

**STATE OF WEST VIRGINIA**  
**AUDIT REPORT**  
**OF**

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS  
FOR THE PERIOD  
JULY 1, 1981 - MARCH 28, 1989



**OFFICE OF LEGISLATIVE AUDITOR**

**CAPITOL BUILDING**

**CHARLESTON 5, WEST VIRGINIA**

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

FOR THE PERIOD

JULY 1, 1981 - MARCH 28, 1989

**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 the West Virginia Board of Embalmers and Funeral Directors.

Our examination covers the period July 1, 1981 through March 28, 1989. The results of our examination are set forth on the following pages of this report. However, only the financial statements for the period ended March 28, 1989 and the years ended June 30, 1988 and June 30, 1987 are included in this report. The financial statements covering the period July 1, 1981 through June 30, 1986 are included in our audit workpapers.

Respectfully submitted,

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

Thedford L. Shanklin, CPA, Director  
Legislative Postaudit Division

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WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

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WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

EXIT CONFERENCE

We held an exit conference on August 24, 1989 with the former Executive Secretary of the West Virginia Board of Embalmers and Funeral Directors and the finding and recommendation was reviewed and discussed. The above official's response is included in italics in the Summary of Findings, Recommendations and Responses and after our recommendation in the General Remarks section of this report.

## WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

### INTRODUCTION

The West Virginia Board of Embalmers and Funeral Directors was established on August 16, 1933 by an act of the West Virginia Legislature. The Board consists of seven members who are appointed for a term of four years by the Governor with the advice and consent of the Senate. The Board shall select a President, a secretary, and a treasurer from its own members.

The West Virginia Board of Embalmers and Funeral Directors shall have the powers and privileges to regulate the business or profession of embalming and the business or profession of funeral directing in the State of West Virginia.

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

IMPLEMENTATION OF PRIOR AUDIT RECOMMENDATIONS

In our prior audit covering the period January 1, 1978 though June 30, 31 we had five recommendations. During our current audit period we noted one of a recommendations had not been fully implemented. This recommendation is listed low:

1. All equipment be properly tagged with an identifying State tag number.

(See page 8.)

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

MEMBERS OF THE BOARD

MARCH 28, 1989

The present members of the Board and the expiration date of their terms are as follows:

- David J. Harmer, President  
Harrison County, June 30, 1989 . . . . . Shinnston
- Thomas C. Sovine  
Cabell County, June 30, 1989 . . . . . Milton
- Blaine Schaeffer  
Ritchie County, June 30, 1989 . . . . . Petersburg
- Raymond S. Tomassene, Lay Member  
Ohio County, June 30, 1989 . . . . . Wheeling
- Joseph P. Christian, Jr. 1/  
Jefferson County, June 30, 1993 . . . . . Charles Town
- Charles F. Greco  
Hancock County, June 30, 1990 . . . . . Weirton
- Joseph F. Ford III, Board Secretary  
Marion County, June 30, 1991 . . . . . Fairmont

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1/ Reappointed April 14, 1989 for a four-year term.



WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

EAS OF NONCOMPLIANCE

Equipment Not Tagged

1. The Board has not complied with the West Virginia State Property Handbook, Section 4, Item B, Tagging, which requires that all reportable personal property owned by the State of West Virginia be identified as such by the affixation of a property identification decal (tag) with an assigned Inventory Tag Number.

We recommend the Board comply with the provisions of the West Virginia State Property Handbook.

*The office assumed that the Surplus Division would submit tags for the equipment listed. (See pages 8-9.)*

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

GENERAL REMARKS

Introduction

We have completed a financial and compliance audit of the West Virginia Board of Embalmers and Funeral Directors. The audit covered the period July 1, 1981 through March 28, 1989.

Special Revenue Account

All revenues generated from fees which are established by the Board and expenditures required for the general operation of the West Virginia Board of Embalmers and Funeral Directors are accounted for through the following special revenue account:

<u>Number</u>	<u>Description</u>
8131-10 . . . . .	Board of Embalmers and Funeral Directors

Licenses Fees

The following fees were established by Chapter 30, Article 6, Section 5 of the West Virginia Code:

Annual Fee for Courtesy Card . . . . .	\$25.00
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The following fees were established by Chapter 30, Article 6, Section 6 of the West Virginia Code:

Annual Fee for:	
Funeral Director . . . . .	\$15.00
Embalmer . . . . .	\$15.00
Assistant Funeral Director . . . . .	\$15.00
Apprentice Funeral Director . . . . .	\$15.00
Apprentice Embalmer . . . . .	\$15.00

The following fees were established by Chapter 30, Article 6, Section 13 of the West Virginia Code:

Annual Fee for Funeral Establishments:	
Main . . . . .	\$75.00
Branch . . . . .	\$50.00

The following fees were established by Chapter 30, Article 6, Section 16 of the West Virginia Code:

Initial Fee for Reciprocal License:

Funeral Director . . . . .	\$25.00
Embalmer . . . . .	\$25.00

Subsequent renewals provided for by Chapter 30, Article 6, Section 6 of the West Virginia Code:

Funeral Director . . . . .	\$15.00
Embalmer . . . . .	\$15.00

Examination Fees

The following examination fees were established by Chapter 30, Article 6, Section 6 of the West Virginia Code:

Funeral Director . . . . .	\$100.00
Embalmer . . . . .	\$100.00

Penalties

The following penalties were established by Chapter 30, Article 6, Section 6 of the West Virginia Code:

Failure to Renew Within 90 Days After Expiration:

Funeral Director . . . . .	\$10.00
Embalmer . . . . .	\$10.00
Assistant Funeral Director . . . . .	\$10.00
Apprentice Funeral Director . . . . .	\$ 2.00
Apprentice Embalmer . . . . .	\$ 2.00

Failure to Renew Within One-Year After Expiration:

Funeral Director . . . . .	\$25.00
Embalmer . . . . .	\$25.00

Areas of Noncompliance

Chapter 30, Articles 1 and 6 of the West Virginia Code generally govern the West Virginia Board of Embalmers and Funeral Directors. We tested applicable sections of the above plus general State regulations and other applicable chapters, articles, and sections of the West Virginia Code as they pertain to fiscal matters.

### Equipment Not Tagged

During our prior audit we noted equipment items were not properly tagged with State tag numbers and no equipment inventory records existed. After the audit period an inventory listing of all equipment was made and submitted to the Surplus Property Division of the West Virginia Department of Finance and Administration.

It was recommended that all equipment be properly tagged with an identifying State tag number and Added Property Form (WV-62) be prepared for all equipment. Our review showed the Board prepared and submitted the Added Property Form (WV-62) to the West Virginia State Agency Surplus Property's Inventory Control Office. However, the Board has still not complied with the recommendation that all equipment be properly tagged with an identifying State tag number. Without proper tagging and identification State property could be lost or misplaced.

The West Virginia State Property Handbook requires on page 10, Item B, Tagging, that all reportable personal property owned by the State of West Virginia will be identified as such by the affixation of a property identification decal (tag) with an assigned Inventory Tag Number.

We recommend the Board comply with the provisions of the West Virginia State Property Handbook.

*In response to the West Virginia Board of Embalmers and Funeral Directors' audit report covering the period of July 1, 1981 through March 28, 1989, in the areas of non-compliance, the office believed it acted in compliance with the previous audit. The West Virginia Surplus Property Division of the West Virginia Department of Finance and Administration was provided with a list of equipment. The office acted in good faith by providing an inventory to the Surplus Division. The office assumed that the Surplus Division would submit tags*

or the equipment listed. The office has since returned all inventoried equipment listed in the audit report (copies attached) to the West Virginia Board of Embalmers and Funeral Directors on July 18, 1989.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have examined the accompanying statement of cash receipts, disbursements and changes in cash balance of the West Virginia Board of Embalmers and Funeral Directors for the period ended March 28, 1989 and the years ended June 30, 1988 and June 30, 1987. This financial statement is the responsibility of the West Virginia Board of Embalmers and Funeral Directors. Our responsibility is to express an opinion on this financial statement based on our audit.


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.

As described in Note A, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the financial statement referred to above presents fairly, in all material respects, the cash receipts, disbursements and changes in cash balance of the West Virginia Board of Embalmers and Funeral Directors during the period and years then ended, on the basis 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 purposes of additional analysis and is not a required part of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,

  
Thedford L. Shanklin, CPA, Director  
Legislative Postaudit Division

July 12, 1989

Auditors: Leonard H. Lewis, Auditor-in-Charge  
Donald T. Moore

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
 CHANGES IN CASH BALANCE - BUDGET AND ACTUAL

	<u>Period Ended March 28, 1989</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues:			
Fees and Licenses	\$62,000.00	\$52,015.00	\$ 9,985.00
Expenditures:			
Personal Services	19,248.00	12,501.00	6,747.00
Current Expenses	48,988.00	15,052.22	33,935.78
Repairs and Alterations	1,300.00	134.75	1,165.25
Equipment	2,464.00	-0-	2,464.00
	<u>72,000.00</u>	<u>27,687.97</u>	<u>44,312.03</u>
Cash Receipts (Under) Over Expenditures	(10,000.00)	24,327.03	(34,327.03)
Beginning Balance	10,000.00	13,728.49	(3,728.49)
Transfer to State General Revenue Fund	<u>-0-</u>	<u>(3,503.11)</u>	<u>3,503.11</u>
Ending Balance	<u>\$ -0-</u>	<u>\$34,552.41</u>	<u>(\$34,552.41)</u>

See Note to Financial Statement

<u>Year Ended June 30, 1988</u>			<u>Year Ended June 30, 1987</u>		
<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
,000.00	\$52,458.00	\$ 8,542.00	\$60,000.00	\$52,218.00	\$ 7,782.00
7,512.00	16,512.00	1,000.00	17,476.00	16,476.00	1,000.00
5,224.00	32,938.63	13,285.37	46,724.00	39,204.26	7,519.74
,300.00	250.75	1,049.25	800.00	-0-	800.00
5,964.00	1,967.28	3,996.72	5,000.00	67.00	4,933.00
1,000.00	51,668.66	19,331.34	70,000.00	55,747.26	14,252.74
,000.00)	789.34	(10,789.34)	(10,000.00)	(3,529.26)	(6,470.74)
,000.00	14,964.53	(4,964.53)	10,000.00	18,830.55	(8,830.55)
<u>-0-</u>	<u>(2,025.38)</u>	<u>2,025.38</u>	<u>-0-</u>	<u>(336.76)</u>	<u>336.76</u>
<u>-0-</u>	<u>\$13,728.49</u>	<u>(\$13,728.49)</u>	<u>\$ -0-</u>	<u>\$14,964.53</u>	<u>(\$14,964.53)</u>



WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

NOTE TO FINANCIAL STATEMENT

3 A - Accounting Policies

Accounting Method: The cash basis of accounting is followed. Therefore, certain revenue and related assets are recognized when received rather than when earned. 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.

SUPPLEMENTAL INFORMATION

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

STATEMENT OF CASH RECEIPTS DISBURSEMENTS

AND CHANGES IN CASH BALANCE

SPECIAL REVENUE

<u>Board of Embalmers and Funeral</u> <u>Directors - Account 8131-10</u>	<u>Period Ended</u>		<u>Year Ended June 30,</u>	
	<u>March 28,</u>		<u>1988</u>	<u>1987</u>
	<u>1989</u>			
Receipts:				
Renewal of License	\$45,670.00	\$46,385.00	\$46,185.00	
Courtesy Cards	3,750.00	3,525.00	3,725.00	
Examination Fees	1,500.00	1,700.00	1,500.00	
Penalties for Lapsed Licenses	980.00	682.00	598.00	
Certificates and Wall Licenses	115.00	166.00	210.00	
	<u>52,015.00</u>	<u>52,458.00</u>	<u>52,218.00</u>	
Disbursements:				
Personal Services	12,501.00	16,512.00	16,476.00	
Current Expenses	15,052.22	32,938.63	39,204.26	
Repairs and Alterations	134.75	250.75	-0-	
Equipment	-0-	1,967.28	67.00	
	<u>27,687.97</u>	<u>51,668.66</u>	<u>55,747.26</u>	
Receipts Over (Under) Disbursements	24,327.03	789.34	(3,529.26)	
Beginning Balance	13,728.49	14,964.53	18,830.55	
Transfers to State Funeral Revenue Fund	<u>(3,503.11)</u>	<u>(2,025.38)</u>	<u>(336.76)</u>	
Ending Balance	<u>\$34,552.41</u>	<u>\$13,728.49</u>	<u>\$14,964.53</u>	

WEST VIRGINIA BOARD OF EMBALMERS AND FUNERAL DIRECTORS

RECONCILIATION

MARCH 28, 1989

Board of Embalmers and Funeral Directors  
Account 8131-10

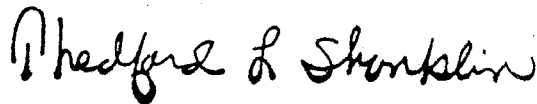
Balance Per State Treasury	\$35,926.60
Deposits in Transit	400.00
Unpaid Obligations	<u>(1,774.19)</u>
Balance Per Agency	<u>\$34,552.41</u>

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director, Legislative Postaudit Division, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 11<sup>th</sup> day of SEPTEMBER,  
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 the West Virginia Board of Embalmers and Funeral Directors; Governor; Attorney General; and State Auditor.