours with the state treasurer all moneys received or collected for or on behalf of the State for any purpose whatsoever . . . . "

The Center apparently had not complied with the above in that receipt forms were not prepared for all moneys received for deposit and a daily itemized record of moneys received had not been prepared in all cases. Unreceipted funds received for deposit totaled \$11,123.41 in fiscal year 1985.

We recommend the Center comply with the provisions of Chapter 12, Article 2, Section 2 of the West Virginia Code.

*Colin Anderson Center will comply by maintaining an itemized record of money received.*

Noncompliance with West Virginia Code  
Chapter 27, Article 2, Section 2  
Meals and Household Facilities Furnished to Employees

West Virginia Code Chapter 27, Article 2, Section 2 states, in part, "The superintendents and other officers and employees of each state hospital or center shall be paid salaries commensurate with their duties and responsibilities, but no meals or other emoluments of any kind shall be furnished, given or paid to such superintendents, officers or employees as all or part of their salary; however, such superintendents, officers or employees may be provided meals, household facilities and supplies as may be necessary for them to perform their duties, if such superintendents, officers and employees agree to pay the reasonable cost thereof as established by the director of the department of mental health [director of health]".

The estimated cost of a rental unit occupied by the Center Administrator was in excess of rental fees charged as shown in the following schedule:

|   | <u>Year Ended June 30, 1985</u> |
|---|---------------------------------|
| Rental Fees Charged   | \$ 900.00                       |
| Estimated Utility Cost                                      | <u>2,916.00</u>                 |
| Estimated Utility Costs in<br>Excess of Rental Fees Charged | <u>(\$2,016.00)</u>             |

It appears the Administrator received an emolument in violation of the above noted section of the West Virginia Code since the Administrator did not pay the reasonable cost of maintaining the household facility furnished him. The rental fee for this house was increased from \$75.00 to \$425.00 per month on January 1, 1986. During the review of events subsequent to the financial statement date, we noted an Administrator assigned to the Center was provided rent-free housing. This is in apparent direct violation of the above mentioned Code section.

Cash received from the sale of meals to employees was placed in the Cafeteria Account. During the fiscal year under audit, food purchases, utility payments, equipment purchases and other operating expenses were made from the Cafeteria Account. However, Dietary labor for the operation of the Cafeteria was paid from the Center's personal service appropriation. Since the cost of meals provided to employees was not fully recovered, it would appear employees making use of the cafeteria received emoluments. The cafeteria was closed in October, 1986. The balance in the account was transferred to the Patient Welfare Account and, as of March 23, 1989, there was \$849.95 remaining of the original transfer of \$943.95.

We recommend the Center comply with West Virginia Code Chapter 27, Article 2, Section 2 by assuring the cost of providing housing to the administrator is reimbursed by the administrator. We further recommend the Center transfer the balance of the Cafeteria Account to the State Treasury as general revenue.

*We are in the process of having an independent appraisal done on the Administrator's residence to determine the current market rate of rental. The balance of the Cafeteria Account will be transferred to the State Treasury as general revenue.*

Noncompliance with Department of Health Policy and Procedure #6046 -  
Patient Trustee Account Management

Department of Health Financial Management Policy and Procedure #6046. (DOH6046), dated October 21, 1983, was issued to provide facility administrators with guidelines for the proper management and safeguarding of patient funds. It would appear the Center has failed to implement DOH6046.

DOH6046 states, in part, "Each bank in which patient trust monies are deposited is kept aware by notice from the facility at the beginning of each fiscal year that no check is to be cashed which is written to the Facility". During fiscal year 1985, the Center prepared checks payable to CASH or COLIN ANDERSON CENTER - CASH and negotiated such checks at the local bank. Checks made

payable in such fashion totaled \$65,101.28 from the Superintendent's Trustee Account and \$6,993.52 from the Patient Welfare Account in fiscal year 1985. The cash was obtained and placed in the hands of employees to make purchases for patients. Documentation of such purchases was not always provided and our review disclosed receipts which appeared to have been altered or defaced, receipts with no store name or date and receipts which did not identify the items purchased. Items costing in excess of fifty dollars, such as televisions, stereos and wheel-chairs were not processed under regular West Virginia State purchasing practices as required by DOH6046.

The conditions described above could allow misuse and/or theft of patient funds. Furthermore, by not processing requests for items costing in excess of fifty dollars under regular West Virginia State purchasing procedures, certain vendors could have been favored regardless of item price.

We recommend the Center comply with all the requirements of the Department of Health Policy and Procedure #6046.

*The practice of making checks payable to cash or Colin Anderson Center - cash, has been stopped. Proper documentation is now required for all purchases from the Patient Trustee Account. Purchases in excess of \$50.00 will be processed under the regular West Virginia State purchasing procedures.*

Noncompliance with Department of Health Instruction #6047 -  
Patient Welfare Account Receipts Diverted to Employee Welfare Account

Department of Health Instruction #6047 states, in part, "The Patient Welfare Account receives funds usually from four sources:

1. Interest from Patient Trustee Accounts (no longer applicable since interest on Trustee Accounts is allocated to individual patients)
2. Profits from Canteen Account
3. Profits from Employee Cafeteria Account
4. Donation of funds not earmarked for Special Use."

The Center does not appear to have complied with this instruction in that 25% of Canteen Account profits have been diverted and placed in an Employee Welfare Account. The Employee Welfare Account was opened to provide funds for

employee picnics and to sponsor employee athletic teams. As of March 23, 1989, \$29,559.05 had been diverted and placed into the account. Disbursements from the Employee Welfare Account, including a \$6,742.65 purchase of 750 turkeys for employees for Christmas 1988, totaled \$14,798.00 as of March 23, 1989.

We recommend the Center comply with Department of Health Instruction #6047. We further recommend the checking and savings accounts portions of Employee Welfare Account be closed immediately and the balances be transferred to the Patient Welfare Account.

*We will comply with Department of Health Instruction #6047. The Employee Welfare Account checking and savings accounts will be closed and the balances be transferred to the Patient Welfare Account.*

Noncompliance with Department of Health Policy #6060 -  
Patient Charges and Charge Exonerations

Department of Health Financial Management Policy #6060, dated May 8, 1984, deals with patient charges and charge exonerations. This policy states, in part, "A completed Financial Profile shall be required for each patient/resident. The Financial Profile shall be updated annually in October to reflect changes in economic status which may necessitate a further increasing or decreasing adjustment to the individual's exoneration plan.", and, "Each facility will account for each exoneration granted for inpatient and outpatient."

The Center does not appear to have complied with Policy #6060 in that there was no evidence supporting a routine update of patient financial profiles and individual exonerations were not documented by maintaining a record which reflects the necessary computations involved in arriving at such exonerations. The Center had not maintained adequate records of documenting patient accounts receivable transactions for the period under audit. Control records for patient accounts receivable could not be reconciled to individual patient ledgers. Accounts receivable charges, collections, exonerations and adjustments were not identified on individual cards or on the control card so that each posting transaction was

explained. In addition, the accounts receivable balance at the end of each month was modified by later collections, exonerations or adjustments which were posted with the date of the original transaction and not the actual date the collection or adjustment was made.

We recommend the Center comply with Department of Health Financial Management Policy #6060 and take the steps necessary to properly account for accounts receivable transactions.

*We are presently reviewing the existing situation in order to formulate procedures which will allow us to comply with Department of Health Policy #6046. Accounts receivable procedures are also being reviewed in order to determine necessary changes in this area.*

Movement of State Property

Colin Anderson Center Policy #4550, dated March 18, 1987, dealing with the movement of state property states, in part, "Equipment to be transferred on a loan basis, from one department to another, should be channeled through the Administrator's office for approval." A review of the Center's equipment inventory records disclosed that this policy may not have been followed in all cases. Of 19 items selected from the Center's equipment inventory, five items, with a combined value of \$1,534.39, could not be located by Center personnel. These equipment items, and associated purchase prices, are listed below.

|                   |                   |
|-------------------|-------------------|
| Vacuum Cleaner    | \$ 670.00         |
| Polisher/Scrubber | 508.99            |
| Camera            | 104.00            |
| Record Player     | 132.30            |
| Cassette Recorder | 119.10            |
|                   | <u>\$1,534.39</u> |

A Center employee stated that a problem existed involving employees moving equipment without formally notifying inventory control. The failure to identify the location of state-owned property could result in misuse or theft.

We recommend the Center comply with Colin Anderson Center Policy #4550.

*A new computerized inventory system is being established which will better enable us to comply with Colin Anderson Center Policy #4450.*

#### INTERNAL CONTROLS AND ACCOUNTING SYSTEM

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

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

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

Our study and evaluation of the system of internal accounting control for the period July 1, 1984 to June 30, 1985, 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 weaknesses.

#### Local Accounts

Accounting duties for all local accounts were performed by two people in the Patients Accounts Section. There was insufficient separation of duties in the Patient Accounts Section since one or more employees in that Section perform some or all of the following functions for each local account and internal controls need to be strengthened for these functions:

1. General accounting function;
2. Cash receipts function;
3. Cash disbursements function;
4. Exoneration function;
5. Accounts receivable function including credit and collection;
6. Purchasing function for local accounts; and,
7. Bank reconciliation function.

Due to insufficient separation of duties in the Patient Accounts Section, the cashier function could divert cash to personal use and conceal such diversion by unauthorized changes in records or documents.

We recommend the Center strengthen internal controls over local accounts through better separation of functions performed.

*Local accounts - We will review this area in order to better separate the duties and strengthen internal control.*

#### Patient Accounts Receivable

Individual patient accounts receivable cards were maintained by the cashier function rather than a separate account receivable function keeping such

records. All adjusting entries affecting patient maintenance such as exonerations or adjustments to accounts receivable charges were approved by the cashier function who also had access to the patient accounts receivable records. Statements of balances due on patient accounts receivable were not prepared by an employee with no access to cash.

Because of these deficiencies in internal control over patient accounts receivable functions, which was controlled entirely by the cashier function, the employee who performed those functions could have diverted cash to personal use and concealed such diversion by unauthorized changes in accounts receivable or other records or in documents under their control.

We recommend internal control be strengthened over patient accounts receivable.

*Patient Accounts Receivable - We will review this area in order to better separate the duties and strengthen internal control.*

#### Equipment Inventory

A review of the Center's equipment inventory records disclosed possible problem areas which need attention. We noted pieces of equipment which were not tagged and discrepancies between actual equipment tag numbers and assigned numbers per the inventory records. A phonograph, which appeared to be in very good condition, was listed on the inventory as having been retired. A dictaphone machine, with a Weston State Hospital tag number, was located in the Administrator's offices. We were told the machine was brought from Weston Hospital when the Administrator was transferred to the Center. Inventory control was not aware of this situation. As noted elsewhere in the general remarks section of this report, there appears to be a problem with employees moving equipment from assigned locations without notifying inventory control.

The situations noted above could be indicative of further problems with the Center's equipment inventory system. The failure to properly account for all items of equipment could result in misuse or theft of state-owned property.

We recommend the Center strengthen internal control over equipment inventory.

*Equipment Inventory - We will review this situation in order to determine the procedures required to strengthen internal control.*

### Investments

Changes in certificates of deposit and transactions with the Consolidated Investment Fund only required the signature of the cashier rather than requiring an additional signature by management. No employee other than the cashier reviewed transactions with the Consolidated Investment Fund or compared them to or made adjustments in the subsidiary records. Accordingly, there was not sufficient internal control over these transactions.

We recommend internal controls be strengthened over investment transactions.

*Investments - Two signatures will be required on all investment transactions. Investment transactions will be reviewed by someone other than the person performing the transaction.*

## INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the financial statement of Colin Anderson Center for the year ended June 30, 1985 as listed in the foregoing table of contents. The financial statement is the responsibility of the management of the Colin Anderson Center. Our responsibility is to express an opinion on the financial statement based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing 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 a reasonable basis for our opinion.

Records on patient accounts receivable were not sufficient to establish verifiable balances during the audit. Accordingly, we were unable to confirm accounts receivable balances or to perform other audit procedures. For these reasons, we did not present patient accounts receivable as part of the financial statement.

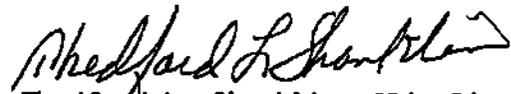
It was the Center's procedure to make patient trust fund checks payable to cash. Due to poor documentation and poor internal control, we were unable to adequately assure ourselves that all such disbursements were made for the benefit of patients, as intended.

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 omission of patient accounts receivable referred to in paragraph three, and patient trust fund checks made payable to cash referred to in paragraph four, the financial statement referred to above presents fairly, in all material respects, the appropriations and expenditures, revenue collected and expenses paid and patient trust fund transactions of Colin Anderson Center for the year ended June 30, 1985 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 paragraphs three and four 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

March 23, 1989

Auditors: Leonard H. Lewis, Auditor-in-Charge  
Ronald F. Osmianski  
Thomas G. Diehl

COLIN ANDERSON CENTER

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/  
DISBURSEMENTS AND CHANGES IN FUND BALANCES

|  | Year Ended June 30, 1985 |                     |                      | Combined<br>Totals   |
|--|--------------------------|---------------------|----------------------|----------------------|
|  | General<br>Revenue       | Special<br>Revenue  | Trust<br>Funds       |                      |
| Appropriations/Cash Receipts:  |                          |                     |                      |                      |
| Appropriations   | \$9,776,217.00           | \$ 20,000.00        | \$ -0-               | \$ 9,796,217.00      |
| Trust Funds  | -0-                      | -0-                 | 2,183,001.49         | 2,183,001.49         |
| Interest   | -0-                      | -0-                 | 16,708.57            | 16,708.57            |
| Federal Programs   | -0-                      | 82,341.17           | -0-                  | 82,341.17            |
|  | <u>9,776,217.00</u>      | <u>102,341.17</u>   | <u>2,199,710.06</u>  | <u>12,078,268.23</u> |
| Expenditures/Disbursements:  |                          |                     |                      |                      |
| Personal Services  | 7,587,754.49             | -0-                 | -0-                  | 7,587,754.49         |
| Current Expenses   | 1,099,683.15             | 96,401.88           | 352,006.22           | 1,548,091.25         |
| Repairs and Alter-<br>ations   | 130,018.75               | 3,328.38            | 177.52               | 133,524.65           |
| Equipment  | 54,101.40                | 45,719.36           | 1,008.84             | 100,829.60           |
| General Revenue  | -0-                      | -0-                 | 6,259.83             | 6,259.83             |
| Hospital Services<br>Revenue   | -0-                      | -0-                 | 1,912,525.22         | 1,912,525.22         |
|  | <u>8,871,557.79</u>      | <u>145,449.62</u>   | <u>2,271,977.63</u>  | <u>11,288,985.04</u> |
| Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements | 904,659.21               | (43,108.45)         | (72,267.57)          | 789,283.19           |
| Expenditures after June 30, and Expirations                          | <u>(904,659.21)</u>      | <u>-0-</u>          | <u>-0-</u>           | <u>(904,659.21)</u>  |
|  | -0-                      | (43,108.45)         | (72,267.57)          | (115,376.02)         |
| Beginning Balance  | <u>-0-</u>               | <u>128,520.61</u>   | <u>286,530.94</u>    | <u>415,051.55</u>    |
| Ending Balance   | <u>\$ -0-</u>            | <u>\$ 85,412.16</u> | <u>\$ 214,263.37</u> | <u>\$ 299,675.53</u> |

See Notes to Financial Statement

COLIN ANDERSON CENTER

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; 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 the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operation in conformity with generally accepted accounting principles.

Expenditures paid after June 30 during the carry-over period and expirations were as follows:

|                            | <u>Expenditures</u><br><u>July 1 - July 30, 1985</u> | <u>Expirations</u><br><u>July 30, 1985</u> |
|----------------------------|--|--|
| Personal Services          | \$382,666.35   | \$300,593.16                               |
| Current Expenses           | 164,821.59   | 24,198.26                                  |
| Repairs and<br>Alterations | 26,205.18  | 3,776.07                                   |
| Equipment                  | 1,128.55   | 1,270.05                                   |
| Total                      | <u>\$574,821.67</u>                                  | <u>\$329,837.54</u>                        |

Combined Total: 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 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 4½% of their annual compensation and contributions by the West Virginia Public Employees' Retirement Board are 9½% of the employees' annual compensation.

**SUPPLEMENTAL INFORMATION**

COLIN ANDERSON CENTER  
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES  
 GENERAL REVENUE

| <u>Personal Services - Account 4180-00</u>       | <u>Year Ended<br/>June 30, 1985</u> |
|--|-------------------------------------|
| Appropriations                                   | \$8,271,014.00                      |
| Expenditures                                     | <u>7,970,420.84</u><br>300,593.16   |
| Transmittals Paid After June 30                  | <u>382,666.35</u>                   |
| Balance  | <u>\$ 683,259.51</u>                |
| <u>Current Expense - Account 4180-01</u>         |                                     |
| Appropriations                                   | \$1,288,703.00                      |
| Expenditures                                     | <u>1,264,504.74</u><br>24,198.26    |
| Transmittals Paid After June 30                  | <u>164,821.59</u>                   |
| Balance  | <u>\$ 189,019.85</u>                |
| <u>Repairs and Alterations - Account 4180-02</u> |                                     |
| Appropriations                                   | \$ 160,000.00                       |
| Expenditures                                     | <u>156,223.93</u><br>3,776.07       |
| Transmittals Paid After June 30                  | <u>26,205.18</u>                    |
| Balance  | <u>\$ 29,981.25</u>                 |

COLIN ANDERSON CENTER  
STATEMENT OF APPROPRIATIONS AND EXPENDITURES  
GENERAL REVENUE

| <u>Equipment - Account 4180-03</u> | <u>Year Ended<br/>June 30, 1985</u> |
|------------------------------------|-------------------------------------|
| Appropriations                     | \$56,500.00                         |
| Expenditures                       | <u>55,229.95</u><br>1,270.05        |
| Transmittals Paid After June 30    | <u>1,128.55</u>                     |
| Balance                            | <u>\$ 2,398.60</u>                  |

COLIN ANDERSON CENTER  
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 SPECIAL REVENUE

| <u>Hospital Services Revenue - Account 8500-05</u>                 | <u>Year Ended</u>         |
|--|---------------------------|
| <u>Various Capital Improvement Projects for Institutions</u>       | <u>June 30, 1985</u>      |
| Disbursements:   |                           |
| Current Expenses   | \$ 197.34                 |
| Equipment  | <u>3,938.00</u>           |
|  | <u>4,135.34</u>           |
| Cash Receipts (Under) Disbursements                                | (4,135.34)                |
| Beginning Balance  | <u>4,345.00</u>           |
| Ending Balance   | <u><u>\$ 209.66</u></u>   |
| <br>   |                           |
| <u>Hospital Services Revenue - Account 8500-10</u>                 |                           |
| <u>Miscellaneous Capital Improvement Projects for Institutions</u> |                           |
| Cash Receipts:   |                           |
| Appropriation  | \$20,000.00               |
| Disbursements:   |                           |
| Repairs and Alterations  | <u>3,328.38</u>           |
| Cash Receipts over Disbursements                                   | 16,671.62                 |
| Beginning Balance  | <u>-0-</u>                |
| Ending Balance   | <u><u>\$16,671.62</u></u> |

COLIN ANDERSON CENTER  
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 SPECIAL REVENUE

| <u>Hospital Services Revenue - Account 8500-26</u>         | <u>Year Ended</u>    |
|--|----------------------|
| <u>Contingency for Repairs and Alterations, Equipment,</u> | <u>June 30, 1985</u> |
| <u>Emergency Services and Miscellaneous</u>                |                      |
| Disbursements:   |                      |
| Equipment  | \$ <u>41,781.36</u>  |
| Cash Receipts (Under) Disbursements                        | (41,781.36)          |
| Beginning Balance  | <u>100,000.00</u>    |
| Ending Balance   | <u>\$ 58,218.64</u>  |
| <u>Care of Welfare Recipients - Account 8519-09</u>        |                      |
| Disbursements:   |                      |
| Current Expenses   | \$ <u>300.47</u>     |
| Cash Receipts (Under) Disbursements                        | (300.47)             |
| Beginning Balance  | <u>300.47</u>        |
| Ending Balance   | <u>\$ -0-</u>        |
| <u>School Lunch Program - Account 8519-10</u>              |                      |
| Cash Receipts:   |                      |
| Federal Programs   | \$ 82,341.17         |
| Disbursements:   |                      |
| Current Expenses   | <u>87,869.07</u>     |
| Cash Receipts (Under) Disbursements                        | (5,527.90)           |
| Beginning Balance  | <u>15,840.14</u>     |
| Ending Balance   | <u>\$ 10,312.24</u>  |

COLIN ANDERSON CENTER  
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 SPECIAL REVENUE

| <u>Deaf-Blind Program - Account 8519-11</u> | <u>Year Ended<br/>June 30, 1985</u> |
|---|-------------------------------------|
| Disbursements:                              |                                     |
| Current Expenses                            | <u>\$8,016.72</u>                   |
| Cash Receipts (Under) Disbursements         | (8,016.72)                          |
| Beginning Balance                           | <u>8,016.72</u>                     |
| Ending Balance                              | <u><u>\$ -0-</u></u>                |

| <u>Sewage Treatment Plant - Account 8519-12</u> |                      |
|---|----------------------|
| Disbursements:                                  |                      |
| Current Expenses                                | <u>\$ 18.28</u>      |
| Cash Receipts (Under) Disbursements             | (18.28)              |
| Beginning Balance                               | <u>18.28</u>         |
| Ending Balance                                  | <u><u>\$ -0-</u></u> |

COLIN ANDERSON CENTER  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE

| <u>Superintendent's Trustee Fund</u>                                       | <u>Year Ended<br/>June 30, 1985</u> |
|--|-------------------------------------|
| Cash Receipts:   |                                     |
| Contributions from Patients, Responsible<br>Payees or Third-Party Agencies | \$450,468.67                        |
| Donations  | 4,210.46                            |
| Interest   | <u>11,516.62</u>                    |
|  | 466,195.75                          |
| Disbursements:   |                                     |
| Patient Withdrawals  | 223,883.53                          |
| Patient Maintenance  | <u>315,193.25</u>                   |
|  | 539,076.78                          |
| Cash Receipts (Under) Disbursements  | (72,881.03)                         |
| Beginning Balance  | <u>203,227.09</u>                   |
| Ending Balance   | <u>\$130,346.06</u>                 |

| <u>Ending Balance</u>        | <u>Year Ended June 30,</u> |                     |
|------------------------------|----------------------------|---------------------|
|                              | <u>1985</u>                | <u>1984</u>         |
| Cash in Bank                 | \$ 41,788.16               | \$ 90,613.16        |
| Consolidated Investment Fund | <u>88,557.90</u>           | <u>112,613.93</u>   |
|                              | <u>\$130,346.06</u>        | <u>\$203,227.09</u> |

COLIN ANDERSON CENTER  
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCES  
 LOCAL ACCOUNT

| <u>Collection Account</u>        | <u>Year Ended<br/>June 30, 1985</u> |
|----------------------------------|-------------------------------------|
| Receipts:                        |                                     |
| Hospital Services Revenue        | \$1,912,525.22                      |
| General Revenue - Rent           | 750.00                              |
| Refunds to Appropriations        | 5,509.83                            |
| Consumer Sales Tax               | 5,622.58                            |
|                                  | <u>1,924,407.63</u>                 |
| Disbursements:                   |                                     |
| Hospital Services Revenue        | 1,912,525.22                        |
| General Revenue - Rent           | 750.00                              |
| Refunds to Appropriations        | 5,509.83                            |
| State Tax Commission             | 5,622.58                            |
|                                  | <u>1,924,407.63</u>                 |
| Cash Receipts over Disbursements | -0-                                 |
| Beginning Balance                | <u>-0-</u>                          |
| Ending Balance                   | <u><u>\$ -0-</u></u>                |

Employee Welfare Account

|                                  |                          |
|----------------------------------|--------------------------|
| Cash Receipts:                   |                          |
| Transfers from Canteen Account   | \$1,553.05               |
| Disbursements:                   |                          |
| Employee Benefit                 | <u>547.03</u>            |
| Cash Receipts over Disbursements | 1,006.02                 |
| Beginning Balance                | <u>844.10</u>            |
| Ending Balance - Cash in Bank    | <u><u>\$1,850.12</u></u> |

COLIN ANDERSON CENTER  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCE  
LOCAL ACCOUNT

| <u>Patient Welfare Account</u>           | <u>Year Ended<br/>June 30, 1985</u> |
|--|-------------------------------------|
| Cash Receipts:                           |                                     |
| Donations                                | \$ 2,343.32                         |
| Transfer from Canteen Account            | 5,473.55                            |
| Redeposits                               | 284.53                              |
| Interest                                 | 906.53                              |
|  | 9,007.93                            |
| Disbursements:                           |                                     |
| Patient Benefit                          | 10,369.53                           |
| Cable Service                            | 1,452.36                            |
| Bank Charges for Patient Trustee Account | 48.88                               |
|  | 11,870.77                           |
| Cash Receipts (Under) Disbursements      | (2,862.84)                          |
| Beginning Balance                        | 19,895.41                           |
| Ending Balance - Cash in Bank            | \$17,032.57                         |

COLIN ANDERSON CENTER  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 LOCAL ACCOUNTS

| <u>Canteen Account</u>                     | <u>Year Ended<br/>June 30, 1985</u> |
|--|-------------------------------------|
| Cash Receipts:                             |                                     |
| Sales and Commissions                      | \$50,009.45                         |
| Sales Tax                                  | 2,596.03                            |
| Interest                                   | 3,939.14                            |
|  | <u>56,544.62</u>                    |
| Disbursements:                             |                                     |
| Merchandise for Resale                     | 41,104.62                           |
| Current Expenses                           | 47.66                               |
| Transfer to Collection Account - Sales Tax | 2,570.73                            |
| Transfer to Patient Welfare Account        | 5,473.55                            |
| Transfer to Employee Welfare Account       | 1,553.05                            |
|  | <u>50,749.61</u>                    |
| Cash Receipts over Disbursements           | 5,795.01                            |
| Beginning Balance                          | <u>52,661.89</u>                    |
| Ending Balance                             | <u><u>\$58,456.90</u></u>           |

| <u>Ending Balance</u>   | <u>Year Ended June 30,</u> |                    |
|-------------------------|----------------------------|--------------------|
|                         | <u>1985</u>                | <u>1984</u>        |
| Cash in Bank            | \$33,456.90                | \$27,656.04        |
| Certificates of Deposit | 25,000.00                  | 25,000.00          |
| Cash on Hand            | -0-                        | 5.85               |
|                         | <u>\$58,456.90</u>         | <u>\$52,661.89</u> |

COLIN ANDERSON CENTER  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCE  
LOCAL ACCOUNT

| <u>Cafeteria Account</u>            | <u>Year Ended<br/>June 30, 1985</u> |
|-------------------------------------|-------------------------------------|
| Cash Receipts:                      |                                     |
| Sales                               | \$68,004.24                         |
| Sales Tax                           | 3,058.18                            |
| Interest                            | 346.28                              |
|                                     | <u>71,408.70</u>                    |
| Disbursements:                      |                                     |
| Merchandise for Resale              | 67,607.75                           |
| Transfer to Collection Account      | 5,039.67                            |
| Current Expenses                    | 614.74                              |
| Repairs and Alterations             | 177.52                              |
| Equipment                           | 1,008.84                            |
|                                     | <u>74,448.52</u>                    |
| Cash Receipts (Under) Disbursements | (3,039.82)                          |
| Beginning Balance                   | <u>8,095.32</u>                     |
| Ending Balance                      | <u>\$ 5,055.50</u>                  |

| <u>Ending Balance</u> | <u>Year Ended June 30,</u> |                   |
|-----------------------|----------------------------|-------------------|
|                       | <u>1985</u>                | <u>1984</u>       |
| Cash in Bank          | \$5,015.50                 | \$8,055.32        |
| Change Fund           | 40.00                      | 40.00             |
|                       | <u>\$5,055.50</u>          | <u>\$8,095.32</u> |

COLIN ANDERSON CENTER  
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 LOCAL ACCOUNTS

| <u>Red Rooster Account</u>          | <u>Year Ended<br/>June 30, 1985</u> |
|-------------------------------------|-------------------------------------|
| Beginning Balance                   | <u>\$240.24</u>                     |
| Ending Balance - Cash in Bank       | <u><u>\$240.24</u></u>              |
| <br>                                |                                     |
| <u>Horticulture Account</u>         |                                     |
| Cash Receipts:<br>Sales             | \$255.64                            |
| Disbursements:<br>Supplies          | <u>486.06</u>                       |
| Cash Receipts (Under) Disbursements | (230.42)                            |
| Beginning Balance                   | <u>907.80</u>                       |
| Ending Balance - Cash in Bank       | <u><u>\$677.38</u></u>              |
| <br>                                |                                     |
| <u>Occupational Therapy Account</u> |                                     |
| Cash Receipts:<br>Sales             | \$ 89.00                            |
| Disbursements:<br>Supplies          | <u>116.48</u>                       |
| Cash Receipts (Under) Disbursements | (27.48)                             |
| Beginning Balance                   | <u>401.26</u>                       |
| Ending Balance                      | <u><u>\$373.78</u></u>              |

COLIN ANDERSON CENTER  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCE  
LOCAL ACCOUNT

| <u>Special Educational Adjunctive<br/>Therapies Account</u> | <u>Year Ended<br/>June 30, 1985</u> |
|---|-------------------------------------|
| Cash Receipts:<br>Sales                                     | \$ 77.99                            |
| Disbursements:<br>Patient Benefit                           | <u>105.00</u>                       |
| Cash Receipts (Under) Disbursements                         | (27.01)                             |
| Beginning Balance   | <u>257.83</u>                       |
| Ending Balance  | <u><u>\$230.82</u></u>              |

COLIN ANDERSON CENTER

RECONCILIATIONS

SPECIAL REVENUE

JUNE 30, 1985

Hospital Services Revenue - Account 8500-05

Various Capital Improvement Projects for Institutions

Balance per Department of Health and Center \$ 209.66

Hospital Services Revenue - Account 8500-10

Miscellaneous Capital Improvement Projects for Institutions

Balance per Department of Health and Center \$16,671.62

Hospital Services Revenue - Account 8500-26

Contingency for Repairs and Alterations, Equipment  
Emergency Services and Miscellaneous

Balance per Department of Health and Center \$58,218.64

School Lunch Program - Account 8519-10

Balance per State Treasury and Center \$10,312.24

COLIN ANDERSON CENTER  
SUPERINTENDENT'S TRUSTEE ACCOUNT  
BANK RECONCILIATION  
JUNE 30, 1985

|                          |                    |
|--------------------------|--------------------|
| Balance per Bank         | \$43,902.98        |
| Less: Outstanding Checks |                    |
| <u>Check Numbers</u>     |                    |
| 14041                    | 25.00              |
| 14492                    | 25.00              |
| 14532                    | 6.00               |
| 14534                    | 14.50              |
| 14538                    | 53.60              |
| 14554                    | 105.89             |
| 14555                    | 50.00              |
| 14561                    | 25.00              |
| 14563                    | 191.20             |
| 14564                    | 387.65             |
| 14565                    | 36.40              |
| 14566                    | 72.73              |
| 14568                    | 1,083.42           |
| 14569                    | .06                |
| 14570                    | 38.37              |
|                          | <u>2,114.82</u>    |
| Balance per Book         | <u>\$41,788.16</u> |

COLIN ANDERSON CENTER  
CAFETERIA ACCOUNT  
BANK RECONCILIATION  
JUNE 30, 1985

|                           |                     |                   |
|---------------------------|---------------------|-------------------|
| Balance per Book          |                     | \$7,383.24        |
| Add: Deposit in Transit   |                     | 703.87            |
| Less: Outstandings Checks |                     |                   |
|                           | <u>Check Number</u> |                   |
|                           | 3452                | 152.92            |
|                           | 3453                | 55.45             |
|                           | 3455                | 1,135.58          |
|                           | 3456                | 819.27            |
|                           | 3457                | 116.30            |
|                           | 3458                | 16.80             |
|                           | 3460                | 510.16            |
|                           | 3462                | 24.13             |
|                           | 3463                | 241.00            |
|                           |                     | <u>3,071.61</u>   |
| Balance per Book          |                     | <u>\$5,015.50</u> |

COLIN ANDERSON CENTER

RESIDENT COST

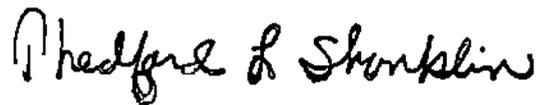
|                                 | <u>Year Ended<br/>June 30, 1985</u> |
|---------------------------------|-------------------------------------|
| Average Population              | 316                                 |
| Patient Days                    | 115,405                             |
| Total Appropriated Expenditures | \$9,446,379.46                      |
| Cost per Patient Day            | \$81.85                             |
| Average Cost per Patient Year   | \$29,875.25                         |

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the 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 true and correct copy of said report.

Given under my hand this 17<sup>th</sup> day of October, 1989.



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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 Colin Anderson Center; West Virginia Department of Health and Human Resources; West Virginia Department of Health and Human Resources, Division of Health; Governor; Attorney General; and, State Auditor.