

WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES  
FOR THE PERIOD  
JULY 1, 1988 - JUNE 30, 1995

**WEST VIRGINIA LEGISLATURE**  
*Joint Committee on Government and Finance*



Theodore L. Shanklin, CPA, Director  
Legislative Post Audit Division  
Building 5, Room 751A  
Capitol Complex

Area Code (304)  
Phone: 347-4880  
Fax: 347-4889

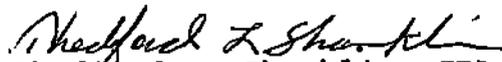
CHARLESTON, WEST VIRGINIA 25305

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 State Board of Examiners for Licensed Practical Nurses.

Our examination covers the period July 1, 1988 through June 30, 1995. The results of this audit are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1995 and June 30, 1994 are included in this report. The financial statements covering the period July 1, 1988 through June 30, 1993 are included in our audit workpapers.

Respectfully submitted,

  
Theodore L. Shanklin, CPA, Director  
Legislative Post Audit Division

TLS/tnt

**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES**

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**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES  
EXIT CONFERENCE**

We held an exit conference on January 4, 1996 with the Executive Secretary of the West Virginia State Board of Examiners for Licensed Practical Nurses and all findings and recommendations were reviewed and discussed. The above official's responses are included in italics in the Summary of Findings, Recommendations and Responses and after our recommendations in the General Remarks sections of this report.

**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES**

**INTRODUCTION**

The West Virginia State Board of Examiners for Licensed Practical Nurses was established on May 26, 1957 by Chapter 30, Article 7A of the West Virginia Code.

**Powers and Duties**

Chapter 30, Article 7A, Section 5 of the West Virginia Code states in part,

"...The board is authorized to adopt and, from time to time, to revise such rules and regulations not inconsistent with this article, as may be necessary to enable it to carry into effect the provisions hereof. The board shall prescribe curricula and standards for schools and courses preparing persons for licensure under this article. It shall survey such schools and courses at such times as it may deem necessary. It shall survey and accredit such schools, clinical practice areas and courses as meet the requirements of this article and of the board. It shall examine, license and renew the license of duly qualified applicants."

**Board Composition**

The composition of the Board is comprised of seven members who are charged with the duty of administering the provisions of the Code. Of the seven members appointed by the Governor, two shall be licensed practical nurses, two shall be registered professional nurses, one medical doctor, one hospital administrator and one vocational educator. Terms of appointments are five years and no member shall serve more than two successive terms.

In addition, Chapter 30, Article 1, Section 4a of the West Virginia Code provides for the Governor to appoint at least one lay person to represent the interest of the public on every health professional licensing board. If the total number of Board members after the appointment of the lay person is an even number, one additional lay person shall be appointed.

#### Board Staff

The Board is authorized to appoint and employ a person to act as executive secretary and education advisor to the Board. The Board shall have the power to appoint such nurses, deputies, clerks, assistants, inspectors and employees as shall be necessary for the proper exercise of the powers and duties of the Board. The Board currently has four staff employees.

#### Board Meetings and Headquarters

Chapter 30, Article 7A, Section 5 of the West Virginia Codes states in part,

"...Said board shall hold not less than two regular meetings each year and such additional meetings as such times and places as the board may determine...."

Currently, the Board's headquarters is located at 101 Dee Drive, Charleston, West Virginia.

**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES**

**BOARD MEMBERS**

**JUNE 30, 1995**

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

<u>BOARD MEMBER</u>	<u>TERM EXPIRES</u>
Carol Parsons Miller, R.N., Chairperson Glen Dale, WV . . . . .	June 30, 1997
Orpha R. Swiger, L.P.N., Vice-Chairperson Clarksburg, WV . . . . .	June 30, 1997
Joan Smith, Vocational Director, Secretary Clarksburg, WV . . . . .	June 30, 1998
India Hosch, R.N. Beckley, WV . . . . .	June 30, 1996
Marguerite D. Marshall, L.P.N. Barboursville, WV . . . . .	June 30, 1996
Charles D. Pruett, M.D. Bluefield, WV . . . . .	June 30, 1995
Randall L. Roberts, Administrator Grafton, WV . . . . .	June 30, 1999
William Toney, Lay Member, Cabell County Huntington, WV . . . . .	June 30, 1989*
Vacancy, Lay Member	

\* Pursuant to the provisions of Chapter 6, Article 5, Section 2 of the West Virginia Code which states, "The term of every officer shall continue (unless the office be vacated by death, resignation, removal from office, or otherwise) until his successor is elected or appointed, and shall have qualified."

WEST VIRGINIA STATE BOARD OF EXAMINERS

FOR LICENSED PRACTICAL NURSES

ADMINISTRATIVE STAFF

JUNE 30, 1995

Nancy R. Wilson, R.N. . . . . Executive Secretary  
Lanette Anderson, J.D., R.N. . . . Assistant Executive Secretary  
Jacquelyn L. Titcher . . . . . Administrative Aide  
Elsie S. Patterson . . . . . Secretary

**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES  
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES**

**Account Balance**

1. Our audit indicates the Board has been accumulating a cash surplus during the period under audit. We noted, on average, the Board has maintained an amount on hand at year-end sufficient to fund Board operations for approximately 13 months.

We recommend the Board utilize the provisions of Chapter 30, Article 7A, Section 7 of the West Virginia Code and modify the fee structure by rule to bring revenues in line with expenditures.

**BOARD'S RESPONSE**

*The Board did not respond to this recommendation. (See pages 11-13)*

**Underpayment of Personal Services**

2. We noted in our test of personal services an employee was underpaid \$1,949.39 during the period August 1, 1993 to November 15, 1995. It appears the underpayment was caused by a clerical error in computing a raise and the amount of the error compounded monthly. We brought the error to the attention of the Executive Secretary and, as of the last day

of our fieldwork, the employee had been compensated for the \$1,949.39 in back wages.

We recommend the Board comply with Chapter 30, Article 7A, Section 5 of the West Virginia Code and strengthen internal controls over employee compensation.

**BOARD'S RESPONSE**

*We will comply with this audit recommendation. (See pages 13-15)*

**Meal Reimbursement for Single-Day Travel**

3. We noted Board members were reimbursed for meal expenses of \$135.30 during the two-year period ended June 30, 1995. The Board members' travel did not require an overnight stay and these reimbursements were not included as wages on the members' W-2 Forms in noncompliance with Federal and State tax requirements.

We recommend the Board comply with Chapter 11, Article 21, Sections 12 and 72 of the West Virginia Code and report single-day travel meal reimbursements on employees' W-2 Forms.

**BOARD'S RESPONSE**

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

**Board Vacancy - Lay Member**

4. As reported in our prior audit report, the Board has had a lay member vacancy since July 1, 1977. We reviewed correspondence from the Board to the Governor dated October 17, 1991 which requests an appointment; however, the Governor has not filled the vacancy.

We recommend the Board continue to request appointment of an additional lay member from the Governor.

**BOARD'S RESPONSE**

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

**Report Due State Auditor**

5. Our audit indicates the Board does not file a detailed statement of moneys received with the State Auditor every six months as required by law.

We recommend the Board comply with Chapter 30, Article 1, Section 10 of the West Virginia Code.

**BOARD'S RESPONSE**

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

**Leave Accruals**

6. We noted mathematical errors in the Board's calculations of annual and sick leave accruals as of June 30, 1995. One

employee's sick leave balance was overstated by .5 days and her annual leave balance was understated by .5 days. Also, another employee's annual leave balance was overstated by eight days. We brought the calculation errors to the attention of the Executive Secretary and observed her adjusting the employee's balances to reflect the appropriate leave amounts.

We recommend the Board strengthen internal controls over leave accruals to ensure accurate annual and sick leave balances.

**BOARD'S RESPONSE**

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

**Receipts Not Deposited Timely**

7. We noted the Board's policy is to make deposits twice a week in compliance with the law. However, we believe the Board should make deposits daily to ensure the State earns as much interest as possible. Also, daily depositing would safeguard the receipts from unauthorized use or disposition.

We believe the Board should strengthen internal controls in the depositing of receipts.

**BOARD'S RESPONSE**

*We will comply with this audit recommendation. (See page 21)*

**WEST VIRGINIA STATE BOARD OF EXAMINERS  
FOR LICENSED PRACTICAL NURSES**

**GENERAL REMARKS**

**INTRODUCTION**

We have completed a post audit of the West Virginia State Board of Examiners for Licensed Practical Nurses. The audit covered the period July 1, 1988 through June 30, 1995.

**SPECIAL REVENUE ACCOUNT**

All expenditures required for the general operations of the West Virginia State Board of Examiners for Licensed Practical Nurses are made from the Special Revenue Operating Fund Number 8516, formerly Account Number 8106-35.

**COLLECTIONS**

Income is derived from the receipt of license and service fees paid by practical nurses throughout the State and those fees are as follows:

<b><u>DESCRIPTION</u></b>	<b><u>AMOUNT</u></b>
Licensure Examination	\$75.00
Re-Examination	\$75.00
Temporary Permit for New Graduate	\$10.00
Endorsement Into West Virginia	\$50.00
Endorsement Out of West Virginia	\$30.00
Renewal of License	\$25.00
Reinstatement of License from Non-practicing Status	\$25.00
Limited License	\$10.00
Duplicate License	\$10.00
Change of Name or Address	\$10.00
Transcripts	\$ 5.00
Framable Certificate	\$10.00
Reinstatement of License from Lapsed Status	\$50.00
Insufficient Funds Penalty	\$10.00
Application Fee for New School	\$250.00

Additional services provided by the Board are as follows and the accompanying fees are dependent upon the amount of services required: rosters, labels, Codes, special requests for listings, copies and miscellaneous.

COMPLIANCE MATTERS

Chapter 30, Articles 1 and 7A of the West Virginia Code generally governs the Board. We tested applicable sections of the above plus general State regulations and other applicable chapters, articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are discussed as follows.

Account Balance

Our audit of the financial transactions of the Board indicates the Board has accumulated a cash surplus during the period under audit. Chapter 30, Article 7A, Section 7 of the West Virginia Code states in part,

"...In order for such license to be renewed, the licensee shall comply with such rules and regulations of the board as are applicable to renewals. The renewal fee for all licenses shall be five dollars, subject to change by the board...."

The license renewal fee was increased from \$15.00 to \$25.00 in Title 10, Series 4 of the Legislative Rules effective April 16, 1992. The following schedules shows a comparison of the ending cash balance for each fiscal year, the cash disbursements for each year, and the number of months the Board could operate during the ensuing fiscal year assuming no fees were collected and disbursements remained constant:

<u>FISCAL</u> <u>YEAR</u>	<u>ENDING CASH</u> <u>BALANCE</u>	<u>DISBURSEMENTS</u>	<u>NUMBER OF MONTHS</u> <u>OPERATIONS FUNDED</u> <u>BY CASH BALANCE</u>
1989	\$149,423.04	\$158,467.73	11.32
1990	\$142,915.14	\$163,080.60	10.52
1991	\$175,444.92	\$141,321.12	14.90
1992	\$205,461.26	\$143,023.16	17.24
1993	\$248,941.53	\$222,631.23	13.42
1994	\$246,383.72	\$223,616.25	13.22
1995	\$276,749.90	\$241,198.82	13.77
Average	\$206,474.22	\$184,762.70	13.41

Based upon the preceding schedule, we believe the Board is accumulating a cash surplus because renewal license fees have not been lowered to provide for budgetary needs. We believe the Board should utilize the flexibility provided in the law to modify the fee structure by rule to bring revenues in line with expenditures.

The Executive Secretary stated the fees were increased in 1992 to off-set the impending costs incurred from the establishment of a continuing education requirement for nurses and the hiring of an additional employee to oversee the implementation of such requirement. Also, the Executive Secretary stated her goal was to maintain a ending balance of approximately one year's disbursements in case of emergency.

We recommend the Board utilize the provisions of Chapter 30, Article 7A, Section 7 of the West Virginia Code, as amended, to modify the fee structure by rule to bring revenues in line with expenditures.

### BOARD'S RESPONSE

The agency collects the majority of its fees during the final quarter, of each fiscal year. The goal of the agency is to have the budgeted moneys for each fiscal year on deposit as of July 1, each year. Generally, the amount on deposit falls just under that goal. For example, the FY 1995 budget was \$278,000 and the funds on deposit on July 1, 1994, were \$246,383, the FY 1996 budget is \$286,750 and funds on deposit at July 1, 1995 were \$276,749. Funds are spent down during the year through about mid-March. The fund balance at that point generally equals approximately six to seven months of operating expenses. This balance is an emergency, contingency fund in the event renewals are delayed, a disciplinary case becomes expensive or other unexpected expense has to be incurred. The board has no recourse but to close the office if funds are not available for operation, as fees are the only revenue source. An increase, or decrease in fees take approximately 2½ years from inception until the fees increase actually goes into effect through the rule making process based on timing of required steps and our renewal period.

### Underpayment of Personal Services

We noted in our test of personal services an employee was underpaid \$1,949.39 during the period August 1, 1993 to November 15, 1995. Chapter 30, Article 7A, Section 5 of the West Virginia Code states in part,

“...The board shall have power to appoint such nurses, deputies, clerks, assistants, inspectors and employees as shall be necessary for the proper exercise of the powers and

duties of the board. The compensation and expenses of the members of the board and its appointees and employees shall be paid out of such funds as are allocated to the board in its annual budget...."

Upon review of the Board minutes, a 5% salary increase was approved for an administrative aide effective August 1, 1993. When the Board computed the amount of her salary increase, an incorrect annual base salary was used in the raise calculation. The administrative aide's salary was \$21,948.60; however, the Board computed the 5% raise based upon an incorrect salary of \$21,148.00. This clerical error resulted in an underpayment, compounding semi-monthly, totaling \$1,949.39 as of November 15, 1995.

We brought the error to the attention of the Executive Secretary who immediately made arrangements to compensate the employee for the underpayment. A "Back Pay Settlement Agreement", approved by the Attorney General's Office, was entered into by the employee and the Board. The agreement provides for full settlement of back pay plus interest and the employee waives her option to file a grievance against the Board. On November 28, 1995, the administrative aide received state warrants for the \$1,949.39 underpayment and \$207.76 of interest.

We recommend the Board comply with Chapter 30, Article 7A, Section 5 of the West Virginia Code and strengthen internal controls over employee compensation.

BOARD'S RESPONSE

*Corrected error when detected. A second individual within the office will check calculations for payroll increases in the future.*

Meal Reimbursement for Single-Day Travel

Chapter 11, Article 21, Section 72 of the West Virginia Code states in part,

"Every employer required to deduct and withhold tax under this article from the wages of an employee, or who would have been required so to deduct and withhold tax if the employee had claimed no more than one withholding exemption, shall furnish to each such employee ... a written statement as prescribed by the tax commissioner showing the amount ... deducted and withheld as tax, and such other information as the tax commissioner shall prescribe."

In accordance with the provisions of the Governor's Travel Regulations, Board members were reimbursed for meal expenses incurred during the audit period where the trips involved did not require an overnight stay (single-day travel); however, these amounts were not reported to these individuals on a Form W-2 (Employee Withholding Statement). Publication 334 of the Internal Revenue Service entitled "Tax Guide for Small Business (1994)" states on page 72 in Table 16-1 regarding deductible travel expenses,

"The cost of meals only if your business trip is overnight or long enough to require you to stop to get substantial sleep or rest. Includes amounts spent for food, beverages, taxes and related tips."

Further, Chapter 11, Article 21, Section 12 of the West Virginia Code, as amended, states in part,

"(a) General - The West Virginia adjusted gross income of a resident individual means his federal adjusted gross income as defined in the laws of the United States for the taxable year with the modifications specified in this section...."

Therefore, any reimbursement received for non-deductible travel expenses are considered as taxable income under both Federal and West Virginia tax law.

According to our audit, Board members received a total of \$135.30 in meal reimbursements for single-day travel during the period July 1, 1993 through June 30, 1995. The Executive Secretary stated the meal reimbursements were not included in wages on the Board members' Form W-2 because she was unaware of the preceding tax criteria.

We recommend the Board comply with Chapter 11, Article 21, Sections 12 and 72 of the West Virginia Code, as amended.

**BOARD'S RESPONSE**

*The Board will comply with Chapter 11, Article 21, Sections 12 and 72 immediately.*

**Board Vacancy - Lay Member**

Chapter 30, Article 1, Section 4a of the West Virginia Code states in part,

"Notwithstanding any provisions of this code to the contrary, the governor shall appoint at least one lay person to represent the interests of the public on every health professional licensing board, enumerated in section fifteen [§30-1-15] of this article. If the total number of members on any of such

boards after the appointment of one such lay person is an even number, one additional lay person shall be appointed. Said lay members shall serve in addition to any other members otherwise provided for by law or regulation...."

As noted in our prior audit report, the Board has had a lay member vacancy since July 1, 1977. The Board currently has eight members which includes one lay member. Based upon the preceding criteria, the even number of Board members requires the appointment of an additional lay member to obtain an odd number. The Executive Secretary stated the Board has requested appointment of an additional lay member from the Governor but the Governor has not filled the vacancy. Upon review of Board correspondence, we noted a letter dated October 17, 1991 addressed to the Governor which requests such appointment.

We recommend the Board continue to request appointment of an additional lay member from the Governor.

**BOARD'S RESPONSE**

*Letter has been prepared for the Chairperson to again request that the position be filled.*

**Report Due State Auditor**

Chapter 30, Article 1, Section 10 of the West Virginia Code states in part,

"The secretary of every such board shall receive and account for all moneys ... He shall also, on the first day of January and July in each year, or within five days thereafter, certify to the state auditor a detailed statement of all such moneys received by him during the preceding six months."

Our audit indicates the Board does not file a detailed statement of moneys received with the State Auditor as required by law. Upon inquiry with the Executive Secretary, she stated a detailed list is not submitted to the State Auditor because the Auditor submits a monthly revenue and expenditure report to them. This report is reconciled with the Board's accounting records and the reconciliation is submitted by the Board to the Department of Administration.

We recommend the Board comply with Chapter 30, Article 1, Section 10 of the West Virginia Code.

**BOARD'S RESPONSE**

*Accounts balanced monthly with the Auditor, however, as required a report was filed January 3, 1996, for preceding six months and will be filed each July and January.*

**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, 1988 through June 30, 1995, which was made for the purposes 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.

#### Leave Accruals

We noted mathematical errors in the Board's calculation of annual and sick leave accruals. As of June 30, 1995, one employee's sick leave balance was overstated by .5 days and her annual leave balance was understated by .5 days. An additional employee's annual leave balance was overstated by eight days. It appears the overstatement and understatement of the leave balances were caused by calculation errors. We brought these errors to the attention of the Executive Secretary and observed her adjusting the employees' balances to reflect the appropriate leave amounts.

We recommend the Board strengthen internal controls over leave accruals to ensure accurate annual and sick leave balances.

#### BOARD'S RESPONSE

*Calculations review is been carried out at the end of each calendar year to assure that errors are not carried forward to future years. All but one error was in the current year in progress, 1995. The other error occurred when determining the anniversary date of an employee with split state service.*

*Quarterly review will be instituted utilizing a second individual to be certain calculations are accurate through the year.*

**Receipts Not Deposited Timely**

We noted in our test of receipts the Board was not making daily deposits. The Executive Secretary told us the Board's policy is to make deposits twice a week which is in compliance with the law. However, daily depositing of receipts would enable the State to earn more interest and safeguard receipts from unauthorized use or disposition.

We believe the Board should strengthen internal controls in the area of receipts and make deposits daily to ensure the State earns as much interest as possible and safeguards receipts from unauthorized use or disposition.

**BOARD'S RESPONSE**

*Will deposit daily or within 1 business day of receipt.*

## INDEPENDENT AUDITORS' OPINION

To the Joint Committee on Government and Finance:

We have audited the statement of revenues, expenditures and changes in cash balance of the West Virginia State Board of Examiners for Licensed Practical Nurses for the years ended June 30, 1995 and June 30, 1994. The financial statement is the responsibility of the management of the West Virginia State Board of Examiners for Licensed Practical Nurses. Our responsibility is to express an opinion on the financial statement based on our audit.

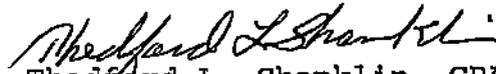
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting 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, the financial statement was 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 revenues collected and expenses paid of the West Virginia State Board of Examiners for Licensed Practical Nurses for the years ended June 30, 1994 and June 30, 1993 on the basis of accounting described in Note A.

Our audit was conducted 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 audit 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,



Theodora L. Shanklin, CPA, Director  
Legislative Post Audit Division

December 1, 1995

Auditors: Nick Arvon, Supervisor  
Jean Ann Waldron  
Debra A. Sheets

WEST VIRGINIA STATE BOARD OF EXAMINERS  
 FOR LICENSED PRACTICAL NURSES  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN CASH BALANCE  
 BUDGET AND ACTUAL

	<u>Year Ended June 30, 1995</u>		
	<u>Budget</u>	<u>Actual</u>	<u>(Over)/Under Budget</u>
Revenues:			
Fees and Licenses	\$195,000.00	\$271,565.00	(\$ 76,565.00)
Expenditures:			
Personal Services	139,548.00	133,569.94	5,978.06
Employee Benefits	42,100.00	37,016.35	5,083.65
Current Expenses	86,852.00	62,065.81	24,786.19
Repairs and Alterations	500.00	426.16	73.84
Equipment	4,000.00	8,120.56	(4,120.56)
Payment of Claims	-0-	-0-	-0-
	<u>273,000.00</u>	<u>241,198.82</u>	<u>31,801.18</u>
Revenues (Under)/Over Expenditures	(78,000.00)	30,366.18	(108,366.18)
Beginning Balance	<u>180,500.00</u>	<u>246,383.72</u>	<u>(65,883.72)</u>
Ending Balance	<u>\$102,500.00</u>	<u>\$276,749.90</u>	<u>(\$174,249.90)</u>

See Notes to Financial Statements

Year Ended June 30, 1994

<u>Budget</u>	<u>Actual</u>	<u>(Over) / Under Budget</u>
\$230,500.00	\$221,058.44	\$ 9,441.56
130,000.00	124,096.49	5,903.51
40,660.00	36,767.94	3,892.06
83,340.00	60,647.35	22,692.65
500.00	75.00	425.00
5,500.00	1,021.47	4,478.53
-0-	1,008.00	(1,008.00)
<u>260,000.00</u>	<u>223,616.25</u>	<u>36,383.75</u>
(29,500.00)	(2,557.81)	(26,942.19)
<u>210,000.00</u>	<u>248,941.53</u>	<u>(38,941.53)</u>
<u>\$180,500.00</u>	<u>\$246,383.72</u>	<u>(\$65,883.72)</u>

**WEST VIRGINIA STATE BOARD OF EXAMINERS**  
**FOR LICENSED PRACTICAL NURSES**  
**NOTES TO FINANCIAL STATEMENT**

**Note A - Accounting Policies**

Accounting Method: The cash basis of accounting is followed. Therefore, certain revenues 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.

**Note B - Pension Plan**

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employee contributions are 4.5% of this compensation and employees are vested under certain circumstances. The West Virginia State Board of Examiners for Licensed Practical Nurses matches contributions at 9.5% of the compensation on which the employee made contributions. The West Virginia State Board of Examiners for Licensed Practical Nurses' pension expenditures were as follows:

<u>Year Ended June 30,</u>	
<u>1995</u>	<u>1994</u>
<u>\$13,528.01</u>	<u>\$10,744.00</u>

**SUPPLEMENTAL INFORMATION**

WEST VIRGINIA STATE BOARD OF EXAMINERS  
 FOR LICENSED PRACTICAL NURSES  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGES IN CASH BALANCE  
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1995</u>	<u>1994</u>
<u>Board of Examiners for</u>		
<u>Licensed Practical Nurses -</u>		
<u>Fund 8516-640 (Account 8106-35)</u>		
Cash Receipts:		
Renewal of Licenses	\$185,825.00	\$141,875.00
Examination Fees	43,125.00	36,600.00
Lapsed Licenses	13,050.00	15,250.00
Endorsements In	9,450.00	11,350.00
Endorsements Out	8,520.00	8,070.00
Miscellaneous	<u>11,595.00</u>	<u>7,913.44</u>
	271,565.00	221,058.44
Disbursements:		
Personal Services	133,569.94	124,096.49
Employee Benefits	37,016.35	36,767.94
Current Expenses	62,065.81	60,647.35
Repairs and Alterations	426.16	75.00
Equipment	8,120.56	1,021.47
Payment of Claims	-0-	<u>1,008.00</u>
	<u>241,198.82</u>	<u>223,616.25</u>
Cash Receipts Over/(Under)		
Disbursements	30,366.18	(2,557.81)
Beginning Balance	<u>246,383.72</u>	<u>248,941.53</u>
Ending Balance	<u>\$276,749.90</u>	<u>\$246,383.72</u>

STATE OF WEST VIRGINIA

OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit 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 9th day of June,  
1996.

*Thedford L. Shanklin*

Thedford L. Shanklin, CPA, Director  
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the West Virginia State Board of Examiners for Licensed Practical Nurses, each Member of the Board, Governor; Attorney General; and, State Auditor.