

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

PINECREST HOSPITAL

FOR THE PERIOD

APRIL 1, 1978 – JUNE 30, 1983



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0610

PINECREST HOSPITAL

AUDIT REPORT

APRIL 1, 1978 - JUNE 30, 1983

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

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

Sir:

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

Our examination covers the period April 1, 1978 through June 30, 1983. 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, 1983 and June 30, 1982 are included in this report. The financial statements covering the period April 1, 1978 through June 30, 1981 are included in our audit workpapers.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Thedford L. Shanklin".

Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/nkk

PINECREST HOSPITAL

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PINECREST HOSPITAL

ACKNOWLEDGMENT

We extend our thanks and appreciation to the Administrator and his staff for their cooperation in supplying information necessary in preparing this report.

PINECREST HOSPITAL
EXIT CONFERENCE

We held an exit conference on December 19, 1984 with the Administrator for the Hospital and with the Assistant Director, Office of Administrative Services for the Department of Health. All findings and recommendations were reviewed and discussed. The Hospital's responses are included in the Summary of Findings, Recommendations and Responses and after our recommendations in the following General Remarks.

PINECREST HOSPITAL

INTRODUCTION

Located in Raleigh County, Pinecrest Hospital was authorized by an Act of the Legislature in 1927 and opened in March of 1930 as a Tuberculosis Sanitarium. In December of 1970, Pinecrest initiated the transition from Tuberculosis to long-term care for the elderly.

Although Pinecrest Hospital is primarily a long-term care facility providing comprehensive geriatric services to residents requiring intermediate care, services are also provided to persons in need of custodial care. It is also the only State facility still providing inpatient care to tubercular patients. Precedence for admission is given to applicants who are legal residents of West Virginia and those individuals who are unable to pay for care in private nursing homes.

Renovations to "C" Wing of Pinecrest were completed in June of 1981 and the 93-bed unit was certified as an Intermediate Care Facility effective October 1, 1981, for participation in the Medicaid Program.

During the 1982 Legislative Session, an appropriation was made from the Health Facilities Revenue Fund for the establishment of a Regional Inpatient Psychiatric Unit at Pinecrest to serve Southern West Virginia. Money was also allocated to renovate "B" Wing in order to meet Medicaid certification standards for an additional 107 beds. In addition, a group home for the Developmentally Disabled is planned and is hoped to be in operation by January 1985 in cooperation with the local Community Mental Health Council. In 1983, the Regional Inebriate Unit mandated by the Harper Court Order began operations at Pinecrest. This unit is staffed and managed by FMRS Community Mental Health Council.

In the spring of 1983, vacant space in the building was made available to other agencies. Since that time Veterans Affairs, Department of Human Services, United Fund, Consumer Credit Counseling, and the Hope Outreach Center have located on the grounds of Pinecrest. Environmental Health Regional Office is also located at Pinecrest.

PINECREST HOSPITAL
IMPLEMENTATION OF PRIOR AUDIT RECOMMENDATIONS

In the prior audit covering the period from February 1, 1976 through March 31, 1978, there were five recommendations. During the current audit period, we noted that one of the recommendations had not been fully implemented since gross charges to patients and exonerations were not shown on any individual account receivable record. This recommendation is listed below:

1. Accounts receivable ledgers be maintained on maintenance charges for chronically ill patients. (See page 15.)

PINECREST HOSPITAL
ADMINISTRATIVE OFFICERS AND STAFF

The administrative officers and staff during the period were as follows:

Administrators During the Period

Kyle Baker	September 16, 1982 to Present
Jack McVey	August 16, 1981 to September 15, 1982
Ernie Eades (Acting)	April 1, 1981 to August 15, 1981
Garrett Bragg	December 1, 1979 to March 30, 1981
Joe Giompalo	February 13, 1978 to November 30, 1979

Other Administrative Officers and Staff at End of Period

Jerri L. Hartsock (Acting)	Assistant Administrator
Jannette Drafton	Patient Advocate
Dorothy Combs	Business Office Supervisor
Pauline Clemons	Collections
Catherine Bradberry	Accounts Payable
Linda Walker	Purchases
Margaret Godbey	Inventory Control

PINECREST HOSPITAL
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Administrator Not Fully Cognizant of Compliance Requirements

1. The Administrator and Hospital employees were not fully cognizant of compliance requirements of the West Virginia Code, Department of Health Instructions and other laws, rules and regulations.

We recommend the Administrator review and require all employees to comply with the West Virginia Code, Department of Health Instructions and other laws, rules and regulations and request assistance from the Department of Health in improving compliance and internal control.

The Department of Health and the Administrator are now developing improvements in internal control and compliance. (See pages 13-14.)

Reasonable Fees for Maintenance Not Being Charged

2. The Hospital had not charged reasonable fees for maintenance as required by the West Virginia Code, Chapter 26, Article 10, Section 1, and Chapter 26, Article 11, Section 3; had not recorded or made reports on exonerations for all patients during the audit as required by Department of Health Instruction #3044 and West Virginia Code, Chapter 26, Article 10, Section 1; had not shown charges or exonerations for tuberculosis patients; and, had not maintained sufficient records on accounts receivable.

We recommend the Hospital comply with the West Virginia Code, Chapter 26, Article 10, Section 1; Chapter 26, Article 11, Section 3; and

Department of Health Instruction #3044.

The Health Department has established reasonable fees to be charged. The Hospital will comply with all other recommendations. (See pages 14-17.)

Cost of Meals Sold to Employees in Excess
of Related Revenue

3. Employees are being paid emoluments in violation of the West Virginia Code, Chapter 25, Article 1, Section 11, since certain employees eating at the Hospital are not paying the reasonable cost of meals made available to them.

We recommend the Hospital comply with the West Virginia Code, Chapter 25, Article 1, Section 11.

The Department of Health only excepts facilities to recover raw food cost. (See pages 17-18.)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Accounting Procedures Were Not Set Forth
in Manuals

4. Accounting procedures were not prepared.

We recommend accounting procedure manuals be prepared and kept current.

The Hospital will prepare procedure manuals. (See pages 19-20.)

Deficiency in Internal Control Over Local
Accounts Through Separation of Duties

5. The Hospital had insufficient separation of duties and lack of

internal control over local accounts.

We recommend there be a sufficient separation of duties and improvements in control to assure an appropriate level of internal control for all local accounts.

Separation of duties to improve internal control has been effected and is continuing. (See pages 20-21.)

Deficiency in Internal Control Over Cash Receipts

6. The Hospital did not exercise sufficient internal control over cash receipts into local accounts.

We recommend improved internal controls be established over receipts into local accounts.

We will comply immediately with recommendations. (See page 21.)

Deficiency in Internal Control Over Cash Disbursements from Local Accounts

7. The Hospital did not exercise sufficient internal control over cash disbursements from local accounts.

We recommend improved internal controls be established over disbursements from local accounts.

We will comply with recommendations. (See pages 21-22.)

Deficiency in Internal Control Over Patient Accounts Receivable

8. The Hospital exercised insufficient internal control over patient accounts receivable.

We recommend improved internal controls be established over patient accounts receivable.

We will comply by improving internal controls and changing procedures. (See pages 22-23.)

Deficiency in Internal Control Over
Patient Investments

9. The Hospital exercises insufficient internal control over patient investments.

We recommend improved internal controls be established over patient investments.

We will comply. (See page 23.)

PINECREST HOSPITAL
GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of Pinecrest Hospital. A financial and compliance audit determines whether the financial statements of an audited entity present fairly the financial position and results of operations in accordance with generally accepted accounting principles and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements. The audit covered the period April 1, 1978 through June 30, 1983.

APPROPRIATED ACCOUNTS

All expenditures required for the general operation of Pinecrest Hospital during the audit period were made from the following accounts:

<u>Account Number</u>	<u>Account Description</u>
4310-00	Personal Services
4310-01	Current Expenses
4310-02	Repairs and Alterations
4310-03	Equipment
4311-15	Construction of New Destructor
4311-17	Fire Alarm System
4311-18	Emergency Lights
4311-19	Fire Doors
4311-20	Emergency Generator
4311-21	Water Line

SPECIAL REVENUE ACCOUNT

During the audit period, Pinecrest Hospital maintained the following special revenue account:

<u>Account Number</u>	<u>Account Description</u>
8500-99	Receipts from Hospital Service Revenue.

LOCAL ACCOUNTS

During the audit period, Pinecrest Hospital maintained several local accounts which are described as follows:

<u>Description</u>	<u>Purpose</u>
Chronically Ill Patients' Account	Receives funds from or for patients for maintenance and personal care, interest earned, sale of meal tickets, rents and refunds to appropriations; disbursed for support of patients and transfer to State Treasury.
Collection Account	Receives funds from refunds to appropriations and other sources for transfer to State Treasury.
Canteen Account	Receives funds from sale of food and sundries; disbursed for merchandise for resale and for benefit of patients.
Recreation Fund Account	Receives funds from donations and fund raising activities. Disbursements made to benefit all patients.
Trust Fund Account	Received funds from or for patients for maintenance and personal care; disbursed for support of patients. This account was closed January 5, 1983.
Special Account	Received funds from the sale of meals and rents; for transfer to the State Treasury. This account was closed September 21, 1982.
Pine Log Account	Received funds from the sale of newspaper subscriptions and advertisements. Disbursements were made for stamps, printing and patients' benefits. This account was closed January 8, 1982.

AREAS OF NONCOMPLIANCE

West Virginia Department of Health Instructions, Handbook of Purchasing Procedures, and West Virginia Code, Chapter 26, Articles 5, 10 and 11; Chapter 25, Article 1 generally govern Pinecrest Hospital. We tested applicable sections of the Department of Health Instructions, Handbook of Purchasing Procedures, and applicable chapters, of the West Virginia

Code as they pertain to fiscal matters. Our findings follow:

Administrator Not Fully Cognizant of Compliance Requirements

The West Virginia Code, Chapter 26, Article 11, Section 2 states: "Each facility provided for in this article shall have a chief executive officer denominated an 'administrator.' The administrator shall be the person having the fiscal responsibility of the facility and the authority to manage and administer the financial, business, and personnel affairs of the facility under the direction of the director of health...."

The Administrator and Hospital employees were not sufficiently familiar with the portions of the West Virginia Code and Department of Health Instructions applicable to their work. This is evidenced by the lack of compliance and the insufficient internal control described in our findings. We believe the Administrator is required, as noted in the Code section above, to be responsible for complying with all laws, rules, regulations and instructions pertaining to the government of Pinecrest Hospital.

We recommend the Administrator review and comply with Department of Health Instructions, the West Virginia Code, and other laws, rules and regulations applicable to this Hospital, require compliance by Hospital employees and request assistance from the Department of Health in improving both compliance and internal controls.

Most administrators would appreciate an organized format, available for their use, versus the random selection process in learning the portions of the West Virginia Code applicable to each agency or institution.

The Health Department is now developing a set of overall bookkeeping procedures, complete with forms and the format, to be adopted by all facilities to ensure that a consistent procedure is followed that will be acceptable to the auditors. Such a system will enhance a better understanding of the

expectations of all parties involved in order to comply with all applicable sections of the West Virginia Code, as well as reduce the time and effort associated with the audit process.

Reasonable Fees For Maintenance
Not Being Charged

West Virginia Code, Chapter 26, Article 10, Section 1, states: "Notwithstanding any limitation contained in this chapter or any provision therein to the contrary, the director of health is authorized to establish and charge the ... patient reasonable fees for the maintenance of each person admitted to a hospital, home or sanitarium under his jurisdiction and control: Provided, that the director of health may, whenever it is deemed just and expedient to do so, exonerate any such person chargeable with such maintenance from the payment thereof, in whole or in part, if the director finds that such person is unable to pay or that payment would work an undue hardship upon him."

West Virginia Code, Chapter 26, Article 11, Section 3, states: "Pursuant to rules and regulations promulgated by the board of health, the director of health shall prescribe guidelines for the admission of persons to the facilities provided for in this article, with precedence given to those persons who are unable to pay. The director may establish and charge reasonable fees for the maintenance of persons residing in such facilities who are able to pay."

Department of Health Instruction #3044 requires that a monthly listing and individual patient record be maintained for partial and full exonerations which have been approved.

West Virginia Code, Chapter 26, Article 5A, Section 3, states: "The cost of maintenance and treatment of patients admitted to state tuberculosis institutions shall be paid out of funds appropriated for the respective institutions. No person shall be required to pay for such maintenance and treatment, but the institutions are authorized to receive any voluntary payments therefor."

In our opinion, reasonable fees for patient maintenance are not being charged as required by the West Virginia Code based upon our determination of costs per patient day. In the years ended June 30, 1983 and June 30, 1982, the cost per patient day was \$49.74 and \$57.89, respectively. The maximum billing rate for private pay patients was \$5.00 per day. For Medicaid patients whose maintenance had been paid through the Department of Human Services, the maximum billing rate per patient day has been determined every six months based on reports prepared by the Hospital. The federal portion of this amount billed has been paid to the Hospital and the remainder has been written off as an allowance. The maximum Medicaid billing rates per patient day during the last two fiscal years had been \$40.71 until January 1983 and \$37.42 after that date.

The Hospital is prevented from recovering from private pay patients all or a reasonable portion of costs per patient day since it cannot bill more than the established daily rate as previously described.

The Hospital has not prepared any accounts receivable records showing charges for patient maintenance for tuberculosis patients or the related exonerations in accordance with the West Virginia Code, Chapter 26, Article 5A, Section 3. The Hospital has prepared accounts receivable records for all other patients showing net charges to patients rather than showing gross charges to patients accounts receivable (patient days multiplied by maximum billing rate) and the related exonerations where the patient is partially or totally unable to pay such charges.

Thus, the Hospital did not fully comply with the prior audit recommendation that accounts receivable ledgers be maintained on maintenance charges for chronically ill patients. Since some exonerations had not been made and other exonerations were not reflected separately on patient account receivable

records, the Hospital, during the audit period, had not prepared and the Administrator had not approved the monthly listing of exonerations required by Department of Health Instruction #3044.

Where the Hospital was responsible for preparing financial evaluations, patient financial evaluations had not been completed on a timely basis for many patients due to not obtaining sufficient information for such patients at the time the patient was admitted to the Hospital. Accordingly, the amount to be exonerated and to be collected for many patients was not able to be recorded on a timely basis. In addition, we noted that resources in patient savings accounts were not taken into consideration when completing financial evaluation forms for patients.

We recommend the Hospital request the Department of Health to increase the established billing rates to charge the reasonable cost of patient maintenance where the patient is able to pay all or part of such costs in accordance with the West Virginia Code, Chapter 26, Article 11, Section 3 and Chapter 26, Article 10, Section 1.

We also recommend the Hospital, in accordance with West Virginia Code, Chapter 26, Article 10, Section 1 exonerate all persons chargeable with maintenance from the payment thereof, in whole or in part, if such person is unable to pay or payment would work an undue hardship on him. We further recommend a monthly report be prepared and approved on all exonerations as required by Department of Health Instruction #3044. We also recommend an accounts receivable ledger card be prepared for each tuberculosis patient reflecting maintenance charges, exonerations, collections and beginning and ending balances and ledger cards be prepared showing sufficient information for all other patients.

Beginning July 1, 1983, reasonable fees were instituted at Pinecrest, based on the Medicaid rate as established by the Department of Human Services

in response to the six month cost report submitted to the agency. An adjustment to this rate was made for the non-certified unit. An exoneration schedule was developed by Pinecrest and approved by Central Office; this procedure was implemented with the rate increase effective July 1, 1983.

The Department of Health Policy #3044 will be adhered to as recommended on a monthly basis on February 1, 1985. In addition, effective on February 1, 1985, actual costs per day will be reflected in the base rate of pay as determined by the preceding fiscal year expenditures.

Charges for tubercular patients and related exonérations will begin February 1, 1985. Ledger sheets shall also be maintained for tubercular patients beginning on this date.

Cost of Meals Sold to Employees in Excess
of Related Revenue

West Virginia Code, Chapter 25, Article 1, Section 11, states:

"The superintendents and other officers and employees of each of such institutions 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 and employees as all or part of their salary; however, such superintendents, officers and 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 health".

Employees purchasing meals from the Hospital are, in our opinion, receiving emoluments in violation of the aforementioned section of the Code since we believe they are not paying the reasonable cost meals made available to them.

A summary of estimated individual meal costs and revenues incurred by the Hospital for meals sold to employees is shown as follows:

	Estimated Cost and Revenue Per Employee Meal for The Year Ended June 30,	
	<u>1983</u>	<u>1982</u>
Estimated Food Costs	\$.54	\$.72
Estimated Labor Costs	<u>1.11</u>	<u>1.26</u>
Total Estimated Costs	1.65	1.98
Portion of Meal Cost Paid by Employee	<u>1.00</u>	<u>1.00</u>
Estimated Loss Per Meal	<u>\$.65</u>	<u>\$.98</u>

It is our opinion that employees are receiving emoluments under West Virginia Code, Chapter 25, Article 1, Section 11 since they are not paying the reasonable cost of meals furnished to them.

We recommend the Hospital comply with the West Virginia Code, Chapter 25, Article 1, Section 11 with respect to emolument by recovering all of the reasonable costs of meals provided.

Raw food cost is all Department of Health expects facilities to recover.

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

As a part of our examination, we reviewed and tested the system of internal accounting controls 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 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 April 1, 1978 through June 30, 1983, 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 and are listed as follows.

Accounting Procedures Were Not Set Forth
in Manuals

Accounting procedures were not set forth in manuals but were prepared by the audit team with the assistance of the Hospital.

We recommend all accounting procedures be set forth in accounting manuals.

Pinecrest will develop in-house manuals for accounting procedures upon receipt of those prepared by the audit team.

Deficiency in Internal Control Over Local
Accounts Through Separation of Duties

Accounting duties for the Chronically Ill Patients' Account were performed by one person in the Patient Trust Office. There was insufficient separation of duties in the Patient Trust Office since one employee performed all of the following for the Chronically Ill Patients' Account; cash receipts, cash disbursements, accounts receivable, bank reconciliations, exoneration function and also performed cash receipts and disbursement functions for patient investments.

All accounting duties for the Recreation Fund were performed by one person in the Recreation Department. There was insufficient separation of duties in the Recreation Department since this one employee performed all of the following for the Recreation Fund; cash receipts, cash disbursements and bank reconciliations.

Accounting duties for the Canteen Account were performed by one person who operates the Canteen. There was insufficient separation of duties in the Canteen since one employee performed all of the following functions for the Canteen Account; cash receipts, cash disbursements, bank reconciliations and purchasing for the Canteen.

Because of insufficient separation of duties in the Patients' Trust Office, Recreation Department and the Canteen, the persons who controlled the above functions could have diverted cash to personal use and concealed such diversion by unauthorized changes in records or documents under their control.

We recommend there be a sufficient separation of the functions noted above to assure an appropriate level of internal control.

Separation of duties in the Patient Trust Office was effected June 1, 1984. Efforts to accomplish separation of duties in the Canteen and the Recreation Department will be effective January 1, 1985.

Deficiency in Internal Control Over
Cash Receipts

For the Chronically Ill Patients' Account and the Canteen Account, the mail was not opened by someone other than the person who performed the cashier function, and there is no record of receipts prepared by an employee independent of the cashier function. Cash receipt journals had not been prepared for the Chronically Ill Patients' Account but were prepared after being requested by the audit team. Deposits for the Recreation Fund were not taken to the bank by an employee other than the person who performs the cashier function.

We recommend all receipts received through the mail be prelisted by someone who has no other cash duties, all deposits be taken to the bank by an employee who has no other cash duties and cash receipts journals be prepared for all local accounts.

Recommendations in this section will be complied with by January 1, 1985.

Deficiency in Internal Control Over
Cash Disbursements from Local Accounts

Disbursements from local accounts have been made by the cashier function for the account rather than by an account payable function. The cashier for the Chronically Ill Patients' Account and for the Canteen Account are also authorized signers for those accounts. The cashier for the Recreation Fund is an authorized signer. Disbursement checks from the Recreation Fund require only one authorized signature. Thus, authorized signers of checks are not limited to officers or employees who have no access to accounting records or to cash. Vouchers and other supporting documents were not

presented with the disbursement checks from the Chronically Ill Patients' Account and Canteen Account when submitted to management for approval. Thus, management could not make an adequate investigation of documents before signing checks. Disbursement checks from the Recreation Fund are not pre-numbered and documentation supporting disbursement checks is not retained by the cashier. We could not locate supporting documentation for a majority of disbursements tested from the Chronically Ill Patients' Account and the Canteen Account. Cash disbursement journals had not been prepared for the Chronically Ill Patients' Account but they were prepared by the Hospital upon request by the audit team.

We couldn't locate some of the voided checks written on the Chronically Ill Patients' Account, Canteen Account and Special Account and were told that those checks were discarded.

We recommend sufficient internal controls be established over cash disbursements from local accounts.

Efforts will be made to comply with recommendations in this section by January 1, 1985.

Deficiency in Internal Control Over
Patient Accounts Receivable

Individual patient account receivable cards were maintained by an employee who had access to cash receipts instead of the cashier and the accounts receivable function being separated. All adjusting entries affecting patient maintenance are approved by the same employee who has access to the patient accounts receivable records. Monthly billing statements for patient maintenance were not generated by the Hospital. Since monthly billings were not prepared, there was insufficient documentation for monthly charges to patient accounts receivable. The Hospital had not proved monthly that all billable patient days per the patient census report had been accounted for

in calculating gross billings for all patients or in calculating exonerations.

We recommend improved internal control be established over patient accounts receivable.

All recommendations in this section have been implemented and are currently in effect with exception of tubercular patients which will begin February 1, 1985.

Deficiency in Internal Control Over
Patient Investments

Access to the Patients' Consolidated Investment Fund requires only one authorized signature.

We recommend improved internal controls be established over the Patient's Consolidated Investment Fund by requiring two authorized signatures.

Authorized signatures for this account shall be reassigned to the Administrator, Assistant Administrator, and the Business Manager; at least two of these signatures shall be required on actions relative to this account.

AUDITORS' OPINION

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

Sir:


We have examined the financial statement of Pinecrest Hospital for the years ended June 30, 1983 and June 30, 1982 as listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A, the Hospital's policy is to prepare its financial statement on the modified cash and cash basis. Accordingly, the accompanying financial statement is not intended to present financial position and results of operation in conformity with generally accepted accounting principles.

In our opinion, the financial statement of Pinecrest Hospital as listed in the aforementioned table of contents present fairly appropriations and expenditures, cash, accounts receivable and trust account transactions for the years ended June 30, 1983 and June 30, 1982 on a basis consistent with the preceding year.

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

Respectfully submitted,


Theodford L. Shanklin, CPA, Director
Legislative Postaudit Division

October 23, 1984

Auditors: George T. Hill, CPA, Auditor-in-Charge
Larry W. Bell
John W. Bower

PINECREST HOSPITAL

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

	Year Ended June 30, 1983			Combined Totals
	General Revenue	Special Revenue	Trust Funds	
Appropriations/Cash Receipts:				
Appropriations	\$4,643,985.00	\$ -0-	\$ -0-	\$4,643,985.00
Trust Funds	-0-	-0-	135,228.60	135,228.60
Hospital Services Revenue	-0-	1,172,188.61	-0-	1,172,188.61
Interest	-0-	-0-	11,581.90	11,581.90
	<u>4,643,985.00</u>	<u>1,172,188.61</u>	<u>146,810.50</u>	<u>5,962,984.11</u>
Expenditures/Disbursements:				
Personal Services	2,944,675.20	-0-	-0-	2,944,675.20
Current Expenses	929,366.29	-0-	118,259.80	1,047,626.09
Repairs and Alterations	41,648.92	-0-	-0-	41,648.92
Equipment	2,436.15	6,477.18	-0-	8,913.33
General Revenue	-0-	-0-	63,941.88	63,941.88
Hospital Services Revenue Account	-0-	1,096,635.42	-0-	1,096,635.42
Exonerations	-0-	177,893.92	-0-	177,893.92
Building Construction	-0-	-0-	-0-	-0-
	<u>3,918,126.56</u>	<u>1,281,006.52</u>	<u>182,201.68</u>	<u>5,381,334.76</u>
Appropriations/Cash Receipts Over (Under) Expenditures/ Disbursements	725,858.44	(108,817.91)	(35,391.18)	581,649.35
Expenditures After June 30 and Expirations	(725,858.44)	-0-	-0-	(725,858.44)
	<u>-0-</u>	<u>(108,817.91)</u>	<u>(35,391.18)</u>	<u>(144,209.09)</u>
Beginning Balance	<u>3,762.96</u>	<u>2,044,828.69</u>	<u>178,996.90</u>	<u>2,227,588.55</u>
Ending Balance	<u>\$ 3,762.96</u>	<u>\$1,936,010.78</u>	<u>\$ 143,605.72</u>	<u>\$2,083,379.46</u>

See Notes to Financial Statement

Year Ended June 30, 1982

<u>General Revenue</u>	<u>Special Revenue</u>	<u>Trust Funds</u>	<u>Combined Totals</u>
\$5,336,801.00	\$ -0-	\$ -0-	\$5,336,801.00
-0-	-0-	643,255.17	643,255.17
-0-	2,205,833.34	-0-	2,205,833.34
-0-	-0-	7,312.21	7,312.21
<u>5,336,801.00</u>	<u>2,205,833.34</u>	<u>650,567.38</u>	<u>8,193,201.72</u>
3,383,396.76	-0-	-0-	3,383,396.76
1,013,436.84	2,740.39	112,315.89	1,128,493.12
46,965.55	43,942.92	-0-	90,908.47
18,146.37	18,642.50	-0-	36,788.87
-0-	-0-	537,731.07	537,731.07
-0-	202,935.17	-0-	202,935.17
-0-	8,849.80	19,599.09	28,448.89
-0-	202,640.00	-0-	202,640.00
<u>4,461,945.52</u>	<u>479,750.78</u>	<u>669,646.05</u>	<u>5,611,342.35</u>
874,855.48	1,726,082.56	(19,078.67)	2,581,859.37
(874,855.48)	-0-	-0-	(874,855.48)
-0-	1,726,082.56	(19,078.67)	1,707,003.89
<u>3,762.96</u>	<u>318,746.13</u>	<u>198,075.57</u>	<u>520,584.66</u>
<u>\$ 3,762.96</u>	<u>\$2,044,828.69</u>	<u>\$ 178,996.90</u>	<u>\$2,227,588.55</u>

PINECREST HOSPITAL

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 90-day carry-over period is provided at the end of the fiscal year ended June 30, 1983 and a 30-day carry-over period is provided at the end of the fiscal year ended June 30, 1982 for the payment of obligations incurred in those years. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 92 days after the fiscal year ended June 30, 1983 and 30 days after the fiscal year ended June 30, 1982; however, appropriations for buildings and land remain in effect until three years after the passage of the act by which such appropriations were made. The cash basis of accounting is followed by all other funds. Therefore, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

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

	<u>Expenditures</u>		<u>Expirations</u>	
	<u>Paid After June 30,</u> <u>1983</u>	<u>1982</u>	<u>September 30,</u> <u>1983</u>	<u>July 31,</u> <u>1982</u>
Personal Services	\$111,839.19	\$145,333.48	\$291,712.61	\$368,339.76
Current Expenses	164,677.33	295,876.23	100,194.38	17,617.93
Repairs and Alterations	6,961.09	33,492.57	31,039.99	8,041.88
Equipment	5,000.00	-0-	14,433.85	6,153.63
Total	<u>\$288,477.61</u>	<u>\$474,702.28</u>	<u>\$437,380.83</u>	<u>\$400,153.20</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 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% of their annual compensation and contributions by the West Virginia Public Employees' Retirement Board are 9% of the employees' annual compensation.

Note C - Hospital Services Revenue Account

On and after January 1, 1982 there was established in the State Treasury a separate account designated the Hospital Services Revenue Account. The Director of Health shall deposit promptly into the Account any fees received by a facility owned and operated by the State Health Department from whatever source including the federal and state governments or other third-party payer or personal payment.

The Director of Health is authorized to expend the moneys deposited in the Account in accordance with federal laws and regulations and with the laws of this State as is necessary for the development of a five-year health facilities long-range plan and subsequent revisions.

SUPPLEMENTAL INFORMATION

PINECREST HOSPITAL
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 APPROPRIATED ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
<u>Personal Services - Account 4310-00</u>		
Appropriations	\$3,348,227.00	\$3,897,070.00
Expenditures	<u>3,056,514.39</u> 291,712.61	<u>3,528,730.24</u> 368,339.76
Transmittals Paid After June 30	<u>111,839.19</u>	<u>145,333.48</u>
Balance	<u>\$ 403,551.80</u>	<u>\$ 513,673.24</u>
 <u>Current Expenses - Account 4310-01</u>		
Appropriations	\$1,194,238.00	\$1,326,931.00
Expenditures	<u>1,094,043.62</u> 100,194.38	<u>1,309,313.07</u> 17,617.93
Transmittals Paid After June 30	<u>164,677.33</u>	<u>295,876.23</u>
Balance	<u>\$ 264,871.71</u>	<u>\$ 313,494.16</u>

PINECREST HOSPITAL
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 APPROPRIATED ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
<u>Repairs and Alterations - Account 4310-02</u>		
Appropriations	\$79,650.00	\$88,500.00
Expenditures	<u>48,610.01</u>	<u>80,458.12</u>
	31,039.99	8,041.88
Transmittals Paid After June 30	<u>6,961.09</u>	<u>33,492.57</u>
Balance	<u>\$38,001.08</u>	<u>\$41,534.45</u>
 <u>Equipment - Account 4310-03</u>		
Appropriations	\$21,870.00	\$24,300.00
Expenditures	<u>7,436.15</u>	<u>18,146.37</u>
	14,433.85	6,153.63
Transmittals Paid After June 30	<u>5,000.00</u>	<u>-0-</u>
Balance	<u>\$19,433.85</u>	<u>\$ 6,153.63</u>

PINECREST HOSPITAL
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 AND CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>Fire Alarm System - Account 4311-17</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts	\$ -0-	\$ -0-
Disbursements	<u>-0-</u>	<u>-0-</u>
Cash Receipts Over (Under) Disbursements	-0-	-0-
Beginning Balance	<u>3,762.96</u>	<u>3,762.96</u>
Ending Balance	<u>\$3,762.96</u>	<u>\$3,762.96</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance: State Treasury	<u>\$3,762.96</u>	<u>\$3,762.96</u>	<u>\$3,762.96</u>

PINECREST HOSPITAL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
SPECIAL REVENUE

<u>Construction from Hospital Services Revenue - Account 8500-08</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Hospital Services Revenue	\$ -0-	\$1,300,000.00
Beginning Balance	<u>1,300,000.00</u>	<u>-0-</u>
Ending Balance	<u>\$1,300,000.00</u>	<u>\$1,300,000.00</u>
	 <u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Ending Balance: State Treasury	<u>\$1,300,000.00</u>	<u>\$1,300,000.00</u>

PINECREST HOSPITAL
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
SPECIAL REVENUE

<u>Construction from Hospital Services Revenue - Account 8500-12</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Hospital Services Revenue	\$ -0-	\$535,000.00
Beginning Balance	<u>535,000.00</u>	<u>-0-</u>
Ending Balance	<u>\$535,000.00</u>	<u>\$535,000.00</u>
	 <u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Ending Balance:		
State Treasury	<u>\$535,000.00</u>	<u>\$535,000.00</u>

PINECREST HOSPITAL
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCE
 SPECIAL REVENUE - REVENUE SHARING

<u>Repair, Renovation and Equipment - Account 9715-10</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts	\$ -0-	\$ -0-
Disbursements:		
Current Expenses	-0-	2,740.39
Repairs and Alterations	-0-	43,942.92
Equipment	6,477.18	18,642.50
Building Construction	-0-	202,640.00
	<u>6,477.18</u>	<u>267,965.81</u>
Cash Receipts Over (Under) Disbursements	(6,477.18)	(267,965.81)
Beginning Balance	<u>50,780.32</u>	<u>318,746.13</u>
Ending Balance	<u>\$ 44,303.14</u>	<u>\$ 50,780.32</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance: State Treasury	<u>\$ 44,303.14</u>	<u>\$ 50,780.32</u>	<u>\$318,746.13</u>

PINECREST HOSPITAL
STATEMENT OF CHANGES IN FUND BALANCE
CHRONICALLY ILL PATIENTS' ACCOUNT
LOCAL

Year Ended June 30, 1983

	<u>Cash</u>	<u>Accounts Receivable</u>	<u>Total</u>
Beginning Balance	\$ 234,590.49	\$ 158,923.37	\$ 393,513.86
Additions:			
Contributions from Patients, Responsible Payers or Third Party Agencies	63,413.11	-0-	63,413.11
Interest on Investments	11,390.17	-0-	11,390.17
Meal Sales	22,245.95	-0-	22,245.95
Employee Rental Receipts	13,503.00	-0-	13,503.00
Refunds to Appropriations	9,224.40	-0-	9,224.40
Sales Tax	1,170.80	-0-	1,170.80
Accounts Receivable Receipts and Billings	<u>1,096,090.42</u>	<u>1,171,768.61</u>	<u>2,267,859.03</u>
	<u>1,217,037.85</u>	<u>1,171,768.61</u>	<u>2,388,806.46</u>
	<u>1,451,628.34</u>	<u>1,330,691.98</u>	<u>2,782,320.32</u>
Deductions:			
Hospital Services Revenue Account	1,180,566.07	-0-	1,180,566.07
General Revenue Fund	22,638.20	-0-	22,638.20
Patient Withdrawals	56,624.46	-0-	56,624.46
Final Settlement of Individual Trust Accounts	35,964.70	-0-	35,964.70
Patient Benefits	2,779.59	-0-	2,779.59
Refunds to Appropriations	22,335.15	-0-	22,335.15
State Tax Department	1,170.80	-0-	1,170.80
Accounts Receivable Receipts	-0-	1,096,090.42	1,096,090.42
Exonerations	-0-	177,893.92	177,893.92
	<u>1,322,078.97</u>	<u>1,273,984.34</u>	<u>2,596,063.31</u>
Ending Balance	<u>\$ 129,549.37</u>	<u>\$ 56,707.64</u>	<u>\$ 186,257.01</u>

Year Ended June 30,

	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance:			
Cash in Bank	\$ 34,944.06	\$ 123,124.07	\$ 68,058.31
Consolidated Investment Fund	94,605.31	111,466.42	-0-
Passbook Savings Accounts	-0-	-0-	98,145.03
	<u>\$ 129,549.37</u>	<u>\$ 234,590.49</u>	<u>\$ 166,203.34</u>

Year Ended June 30, 1982

<u>Cash</u>	<u>Accounts Receivable</u>	<u>Total</u>
\$ 166,203.34	(\$ 4,462.90)	\$ 161,740.44
88,470.05	-0-	88,470.05
7,130.29	-0-	7,130.29
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
-0-	-0-	-0-
<u>469,713.85</u>	<u>661,549.01</u>	<u>1,131,262.86</u>
<u>565,314.19</u>	<u>661,549.01</u>	<u>1,226,863.20</u>
<u>731,517.53</u>	<u>657,086.11</u>	<u>1,388,603.64</u>
202,790.17	-0-	202,790.17
210,137.31	-0-	210,137.31
32,992.04	-0-	32,992.04
48,613.06	-0-	48,613.06
2,394.46	-0-	2,394.46
-0-	-0-	-0-
-0-	-0-	-0-
-0-	469,713.85	469,713.85
-0-	28,448.89	28,448.89
<u>496,927.04</u>	<u>498,162.74</u>	<u>995,089.78</u>
<u>\$ 234,590.49</u>	<u>\$ 158,923.37</u>	<u>\$ 393,513.86</u>

PINECREST HOSPITAL
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCE

LOCAL

<u>Collection Account</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Beginning Balance	\$ 6,664.80	\$ 4,388.74
Additions:		
Meal Ticket Sales	-0-	35,174.05
Refunds to Appropriations	10,423.56	7,247.74
Other Fees	420.00	270.00
	<u>10,843.56</u>	<u>42,691.79</u>
	<u>17,508.36</u>	<u>47,080.53</u>
Deductions:		
Hospital Services Revenue Account	545.00	145.00
Refunds to Appropriations	16,963.36	35,177.82
General Revenue	-0-	5,092.91
	<u>17,508.36</u>	<u>40,415.73</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ 6,664.80</u>

PINECREST HOSPITAL
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE

LOCAL

<u>Canteen Account</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Sales	\$19,326.77	\$17,768.97
Sales Tax	759.15	695.12
Interest	191.73	181.92
	<u>20,277.65</u>	<u>18,646.01</u>
Disbursements:		
Merchandise for Resale	21,814.20	23,321.42
Current Expenses	770.00	671.58
Patient Benefits	1,033.61	3,633.59
	<u>23,617.81</u>	<u>27,626.59</u>
Cash Receipts Over (Under) Disbursements	(3,340.16)	(8,980.58)
Beginning Balance	<u>16,572.22</u>	<u>25,552.80</u>
Ending Balance	<u>\$13,232.06</u>	<u>\$16,572.22</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance:			
Cash in Bank	\$ 9,173.13	\$12,705.02	\$21,867.52
Savings Account	3,748.93	3,557.20	3,375.28
Change Funds	310.00	310.00	310.00
	<u>\$13,232.06</u>	<u>\$16,572.22</u>	<u>\$25,552.80</u>

PINECREST HOSPITAL
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCE
 LOCAL

<u>Recreation Fund</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Donations	\$302.82	\$522.57
Disbursements:		
Patient Benefits	<u>241.12</u>	<u>384.30</u>
Cash Receipts Over (Under) Disbursements	61.70	138.27
Beginning Balance	<u>762.59</u>	<u>624.32</u>
Ending Balance	<u><u>\$824.29</u></u>	<u><u>\$762.59</u></u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance:			
Cash in Bank	<u><u>\$824.29</u></u>	<u><u>\$762.59</u></u>	<u><u>\$624.32</u></u>

PINECREST HOSPITAL
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE

LOCAL

<u>Special Account</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Meal Sales	\$ -0-	\$35,096.80
Sales Tax	-0-	1,847.20
Employee and Other Rentals	-0-	20,863.15
Contributions from Patients, Payees or Third Parties	-0-	2,945.15
	<u>-0-</u>	<u>60,752.30</u>
Disbursements:		
General Revenue	2,005.17	20,399.35
Transfer to Collection Account	2,404.45	35,174.05
Transfer to Chronically III Patients' Account	-0-	2,945.15
State Tax Department	126.55	1,849.95
Meal Ticket and Rent Refunds	-0-	129.80
	<u>4,536.17</u>	<u>60,498.30</u>
Cash Receipts Over (Under) Disbursements	(4,536.17)	254.00
Beginning Balance	<u>4,536.17</u>	<u>4,282.17</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ 4,536.17</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance:			
Cash in Bank	<u>\$ -0-</u>	<u>\$ 4,536.17</u>	<u>\$ 4,282.17</u>

PINECREST HOSPITAL
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE

LOCAL

<u>Trust Fund</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts:		
Contributions from Patients, Responsible Payees or Third Party Agencies	\$1,030.20	\$ 294.06
Disbursements:		
Patient Withdrawals	518.43	609.75
Patient Maintenance	853.05	216.16
Final Settlement of Individual Trust Accounts	<u>130.00</u>	<u>6.00</u>
	<u>1,501.48</u>	<u>813.91</u>
Cash Receipts Over (Under) Disbursements	(471.28)	(537.85)
Beginning Balance	<u>471.28</u>	<u>1,009.13</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ 471.28</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance :			
Cash in Bank	<u>\$ -0-</u>	<u>\$ 471.28</u>	<u>\$1,009.13</u>

PINECREST HOSPITAL
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCE
 LOCAL

<u>Pine Log Account</u>	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Cash Receipts	\$-0-	\$-0-
Disbursements:		
Patient Benefits	<u>-0-</u>	<u>477.97</u>
Cash Receipts Over (Under) Disbursements	-0-	(477.97)
Beginning Balance	<u>-0-</u>	<u>477.97</u>
Ending Balance	<u>\$-0-</u>	<u>\$-0-</u>

	<u>Year Ended June 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Ending Balance:			
Cash in Bank	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$477.97</u>

PINECREST HOSPITAL

RECONCILIATIONS

JUNE 30, 1983

Fire Alarm System - Account 4311-17

Balance in State Treasury and Hospital \$ 3,762.96

Hospital Services Revenue - Account 8500-08

Balance in State Treasury and Hospital \$ 1,300,000.00

Hospital Services Revenue - Account 8500-12

Balance in State Treasury and Hospital \$ 535,000.00

Renovation, Repair and Equipment -
Account 9715-10

Balance in State Treasury and Hospital \$ 44,303.14

PINECREST HOSPITAL

BANK RECONCILIATION

JUNE 30, 1983

Chronically Ill Patients' Account

Balance per Bank	\$36,432.59
Plus: Deposits in Transit	<u>174.47</u>
	36,607.06
Less: Outstanding Checks	

Check Nos.

9122	5.00
9232	5.00
9359	109.74
9508	113.80
9537	5.00
9539	98.10
9546	10.00
9550	9.00
9552	5.00
9554	61.98
9555	20.00
9556	10.00
9557	99.00
9558	5.00
9561	15.00
9562	5.00
9563	328.61
9564	10.00
9566	5.00
9567	700.00
9568	27.27
9571	5.50
9572	10.00
	<u>1,663.00</u>

Balance Per Book	<u>\$34,944.06</u>
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PINECREST HOSPITAL
 BANK RECONCILIATIONS
 JUNE 30, 1983

Chronically Ill Patients' Trustee
 Account - Savings

Consolidated Investment Fund

Balance per Bank and Book \$94,605.31

Canteen Account

Balance per Bank \$ 7,893.56

Plus: Deposit in Transit 1,294.57
9,188.13

Less: Outstanding Check

Check No.

7931 15.00

Balance per Book \$ 9,173.13

Canteen Account - Savings

Balance per Bank and Book \$ 3,748.93

Recreation Fund Account

Balance per Bank and Book \$ 824.29

PINECREST HOSPITAL

PATIENT COST

	<u>Year Ended June 30,</u>	
	<u>1983</u>	<u>1982</u>
Average Population	231	234
Patient Days	84,570	85,307
Total Appropriated Expenditures	\$4,206,604.17	\$4,936,647.80
Cost per Patient Day	\$ 49.74	\$ 57.87
Average Cost per Patient Year	\$ 18,210.40	\$ 21,096.78

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Encil Bailey, Legislative Auditor, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 8th day of January,
1985.

Encil Bailey

Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to Pinecrest Hospital; West Virginia Department of Health; Governor; Attorney General; and, State Auditor.