

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

GLENVILLE STATE COLLEGE
GLENVILLE, WEST VIRGINIA

NATIONAL DIRECT STUDENT LOAN PROGRAM
COLLEGE WORK-STUDY PROGRAM
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
PELL GRANT PROGRAM

U.S. DEPARTMENT OF EDUCATION
ENTITY NUMBER: 1-55-6000-779-A1

FOR THE PERIOD
JULY 1, 1981 - JUNE 30, 1983



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

GLENVILLE STATE COLLEGE
GLENVILLE, WEST VIRGINIA

REPORT OF AUDIT
NATIONAL DIRECT STUDENT LOAN PROGRAM
COLLEGE WORK-STUDY PROGRAM
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
PELL GRANT PROGRAM

U.S. DEPARTMENT OF EDUCATION
ENTITY NUMBER: 1-55-6000-779-A1

FOR THE PERIOD
JULY 1, 1981 - JUNE 30, 1983

LEGISLATIVE AUDITOR'S OFFICE
STATE OF WEST VIRGINIA

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, Mr. John T. Davis was assigned to audit the National Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grants and Pell Grant Programs at Glenville State College.

This audit covers the period July 1, 1981 through June 30, 1983. The results of the examination are set forth on the following pages of this report.

Respectfully submitted,

James R. Blake
James R. Blake, Supervisor
Legislative Postaudit Division

JRB/jaw

GLENVILLE STATE COLLEGE

TABLE OF CONTENTS

<u>Part I - Introduction</u>	1
<u>Part II - Highlights of Audit Results</u>	3
<u>Part III - Financial</u>	
Auditors' Report on Financial Statements	3
Findings and Recommendations - Financial	
National Direct Student Loan Program:	
Imbalance of Student Loans Receivable	4
Investment of Excess Funds	4
Supplemental Educational Opportunity Grants Program:	
Interest Income	5
Incomplete Subsidiary Accounts	5
Pell Grant Program:	
Incomplete Subsidiary Accounts	5
<u>Part IV - Internal Accounting and Administrative Controls and Compliance</u>	
Auditors' Conclusions on Internal Accounting and Administrative Controls and Compliance Information	6
<u>Part V - Prior Audit Report for the Period July 1, 1979 - June 30, 1981</u> . .	7
<u>Exhibits</u>	
National Direct Student Loan Program:	
Exhibit A - Balance Sheet as of June 30, 1983	8
Exhibit A-1 - Statement of Changes in Fund Balance for the Two Year Period Ended June 30, 1983, and the Period September 1, 1958 Through June 30, 1983	9
College Work-Study Program:	
Exhibit B - Balance Sheet as of June 30, 1983	10
Exhibit B-1 - Statement of Changes in Fund Balance for the Two Year Period Ended June 30, 1983	11

Supplemental Educational Opportunity Grants Program:

Exhibit C - Balance Sheet as of June 30, 1983 12

Exhibit C-1 - Statement of Changes in Fund Balance for the
Two Year Period Ended June 30, 1983 13

Fell Grant Program:

Exhibit D - Balance Sheet as of June 30, 1983 14

Exhibit D-1 - Statement of Changes in Fund Balance for the
Two Year Period Ended June 30, 1983 15

Schedulas

National Direct Student Loan Program:

Schedule 1 - Analysis of Student Loans Receivable for the
Two Year Period Ended June 30, 1983 and the
Period September 1, 1958 Through June 30, 1983 16

Schedule 2 - Computation of Default Rate as of June 30, 1983 17

Schedule 3 - Analysis of Cash Flow for the Two Year
Period Ended June 30, 1983 18

Schedule 4 - Schedule of Administrative Cost Allowance
for the Two Year Period Ended June 30, 1983 19

Schedule 5 - Statement of Changes in Fund Balance for the
Years Ended June 30, 1982 and June 30, 1983 20

Schedule 6 - Comparison of Fiscal Report (ED 646-1) with
Accounting Records as Audited as of June 30, 1983 21

Schedule 7 - Schedule of Distribution of Administrative
Expenses Earned for Fiscal Year 1983 22

Schedule 8 - Schedule of Distribution of Administrative
Expenses Earned for Fiscal Year 1982 23

College Work-Study Program:

Schedule 9 - Statement of Changes in Fund Balance
for the Year Ended June 30, 1983 24

Schedule 10 - Statement of Changes in Fund Balance
for the Year Ended June 30, 1982 25

Supplemental Educational Opportunity Grants Program:

Schedule 11 - Statement of Changes in Fund Balance
for the Year Ended June 30, 1983 26

Schedule 12 - Statement of Changes in Fund Balance for the Year Ended June 30, 1982	27
Pell Grant Program:	
Schedule 13 - Statement of Changes in Fund Balance for the Year Ended June 30, 1983	28
Schedule 14 - Statement of Changes in Fund Balance for the Year Ended June 30, 1982	29
<u>Certificate of Legislative Auditor</u>	30

Glenville State College
Glenville, West Virginia

Report of Audit
National Direct Student Loan Program
College Work-Study Program
Supplemental Educational Opportunity Grants Program
Pell Grant Program

U.S. Department of Education
Entity Number: 1-55-6000-779-A1

For the Period July 1, 1981 - June 30, 1983

Part I - Introduction

Background

Glenville State College is an institution of higher education and was last approved on December 8, 1981 by the U.S. Department of Education for participation in the student financial aid programs. Our examination of the National Direct Student Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grants Program and Pell Grant Program at Glenville State College for the two year period ended June 30, 1983 was directed toward the objectives set forth in the U.S. Department of Education's audit guides dated June 1980 and June 1981, and its August-September 1981 Bulletin.

National Direct Student Loan Program (NDSLPL)

On September 1, 1958 the College established the NDSLPL under the National Defense Education Act of 1958 which was transferred in 1972 to Part E of Title IV of the Higher Education Act of 1965. Loans aggregating \$2,868,923.28 have been made to 3,205 students since the program was established at the College. As of June 30, 1983 the principal outstanding on loans in default amounted to 10.23% of matured principal on all loans.

College Work-Study Program (CWSP)

On January 25, 1965 the College started the CWSP pursuant to Title IV, Part C, of the Higher Education Act of 1965, as amended. During the two year period ended June 30, 1983 up to 190 students participated in the program each year and expenditures for wages for the period aggregated \$189,866.89. The authorization award letters to the College were in the amounts of \$90,000.00 for the academic year 1981-82 and \$71,197.00 for 1982-83.

Supplemental Educational Opportunity Grants Program (SEOGP)

The SEOGP was established at the College on July 1, 1966 under Title IV, Part A, of the Higher Education Act of 1965, as amended. During the two year period ended June 30, 1983 up to 284 students participated in the program each year and awards aggregated \$159,750.00. The authorization award letters to the College were in the amounts of \$77,582.00 for the academic year 1981-82 and \$75,048.00 for 1982-83.

Pell Grant Program (PGP)

The PGP (BEOGP) was started at the College on July 1, 1973. During the two year period ended June 30, 1983 up to 580 students participated in the program each year and awards aggregated \$988,896.82. The authorization award letters to the College were in the amounts of \$476,156.00 for the academic year 1981-82 and \$513,683.00 for 1982-83.

Administration of the Programs

The College officials responsible for overall administration of the programs are the Director of Financial Aid and the Business Manager. The Director of Financial Aid is responsible for application processing and loan approvals, as well as the College's compliance with the various U.S. Department of Education regulations governing the College's participation in federal and state financial aid programs. The Business Manager is responsible for the programs' financial management, general ledger accounting, payments, collections and financial reports.

Scope of Audit

The audit of the National Direct Student Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grants Program and Pell Grant Program was performed in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (revised 1981) and the U.S. Department of Education's audit guides dated June 1980 and June 1981 and its August-September 1981 Bulletin. The purpose of the audit was to formulate an opinion on the basic financial statements taken as a whole and to determine if these programs were administered in accordance with applicable laws, regulations, agreements to participate and U.S. Department of Education directives which are set forth in the audit guides.

The audit included:

1. Expressing an opinion on the balance sheets, related statements of changes in fund balances and supplementary schedules.
2. Evaluation of the institution's policies, procedures and practices used to administer the programs.
3. Determination of compliance with applicable sections of the acts, related federal regulations and U.S. Department of Education policies and procedures.
4. Evaluation of the institution's system of internal control, accounting and reporting, and the controls maintained in the operation of and accounting for the funds provided for the programs.
5. Reconciliation of the information reported on the appropriate financial statements, with ED Form 646-1 and ED Form 255-4 for the years audited.

Part II - Highlights of Audit Results

During our audit, nothing came to our attention which caused us to believe Glenville State College had not generally administered its student financial aid programs (NDSLP, CWSP, SEOGP and PGP) in accordance with the U.S. Department of Education federal regulations and directives cited in the Department's audit guides for the NDSLP, CWSP, SEOGP and PGP. However, certain areas of the College's management of the student financial aid programs were in need of attention. More specifically: for NDSLP, (1) as of June 30, 1983 the subsidiary records of student loans receivable were \$18,160.89 less than the general ledger control accounts, and (2) as of June 30, 1983 the College had \$150,393.87 on deposit in a local bank, \$50,393.87 of which was not insured; for SEOGP, (1) during the period of this audit, the College received \$167.26 in interest on the bank checking account for SEOGP, which should be remitted to the U.S. Department of Education, and (2) The SEOGP subsidiary accounts have shown the amount each student received each semester but have not reflected the dates of the award payments and control (or check) identification numbers; for PGP, (1) the PGP subsidiary accounts have shown the amount each student received each semester but have not reflected the dates of the award payments and control (or check) identification numbers. These matters are discussed more fully in the "Findings and Recommendations" sections of this report (see pages 4 and 5.) As to our opinion on the financial statements, see below.

Part III - Financial

Auditors' Report on Financial Statements

We have examined the balance sheets of the National Direct Student Loan Program (NDSLP), College Work-Study Program (CWSP), Supplemental Educational Opportunity Grants Program (SEOGP) and Pell Grant Program (PGP) at Glenville State College as of June 30, 1983 and the related statements of changes in fund balances for the two years then ended. (See Exhibits A through D-1.) Our examination was made in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (revised 1981). Accordingly, we conducted such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. The U.S. Department of Education's audit guides dated June 1980 and June 1981, and its August-September 1981 Bulletin, were used as guides in the examination.

In our opinion, the aforementioned financial statements present fairly the financial position of the NDSLP, CWSP, SEOGP and PGP at Glenville State College at June 30, 1983 and the changes in fund balances for the two year period then ended, in conformity with generally accepted accounting principles applied on a consistent basis except as indicated under "Note to Financial Statements" (see page 4.)

The examination referred to above was directed primarily toward formulating an opinion on the aforementioned statements as of and for the two year period ended June 30, 1983 taken as a whole, and was not directed toward formulating an opinion on the balance sheets at June 30, 1982, or the statements of changes in fund balances for the individual years ended June 30, 1982 and

June 30, 1983. The supplemental data included in Schedules 1 through 14 have been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements of the NDSLP, CWSP, SEOGP and PGP taken as a whole.

Note to Financial Statements
For the Two Year Period Ended June 30, 1983

1. Summary of Significant Accounting Policies:

The financial statements of the NDSLP, CWSP, SEOGP and PGP at Glenville State College have been prepared in accordance with generally accepted accounting principles and provide for use of the accrual basis of accounting. Except as described in the following paragraph, generally accepted accounting principles are in agreement with the accounting practices prescribed for such programs by the U.S. Department of Education in the Terms of Agreement and in fiscal control and fund accounting procedures.

The prescribed practices for the NDSLP do not provide for accrual of interest on student loans receivable or for the establishment of an allowance for doubtful loans. Accordingly, interest on loans is recorded as received; and uncollectible loans are not recognized until the loans are cancelled or written off in conformity with NDSLP requirements. These practices do not conform with generally accepted accounting practices.

Findings and Recommendations - Financial

National Direct Student Loan Program

Imbalance of Student Loans Receivable

As of June 30, 1983 the subsidiary records of student loans receivable were \$18,160.89 less than the general ledger control accounts. (See Schedule 1.) As of the previous audit date, June 30, 1981, the subsidiary records were \$6,094.34 less than the control accounts. Further, the College has not been reconciling the subsidiary records with the control accounts each month.

Regular reconcilments each month are important to avoid errors which affect individual borrowers' obligations to the NDSLP fund as well as the contributions to the fund by the College and the federal government.

During this audit, College officials located errors accounting for \$1,319.40 of the above difference. At the completion of the audit the officials were in the process of making a detailed audit of all transactions which could be involved in the above difference. We recommend that efforts be continued until all of the errors causing the above difference are located and corrected.

Investment of Excess Funds

As of June 30, 1983 the College had \$150,393.87 in a checking account and certificates of deposit at a local bank. Since FDIC insurance is limited to \$100,000.00, the \$50,393.87 in excess thereof in the local bank was not insured.

For protection of NDSLPL funds they should be invested only in federally insured accounts or securities.

At the time of this audit (November 1983) funds in the local bank were less than \$100,000.00.

We recommend in the future any temporarily excess funds be invested in federally secured U.S. Treasury bills or notes, or in other federally insured accounts or investments.

Supplemental Educational Opportunity Grants Program

Interest Income

During the period of this audit, the College received \$167.26 in interest on the bank checking account for the SEOGP. (See Exhibit C.)

Since the SEOGP is fully funded by the federal government, any income occasioned by SEOGP funds should be remitted to the federal government.

During this audit (November 1983) College officials arranged to remit the \$167.26 of interest income to the federal government.

Incomplete Subsidiary Accounts

The SEOGP subsidiary accounts have shown the amount each student received each semester and total amount received, but have not reflected the dates of the award payments and control (or check) identification number.

The federal regulations for the SEOGP indicate that the institution must establish and maintain general ledger control accounts and related subsidiary accounts. For subsidiary accounts to be complete, they must show dates of disbursements and control, or check numbers involved.

College officials arranged to have complete subsidiary accounts for the SEOGP awards paid out in the future.

Pell Grant Program

Incomplete Subsidiary Accounts

The PGP subsidiary accounts have shown the amount each student received each semester and total amount received, but have not reflected the dates of the award payments and control (or check) identification number.

The federal regulations for the PGP require adequate accounting records, which include general ledger control accounts and related subsidiary accounts. For subsidiary accounts to be complete, they must show dates of disbursements and control, or check numbers involved.

College officials arranged to have complete subsidiary accounts for the PGP awards paid out in the future.

Part IV - Internal Accounting and Administrative Controls and Compliance

Auditors' Conclusions on Internal Accounting and
Administrative Controls and Compliance Information

We have examined the financial statements on the NDSLPL, CWSP, SEOGP and PGP at Glenville State College for the two year period ended June 30, 1983. Our opinion on the above statements is contained on pages 3 and 4 of this report. As a part of our examination, we have made a study of the College's system of internal accounting control to the extent we considered necessary to evaluate the system as required by the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (revised 1981). 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.

We have also made a study of those internal accounting control and administrative control procedures at Glenville State College that we considered relevant to the criteria established in the U.S. Department of Education's audit guides dated June 1980 and June 1981, and its August-September Bulletin. Our study included tests of compliance with such procedures during the period July 1, 1981 through June 30, 1983.

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. We understand that the objective of those administrative control procedures comprehended in the U.S. Department of Education criteria is to provide similar assurance as to compliance with its related requirements. The concept of reasonable assurance recognizes that the cost of a system of internal 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 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 intentionally by management with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal 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.

We understand that procedures in conformity with the criteria referred to in the second paragraph of this PART are considered by the U.S. Department of Education to be adequate for its purposes in accordance with the provisions of the Higher Education Act of 1965 and related regulations, and that the procedures not in conformity therewith indicate some inadequacy for such purposes. Based on this understanding and our study, we believe Glenville State College followed procedures which were adequate for the Department's purposes, except for the conditions described on pages 4 and 5, which we believe are not in conformity with the criteria referred to above.

Part V - Prior Audit Report, for the Period
July 1, 1979 - June 30, 1981

The prior audit report included four findings, all of which have been cleared or corrected except for the following, which is repeated in this audit report:

National Direct Student Loan Program:

Imbalance of Student Loans Receivable. (See page 4.)

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 BALANCE SHEET AS OF JUNE 30, 1983 1/

Assets

Cash on Hand and in Depository	\$ 150,343.87
Student Loans Receivable (See Schedule 1)	<u>1,115,073.63</u>
Total Assets	<u>\$1,265,417.50</u>

Liabilities and Fund Balance

Liabilities:	
Accounts Payable*	\$ 347.87
Accrued Administrative Expenses Payable	<u>1,355.89</u>
Total Liabilities	1,703.76
Fund Balance:	
Capital:	
Federal Contributions:	
Authorized	1,569,466.00
Repaid	<u>-0-</u>
Balance	1,569,466.00
Institutional Contributions:	
Authorized	174,384.78
Repaid	<u>-0-</u>
Balance	<u>174,384.78</u>
Capital Fund Balance	1,743,850.78
Non-Capital Fund Deficit	<u>(480,137.04)</u>
Total Fund Balances	<u>1,263,713.74</u>
Total Liabilities and Fund Balances	<u>\$1,265,417.50</u>

* Collections on loans assigned to the United States.

1/ The amounts reported agree with the figures reported on the Fiscal-Operations Report, ED Form 646-1, except as indicated in Schedule 6.

Exhibit A

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 TWO YEAR PERIOD ENDED JUNE 30, 1983
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1983

<u>Non-Capital Fund Balance</u>	For the Period September 1, 1958 Through June 30, 1983 ^{1/}	Two Year Period Ended June 30, 1983
Additions:		
Reimbursement on Loans - Cancelled	\$ 76,582.00	\$ 43,844.00
Interest Income on Loans - Collected	151,418.11	29,244.29
Interest Income on Loans - Cancelled	103,944.61	(1,184.67)
Other Income	32,348.48	23,597.52
Total Additions	364,293.20	95,501.14
Deductions:		
Loan Principal and Interest Cancelled:		
Teaching Service	651,138.16	63,422.14
Military Service	1,091.63	-0-
Death	9,404.73	-0-
Bankruptcy	21,552.99	7,349.81
Administrative Expenses	122,323.87	36,396.94
Other Collection Costs	24,498.37	4,312.14
Other Costs or Losses	1.91	1.91
Defaulted Loan Principal and Interest Assigned/Referred to and Accepted by the United States	14,418.58	(60,159.59)*
Total Deductions	844,430.24	53,523.35
Net Increase (Decrease) For the Period	(480,137.04)	41,977.79
Fund Deficit, Beginning of Period	-0-	(522,114.83)
Non-Capital Fund Deficit, June 30, 1983	(\$ 480,137.04)	(\$ 480,137.04)
 <u>Capital Fund Balance</u>		
Federal Contributions	\$1,569,466.00	\$ 52,554.00
Institutional Contributions	174,384.78	6,999.21
Total Contributions	1,743,850.78	59,553.21
Fund Balance, Beginning of Period	-0-	1,684,297.57
Fund Balance, June 30, 1983	\$1,743,850.78	\$1,743,850.78

* Loans previously assigned, returned by the United States.

^{1/} The amounts reported agree with the figures reported on the Fiscal-Operations Report, ED Form 646-1, except as indicated in Schedule 6.

Exhibit A-1

GLENVILLE STATE COLLEGE
COLLEGE WORK-STUDY PROGRAM
BALANCE SHEET AS OF JUNE 30, 1983

Assets

Cash on Hand and in Depository	\$ 144.06
Accounts Receivable	<u>2,945.80</u>
Total Assets	<u>\$3,089.86</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Wages Payable	\$ 522.60
Accrued Administrative Expenses Payable	<u>2,021.00</u>
Total Liabilities	2,543.60
Fund Balance	<u>546.26</u>
Total Liabilities and Fund Balance	<u>\$3,089.86</u>

Exhibit B

GLENVILLE STATE COLLEGE
 COLLEGE WORK-STUDY PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1983

Additions:	
Total Grant Award Authorization	\$161,197.00
Authorization Transferred to SEOGP	<u>(7,120.00)</u>
Net Federal Funds Provided	154,077.00
Funds Provided by Institution	<u>38,519.00</u>
Total Additions	192,596.00
Deductions:	
Wages:	
Federal Share	151,893.51
Institutional Share	37,973.38
Administrative Expenses	<u>2,182.85</u>
Total Deductions	<u>192,049.74</u>
Net Increase For the Period	546.26
Fund Balance, Beginning of Period	<u>-0-</u>
Fund Balance, End of Period	<u>\$ 546.26</u>

Exhibit B-1

GLENVILLE STATE COLLEGE
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
 BALANCE SHEET AS OF JUNE 30, 1983

<u>Assets</u>	
Cash on Hand and in Depository	\$-0-
Accounts Receivable <u>1/</u>	<u>167.26</u>
Total Assets	<u>\$167.26</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts Payable <u>1/</u>	\$167.26
Fund Balance	<u>-0-</u>
Total Liabilities and Fund Balance	<u>\$167.26</u>

1/ Interest earned on the SEOGP checking account, payable to the SEOGP fund:

1981-82	\$153.01
1982-83	<u>14.25</u>
	<u>\$167.26</u>

Exhibit C

GLENVILLE STATE COLLEGE
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1983

Additions:	
Total Grant Award Authorization	\$152,630.00
Authorization Transferred from CWSP	<u>7,120.00</u>
Total Additions	159,750.00
Deductions:	
Initial Awards	77,981.56
Continuing Awards	<u>81,768.44</u>
Total Deductions	<u>159,750.00</u>
Net Increase For the Period	-0-
Fund Balance, Beginning of Period	<u>-0-</u>
Fund Balance, End of Period	<u><u>\$ -0-</u></u>

Exhibit C-1

GLENNVILLE STATE COLLEGE
PELL GRANT PROGRAM
BALANCE SHEET AS OF JUNE 30, 1983

Assets

Cash on Hand and in Depository	\$ 269.52
Accounts Receivable	<u>477.00</u>
Total Assets	<u>\$ 746.52</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Awards Payable	\$5,000.52
Accrued Administrative Expenses Payable	<u>2,570.00</u>
Total Liabilities	7,570.52
Fund Balance	<u>(6,824.00)</u>
Total Liabilities and Fund Balance	<u>\$ 746.52</u>

Exhibit D

GLENVILLE STATE COLLEGE
 PELL GRANT PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1983

Additions:	
Current Approved Authorization	\$989,839.00
Federal Funds Not Requested	<u>(5,714.34)</u>
Total Additions	984,124.66
Deductions:	
Net Awards to Students	988,896.82
Administrative Expenses	<u>2,570.00</u>
Total Deductions	<u>991,466.82</u>
Net (Decrease) For the Period	(7,342.16)
Fund Balance, Beginning of Period	<u>518.16</u>
Fund Balance, End of Period	<u><u>(\$ 6,824.00)</u></u>

Exhibit D-1

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 ANALYSIS OF STUDENT LOANS RECEIVABLE
 TWO YEAR PERIOD ENDED JUNE 30, 1983
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1983

	For the Period September 1, 1958 Through June 30, 1983 <u>1/</u>	Two Year Period Ended June 30, 1983
Balance, Beginning of Period	\$ -0-	\$1,066,504.27
Funds Advanced to Students	<u>2,868,923.28</u>	<u>405,925.59</u>
Total	2,868,923.28	1,472,429.86
Less Credits:		
Collections	1,156,759.73	342,754.63
Cancellations:		
Teaching Service	555,120.75	59,768.02
Military Service	1,068.76	-0-
Death	9,261.08	-0-
Bankruptcy	19,834.07	6,467.43
Loan Principal Adjustment - Other	1.91	1.91
Defaulted Loan Principal Assigned/Referred to and Accepted by the United States	<u>11,803.35</u>	<u>(51,635.76)</u>
Total Credits	<u>1,753,849.65</u>	<u>357,356.23</u>
Balance, June 30, 1983	1,115,073.63	<u>\$1,115,073.63</u>
Total of Individual Loan Balances	<u>1,096,912.74</u>	
Difference	<u>\$ 18,160.89</u>	

1/ The amounts reported agree with the figures reported on the Fiscal-Operations Report, ED Form 646-1.

Schedule 1

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 COMPUTATION OF DEFAULT RATE
 AS OF JUNE 30, 1983
 (CUMULATIVE INFORMATION)

Principal Outstanding on Loans in Default

Total Amount Advanced on Loans in Default	\$ 334,467.00
Deduct: Principal Amount Repaid or Cancelled	<u>90,008.00</u>
Total Remaining Principal Amount Which Has Not Been Paid, Cancelled or Assigned on Notes in Default	<u>\$ 244,459.00</u>

Total Amount of Matured Principal

Total Amount Advanced - ALL Borrowers	\$2,868,923.28
Deduct: Amount Not in Repayment Status:	
Student Status	350,604.00
Grace Period (Armed Forces, Peace Corps, Vista, Hardship)	<u>129,420.00</u>
Total Amount Not in Repayment Status	<u>480,024.00</u>
Total Amount of Matured Principal	<u>\$2,388,899.28</u>
Percentage of Loans in Default (\$244,459.00 ÷ \$2,388,899.28)	<u>10.23%</u>

Schedule 2

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 ANALYSIS OF CASH FLOW
 TWO YEAR PERIOD ENDED JUNE 30, 1983

Cash Balance, Beginning of Period		\$ 96,481.13
Add:		
Federal Contributions	52,554.00	
Institutional Contributions	6,999.21	
Reimbursement on Loans - Cancelled	43,844.00	
Payment on Loan Assigned to the United States	347.87	103,745.08
Reprogrammed Funds:		
Collections on Loans	342,754.63	
Interest Collected on Loans	29,244.29	
Other Income	23,597.52	395,596.44
Total Cash Available For the Period		595,822.65
Cash Applied:		
Funds Advanced to Students	405,925.59	
Administrative Expenses	35,041.05	
Other Collection Costs	4,512.14	
Total Cash Applied		445,478.78
Cash Balance, End of Period <u>1/</u>		\$150,343.87

1/ The amount reported agrees with the figure reported on the Fiscal-Operations Report, ED Form 646-1.

GLENVILLE STATE COLLEGE
 SCHEDULE OF ADMINISTRATIVE COST ALLOWANCE
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1983
 (UNAUDITED)

Total Administrative Cost Allowance (NDSLPL, CWSP, SEOGP and PGP)	\$40,347.13
Deduct Expenses Related to Student Consumer Information Service:	
Preparation of Information Dissemination Topics	1,100.00
Dissemination of Information to Students	900.00
Salaries of Employees	<u>3,590.00</u>
Total Expenditures Related to Student Consumer Information Service	<u>5,590.00</u>
Balance of Allowance	34,757.13
Deduct Expenditures Directly Related to Administering All Title IV Federal Student Financial Aid Programs:	
Current Expenses (Including Telephone and Printing Costs)	17,133.00
Postage	1,800.00
Salaries of Employees	<u>47,674.00</u>
Total Expenditures Directly Related to Administering All Title IV Federal Student Financial Aid Programs	<u>66,607.00</u>
Excess Expenditures Over Total Administrative Cost Allowance	<u>(\$31,849.87)</u>

Schedule 4

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 1982 AND JUNE 30, 1983

<u>Non-Capital Fund Balance</u>	<u>Year Ended June 30, 1982</u>	<u>Year Ended June 30, 1983</u>	
Additions:			
Reimbursement on Loans - Cancelled	\$ 27,373.00	\$ 16,471.00	
Interest on Loans - Collected	17,694.06	11,550.23	
Interest on Loans - Cancelled	3,700.50	(4,885.17)	
Other Income	<u>6,349.95</u>	<u>17,247.57</u>	
Total Additions	55,117.51	40,383.63	
Deductions:			
Loan Principal and Interest Cancelled:			
Teaching Service	44,564.18	20,857.96	
Bankruptcy	520.11	6,829.70	
Administrative Expenses	17,959.55	18,437.39	
Other Collection Costs	3,046.61	1,465.53	
Other Costs or Losses	-0-	1.91	
Defaulted Loan Principal and Interest Assigned/Referred to and Accepted by the United States	<u>385.50</u>	<u>(60,545.09)*</u>	
Total Deductions	<u>66,475.95</u>	<u>(12,952.60)</u>	
Net Increase (Decrease) For the Year	(11,358.44)	53,336.23	
Fund Deficit, Beginning of Year	<u>(522,114.83)</u>	<u>(533,473.27)</u>	
Fund Deficit, End of Year	<u>(\$533,473.27)</u>	<u>(\$480,137.04)</u>	
 <u>Capital Fund Balance</u>			
	<u>Federal</u>	<u>Institutional</u>	<u>Total</u>
Fund Balance, Beginning of Period	\$1,516,912.00	\$ 167,385.57	\$1,684,297.57
Add Contributions:			
July 1, 1981 - June 30, 1982	52,554.00	6,999.21	59,553.21
July 1, 1982 - June 30, 1983	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Capital Fund Balance, End of Period <u>1/</u>	<u>\$1,569,466.00</u>	<u>\$ 174,384.78</u>	<u>\$1,743,850.78</u>

* Loans previously assigned, returned by the United States.

1/ The amounts reported agree with the figures reported on the Fiscal-Operations Report, ED Form 646-1.

Schedule 5

GLENVILLE STATE COLLEGE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 COMPARISON OF FISCAL REPORT (ED 646-1)
 WITH ACCOUNTING RECORDS AS AUDITED
 AS OF JUNE 30, 1983

	<u>Per ED 646-1*</u>	<u>As Audited</u>	<u>Difference</u>
<u>Debit Balances</u>			
Cash on Hand and in Depository	\$ 150,344.00	\$ 150,343.87	\$.13
Funds Advanced to Students	2,868,923.00	2,868,923.28	(.28)
Defaulted Loan Principal and Interest Assigned/Referred to and Accepted by the United States	14,419.00	14,418.58	.42
Administrative Expenses	120,968.00	122,323.87	(1,355.87)
Other Collection Costs	24,498.00	24,498.37	(.37)
Loan Principal and Interest Cancelled:			
Teaching Service - Loans Made Prior to July 1, 1972	526,347.00	526,347.66	(.66)
Teaching Service - Loans Made July 1, 1972 and After	124,790.00	124,790.50	(.50)
Military Service	1,092.00	1,091.63	.37
Death	9,405.00	9,404.73	.27
Bankruptcy	21,553.00	21,552.99	.01
Other Costs or Losses	2.00	1.91	.09
Total Debit Balances	<u>\$3,862,341.00</u>	<u>\$3,863,697.39</u>	<u>(\$ 1,356.39)</u>
<u>Credit Balances</u>			
Loan Principal Collected	\$1,156,760.00	\$1,156,759.73	\$.27
Defaulted Loan Principal Assigned/Referred to and Accepted by the United States	11,803.00	11,803.35	(.35)
Loan Principal Cancelled:			
Teaching Service - Loans Made Prior to July 1, 1972	442,583.00	442,583.38	(.38)
Teaching Service - Loans Made July 1, 1972 and After	112,537.00	112,537.37	(.37)
Military Service	1,069.00	1,068.76	.24
Death	9,261.00	9,261.08	(.08)
Bankruptcy	19,834.00	19,834.07	(.07)
Federal Capital Contributions	1,569,466.00	1,569,466.00	-0-
Institutional Capital Contributions	174,385.00	174,384.78	.22
Interest Income on Loans	255,363.00	255,362.72	.28
Other Income	32,696.00	32,348.48	347.52
Reimbursement to Fund of Amount Cancelled on Loans Made July 1, 1972 and After	76,582.00	76,582.00	-0-
Loan Principal Adjustments - Other	2.00	1.91	.09
Accounts Payable:			
Due United States	-0-	347.87	(347.87)
Accrued Administrative Expenses Payable	-0-	1,355.89	(1,355.89)
Total Credit Balances	<u>\$3,862,341.00</u>	<u>\$3,863,697.39</u>	<u>(\$ 1,356.39)</u>

* Rounded off.

Schedule 6

GLENVILLE STATE COLLEGE
 SCHEDULE OF DISTRIBUTION OF ADMINISTRATIVE EXPENSES CLAIMED
 (NDSLP, CWSP, SEOGP AND PGP)
 FISCAL YEAR 1983

Program	Administrative Expenses Claimed	Distribution of Charges for Administrative Expenses Claimed			
		NDSLP	CWSP	SEOGP	PGP
National Direct Student Loan Program	\$11,533.72	\$11,533.72	\$ -0-	\$ -0-	\$ -0-
College Work-Study Program	4,013.60	1,992.60	2,021.00	-0-	-0-
Supplemental Educational Opportunity Grants Program	4,108.40	4,108.40	-0-	-0-	-0-
Pell Grant Program	<u>2,570.00</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,570.00</u>
Totals	<u>\$22,225.72</u>	<u>\$17,634.72</u>	<u>\$ 2,021.00</u>	<u>\$ -0-</u>	<u>\$ 2,570.00</u>

Schedule 7

GLENVILLE STATE COLLEGE
 SCHEDULE OF DISTRIBUTION OF ADMINISTRATIVE EXPENSES CLAIMED
 (NDSLPL, CWSP AND SEOGP)
 FOR THE YEAR 1982

<u>Program</u>	<u>Administrative Expenses Claimed</u>	<u>Distribution of Charges for Administrative Expenses Claimed</u>		
		<u>NDSLPL</u>	<u>CWSP</u>	<u>SEOGP</u>
National Direct Student Loan Program	\$ 8,762.56	\$ 8,762.56	\$ -0-	\$ -0-
College Work-Study Program	5,479.75	5,317.90	161.85	-0-
Supplemental Educational Opportunity Grants Program	<u>3,879.10</u>	<u>3,879.10</u>	<u>-0-</u>	<u>-0-</u>
Totals	<u>\$18,121.41</u>	<u>\$17,959.56</u>	<u>\$ 161.85</u>	<u>\$ -0-</u>

Schedule 8

GLENVILLE STATE COLLEGE
COLLEGE WORK-STUDY PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1983 1/

	<u>Per ED 646-1</u>	<u>As Audited</u>
Additions:		
Total Grant Award Authorization	\$71,197.00	\$71,197.00
1981-82 Funds Carried Forward and Spent in 1982-83	2,162.00	2,162.00
Authorization Transferred to SEOGP	(7,120.00)	(7,120.00)
Federal Funds Not Requested	<u>(2,162.00)</u>	<u>(2,162.00)</u>
Net Federal Funds Provided	64,077.00	64,077.00
Funds Provided by Institution	<u>14,563.73</u>	<u>14,563.73</u>
Total Additions	78,640.73	78,640.73
Deductions:		
Wages:		
Federal Share	64,217.59	64,217.59
Institutional Share	16,054.40	16,054.40
Administrative Expenses*	<u>2,021.00</u>	<u>2,021.00</u>
Total Deductions	<u>82,292.99</u>	<u>82,292.99</u>
Net (Decrease) For the Year	(3,652.26)	(3,652.26)
Fund Balance, Beginning of Year	<u>4,198.52</u>	<u>4,198.52</u>
Fund Balance, End of Year	<u>\$ 546.26</u>	<u>\$ 546.26</u>

* Additional earned administrative expenses of \$1,992.60 were charged to NDSLP. (See Schedule 7.)

1/ The amounts reported agree with the figures reported on the Fiscal-Operations Report, ED Form 646-1.

Schedule 9

GLENVILLE STATE COLLEGE
 COLLEGE WORK-STUDY PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1982 1/

	<u>Per ED 646-1</u>	<u>As Audited</u>
Additions:		
Total Grant Award Authorization	\$ 90,000.00	\$ 90,000.00
1981-82 Funds Carried Forward and Spent in 1982-83	(2,162.00)	(2,162.00)
Additional Federal Funds Deposited	<u>2,162.00</u>	<u>2,162.00</u>
Net Federal Funds Provided	90,000.00	90,000.00
Funds Provided by Institution	<u>23,955.27</u>	<u>23,955.27</u>
Total Additions	113,955.27	113,955.27
Deductions:		
Wages:		
Federal Share	87,675.92	87,675.92
Institutional Share	21,918.98	21,918.98
Administrative Expenses*	<u>161.85</u>	<u>161.85</u>
Total Deductions	<u>109,756.75</u>	<u>109,756.75</u>
Net Increase For the Year	4,198.52	4,198.52
Fund Balance, Beginning of Year	<u>-0-</u>	<u>-0-</u>
Fund Balance, End of Year	<u>\$ 4,198.52</u>	<u>\$ 4,198.52</u>

* Additional administrative expenses of \$5,317.90 were charged to NDSLIP.
 (See Schedule 8.)

1/ The amounts reported agree with the figures reported on the Fiscal-
 Operations Report, ED Form 646-1.

Schedule 10

GLENVILLE STATE COLLEGE
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1983 1/

	<u>Per ED 646-1</u>	<u>As Audited</u>
Additions:		
Total Grant Award Authorization	\$75,048.00	\$75,048.00
Authorization Transferred from CWSP	<u>7,120.00</u>	<u>7,120.00</u>
Total Additions	82,168.00	82,168.00
Deductions:		
Initial Awards	41,037.56	41,037.56
Continuing Awards	41,130.44	41,130.44
Administrative Expenses*	<u>-0-</u>	<u>-0-</u>
Total Deductions	<u>82,168.00</u>	<u>82,168.00</u>
Net Increase For the Year	-0-	-0-
Fund Balance, Beginning of Year	<u>-0-</u>	<u>-0-</u>
Fund Balance, End of Year	<u>\$ -0-</u>	<u>\$ -0-</u>

* Earned administrative expenses of \$4,108.40 were charged to NDSLP.
 (See Schedule 7.)

1/ The amounts reported agree with the figures reported on the Fiscal-
 Operations Report, ED Form 646-1.

Schedule 11

GLENVILLE STATE COLLEGE
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1982 1/

	<u>Per ED 646-1</u>	<u>As Audited</u>
Additions:		
Total Grant Award Authorization	\$77,582.00	\$77,582.00
Total Additions	77,582.00	77,582.00
Deductions:		
Initial Awards	36,944.00	36,944.00
Continuing Awards	40,638.00	40,638.00
Administrative Expenses*	-0-	-0-
Total Deductions	77,582.00	77,582.00
Net Increase For the Year	-0-	-0-
Fund Balance, Beginning of Year	-0-	-0-
Fund Balance, End of Year	<u>\$ -0-</u>	<u>\$ -0-</u>

* Earned administrative expenses of \$3,879.10 were charged to NDSLP.
(See Schedule 8.)

1/ The amounts reported agree with the figures reported on the Fiscal-
Operations Report, ED Form 646-1.

Schedule 12

GLENVILLE STATE COLLEGE
 PELL GRANT PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1983

	<u>Per 255-3</u>	<u>As Audited</u>	<u>Difference</u>
Additions:			
Current Approved Authorization	\$513,683.00	\$513,683.00	\$ -0-
Federal Funds Not Requested	<u>(4,681.00)</u>	<u>(4,681.00)</u>	<u>-0-</u>
Total Additions	509,002.00	509,002.00	-0-
Deductions:			
Net Awards to Students	513,683.00	513,683.00	-0-
Administrative Expenses	<u>2,570.00</u>	<u>2,570.00</u>	<u>-0-</u>
Total Deductions	<u>516,253.00</u>	<u>516,253.00</u>	<u>-0-</u>
Net (Decrease) For the Year	(7,251.00)	(7,251.00)	-0-
Fund Balance, Beginning of Year	<u>421.82</u>	<u>427.00</u>	<u>(5.18)</u>
Fund Balance, End of Year	<u>(\$ 6,829.18)</u>	<u>(\$ 6,824.00)</u>	<u>(\$ 5.18)</u>

Schedule 13

GLENVILLE STATE COLLEGE
 PELL GRANT PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1982

	<u>Per 255-3</u>	<u>As Audited</u>	<u>Difference</u>
Additions:			
Current Approved Authorization	\$476,156.00	\$476,156.00	\$ -0-
Federal Funds Not Requested	<u>(1,033.34)</u>	<u>(1,033.34)</u>	<u>-0-</u>
Total Additions	475,122.66	425,122.66	-0-
Deductions:			
Net Awards to Students	<u>475,219.00</u>	<u>475,213.82</u>	<u>5.18</u>
Net (Decrease) For the Year	(96.34)	(91.16)	(5.18)
Fund Balance, Beginning of Year	<u>518.16</u>	<u>518.16</u>	<u>-0-</u>
Fund Balance, End of Year	<u>\$ 421.82</u>	<u>\$ 427.00</u>	<u>(\$ 5.18)</u>

Schedule 14

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 9th day of May,
1984.



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 the U.S. Department of Education; Glenville State College; West Virginia Board of Regents; Governor; Attorney General; and, State Auditor.