

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

FOR THE PERIOD

JULY 1, 1981 - JUNE 30, 1987

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

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

Sir:

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

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

Respectfully submitted,

Theodore L. Shanklin

Theodore L. Shanklin, CPA, Director
Legislative Postaudit Division

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POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

TABLE OF CONTENTS

Exit Conference	1
Introduction	2
Implementation of Prior Audit Recommendations	4
Administrative Officers	5
Summary of Findings, Recommendations and Responses	6
General Remarks	11
Auditors' Opinion	38
Statement of Appropriations/Cash Receipts, Expenditures/ Disbursements and Changes in Fund Balances	39
Notes to Financial Statement	41
Supplemental Information	45
Certificate of Legislative Auditor	85

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
EXIT CONFERENCE

We held an exit conference on November 17, 1988, with the Executive Dean and the Assistant Dean for Fiscal Affairs of the College and the Associate Vice President for Finance of West Virginia University and all findings and recommendations were reviewed and discussed. The Executive Dean's responses are included in the Summary of Findings, Recommendations and Responses and after our recommendations in the following General Remarks.

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

INTRODUCTION

Potomac State College located just off Route 220 in Keyser, West Virginia, traces its origin to an act of the West Virginia Legislature in 1901 by which it became the "Keyser Preparatory Branch of West Virginia University. From 1902 to 1921 the Institution functioned essentially as a secondary school in an area of West Virginia where few public high schools existed. In 1921, because appreciable numbers of high schools had been opened in the surrounding area, the principal function of what was then called "Potomac State School" became that of providing the first two years of the baccalaureate and certain vocational programs. The essential nature of the College has remained unchanged since that time.

In 1935, the College was placed under the management of the Board of Governors of West Virginia University, and the name was modified to "Potomac State School of West Virginia University. The already close relationship with the State University was strengthened and developed during the ensuing years. In 1953 the Legislature further modified the name to "Potomac State College of West Virginia University." In 1969 the West Virginia Board of Regents was established, which has jurisdiction over all West Virginia institutions of higher education.

Potomac State College is accredited by the North Central Association of Colleges and Schools. Potomac State College established standards necessary to meet requirements for membership in the North Central Association of Colleges and Schools in 1926 and has maintained membership in the North Central Association continuously since then.

Programs available to students at Potomac State College are General Arts and Sciences, Agriculture, Biology, Business Administration, Chemistry, Computer Science, Dentistry, Economics, Education, Engineering, English, Forestry, Geology,

History, Home Economics, Journalism, Law, Mathematics, Medical Technology, Medicine, Modern Languages, Music, Pre-Nursing (1 year), Pharmacy, Physical Education, Physical Therapy, Physics, Political Science, Psychology, Social Work, Sociology, and Veterinary Medicine.

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
IMPLEMENTATION OF PRIOR AUDIT RECOMMENDATIONS

In the prior audit covering the period January 1, 1977 through June 30, 1981, 35 recommendations were made. Three of these recommendations were for noncompliance with the West Virginia Code and 32 for internal control weaknesses. It appears that two of the noncompliances with the West Virginia Code have not been implemented and those are:

1. The College did not deposit cash collection within 24 hours after receipt as required by Chapter 12, Article 2, Section 2 of the West Virginia Code. (See pages 15-19.)
2. The College did not submit an annual inventory of all equipment in its possession as required by Chapter 5A, Article 3, Section 42 of the West Virginia Code. (See pages 31-32.)

It appears the following six internal control recommendations have not been implemented.

1. The farm and greenhouse did not deposit collections in the cashier's office on a timely basis (in accordance with Chapter 12, Article 2, Section 2 of the West Virginia Code). (See pages 18-19.)
2. The Student Union did not deposit cash collections in the cashier's office on a daily basis (in accordance with Chapter 12, Article 2, Section 2 of the West Virginia Code). (See page 18.)
3. The College did not prepare cash receipt and disbursement statements on a regular basis for the National Direct Student Loan; the Pennsylvania Higher Education Assistance, the Potomac State College - Keyser Rotary Club Student Loan, the Potomac State College- Emergency Loan Funds for managements use. (See page 36.)
4. The Potomac State College - Keyser Rotary Club Student and Potomac State College - Emergency Loan Funds were not controlled by the business office. (See pages 36-37.)
5. The College did not exercise adequate control over long distance telephone calls. (See pages 35-36.)
6. The College has not prepared written accounting procedures for the Business Office. (See pages 34-35.)

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

ADMINISTRATIVE OFFICERS

Executive Dean of the College James L. McBee, Jr., PH.D.
Associate Dean of the College Nancy M. Hockensmith, M.S.
President of West Virginia University Neil S. Bucklew, PH.D.
Assistant Dean for Business Affairs Abraham J. Evans, M.S.
Assistant Dean for Admission and Records Charles H. Via
Assistant Dean for Student Affairs Todd S. Voss, Ed.D.
Chairperson, Division of Applied Sciences;
Career Programs and Technologies Oscar H. Gustafson, M.S.
Chairperson, Division of Natural and Physical
Sciences and Mathematics Robert W. Naylor, PH.D.
Chairperson, Division of Social
Sciences and Education Dallas B. Shaffer, PH.D.
Chairperson, Division of Arts and Humanities Charles D. Whitehill, PH.D.

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Noncompliance With Chapter 12, Article 2, Section 2

1. The College has not complied with Chapter 12, Article 2, Section 2 of the West Virginia Code in the following areas: in accordance with West Virginia State Code (Chapter 12, Article 2, Section 2).

a. As we noted in the prior audit cashier's collections were not always deposited within 24 hours.

Friday collections by the college cashier which are not deposited by 2:00 p.m. are not credited until 9:00 a.m. the following Monday (or Tuesday in the event of a Monday holiday). Unfortunately, the final day for payment in the August registration, one of the largest volume of transactions each year, is normally the Friday before labor day. (See pages 15-16.)

b. Athletic Department receipts are deposited more than 24 hours after collection approximately 95% of the time.

Proceeds from Friday evening and weekend events can not be deposited until the first normal working day after the event without requiring the cashier to come in on overtime. (See pages 17-18.)

c. As we noted in the prior audit student union receipts were not deposited within 24 hours.

d. As we noted in the prior audit farm and greenhouse receipts are not deposited within 24 hours.

The farm situation is perplexing. The receipts are, generally speaking, the result of the sale of various agricultural products, which are, in turn, governed by the normal marketing procedures dictated by a market of which the college is but a very small part. (See pages 18-19.)

e. The Treasurer's Office was not notified by telephone on the date of deposit when such deposit was in excess of \$100,000.00.

We will comply. (See page 19.)

The College lost opportunities to earn interest on moneys that were not deposited in the State Treasury within 24 hours. The interest not earned amounted to a minimum of \$616.75 on the items described in the paragraphs above. In addition, each of the situations in the preceding paragraphs are weaknesses that provide opportunities for possible misappropriation of funds.

We recommend the College comply with Chapter 12, Article 2, Section 2 of the West Virginia Code. (See Pages 15-19.)

Unsecured Loans to Students

2. Students did not always pay all their tuition, fees and room and board prior to or at the time of registration. Loans were arranged based on the College's Benedum Loan Fund, but the total loaned was in excess of the cash available in the Loan Fund.

We recommend the College comply with its own policies and Board of Regents Policy Bulletin 22.

This practice was terminated prior to the January 1988 registration when it was reported by the Interim Chief Business Officer to the new Executive Dean. (See pages 19-21.)

Interest Not Properly Distributed

3. The College has distributed earned interest to the Special Services Account instead of distributing it to all of the appropriate accounts.

We recommend the College comply with Chapter 18, Article 24, Section 12 of the West Virginia Code.

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

Student Union Revenue Bonds and Dormitory Bonds

4. The College has not complied with the provisions of the bond resolutions with respect to the use of excess funds. The total excess funds appears to be \$1,474,077.49.

We recommend the College comply with the applicable sections and articles of the bond resolutions for the Student Union Revenue Bonds and the Dormitory Bonds.

The dormitory bonds were defeased in February of 1988. Discussions preparatory to defeasement of the Student Union bonds have already commenced. (See pages 22-30.)

Noncompliance With Chapter 5, Article 8, Section 17

5. The College was unable to find copies of certain transmittals that may have been voided. The College was also unable to find documentation authorizing one loan from the Keyser Rotary Student Loan Fund.

We recommend the College comply with Chapter 5, Article 8, Section 17 of the West Virginia Code. (See page 31.)

Equipment Inventory

6. As we noted in the previous audit the College did not submit an annual inventory of all equipment in its possession as of June 30, 1987.

We recommend the College comply with Chapter 5A, Article 3, Section 42 of the West Virginia Code.

We will comply. (See pages 31-32.)

Internal Controls and Accounting System

7. Internal control, as indicated in the part of this report entitled "Areas of Noncompliance," is weak in several areas.

We recommend the College review these areas and take the necessary steps to strengthen the internal controls.

Compliance with recommendations regarding the Benedum Loan Fund and equipment inventory has been accomplished or will be achieved as soon as possible. The problem regarding receipt deposits have been discussed. (See pages 32-34.)

a. Cash Management

During the audit we noted the following areas of weakness in internal control:

- i. As noted in the prior audit written procedures have not been established for cash collections.
- ii. As noted in our prior audit, adequate supervision is not provided over the work of the cashier.
- iii. Only one person is fully trained to perform the functions of the cashier's office.
- iv. The cashier's office maintains \$2,500.00 cash on the premises at all times.

We Recommend the College review and strengthen internal control over the cash management area.

Written procedures for cash collections will be prepared. The Chief Business Officer will review the cashier's work on a frequent basis informally. The Chief Business Officer currently does a semi-monthly review, and meets intermittently with the cashier at either's request to review any nonstandard procedure issues which arise. The cash account has been reviewed and the need has been reconfirmed at \$2,500.

(See pages 34-35.)

Farm Receipts

8. As noted in our prior audit, prenumbered receipt tickets are not used for sales made at the farm.

We recommend the College review and strengthen this area of internal control. (See page 35.)

Long Distance Calls

9. As noted in the prior audit the College does not have procedures to identify individuals who make long distance calls.

We recommend the College review and strengthen this area of internal control.

Long distance calls on college telephones in office areas are possible only through the computerized telephone switching system and require the use of a telephone identification number which is assigned individually to personnel requiring long distance access and changed periodically. A printout of all long distance calls by each TIN is obtained monthly for supervisory review. (See pages 35-36.)

College's General Comment

As may be observed from the above comments, differences of opinion exist relative to some of the Audit findings. In other instances in which the auditor's findings have proved to be valid, we readily acknowledged such and began implementing corrective actions. (See page 37.)

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of Potomac State College of West Virginia University. The audit covered the period July 1, 1981 through June 30, 1987.

APPROPRIATED FUNDS

Expenditures required for the general operations of Potomac State College of West Virginia University are made from the following appropriated accounts:

<u>Number</u>	<u>Description</u>
3150-00	Personal Services
3150-01	Current Expenses
3150-02	Repairs and Alterations
3150-03	Equipment
3150-66	Annual Increment

SPECIAL REVENUE ACCOUNTS

During the audit period Potomac State College of West Virginia University maintained 20 special revenue accounts. These accounts represent funds to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulations. These funds are deposited with the State Treasurer in the following special revenue accounts:

<u>Number</u>	<u>Description</u>
8641-07	Faculty Improvement Fees Allocation from West Virginia Board of Regents; to supplement faculty salaries.
8641-08	Capital Building and Land Improvements Allocation from West Virginia Board of Regents; for maintenance repairs and small projects for on-campus grounds and facilities.

- 8641-10 Gifts and Grants
Miscellaneous gifts, grants, bequests
and endowments; for scholarships,
loans, research projects, etc.
- 8641-11 Higher Education Resource Fees
Higher education resource fee and
earned interest; for libraries and
library supplies and to improve stu-
dent services.
- 8641-20 Federal Programs
Federal funds and grants; for depart-
mental education needs and services to
students.
- 8641-32 Housing and Dining
Rental fees, board, damage deposits
and earned interest; for operation and
maintenance costs and service of
bonds.
- 8641-34 Student Union
Student Union fee, sales revenue and
earned interest; for operation of
Student Union building and service of
bonds.
- 8641-35 Faculty and Married Student Housing
Rental fees and earned interest; for
operation and maintenance costs and
service of bonds.
- 8641-39 Athletic Facilities Construction and
Reserve
Athletic fees, miscellaneous collec-
tions, and earned interest; for major
capital improvements of athletic
facilities.
- 8641-40 Athletics
Athletic and admission fees and earned
interest; for expenses of Athletic
Department and programs.
- 8641-41 Student Activities
Student fees and earned interest; to
support extra curricular activities.
- 8641-51 College Work-Study
Federal and State matching funds; for
student assistance programs.

- 8641-58 Scholarship Program - Clearing Account
Clearing account for funds from Board
of Regents; for scholarship purposes.
- 8641-60 Special Services
Fees, miscellaneous revenue and earned
interest; Use designated by type of
fee collected.
- 8641-62 Farm Sales
Receipts from sales of milk, livestock
and other farm products; for the ex-
pense of operating the farm.
- 8641-65 Building and Campus Renewal
Allocated by the Board of Regents; for
major capital improvements.
- 8641-78 Clearing Account-Revenue
Clearing account for local revenue and
earned interest; transferred to other
line items.
- 8700-07 Faculty Improvement Fees
Interest and faculty improvement fees;
used to give equitable and merit
raises to full-time instructional
faculty.
- 8700-11 Higher Education Resources
Higher education resource fee and
earned interest; to meet general
operating expenses of State higher
education system and for scholarship
program.
- 8830-99 Registration Fees - Special Capital
Improvement Fund
Income from student fees; for use by
the Board of Regents for allocation to
Special Capital Improvements.
- 8855-99 State System Tuition - Special Capital
Improvement Fund
Tuition fees; used by Board of Regents
for allocation to special capital
improvements.

LOCAL ACCOUNTS

During the audit period, Potomac State College of West Virginia University maintained nine local accounts which were as follows:

<u>Description</u>	<u>Purpose</u>
National Direct Student Loan Program	Receives funds from Federal government with the College providing a one-ninth matching amount; for loans to students to be repaid or cancelled under certain circumstances after graduation.
Pennsylvania Higher Education Assistance Agency	Receives funds from the State of Pennsylvania; for providing financial assistance to students from that state. This account is set up on a yearly basis. A check along with a list of students and amounts allocated is furnished the school each year. Grants are made by check to each student. If students listed do not attend school, then at the close of the school year a refund is made to close the account.
Potomac State College Emergency Loan Fund	Receive funds from contributions to the College from local service clubs, private industries, corporations, individuals, etc., used for loans to students by application for emergency purposes or as advances for other types of financial aid in process.
Keyser Rotary Club Student Loan Fund - Potomac State College	The initial revenue for this loan fund was provided by the Rotary Club of Keyser used to provide short-term loans to students with momentary financial problems. The loans are generally secured by other types of financial aid in process. The College financial aid office has the responsibility of assessing the need for the money and is in turn responsible for collecting the outstanding balances. The money is held by the College in a trustee relationship.
Student Union Check Cashing Account	Balance of \$200.00 transferred from Collection Account to open this account. Revenue is derived from a ten dollar fee for each bad check returned. The only disbursements from this account are bank debits for non sufficient fund checks.
Potomac State College Supplemental Educational Opportunity Grant Program	Receives grant funds from the Federal government and disburses approved grants to eligible students.

Potomac State College Basic Educational Opportunity Grant Program	Receives grant funds from the Federal government and disburses approved grants to eligible students.
Potomac State College Student Aid Clearing Account	Receipts are from scholarship and loan sources from which student fees are paid and the net is disbursed to the student.
Potomac State College Student Fee Refund Account	Receipts are from the various special revenue accounts to which the refund should have been charged. Disbursements are made to students who are due a refund for tuition, room, board, and/or fees.

AREAS OF NONCOMPLIANCE

Potomac State College of West Virginia University is governed in general by Chapter 18, Article 11, 24, 25 and 26-13b of the West Virginia Code, as amended. 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 listed below.

Noncompliance With Chapter 12, Article 2, Section 2

During the period under audit, we noted several instances that appeared to be in noncompliance with the provisions of Chapter 12, Article 2, Section 2 of the West Virginia Code. This section of the Code states in part:

"All officials and employees of the State authorized by statute to accept moneys due the State of West Virginia shall keep a daily itemized record of such moneys so received for deposit in the state treasury and shall deposit within twenty-four hours with the state treasurer all moneys received or collected by them for or on behalf of the State for any purpose whatsoever. The treasurer shall promulgate rules and regulations, in accordance with the provisions of chapter twenty-nine-A [§ 29A-1-1 et seq.] of this Code governing the procedure for such deposits."

The Administrative Regulations promulgated by the Treasurer states in part at Section 3.05:

"Whenever an agency makes a deposit in excess of one hundred thousand dollars, the agency shall notify the treasurer's office of such deposit by telephone on the same day."

The specific areas of seeming noncompliance are summarized below with more detailed descriptions on the following pages:

1. College Cashier's Collections
2. Athletic Department
3. Student Union
4. Farm
5. Telephone Notification to Treasurer's Office

College Cashier's Collections

As we noted in the prior audit receipts were not always deposited in 24 hours. During the current testing of the collection procedures we noted many occasions throughout the audit period when receipts were not deposited within 24 hours. In the fiscal years ended June 30, 1987 and 1986 we tested \$660,473.25 and \$630,973.93, respectively, of reported daily collections. We noted that \$404,593.41 (or 61%) of fiscal year 1987 receipts and \$372,802.98 (or 59%) of fiscal year 1986 receipts were deposited more than 24 hours after collection with the lateness ranging up to four days.

We were told that the person responsible for taking the deposit to the bank was not always available. This was due in part to the individual being on leave or being involved with other duties which prevented the individual from taking the necessary time to make the deposit. We were also told it is normal procedure to hold deposits over weekends and holidays.

Friday collections by the college cashier which are not deposited by 2:00 p.m. are not credited until 9:00 a.m. the following Monday (or Tuesday in the event of a Monday holiday). Unfortunately, the final day for payment in the August registration, one of the largest volume of transactions each year, is normally the Friday before Labor Day.

While the regulations are clear, there is no advantage to the college or the treasurer's office in depositing Friday receipts on Saturday. To do so, in fact, would be fiscally disadvantageous in that it would require the college's only cashier to work overtime on Saturdays, at additional cost, but still would not advance the official posting of the deposit for interest collection purposes.

Every effort is made to assure timely deposit of various small account receipts. However, in order to maintain our system of internal control over the handling of cash receipts, it is not possible to make the deposits with the University cashier within 24 hours of receipt. All deposits, including the branch locations, must be audited and deposited with the head cashier. Given our operating dispersion, we would welcome any suggestions as to how deposits of cash receipts can be improved.

Athletic Department

During the testing of receipts from the sale of tickets to athletic events we noted many occasions throughout the audit period when receipts were not deposited within 24 hours. In the fiscal years ended June 30, 1987 and 1986 we tested \$2,305.00 and \$3,246.50 respectively of reported daily collections. We noted that \$2,200.00 (or 95.4%) of fiscal year 1987 receipts and 100% of fiscal year 1986 receipts were deposited more than 24 hours after collection with the period of lateness ranging from one to six days.

We were told that the receipts, ticket stubs and unused tickets are placed in the cashier's safe at halftime of the sporting event. At a later date the game report is prepared and the deposit is made.

Proceeds from Friday evening and weekend events (which are the preponderance of such events) can not be deposited until the first normal working day after the event without requiring the cashier to come in on overtime. Furthermore, such receipts will not be credited to account by the bank until the next working day. Given the extremely small amount of athletic receipts, the loss

of interest in none or negligible, and the cost of overtime to process these receipts more rapidly would far exceed lost interest, and in specific instances might approach or exceed the total receipts involved. Furthermore, we are not aware of any instances wherein cash receipts have been lost as a result of current practices.

Student Union

As we noted in the previous audit, receipts are not being deposited with the College's cashier, within 24 hours. It also appeared during our current audit testing that receipts were being deposited only once or twice per week. In the years ended June 30, 1987 and 1986 we tested \$12,981.53 and \$15,689.14 respectively of reported daily receipts. We noted that \$9,254.79 (or 71.3%) of the 1987 receipts above and \$12,975.91 (or 82.7%) of the 1986 receipts above were not deposited within 24 hours. In the 1987 fiscal year the delay in deposits ranged up to seven days.

We were told the individual in the Student Union who prepares the daily sales report has other daily duties to perform and isn't always able to get the receipts to the cashier each day.

Farm

As we noted in the previous audit, receipts from the farm and greenhouse were not always deposited within 24 hours nor were sales invoices properly controlled. For the fiscal years ended June 30, 1987 and 1986 we tested receipts totalling \$7,654.94 and \$8,965.35, respectively. We noted that all of the receipts were deposited more than 24 hours after collection with the range of lateness being two to 25 days.

We were told that sale invoices (receipts) are prepared and dated as of the day of sale. Even though cash may not actually be received until several days later, the sale date is used as the date of receipt. Therefore, deposits in such cases would be later than 24 hours after the recorded receipt date.

The farm situation is perplexing. The receipts are, generally speaking, the result of the sale of various agricultural products, which are, in turn, governed by the normal marketing procedures dictated by a market of which the college is but a very small part. For example, the normal business practices in marketing milk and wholesaling greenhouse products do not lend themselves to daily cash reconciliation, and accounts receivable by whatever name is a part of doing business in such markets. We have little potential to influence marketing practices, but the farm and greenhouse revenues in that market are critical to operation of college agriculture and horticulture programs, contributing 60% of the cost of conducting the unique academic programs associated with them.

Telephone Notification to Treasurer's Office

During the period of our review we noted three instances when daily deposits exceeded \$100,000.00. In each case the amounts were collected on a Friday and deposited on the succeeding Monday without notifying the Treasurer's Office by telephone that the deposit had been made.

We were told the former business manager and the cashier were not aware of the Administrative Regulation requiring the College to notify the Treasurer's Office of deposits in excess of \$100,000.00.

The delay in making all of the deposits described in the paragraphs above resulted in the College losing opportunities to earn \$616.75 in interest. The delay in making deposits also lends itself to possible misappropriation of funds.

We recommend that Potomac State College of West Virginia University comply with Chapter 12, Article 2, Section 2 of the West Virginia Code.

Noted. We will comply.

UNSECURED LOANS TO STUDENTS

Our review of tuition and fees showed that students did not always pay all of their tuition, fees and room and board at the time of registration. This

practice appears to be in noncompliance with the College's policy and with the Board of Regents Policy Bulletin 22.

The College's catalog states in part: "All tuition and fees and room and board charges (plus West Virginia sales tax where applicable) must be paid in full at the time of general registration each semester or each summer session. No student will be admitted to classes until all obligations to the College are paid."

The Board of Regents Policy Bulletin 22 states in part: "No financial credit of any type shall be extended to any individual, either student or other, at any state university or college. All universities and colleges shall operate on a strictly cash basis with all payments and obligations being collected in advance except that room and board charges may be divided into installments as determined by the institution. A student is not considered registered until full fee payment has been made.

Exceptions may be granted where a bona fide third party agency has provided authorization in writing that payment will be made for the student."

We were told that for at least the last three and a half years it had been a common practice to allow students to sign notes secured by the Benedum Loan Fund (the "Fund"). The principal amount of each student's note represented the unpaid balance of that student's tuition, fees and room and board charges for that semester.

No payments were made to the College by the "Fund" for the student. Instead the student was allowed to repay these notes directly to the College during the semester for which the notes acted as security. Unpaid student notes, if any, were processed and charged against the "Fund" at the end of the semester.

During our testing we determined the amounts secured by the "Fund" were 2.5 to 9.7 times greater than the amount of cash in the "Fund". We determined the following information:

<u>Semester Loan Made</u>	<u>Number of Notes</u>	<u>Total Amount of Loans</u>	<u>Benedum Fund Balance as Security</u>	<u>Unsecured</u>
Fall 1986	79	\$ 96,240.34	\$11,596.70	\$ 84,643.64
Spring 1987	38	28,594.41	11,596.70	16,997.71
Fall 1987	106	114,771.13	11,806.70	102,964.43

Some students were granted credit since full payment of all tuition, fees and room and board was not made by the "Fund" or the student at time of, or before, general registration. As a result of allowing these tuition, fees and room and board amounts to be paid over the course of the semester the College lost opportunities to earn interest.

We recommend the College comply with its own policies and Board of Regents Policy Bulletin 22.

This practice was terminated prior to the January 1988 registration when it was reported by the interim Chief Business Officer to the new Executive Dean.

INTEREST NOT PROPERLY DISTRIBUTED

While performing our test of the special revenue accounts, we noted that cash collections from fees and activities were allowed to remain in the Revenue Clearing Account (8641-78) for periods of time before being transferred to the proper special revenue accounts. The interest was allowed to accumulate in the Revenue Clearing Account and was transferred to the Special Services Account (8641-60) at a later date. The accumulated amounts were:

<u>Fiscal Year</u>	<u>Amount</u>
1987	\$14,038.30
1986	15,389.21
1985	6,843.63
1984	9,998.69
1983	7,996.38
1982	171.45
	<u>\$54,437.66</u>

Chapter 18, Article 24, Section 12 of the West Virginia Code states in part, "The governing board of each state educational institution shall have authority to provide special services and special programs at such institutions

and may fix and collect special fees or charges therefore ... All fees or charges collected for any such special services or programs shall be paid into a special fund and shall be expended solely for the maintenance, operation, and support of such services and programs"

We do not believe the interest accumulated in the Revenue Clearing Account complies with aforementioned Code section, because the interest was earned not only on the Special Services Account but also on other special revenue accounts. In addition, this results in the loss of revenue for the other special revenue accounts.

A recent West Virginia Supreme Court decision on Chapter 12, Article 2, Section 2 in Queen V. Moore, 340 S.E. 2d 838 (WV 1986) states in part:

"Interest. - In the absence of lawful separation, it is generally presumed that interest is an accretion to the fund earning it. Interest on a special revenue fund must be used solely for the purpose to which the principal is dedicated."

We were told the Business Office is following procedures handed down from the Business Office of West Virginia University. However, after the other investigation we determined that expenditures from Special Services Account are less restricted than expenditures from other special revenue accounts. Therefore, this transfer appears to allow the College more flexibility in the use of the interest.

We recommend the College comply with Chapter 18, Article 24, Section 12 of the West Virginia Code.

Noted. We will comply.

Student Union Revenue Bonds and Dormitory Bonds

The reserve accounts of the Student Union Revenue Bonds and the Dormitory Bonds appear to be in noncompliance with the bond resolution. During our audit we determined that the balances actually maintained as of June 30, 1987 and 1986 exceeded the required amounts. Additionally the balances maintained also exceed the remaining outstanding bond principal and interest accrued or accruing

thereon. The schedule below details the actual account balances, the resolution requirements, the outstanding principal and/or accruing interest due on the bonds, the amount in excess of requirement and the amount in excess of remaining principal and interest.

	<u>1987 Student Union</u>		<u>1986 Student Union</u>	
	<u>Require- ments</u>	<u>Remaining Principal and Interest</u>	<u>Require- ments</u>	<u>Remaining Principal and Interest</u>
Debt Service Reserve:				
Account Balance	\$14,119.99	\$ 14,119.99	\$21,158.34	\$ 21,158.34
Resolution Requirement	<u>10,930.00</u>		<u>11,385.00</u>	
Amount Over Requirement	3,189.99		9,773.34	
Repair and Replacement Reserve:				
Account Balance	79,947.52	79,947.52	72,563.69	72,563.69
Resolution Requirement	<u>50,000.00</u>		<u>50,000.00</u>	
Amount Over Requirement	<u>29,947.52</u>		<u>22,563.69</u>	
Total Student Union Amount Over Requirement	<u>\$33,157.51</u>		<u>\$32,337.03</u>	
Bond and Interest Sinking Fund		1,664.41		2,576.76
Revenue Fund Account		<u>226,226.36</u>		<u>195,383.28</u>
Total Available to Redeem Outstanding Bonds		321,958.28		291,682.07
Remaining Bonds Outstanding				
As of June 30,		54,000.00		62,000.00
Accrued Interest As of June 30,		<u>6,930.00</u>		<u>9,100.00</u>
Total Bonds and Interest		<u>60,930.00</u>		<u>71,100.00</u>
Total Excess Student Union Funds Available		<u>\$261,028.28</u>		<u>\$220,582.07</u>

	<u>1987 Dormitory Bonds</u>		<u>1986 Dormitory Bonds</u>	
	<u>Require- ments</u>	<u>Remaining Principal and Interest</u>	<u>Require- ments</u>	<u>Remaining Principal and Interest</u>
Debt Service Reserve:				
Account Balance	\$134,944.97	\$ 134,944.97	\$141,828.25	\$141,828.25
Resolution Requirement	<u>95,000.00</u>		<u>95,000.00</u>	
Amount Over Requirement	39,944.97		46,828.25	
Repair and Replacement Reserve:				
Account Balance	136,693.34	136,693.34	124,068.53	124,068.53
Resolution Requirement	<u>100,000.00</u>		<u>100,000.00</u>	
Amount Over Requirement	<u>36,693.34</u>		<u>24,068.53</u>	
Total Dormitory Amount Over Requirement	<u>\$76,638.31</u>		<u>\$70,896.78</u>	
Bond and Interest Sinking Fund		2,533.66		5,775.65
Revenue Fund Account		<u>1,041,180.24</u>		<u>830,368.56</u>
Total Available to Redeem Outstanding Bonds		1,315,352.21		1,102,040.99
Remaining Bonds Outstanding As of June 30,		94,000.00		115,000.00
Accrued Interest As of June 30,		<u>8,303.00</u>		<u>12,184.00</u>
Total Bonds and Interest		<u>102,303.00</u>		<u>127,184.00</u>
Total Excess Dormitory Funds Available		<u>\$1,213,049.21</u>		<u>\$974,856.99</u>

The Student Union Revenue Bond resolution addresses the Covenants, Revenues, Fees and Applications thereof in Article III. The sections and sub-section of Article III state in part:

"Section 3.04. Covenants of Board. So long as any of the Bonds or interest thereon are outstanding and unpaid, or until there shall have been set apart in the Sinking Fund and the Reserve Account a sum sufficient to pay or redeem the entire principal of the Bonds then outstanding, and all interest accrued or to accrue thereon, the Board hereby irrevocably covenants with the holders of the Bonds as provided in this Section 3.04.

"A. Fees, Rentals or Other Charges. The Board will fix, establish and collect such fees, rentals or other charges from students, faculty members and others, and revise the same from time to time whenever necessary, as will always provide, in each Fiscal Year, Gross Revenues sufficient to pay, and shall pay therefrom, 100% of the Operating Expenses and all other obligations payable out of the revenues of the Project as provided in this Resolution and sufficient also to pay, together with the Student Union Fees, 125% of the principal of and interest on the Bonds maturing and becoming due in such Fiscal Year, and such fees, rentals or other charges shall not be reduced so as to provide revenues insufficient for such purposes.

B. Revenue Fund. All Gross Revenues will be deposited by the Board monthly in a trust fund designated the "Potomac State College of West Virginia University Student Union Revenue Bond Revenue Fund" (herein called the "Revenue Fund").

D. Student Union Fund.

(1) The Board shall first, not later than September 15 and March 15 of each year, apportion and set apart out of the Student Union Fund and deposit with the Sinking Fund Commission, as Trustee, in a special fund to be known as the "Potomac State College of West Virginia University Student Union Sinking Fund" (herein called the "Sinking Fund"), which is hereby established, such sums as will be sufficient to pay as the same become due and payable the interest on the Bonds on the next semiannual interest payment date and one-half of all principal of the Bonds which will mature and become due on the next annual principal payment date.

The Board shall next from the Student Union Fund deposit with the Sinking Fund Commission, as Trustee, in a Reserve Account hereby established in the Sinking Fund not later than September 15 and March 15 of each year, an amount equal to twenty per centum of all amounts required to be paid for maturing principal and interest on the Bonds on such dates; provided, however, that no further payments shall be required to be made into the Reserve Account when there

shall have been deposited therein, and as long as there shall remain therein, an amount equal to the largest amount which will be required for the payment of maturing principal of and interest on the Bonds then outstanding in any succeeding year.

Any withdrawals from the Reserve Account shall be subsequently restored from the Student Union Fund and the Net Revenues after all payments for the Sinking Fund and the Reserve Account, including any deficiencies for prior payments, have been made in full, and the restoration of such withdrawals shall not reduce the amounts otherwise required to be paid into the Reserve Account.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the Bonds when the other moneys in the Sinking Fund are insufficient therefor, and for no other purpose.

The Board shall not be required to make any further payments into the Sinking Fund or into the Reserve Account when the aggregate amount of funds therein is at least equal to the aggregate principal amount of Bonds then outstanding, plus the amount of interest then due and thereafter to become due on such Bonds.

(2) All remaining moneys in the Student Union Fund shall be deposited with the Sinking Fund Commission in the Sinking Fund and used for the redemption of Bonds of the last maturity then outstanding at not more than the then redemption price of such Bonds or for the purchase of Bonds of the last maturities then outstanding at not more than the then market value of such Bonds.

E. Disposition of Revenue Fund. All revenues on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) Moneys in the Revenue Fund shall first be used for the payment of all Operating Expenses of the Project as the same become due and payable.

(2) Moneys remaining in the Revenue Fund shall next be used for making all deposits required to be made into the Sinking Fund and the Reserve Account.

(3) Moneys then remaining in the Revenue Fund shall be deposited on or before September 15 and March 15 of each year in a special fund known as the "Potomac State College of West Virginia University Student Union Repair and Replacement Fund" ("Repair and Replacement Fund"), and no further transfers into the Repair and Replacement Fund shall be required after the funds and securities therein aggregate \$50,000: Moneys in the Repair and Replacement Fund may be withdrawn and used by the Board for the purposes of paying the costs of unusual or extraordinary maintenance or repairs, renewals and replacements of the Project and the renovation or replacement of movable furniture, furnishings, fixtures and equipment therein not covered or paid as Operating Expenses.

(4) Any moneys then remaining in the Revenue Fund shall then be used on or before September 15 and March 15 of each year for deposit in the Sinking Fund and the Reserve Account of all amounts necessary which, will be sufficient to make all payments required on such dates into the Sinking Fund and the Reserve Account.

It is the express intention of this Section 3.04 E that the Board shall be required to use all available moneys in the Student Union Fund to make all required payments into the Sinking Fund and the Reserve Account, including any deficiencies for prior payments, to the full extent that the moneys in the Student Union Fund are sufficient therefor, and that moneys in the Revenue Fund shall only be used for such purposes to the full extent that the moneys in the Student Union Fund are insufficient therefor.

(5) All moneys remaining in the Revenue Fund after all the foregoing provisions have been fully complied with, including any deficiencies for prior payments, shall be deposited with the Sinking Fund Commission and used for the redemption or purchase of Bonds as provided in Section 3.04 D (2) hereof."

The Dormitory Bond resolution addresses the Revenues and Application thereof in Article III. The sections and subsections of Article III state in part:

Section 3.04. Covenants of Board. So long as any of the Bonds or interest thereon are outstanding and unpaid, or until there has accumulated in the Sinking Fund and the Debt Service Reserve therein a sum sufficient to pay or redeem the entire principal amount of the Bonds then outstanding and interest accrued or to accrue thereon, the Board hereby irrevocably covenants with the holders of the Bonds as follows:

A. Fees, Rentals and Other Charges. The Board has heretofore fixed and established and will continue to fix and establish and will collect such fees, rentals and other charges and will revise the same from time to time whenever necessary, as always provide revenues sufficient to pay, and out of such revenues will pay, the Current Expenses of the Pledged Facilities and the principal of and interest on the Bonds and all other payments required herein, and such fees, rentals and other charges will not be reduced to be insufficient for such purposes.

B. Revenue Fund. All gross rentals, charges, fees, income and revenues arising from the operation of the Pledged Facilities will be deposited by the Board monthly in a trust fund hereby established with the Treasurer of the State of West Virginia, designated the "Potomac State College of West Virginia University Dormitory Bonds of 1962 Revenue Fund" (herein sometimes called the "Revenue Fund"). The Revenue Fund will be kept separate from all other funds of the Board and used only in the manner and order specified below in subsections D, E, F and G of this Section 3.04.

D. Payment of Current Expenses. Funds in the Revenue Fund will be used first for the payment of Current Expenses of the Pledged Facilities as the same become due and payable.

E. Sinking Fund. There is hereby established with the Sinking Fund Commission, a separate account known as the "Potomac State College of West Virginia University Dormitory Bonds of 1962 Bond and Interest Sinking Fund" (herein sometimes called

the "Sinking Fund") into which, there will be transferred from the Revenue Fund in monthly installments, after payment of the Current Expenses, the remaining balance, or such part thereof as may be necessary, in the Revenue Fund, which together with funds already on deposit in the Sinking Fund shall be sufficient by April 15 and October 15 of each year to meet the interest on the Bonds outstanding due on the next interest payment date and one-half of the principal of the Bonds maturing within the succeeding twelve months (herein sometimes called the "Semi-annual Debt Service") and to provide a Debt Service Reserve in the amount of \$95,000. Therefore, by April 15 and October 15 of each year there will be transferred from the Revenue Fund, after payment of the Current Expenses, such sums as may be necessary to meet the then current Semi-annual Debt Service and to maintain the Debt Service in the amount of \$95,000.

F. Replacement Fund. As soon as the Debt Service Reserve has been accumulated in the amount of \$95,000 in the Sinking Fund, the Board will establish as a trust fund with the Sinking Fund Commission an account to be kept separate from all other funds of the Board, known as the "Repair and Replacement Reserve Account" (herein sometimes called the "Replacement Fund") into which will be deposited from the Revenue Fund, after all payments therefrom hereinabove provided, until the funds and securities in the Replacement Fund aggregated \$100,000.

Moneys in the Replacement Fund may be withdrawn and used by the Board for the purposes of paying the costs of unusual or extraordinary maintenance or repairs, renewals and replacements of the Pledged Facilities and the renovation or replacement of furniture and equipment of the Pledged Facilities not covered or paid as current expenses.

G. Use of Excess Funds in Revenue Fund. After all payments have been made and reserves accumulated to the maximum amounts as provided in subsections D, E and F above, the Board may use any balance of funds remaining in the Revenue Fund at the close of each fiscal year to redeem outstanding Bonds on the next interest payment

date as herein provided and in amounts of not less than \$5,000 par value at one time, or for any lawful expenditures."

The Executive Dean and the Business Manager who were responsible for the accounts of the Student Union Revenue Bonds and the Dormitory Bonds are no longer employed by the College. Therefore, we were unable to discuss the reason for accumulating the amounts in excess of requirements.

It appears the College is making charges, fees and rentals in excess of amounts needed to operate the facilities and to retire the related debt.

We recommend the College comply with the resolutions of the Student Union Revenue Bonds and the Dormitory Bonds.

The dormitory bonds were defeased in February of 1988. Discussions preparatory to defeasement of the Student Union bonds have already commenced.

Since the operation, maintenance and improvement of residence halls, dining facilities and the student union must be accomplished with revenues generated from fees associated with such facilities, the accumulation of substantial reserves prior to undertaking major renovations is essential. While accumulation of such funds in the revenue bond accounts may be inappropriate, the fee structure itself is reasonable and proper, and the pertinent issue appears to be where the funds should be deposited rather than whether or not they should be accumulated.

In each of these above accounts, the amount of the cash reserve exceeds the minimum requirement set forth in the bond resolutions. We are in compliance. We do not understand this audit finding, unless the auditor is suggesting that we transfer the excess to the State Consolidated Investment Pool. If so, the result would be lower interest earnings since the Debt Service Reserve Account earns a higher rate of return than does the State Consolidated Investment Pool. Since neither laws nor policies are being violated, we would prefer to earn the higher rate of return.

Noncompliance With Chapter 5, Article 8, Section 17

During the period under audit we noted several instances that appeared to be in noncompliance with the provisions of Chapter 5, Article 8, Section 17 of the West Virginia Code which states in part:

"No record shall be destroyed or otherwise disposed of by any agency of the state, unless it is determined by the administrator and the director of the division of archives and history of the department of culture and history that the record has no further administrative, legal, fiscal, research or historical value. (1961, c. 137; 1977, 1st Ex. Sess., c. 7.)"

During our overall review of expenditures and disbursements we noted four instances, out of 177 items tested, where no documentation could be found. Transmittal numbers are recorded in a log book. In the above four cases we found no copy of the transmittal nor any other documentation for those transmittal numbers recorded in the log.

We were told that the specific transmittals had probably been voided but the log had not been marked to indicate that fact.

During our review of the Keyser Rotary Student Loan Fund we determined that one loan was made for which no document authorizing the loan could be found. The loan was made November 15, 1985 and repaid on December 16, 1985.

We were told the procedure is to have a written application from students for all loan requests. However, this one could not be found.

We recommend the College comply with Chapter 5, Article 8, Section 17 of the West Virginia Code.

Equipment Inventory

As we noted in our previous examination the College did not have a current inventory list of equipment items purchased. The most recent inventory list prepared by the College was dated August 8, 1985. No inventory of equipment was taken for the years ended June 30, 1987 and 1986.

Chapter 5A, Article 3, Section 42 of the West Virginia Code states in part:

"The head of every department of the state government shall, on or before July fifteenth of each year, file with the director an inventory of all real and personal property, and of all equipment, supplies and commodities in its possession as of the close of the last fiscal year. (1953, c. 64; 1961, c. 132.)"

We were told the College's inventory control system is an antiquated IBM punch card system. Additionally, because of the large volume of cards the computer operator doesn't have enough time to run the inventory.

We recommend the College comply with Chapter 5, Article 3, Section 42 of the West Virginia Code.

Noted. We will comply.

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, 1981 to June 30, 1987, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be weaknesses and those weaknesses are discussed below:

Internal control comprehends two interrelated components that overlap one another. These controls are administrative and accounting and are summarized in Chapter 5, Article 8, Section 9(b) of the West Virginia Code which states,

" (b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities. "

As stated in the section of this report entitled "Areas of Noncompliance", we noted several items of weakness and other items indicative of potential weaknesses in the system of internal accounting controls of Potomac State College. Among the examples of such weaknesses are: 1. not depositing each days receipts within 24 hours; 2. using the Benedum loan fund as security for loans fee in excess of the actual funds available; and, 3. not taking inventory of equipment.

We recommend the College review the aforementioned areas and take the necessary steps to strengthen internal controls.

Compliance with recommendations regarding the Benedum Loan Fund and equipment inventory has been accomplished or will be achieved as soon as possible. The problems regarding receipt deposits have been discussed.

Finally, we recognize that there is no perfect system of internal control and we do not make such claims for the system in place at Potomac State College. However, we do not believe that the nature and significance of the audit findings in this instance warrant the type of remarks contained in the draft report which appear to imply a virtual absence of effective controls.

Cash Management

During the audit of the cash procedures we noted the following internal control weaknesses:

As we noted in our previous audit the College has not established written procedures for cash collections.

As noted in the prior audit the cashier does not appear to be adequately supervised. The immediate supervisor during the period under audit was the Business Manager and we saw no evidence that he reviewed or approved the daily or semimonthly work of the cashier.

We also noted that no one else is completely trained in the duties and functions of the Cashier's Office. As a result the cashier is not able to take extended vacations. In fact we observed the cashier's office was closed when the cashier wasn't there. During the period under audit the Cashier's Office maintained an imprest cash fund of \$2,500.00. This cash is normally locked in the safe overnight and on weekends. On one occasion that we observed on August 12, 1987, the cash on hand was actually \$2,967.00.

The \$2,500.00 is a change fund maintained primarily for the benefit of the students of which approximately 70 percent are commuters. Local banks and automatic teller machines are available to these students.

We recommend the College review the internal controls over its cash procedures. We also recommend the College review its need to maintain a \$2,500.00 cash fund on the premises at all times.

Written procedures for cash collections will be prepared. The Chief Business Officer will review the cashier's work on a frequent basis informally. The Chief Business Officer currently does a semi-monthly review, and meets intermittently with the cashier at either's request to review any nonstandard procedure issues which arise. The cash account has been reviewed and the need has been reconfirmed at \$2,500.

Farm Receipts

As we noted in our previous audit prenumbered receipt forms are not used for sales made at the farm. As noted in the finding on page 18, the farm appears to be making sales on credit although a cash receipt ticket is prepared and dated the day of the sale.

We were told by the farm supervisor that the use of prenumbered receipts was not discussed with him. He told us he would use prenumbered receipts if they were provided to him.

We recommend the College institute the use of prenumbered receipts at the farm. We also recommend that ledger control accounts be used for cash sales and for credit sales which show the actual date of sale and the actual date of receipt of cash.

Long Distance Calls

As we noted in our previous audit the College does not have a procedure to identify individuals who make long distance calls. We were told the College

uses the honor system and individuals who make long distance calls are to reimburse the College for any personal calls made.

We recommend the College review its long distance call procedures and take the necessary steps to strengthen the internal controls over this area.

Long distance calls on college telephones in office areas are possible only through the computerized telephone switching system and require the use of a telephone identification number which is assigned individually to personnel requiring long distance access and changed periodically. A printout of all long distance calls by each TIN is obtained monthly for supervisory review. Long distance calls placed on college telephones in residences are charged to the occupants unless they are certified as official.

Cash Receipt and Disbursement Statements

As we noted in our previous audit the College does not prepare cash receipt and disbursements statements for the National Direct Student Loan the Pennsylvania Higher Education Assistance, the PSC - Keyser Rotary Club Student Loan and PSC-Emergency Loan Funds.

We were told that such statements had never been prepared.

We recommend the College review the above accounts and implement summary statements of receipts and disbursements on at least a quarterly basis.

Such statements are not required by the funding sources for the funds cited. The accounts will be reviewed to determine transaction frequency and volume. Subsequently, either quarterly statements or some other periodic review procedure will be established.

Fund Accounts Not Controlled by the Business Office

As we noted in our previous audit the College's Business Office did not review or supervise any functions or procedures of the PSC-Keyser Rotary Club Student Loan and PSC-Emergency Loan Funds. All functions were controlled by the Financial Aid Office.

We were told the Business Office was not made aware that it was supposed to supervise and review these two accounts.

We recommend the College review and supervise the cash receipts and disbursements functions of the PSC-Keyser Rotary Club Student Loan and PSC-Emergency Loan Funds.

Although these are not state funds, the PSC-Keyser Rotary Club Student Loan and PSC-Emergency Loan Funds have always been under Business Office control for financial control purposes (i.e. the Chief Business Officer and the Executive Dean sign the checks). However, certification of student eligibility for such loans and loan-tracking and collection enforcement remain functions of the Financial Aid Office. The College will review loan tracking and collection practices and institute further controls if necessary.

College's General Comment

As may be observed from the above comments, differences of opinion exist relative to some of the Audit findings. In other instances in which the auditor's findings have proved to be valid, we readily acknowledged such and began implementing corrective actions. These detailed comments are provided in an attempt to place these audit findings in proper perspective. In the years covered by this audit, Potomac State College has managed funds which aggregate to close to 24 million dollars. Yet, no audit finding points to a single case of misuse, misappropriation, malfeasance or actual loss of State funds. I believe that is a testimonial to the diligence with which all employees of the College pursue their jobs, and is reflective also of the management priority which the former Executive Dean assigned to financial management.

We are grateful to the auditors who have assisted in demonstrating this excellence in achievement at Potomac State College.

AUDITORS' OPINION

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

Sir:


We have examined the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of Potomac State College of West Virginia University for the years ended June 30, 1987 and June 30, 1986. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note I, the financial statement was prepared using the cash and modified cash basis of accounting. Accordingly, the financial statement is not intended to present financial position and results of operation in conformity with generally accepted accounting principles.

In our opinion, the financial statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of Potomac State College of West Virginia University presents fairly cash and loan transactions for the years ended June 30, 1987 and June 30, 1986 on a basis consistent with the preceding year.

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

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

February 5, 1988

Auditors: Raymond V. Shingler, CPA, Supervisor-in-Charge
Ronald F. Osmianski, Auditor-in-Charge
Donald T. Moore, Auditor-in-Charge
Marvin L. Taylor

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/

DISBURSEMENTS AND CHANGES IN FUND BALANCES

	<u>Year Ended June 30, 1987</u>			
	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Federal Programs</u>
Appropriations/Cash Receipts:				
General Revenue				
Appropriations	\$2,549,800.00	\$ -0-	\$ -0-	\$ -0-
Tuition, Fees, Sales and Rent	-0-	527,242.91	-0-	9,159.30
Federal Funds	-0-	-0-	-0-	521,472.79
State Matching Funds	-0-	-0-	-0-	1,633.48
Gifts, Grants and Scholarships	-0-	83,460.32	-0-	95,420.04
Loan Payments and Loans Interest	-0-	11,521.86	-0-	127,249.12
Transfer of Appropriated Funds	-0-	251,433.93	36,985.00	7,437.90
	<u>-0-</u>	<u>715,070.89</u>	<u>-0-</u>	<u>-0-</u>
	<u>2,549,800.00</u>	<u>1,588,729.91</u>	<u>36,985.00</u>	<u>762,372.63</u>
Expenditures/Disbursements:				
Personal Services	2,126,628.00	28,801.60	-0-	20,383.24
Current Expenses	328,156.09	14,756.88	-0-	93,503.36
Repairs and Alterations	35,000.00	24,567.47	-0-	-0-
Equipment	50,000.00	154,259.39	-0-	41,731.71
Board of Regents	-0-	500,686.47	-0-	-0-
Scholarships and Grants	-0-	86,435.01	-0-	611,050.37
Loans and Loan Payments	-0-	10,975.35	-0-	55,785.38
Refunds	-0-	28,094.16	-0-	-0-
Debt Service	-0-	-0-	6,052.00	-0-
	<u>2,539,784.09</u>	<u>848,576.33</u>	<u>6,052.00</u>	<u>822,454.06</u>
Appropriations/Cash Receipts Over (Under) Expenditures/ Disbursements				
	10,015.91	740,153.58	30,933.00	(60,081.43)
July 1-30 Expenditures				
	<u>(10,015.91)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	-0-	740,153.58	30,933.00	(60,081.43)
Net Transfers In (Out):				
Debt Service Retirement of Bonds	-0-	29,000.00	(29,000.00)	-0-
Beginning Balance				
	<u>-0-</u>	<u>2,132,040.70</u>	<u>367,972.00</u>	<u>279,348.20</u>
Ending Balance				
	<u>\$ -0-</u>	<u>\$2,901,194.28</u>	<u>\$369,905.00</u>	<u>\$219,266.77</u>

See Notes to Financial Statement

<u>Combined Totals</u>	<u>General Revenue</u>	<u>Year Ended June 30, 1986</u>			<u>Combined Totals</u>
		<u>Special Revenue</u>	<u>Debt Service</u>	<u>Federal Programs</u>	
\$2,549,800.00	\$2,563,000.00	\$ -0-	\$ -0-	\$ -0-	\$2,563,000.00
536,402.21	-0-	432,656.69	-0-	11,149.07	443,805.76
521,472.79	-0-	-0-	-0-	541,527.62	541,527.62
1,633.48	-0-	-0-	-0-	8,308.45	8,308.45
178,880.36	-0-	83,738.25	-0-	62,126.14	145,864.39
138,770.98	-0-	12,217.68	-0-	333,478.82	345,696.50
295,856.83	-0-	324,174.67	47,438.00	7,130.10	378,742.77
715,070.89	-0-	209,603.62	-0-	-0-	209,603.62
<u>4,937,887.54</u>	<u>2,563,000.00</u>	<u>1,062,390.91</u>	<u>47,438.00</u>	<u>963,720.20</u>	<u>4,636,549.11</u>
2,175,812.84	2,063,000.00	5,236.49	-0-	133,000.42	2,201,236.91
436,416.33	396,192.87	8,014.02	-0-	115,912.67	520,119.56
59,567.47	35,000.00	-0-	-0-	203.95	35,203.95
245,991.10	50,000.00	-0-	-0-	43,885.22	93,885.22
500,686.47	-0-	425,881.17	-0-	-0-	425,881.17
697,485.38	-0-	8,365.24	-0-	640,573.16	648,938.40
66,760.73	-0-	4,372.30	-0-	12,840.53	17,212.83
28,094.16	-0-	-0-	-0-	-0-	-0-
6,052.00	-0-	-0-	6,982.00	-0-	6,982.00
<u>4,216,866.48</u>	<u>2,544,192.87</u>	<u>451,869.22</u>	<u>6,982.00</u>	<u>946,415.95</u>	<u>3,949,460.04</u>
721,021.06	18,807.13	610,521.69	40,456.00	17,304.25	687,089.07
(10,015.91)	(18,807.13)	-0-	-0-	-0-	(18,807.13)
<u>711,005.15</u>	<u>-0-</u>	<u>610,521.69</u>	<u>40,456.00</u>	<u>17,304.25</u>	<u>668,281.94</u>
-0-	-0-	27,000.00	(27,000.00)	-0-	-0-
<u>2,779,360.90</u>	<u>-0-</u>	<u>1,494,519.01</u>	<u>354,516.00</u>	<u>262,043.95</u>	<u>2,111,078.96</u>
<u>\$3,490,366.05</u>	<u>\$ -0-</u>	<u>\$2,132,040.70</u>	<u>\$367,972.00</u>	<u>\$279,348.20</u>	<u>\$2,779,360.90</u>

Exhibit A

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

NOTES TO FINANCIAL STATEMENT

Note I - Accounting Policies

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

Expenditures during the 30-day carry-over period were as follows:

	Expenditures July 1 - 30,	
	<u>1987</u>	<u>1986</u>
Personal Services	\$ 6,372.00	\$ -0-
Current Expenses	3,643.91	18,807.13
Repairs & Alterations	-0-	-0-
Equipment	-0-	-0-
Annual Increment	-0-	-0-
Total	<u>\$10,015.91</u>	<u>\$18,807.13</u>

There were no expirations.

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the appropriations and cash receipts of certain funds are restricted by various laws, rules, and regulations, the totaling of the accounts is for memorandum only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

Note II - Pension Plan

All eligible employees are either members of the West Virginia Teachers' Retirement System or Teachers Insurance Annuity Association or both pension plans. Employee's contributions to the West Virginia Teachers' Retirement System are six percent of their compensation and employees are vested under certain circumstances. Contributions by the West Virginia Teachers' Retirement Board are six percent of the employees' compensation. For the Teachers' Insurance Annuity Association, employees' contributions are six percent on a portion or all of their compensation and employees are vested under certain circumstances. Contributions by the College are six percent of the compensation on which the employee made contributions to the Teachers' Insurance Annuity Association.

Contributions to the pension and retirement plans were as follows:

<u>June 30, 1987</u>	<u>June 30, 1986</u>
<u>\$93,680.68</u>	<u>\$90,119.57</u>

Note III - Board of Regents - Net

Special Capital Improvement, Faculty Improvement, and Higher Education Resources Fees are collected by the College and remitted to the Board of Regents. The Board of Regents allocates Faculty improvement, Capital Repairs and Alterations, Higher Education Resources Fees, and Building and Campus Renewal back to all the State colleges and universities. The collections and allocations to the College are as follows:

	<u>June 30, 1987</u>	<u>June 30, 1986</u>
Remittance to Board of Regents:		
Registration Fees	\$139,715.92	\$129,731.00
Student Fees	272,972.04	213,379.40
Faculty Improvement Fees	32,919.00	31,060.15
Higher Education Resources Fees	<u>55,079.51</u>	<u>51,710.62</u>
Total Collections	500,686.47	425,881.17
Less: Allocations to College		
Faculty Improvement	34,000.00	46,000.00
Capital Repairs and Alterations	81,000.00	81,000.00
Higher Education Resources Fees	41,000.00	66,000.00
Building and Campus Renewal	<u>530,000.00</u>	<u>-0-</u>
Total Allocations	<u>686,000.00</u>	<u>193,000.00</u>
Board of Regents - Net	<u>(\$185,313.53)</u>	<u>\$232,881.17</u>

Note IV - Intra-Account Transactions

The following intra-account transactions have been eliminated:

	<u>June 30, 1987</u>	<u>June 30, 1986</u>
Special Revenue	<u>\$1,270,651.38</u>	<u>\$1,245,101.14</u>
Federal Programs	<u>\$ 555,706.12</u>	<u>\$ 546,296.91</u>

Note V - Potomac State College of West Virginia University
Dormitory Bonds of 1962, Series A and B

The 1962 Series B Bonds were issued under the provisions of the Revenue Bond Refinancing Act of the State of West Virginia constituting Article 2A of Chapter 13 of the West Virginia Code of 1931, as amended, and constitute the initial series of bonds issued and secured under the Resolutions adopted by the Board for the purpose of refunding the Board's \$310,000 Potomac State College of West Virginia University Dormitory Bonds of 1954, Series A. The 1962 Series B Bonds were issued for the purpose of financing the costs of constructing a new dormitory on the Potomac State College Campus.

The Bonds and the interest thereon are payable solely from and secured by a first lien on and pledge of the net revenues derived from the operation of Potomac State College. Dormitories and Dining facilities as defined in the Resolutions.

The final serial redemption on the 1962 Series A Bonds was made November 1, 1984. The 1962 Series B Bonds bear interest at a rate of 3.375% per annum and mature serially through May 1, 1992. The Bonds may be redeemed prior to their stated dates of maturity at various dates with and without premiums as set forth in the Resolutions.

A summary of annual aggregate principal and interest payments for years subsequent to June 30, 1987, follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Series B</u> <u>Interest</u> <u>(Due May</u> <u>1 and</u> <u>November 1)</u>	<u>Total</u>
1988	\$22,000.00	\$3,173.00	\$ 25,173.00
1989	22,000.00	2,430.00	24,430.00
1990	23,000.00	1,688.00	24,688.00
1991	24,000.00	911.00	24,911.00
1992	3,000.00	101.00	3,101.00
	<u>\$94,000.00</u>	<u>\$8,303.00</u>	<u>\$102,303.00</u>

Note VI - Potomac State College of West Virginia University
Student Union Revenue Bonds

The Bonds were issued under the provisions of Chapters 18 and 25 of the West Virginia Code of 1931, as amended, for the purpose of financing the costs of constructing a Student Union.

The Bonds and the interest thereon are payable solely from and are secured by a first lien on and pledge of the Student Union fees charged to students at the College and the net revenues derived from the operation of the Student Union.

The Bonds bear interest at a rate of 3.5% per annum and mature serially through April 1, 1993. The Bonds may be redeemed prior to their stated dates of maturity at various dates with and without premiums as set forth in the Resolution.

A summary of annual aggregate principal and interest payments for years subsequent to June 30, 1987, follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>(Due April</u> <u>1 and</u> <u>October 1)</u>	<u>Total</u>
1988	\$ 8,000.00	\$1,890.00	\$ 9,890.00
1989	8,000.00	1,610.00	9,610.00
1990	9,000.00	1,330.00	10,330.00
1991	9,000.00	1,015.00	10,015.00
1992	9,000.00	700.00	9,700.00
1993	<u>11,000.00</u>	<u>385.00</u>	<u>11,385.00</u>
	<u>\$54,000.00</u>	<u>\$6,930.00</u>	<u>\$60,930.00</u>

SUPPLEMENTAL INFORMATION

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 APPROPRIATED ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Personal Services - Account 3150-00</u>		
Appropriations	\$ 2,118,879.00	\$ 2,063,000.00
Expenditures	<u>2,118,879.00</u>	<u>2,063,000.00</u>
	-0-	-0-
Transmittals Paid July 1 - July 30	<u>3,211.08</u>	<u>-0-</u>
Balance June 30, 1987	<u>\$ 3,211.08</u>	<u>\$ -0-</u>
 <u>Current Expense - Account 3150-01</u>		
Appropriations	\$ 331,800.00	\$ 415,000.00
Expenditures	<u>331,800.00</u>	<u>415,000.00</u>
	-0-	-0-
Transmittals Paid July 1 - July 30	<u>3,643.91</u>	<u>18,807.13</u>
Balance June 30, 1987	<u>\$ 3,643.91</u>	<u>\$ 18,807.13</u>
 <u>Repairs & Alterations - Account 3150-02</u>		
Appropriations	\$ 35,000.00	\$ 35,000.00
Expenditures	<u>35,000.00</u>	<u>35,000.00</u>
	-0-	-0-
Transmittals Paid July 1 - July 30	<u>-0-</u>	<u>-0-</u>
Balance June 30, 1987	<u>\$ -0-</u>	<u>\$ -0-</u>
 <u>Equipment - Account 3150-03</u>		
Appropriations	\$ 50,000.00	\$ 50,000.00
Expenditures	<u>50,000.00</u>	<u>50,000.00</u>
	-0-	-0-
Transmittals Paid July 1 - July 30	<u>-0-</u>	<u>-0-</u>
Balance June 30, 1987	<u>\$ -0-</u>	<u>\$ -0-</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENTS OF APPROPRIATIONS AND EXPENDITURES
 APPROPRIATED ACCOUNT

<u>Annual Increment - Account 3150-66</u>	Year Ended June 30,	
	1987	1986
Appropriations	\$14,121.00	\$-0-
Expenditures	<u>14,121.00</u>	<u>\$-0-</u>
	-0-	
Transmittals Paid July 1 - July 30	<u>3,160.92</u>	<u>-0-</u>
Balance June 30, 1987	<u><u>\$ 3,160.92</u></u>	<u><u>\$-0-</u></u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 SPECIAL REVENUE

	Year Ended June 30,	
	1987	1986
<u>Faculty Improvement Fees - Account 8641-07</u>		
Cash Receipts:		
Board of Regents Allocations	\$ 34,000.00	\$ 46,000.00
Interest	595.59	3,730.66
	34,595.59	49,730.66
Disbursements:		
Personal Services	28,614.00	40,702.00
Current Expense	5,679.22	5,415.48
	34,293.22	46,117.48
Cash Receipts Over Disbursements	302.37	3,613.18
Beginning Balance	3,613.18	-0-
Ending Balance	\$ 3,915.55	\$ 3,613.18
<u>Capital Building and Land Improvement - Account 8641-08</u>		
Cash Receipts:		
Board of Regents Appropriations	\$ 81,000.00	\$ 81,000.00
Interest	1,496.67	18,807.99
	82,496.67	99,807.99
Disbursements:		
Repairs and Alterations	117,165.92	35,282.36
	117,165.92	35,282.36
Cash Receipts (Under) Over Disbursements	(34,669.25)	64,525.63
Beginning Balance	141,779.16	77,253.53
Ending Balance	\$107,109.91	\$141,779.16

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

<u>Gifts, Grants and Scholarships -</u> <u>Account 8641-10</u>	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Benedum Loans	\$ 210.00	\$ 156.38
Special Student Services	59,064.00	58,573.00
	<u>59,274.00</u>	<u>58,729.38</u>
Disbursements:		
Personal Services	46,550.81	45,358.91
Current Expenses	14,430.76	13,698.00
Equipment	2,402.53	203.95
	<u>63,384.10</u>	<u>59,260.86</u>
Cash Receipts (Under) Disbursements	(4,110.10)	(531.48)
Beginning Balance	<u>24,735.71</u>	<u>25,267.19</u>
Ending Balance	<u>\$ 20,625.61</u>	<u>\$ 24,735.71</u>
<u>Higher Education Resource Fee -</u> <u>Account 8641-11</u>		
Cash Receipts:		
Board of Regents Appropriations	\$ 41,000.00	\$ 66,000.00
Student Fees	220,336.07	206,859.44
Interest	31,333.91	44,576.13
	<u>292,669.98</u>	<u>317,435.57</u>
Disbursements:		
Current Expenses	186,067.68	120,388.02
Equipment	148,678.94	71,867.52
	<u>334,746.62</u>	<u>192,255.54</u>
Cash Receipts (Under) Over Disbursements	(42,076.64)	125,180.03
Beginning Balance	<u>310,180.92</u>	<u>185,000.89</u>
Ending Balance	<u>\$268,104.28</u>	<u>\$310,180.92</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

FEDERAL PROGRAM

<u>Federal Programs - Account 8641-20</u>	Year Ended June 30,	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Federal Funds	\$11,023.15	\$13,143.80
Board of Regents Appropriations	41,442.12	39,453.00
J T P A Funds	7,800.00	-0-
	<u>60,265.27</u>	<u>52,596.80</u>
Disbursements:		
Personal Services	2,372.61	3,922.00
Current Expenses	12,098.63	3,102.04
Equipment	41,731.71	43,885.22
	<u>56,202.95</u>	<u>50,909.26</u>
Cash Receipts Over Disbursements	4,062.32	1,687.54
Beginning Balance	<u>69,919.98</u>	<u>68,232.44</u>
Ending Balance	<u>\$73,982.30</u>	<u>\$69,919.98</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

<u>Housing and Dining - Account 8641-32</u>	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Student Fees	\$ 607,323.83	\$ 608,667.24
Interest	105,179.05	136,349.72
	712,502.88	745,016.96
Disbursements:		
Personal Services	130,061.87	138,894.90
Current Expenses	342,802.48	324,978.96
Repairs and Alterations	5,704.59	8,805.08
Equipment	23,122.26	43,405.19
	501,691.20	516,084.13
Cash Receipts Over Disbursements	210,811.68	228,932.83
Beginning Balance	830,368.56	601,435.73
Ending Balance	\$1,041,180.24	\$ 830,368.56
<u>Student Union - Account 8641-34</u>		
Cash Receipts:		
Student Fees	\$ 56,203.82	\$ 55,178.25
Sales	62,322.66	55,422.09
Interest	23,828.37	32,853.47
	142,354.85	143,453.81
Disbursements:		
Personal Services	12,056.06	10,052.89
Current Expenses	96,666.31	85,561.52
Repairs and Alterations	92.90	349.85
Equipment	2,696.50	3,477.08
	111,511.77	99,441.34
Cash Receipts Over Disbursements	30,843.08	44,012.47
Beginning Balance	195,383.28	151,370.81
Ending Balance	\$ 226,226.36	\$ 195,383.28

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Faculty & Married Student Housing - Account 8641-35</u>		
Cash Receipts:		
Rentals	\$ 13,280.00	\$ 15,360.00
Interest	12,919.05	16,781.67
	<u>26,199.05</u>	<u>32,141.67</u>
Disbursements:		
Current Expenses	6,521.41	6,010.15
Equipment	745.00	-0-
	<u>7,266.41</u>	<u>6,010.15</u>
Cash Receipts Over Disbursements	18,932.64	26,131.52
Beginning Balance	<u>111,259.14</u>	<u>85,127.62</u>
Ending Balance	<u>\$130,191.78</u>	<u>\$111,259.14</u>
<u>Athletic Facilities Construction & Reserve - Account 8641-39</u>		
Cash Receipts:		
1% Athletic Receipts Transfer	\$ 379.01	\$ 430.40
Interest	113.38	84.26
	<u>492.39</u>	<u>514.66</u>
Disbursements:	<u>-0-</u>	<u>-0-</u>
Cash Receipts Over Disbursements	492.39	514.66
Beginning Balance	<u>875.68</u>	<u>361.02</u>
Ending Balance	<u>\$ 1,368.07</u>	<u>\$ 875.68</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Athletics - Account 8641-40</u>		
Cash Receipts:		
Student Fees	\$ 34,182.27	\$ 32,135.93
Game Receipts	2,192.75	3,099.67
Interest	2,677.13	7,129.68
	<u>39,052.15</u>	<u>42,365.28</u>
Disbursements:		
Personal Services	187.60	-0-
Current Expenses	52,972.05	34,135.53
Repairs and Alterations	6,161.77	3,661.55
Equipment	5,705.90	1,052.49
	<u>65,027.32</u>	<u>38,849.57</u>
Cash Receipts (Under) Over Disbursements	(25,975.17)	3,515.71
Beginning Balance	<u>41,670.45</u>	<u>38,154.74</u>
Ending Balance	<u>\$ 15,695.28</u>	<u>\$ 41,670.45</u>
<u>Student Activities - Account 8641-41</u>		
Cash Receipts:		
Student Special	\$ 34,182.77	\$ 26,879.56
Student Medical	32,519.22	31,156.16
Graduation Fee	3,380.25	3,155.25
Library Fines	649.04	308.68
Late Registration/Transcripts	3,282.00	3,399.00
Interest	25,083.98	33,221.35
Pre-Registration	1,930.00	1,635.00
	<u>101,027.26</u>	<u>99,755.00</u>
Disbursements:		
Personal Services	26,328.93	6,462.12
Current Expenses	33,926.50	30,841.02
Repairs and Alterations	178.50	-0-
Equipment	15,195.10	8,021.86
	<u>75,629.03</u>	<u>45,325.00</u>
Cash Receipts Over Disbursements	25,398.23	54,430.00
Beginning Balance	<u>217,129.17</u>	<u>162,699.17</u>
Ending Balance	<u>\$242,527.40</u>	<u>\$217,129.17</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 FEDERAL PROGRAM

<u>College Work-Study Program - Account 8641-51</u>	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Federal Funds	\$65,666.00	\$65,666.00
State Matching Funds	<u>21,776.61</u>	<u>18,500.24</u>
	87,442.61	84,166.24
Disbursements:		
Personal Services	94,689.68	91,116.64
Current Expenses	<u>4,809.98</u>	<u>2,794.66</u>
	<u>99,499.66</u>	<u>93,911.30</u>
Cash Receipts (Under) Disbursements	(12,057.05)	(9,745.06)
Beginning Balance	<u>23,279.61</u>	<u>33,024.67</u>
Ending Balance	<u>\$11,222.56</u>	<u>\$23,279.61</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Scholarship Program Clearing Account - Account 8641-58</u>		
Cash Receipts:		
Scholarships	\$ 67,547.32	\$ 70,478.25
Disbursements:		
Higher Education Resource Fees	15,729.40	17,703.38
Housing and Dining	1,639.00	1,080.25
Student Union	6,439.00	7,309.81
Athletics	3,998.84	4,567.55
Student Activities	7,359.74	7,817.17
Board of Regents	<u>31,575.77</u>	<u>31,685.09</u>
	<u>66,741.75</u>	<u>70,163.25</u>
Cash Receipts Over Disbursements	805.57	315.00
Beginning Balance	<u>315.00</u>	<u>-0-</u>
Ending Balance	<u>\$ 1,120.57</u>	<u>\$ 315.00</u>
<u>Special Services - Account 8641-60</u>		
Cash Receipts:		
Music Fees	\$ 3,825.00	\$ 925.00
Parking	3,824.00	3,525.00
Testing	615.00	903.00
Duplicating	2,007.60	2,291.48
Facility Rent	5,227.50	4,513.00
Interest	<u>52,407.08</u>	<u>29,909.01</u>
	<u>67,906.18</u>	<u>42,066.49</u>
Disbursements:		
Personal Services	10,118.49	632.00
Current Expenses	17,222.29	351.92
Repairs and Alterations	1,426.00	591.35
Equipment	<u>6,196.08</u>	<u>2,607.50</u>
	<u>34,962.86</u>	<u>4,182.77</u>
Cash Receipts Over Disbursements	32,943.32	37,883.72
Beginning Balance	<u>126,150.84</u>	<u>88,267.12</u>
Ending Balance	<u>\$159,094.16</u>	<u>\$126,150.84</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Farm Sales - Account 8641-62</u>		
Cash Receipts:		
Farm	\$147,380.76	\$142,975.17
Greenhouse	18,713.50	18,753.33
Interest	12,592.40	16,680.86
	<u>178,686.66</u>	<u>178,409.36</u>
Disbursements:		
Personal Services	22,134.77	4,880.39
Current Expenses	96,654.49	92,271.24
Repairs and Alterations	40,656.45	26,274.62
Equipment	35,464.30	24,766.58
	<u>194,910.01</u>	<u>148,192.83</u>
Cash Receipts (Under) Over Disbursements	(16,223.35)	30,216.53
Beginning Balance	<u>116,951.49</u>	<u>86,734.96</u>
Ending Balance	<u>\$100,728.14</u>	<u>\$116,951.49</u>
<u>Building and Campus Renewal - Account 8641-65</u>		
Cash Receipts:		
Board of Regents Appropriations	\$530,000.00	\$ -0-
Disbursements:	<u>-0-</u>	<u>-0-</u>
Cash Receipts Over Disbursements	530,000.00	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$530,000.00</u>	<u>\$ -0-</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN CASH BALANCES

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
<u>Clearing Account - Revenue - Account 8641-78</u>		
Cash Receipts:		
Fees	\$1,838,501.83	\$1,717,931.36
Interest	13,926.18	15,697.04
	<u>1,852,428.01</u>	<u>1,733,628.40</u>
Disbursements:		
Higher Education Resource Fees	204,219.27	189,865.06
Housing and Dining	605,884.83	608,231.99
Student Union	111,708.73	103,369.28
Farm Sales	166,094.26	161,728.50
Other Current Expenses	287,285.25	276,099.71
Board of Regents	469,528.35	396,421.83
	<u>1,844,720.69</u>	<u>1,735,716.37</u>
Cash Receipts Over (Under) Disbursements	7,707.32	(2,087.97)
Beginning Balance	<u>1,685.07</u>	<u>3,773.04</u>
Ending Balance	<u>\$ 9,392.39</u>	<u>\$ 1,685.07</u>
<u>Board of Regents Faculty Improvement Fee</u>		
<u>Account 8700-07</u>		
Cash Receipts:		
Faculty Improvement Fee	\$ 32,919.00	\$ 31,060.15
Disbursements:		
Board of Regents	<u>32,919.00</u>	<u>31,060.15</u>
	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 SPECIAL REVENUE

<u>Board of Regents Higher Education</u>	<u>Year Ended June 30,</u>	
<u>Resource Fee - Account 8700-11</u>	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Higher Education Resource Fees	\$ 55,079.51	\$ 51,710.62
Disbursements:		
Board of Regents	<u>55,079.51</u>	<u>51,710.62</u>
	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Board of Regents Special Capital Improvement</u>		
<u>Fund - WVU Account 8830-99</u>		
Cash Receipts:		
Registration Fees	\$ 139,715.92	\$ 129,731.00
Disbursements:		
Board of Regents	<u>139,715.92</u>	<u>129,731.00</u>
	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN CASH BALANCES
 SPECIAL REVENUE

Board of Regents - State System Tuition - Special Capital - Improvement Fund Account 8855-99	Year Ended June 30,	
	1987	1986
Cash Receipts:		
Student Fees	\$ 272,972.04	\$ 213,379.40
Disbursements:		
Board of Regents	272,972.04	213,379.40
	-0-	-0-
Beginning Balance	-0-	-0-
Ending Balance	\$ -0-	\$ -0-

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENT OF CASH RECEIPTS, DISBURSEMENT AND

CHANGES IN FUND BALANCE

STUDENT UNION REVENUE BONDS

	<u>Year Ended June 30, 1987</u>			
	<u>Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
Cash Receipts:				
Interest	\$ 259.00	\$ 1,962.00	\$ 7,384.00	\$ 9,605.00
Disbursement:				
Interest Expense	2,171.00	-0-	-0-	2,171.00
Current Expense	-0-	-0-	-0-	-0-
1,665.00	<u>2,171.00</u>	<u>-0-</u>	<u>-0-</u>	<u>2,171.00</u>
Current Receipts (Under) Over Disbursements	(1,912.00)	1,962.00	7,384.00	7,434.00
Beginning Fund Balance	2,577.00	21,158.00	72,564.00	96,299.00
Transfers To (From):				
Student Union Account (8641-34) to Pay Current Retirement of Bonds	(8,000.00)	-0-	-0-	(8,000.00)
Interfund Transfers	<u>9,000.00</u>	<u>(9,000.00)</u>	<u>-0-</u>	<u>-0-</u>
Ending Fund Balance	<u>1,665.00</u>	<u>14,120.00</u>	<u>79,948.00</u>	<u>95,733.00</u>

Year Ended June 30, 1986

<u>Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
\$1,192.00	\$ 2,529.00	\$ 8,673.00	\$12,394.00
2,415.00	-0-	-0-	2,415.00
11.00	-0-	-0-	11.00
<u>2,426.00</u>	<u>-0-</u>	<u>-0-</u>	<u>2,426.00</u>
(1,234.00)	2,529.00	8,673.00	9,968.00
10,811.00	18,629.00	63,891.00	93,331.00
(7,000.00)	-0-	-0-	(7,000.00)
-0-	-0-	-0-	-0-
<u>2,577.00</u>	<u>21,158.00</u>	<u>72,564.00</u>	<u>96,299.00</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN FUND BALANCE
 DORMITORY BONDS OF 1962 (SERIES A AND B)

	<u>Year Ended June 30, 1987</u>			
	<u>Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
Cash Receipts: Interest	\$ 639.00	\$ 14,117.00	\$ 12,624.00	\$ 27,380.00
Disbursements: Interest Expense	<u>3,881.00</u>	<u>-0-</u>	<u>-0-</u>	<u>3,881.00</u>
Cash Receipts (Under) Over Disbursements	(3,242.00)	14,117.00	12,624.00	23,499.00
Beginning Fund Balance	5,776.00	141,828.00	124,069.00	271,673.00
Transfers To (From) Housing and Dining Account (8641-32) to Pay Current Debt Service Retirement of Funds	(21,000.00)	-0-	-0-	(21,000.00)
Interfund Transfers	<u>21,000.00</u>	<u>(21,000.00)</u>	<u>-0-</u>	<u>-0-</u>
Ending Fund Balance	<u>2,534.00</u>	<u>134,945.00</u>	<u>136,693.00</u>	<u>274,172.00</u>

Year Ended June 30, 1986

<u>Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
\$ 3,264.00	\$ 16,951.00	\$ 14,829.00	\$ 35,044.00
<u>4,556.00</u>	<u>-0-</u>	<u>-0-</u>	<u>4,556.00</u>
(1,292.00)	16,951.00	14,829.00	30,488.00
27,068.00	124,877.00	109,240.00	261,185.00
(20,000.00)	-0-	-0-	(20,000.00)
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>5,776.00</u>	<u>141,828.00</u>	<u>124,069.00</u>	<u>271,673.00</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN LOAN FUND BALANCE
 NATIONAL DIRECT STUDENT LOAN PROGRAM - LOCAL

	<u>Year Ended June 30, 1987</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Beginning Balance	\$154,695.42	\$209,031.80	\$363,727.22
Additions:			
Loans and Loan Payments	333.83	55,995.38	56,329.21
Interest	7,437.90	-0-	7,437.90
	<u>7,777.73</u>	<u>55,995.38</u>	<u>63,767.11</u>
	162,467.15	265,027.18	427,494.33
Deductions:			
Loan Payments and Loans	55,995.38	333.83	56,329.21
Collection Costs	928.80	-0-	928.80
Administrative Costs	-0-	-0-	-0-
	<u>56,924.18</u>	<u>333.83</u>	<u>57,258.01</u>
Ending Balance	<u>\$105,542.97</u>	<u>\$264,693.35</u>	<u>\$370,236.32</u>

Year Ended June 30, 1986

<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
\$123,903.59	\$235,648.66	\$349,552.25
39,457.39	12,840.53	52,297.92
<u>7,130.10</u>	<u>-0-</u>	<u>7,130.10</u>
46,587.49	12,840.53	59,428.02
<u>170,491.08</u>	<u>248,489.19</u>	<u>418,980.27</u>
12,840.53	39,457.39	52,297.92
593.52	-0-	593.52
<u>2,361.61</u>	<u>-0-</u>	<u>2,361.61</u>
<u>15,795.66</u>	<u>39,457.39</u>	<u>55,253.05</u>
<u>\$154,695.42</u>	<u>\$209,031.80</u>	<u>\$363,727.22</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 PHEE SCHOLARSHIP FUND - LOCAL

	Year Ended June 30,	
	1987	1986
Cash Receipts:		
Transfers from Pennsylvania Higher Education Assistance Authority	\$15,913.00	\$13,260.00
Disbursements:		
Grants to Students	14,128.00	12,060.00
Funds Returned to Pennsylvania Higher Education Assistance Authority	1,785.00	1,200.00
	15,913.00	13,260.00
Beginning Balance	-0-	-0-
Ending Balance	\$ -0-	\$ -0-

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN LOAN FUND BALANCE
 POTOMAC STATE COLLEGE EMERGENCY LOAN FUND

	<u>Year Ended June 30, 1987</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Beginning Balance:			
Cash in Bank and Loans Receivable	\$ 1,095.44	\$ 833.61	\$ 1,929.05
Additions:			
Loan Payments, Loans and Refunds to Students	11,014.48	10,495.35	21,509.83
Service Charges	137.00	-0-	137.00
	<u>11,151.48</u>	<u>10,495.35</u>	<u>21,646.83</u>
	12,246.92	11,328.96	23,575.88
Deductions:			
Loans Refunds to Students and Loan Payments	10,495.35	11,014.48	21,509.83
Check Charges	22.10	-0-	22.10
	<u>10,517.45</u>	<u>11,014.48</u>	<u>21,531.93</u>
Ending Balance	<u>\$ 1,729.47</u>	<u>\$ 314.48</u>	<u>\$ 2,043.95</u>

Year Ended June 30, 1986

<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
\$ 1,483.85	\$ 327.00	\$ 1,810.85
10,692.22	11,198.83	21,891.05
138.20	-0-	138.20
<u>10,830.42</u>	<u>11,198.83</u>	<u>22,029.25</u>
12,314.27	11,525.83	23,840.10
11,198.83	10,692.22	21,891.05
20.00	-0-	20.00
<u>11,218.83</u>	<u>10,692.22</u>	<u>21,911.05</u>
<u>\$ 1,095.44</u>	<u>\$ 833.61</u>	<u>\$ 1,929.05</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN LOAN FUND BALANCE
 KEYSER ROTARY CLUB STUDENT LOAN FUND - LOCAL

	<u>Year Ended June 30, 1987</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Beginning Balance	\$ 551.59	\$ 170.77	\$ 722.36
Additions:			
Loan Payments and Loans	507.38	486.00	993.38
Excess Loan Payments (Refunds to Students)	-0-	30.61	30.61
	<u>507.38</u>	<u>516.61</u>	<u>1,023.99</u>
	1,058.97	687.38	1,746.35
Deductions:			
Loans and Loan Payments	480.00	507.38	987.38
Refunds to Students	30.61	-0-	30.61
	<u>510.61</u>	<u>507.38</u>	<u>1,017.99</u>
Ending Balance	<u>\$ 548.36</u>	<u>\$ 180.00</u>	<u>\$ 728.36</u>

Year Ended June 30, 1986

<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
\$ 714.36	\$ -0-	\$ 714.36
1,525.46	867.73	2,393.19
-0-	828.50	828.50
<u>1,525.46</u>	<u>1,696.23</u>	<u>3,221.69</u>
2,239.82	1,696.23	3,936.05
859.73	1,525.46	2,385.19
828.50	-0-	828.50
<u>1,688.23</u>	<u>1,525.46</u>	<u>3,213.69</u>
<u>\$ 551.59</u>	<u>\$ 170.77</u>	<u>\$ 722.36</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
STUDENT UNION ACCOUNT - LOCAL

	Year Ended June 30,	
	1987	1986
Cash Receipts:		
Collections for Non-Sufficient Funded Checks	\$ 706.91	\$2,005.30
Disbursements:		
Non-Sufficient Funded Checks Charged to Account	<u>333.00</u>	<u>966.00</u>
Cash Receipts Over Disbursements	373.91	1,039.30
Beginning Balance	<u>1,856.90</u>	<u>817.60</u>
Ending Balance	<u><u>\$2,230.81</u></u>	<u><u>\$1,856.90</u></u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM - LOCAL

	Year Ended June 30,	
	1987	1986
Cash Receipts:		
Federal Funds	\$41,350.00	\$41,350.00
Repayment of Prior Years Funds	38.53	-0-
	41,388.53	41,350.00
Disbursements:		
Grants to Students	40,922.99	39,381.00
Administrative Costs	-0-	3,813.05
Department of Education	164.71	-0-
	41,087.70	43,194.05
Cash Receipts Over (Under) Disbursements	300.83	(1,844.05)
Beginning Balance	164.71	2,008.76
Ending Balance	\$ 465.54	\$ 164.71

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM - PELL - LOCAL

	Year Ended June 30,	
	1987	1986
Cash Receipts:		
Federal Funds	\$361,867.00	\$367,779.00
Prior Year Recoveries	51.35	420.25
	361,918.35	368,199.25
Disbursements:		
Net Awards to Students	304,043.33	369,373.28
Returned to Department of Education	57,000.00	-0-
	361,043.33	369,373.28
Cash Receipts Over (Under) Disbursements	875.02	(1,174.03)
Beginning Balance	752.77	1,926.80
Ending Balance	\$ 1,627.79	\$ 752.77

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

STUDENT AID CLEARING ACCOUNT - LOCAL

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
Federal Funds	\$509,493.99	\$524,823.75
Government Guaranteed Student Loan	133,324.40	299,671.24
Cash, Checks, and Money Orders	9,159.30	11,149.07
National Direct Student Loans	125.00	350.00
College Work-Study Program	1,737.65	140.70
Other (See Attached Schedule)	<u>46,177.92</u>	<u>22,252.89</u>
	700,018.26	858,387.65
Disbursements:		
Tuition and Fees	101,949.67	221,645.49
Refunds to Students	80,475.93	102,500.83
Basic Educational Opportunity Grant	361,967.00	364,359.63
Supplemental Educational Opportunity Grant	42,132.00	41,350.00
College Work-Study Program	40,666.00	65,666.00
Special Student Services	59,064.00	48,573.00
Potomac State College Emergency Loan Fund	1,013.46	1,403.56
National Direct Student Loan	5,520.65	4,596.25
Other (See Attached Schedule)	<u>7,229.55</u>	<u>10,173.39</u>
	<u>700,018.26</u>	<u>860,268.15</u>
Cash Receipts (Under) Disbursements	-0-	(1,880.50)
Beginning Balance	<u>5,800.00</u>	<u>7,680.50</u>
Ending Balance	<u>\$ 5,800.00</u>	<u>\$ 5,800.00</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

SUMMARY OF OTHER CASH RECEIPTS

STUDENT AID CLEARING ACCOUNT - LOCAL

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Summary of "Other Cash Receipts":		
Return of Allowances - Athletic Department	\$ 3,439.84	\$ 6,234.89
Heskitt	8,500.00	5,500.00
Westvaco	4,500.00	4,500.00
Keyser Garment	1,500.00	1,500.00
D & L Coal Company	1,800.00	1,300.00
Dayton Scholarship	-0-	1,200.00
Carl W. Liebig, M.D.	-0-	750.00
Moorefield High School	-0-	500.00
Pepsi-Cola Scholarship	-0-	375.00
Deposit Made in Error (Should have been Student Union Account)	-0-	293.00
Ridgeley Primary Middle School	50.00	100.00
Charleston National Bank - Teddi Bear Loan	11,800.00	-0-
Glass, Pottery, and Plastics Allied Union	2,500.00	-0-
Moran Scholarship	1,250.00	-0-
PHEE	1,880.00	-0-
Undergraduate Scholarship	1,080.00	-0-
PLUS Loan	5,801.87	-0-
Hurley Masonry	1,179.91	-0-
Bennett Educational Fund	833.00	-0-
Cumberland Rotary Club Scholarship	250.00	-0-
NSF Check Charged Against Receipts	(186.70)	-0-
	<u>\$46,177.92</u>	<u>\$22,252.89</u>
Total		

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

SUMMARY OF OTHER DISBURSEMENTS

STUDENT AID CLEARING ACCOUNT - LOCAL

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Summary of "Other" Disbursements:		
PSC - Student Union Account	\$ -0-	\$ 293.00
PSC - Non-sufficient Funds Checks	90.00	69.30
PSC - Athletics	3,339.84	6,234.89
PSC - Bookstore	152.10	218.10
Keyser Rotary Club Emergency Loan Fund	-0-	179.00
D & L Coal Company	-0-	1,150.00
Ridgeley Primary Middle School PTA	-0-	50.00
Farmers' and Merchants' Bank	616.00	253.89
Bank One of Mansfield	-0-	569.71
Vocational Rehabilitation	1,050.00	1,080.25
First National Bank of Mercer County	-0-	75.25
WV State Treasurer - A. James Manchin	1,000.00	-0-
First United Bank and Trust	465.25	-0-
PSC - Farm	250.00	-0-
PSC - Room Damages	101.10	-0-
PSC - Parking Fees	70.00	-0-
PSC - Parking Ticket	17.00	-0-
First National Bank of Ripley	71.26	-0-
College Scholarship Service	7.00	-0-
	<u>\$ 7,229.55</u>	<u>\$10,173.39</u>
Total		

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

STUDENT FEES REFUND ACCOUNT - LOCAL

	<u>Year Ended June 30,</u>	
	<u>1987</u>	<u>1986</u>
Cash Receipts:		
From Special Revenue Accounts:		
8700-07 BOR Faculty Improvement Fee	\$ 922.54	\$ 573.43
8700-11 BOR Higher Education Resource	1,543.29	893.22
8830-78 BOR Refund of Fees	3,962.28	2,674.91
8855-78 BOR Refund of Fees	7,282.05	1,196.60
8855-99 BOR Spec. Capital Improvement	-0-	2,776.48
8641-11 Higher Education Resource Fee Account	6,173.14	3,572.90
8641-32 Housing and Dining	8,870.26	6,911.50
8641-34 Student Union	1,282.16	563.75
8641-40 Athletics	560.93	271.34
8641-41 Student Activities	1,103.84	528.08
8641-62 Farm/ Greenhouse Sales	-0-	350.00
	<u>31,700.49</u>	<u>20,312.22</u>
Disbursements:		
Refunds to Students	26,278.55	24,128.70
Repayments to SEOG	1,073.54	704.56
Repayments to PELL	2,115.61	2,048.59
Repayments to GSL Institutions	486.56	253.50
Repayments to NDSL	1,889.55	326.61
	<u>31,843.81</u>	<u>27,461.96</u>
Cash Receipts (Under) Disbursements	(143.32)	(7,149.74)
Beginning Balance	<u>4,174.83</u>	<u>11,324.57</u>
Ending Balance	<u>\$ 4,031.51</u>	<u>\$ 4,174.83</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

RECONCILIATIONS

SPECIAL REVENUE/FEDERAL PROGRAMS

JUNE 30, 1987

Faculty Improvement Fee - Account 8641-07

Balance per State Treasury and College \$ 3,915.55

Capital Building and Land Improvement - Account 8641-08

Balance per State Treasury and College \$ 107,109.91

Gifts, Grants and Scholarships - Account 8641-10

Balance per State Treasury and College \$ 20,625.61

Higher Education Resource Fee - Account 8641-11

Balance per State Treasury and College \$ 268,104.28

Federal Programs - Account 8641-20

Balance per State Treasury and College \$ 73,982.30

Housing and Dining - Account 8641-32

Balance per State Treasury and College \$1,041,180.24

Student Union - Account 8641-34

Balance per State Treasury and College \$ 226,226.36

Faculty and Married Student Housing - Account 8641-35

Balance per State Treasury and College \$ 130,191.78

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

RECONCILIATIONS

SPECIAL REVENUE/FEDERAL PROGRAMS

JUNE 30, 1987

Athletic Facilities Construction and Reserve

Account 8641-39

Balance per State Treasury and College \$ 1,368.07

Athletics - Account 8641-40

Balance per State Treasury and College \$ 15,695.28

Student Activities - Account 8641-41

Balance per State Treasury and College \$242,527.40

College Work-Study Program - Account 8641-51

Balance per State Treasury and College \$ 11,222.56

Scholarship Program Clearing Account - Account 8641-58

Balance per State Treasury and College \$ 1,120.57

Special Services - Account 8641-60

Balance per State Treasury and College \$159,094.16

Farm/Greenhouse Sales - Account 8641-62

Balance per State Treasury \$ 98,312.31
 Deposit in Transit 2,415.83
 Balance Per College \$100,728.14

Building and Campus Renewal - Account 8641-65

Balance per State Treasury and College \$530,000.00

Clearing Account - Revenue - Account 8641-78

Balance per State Treasury and College \$ 9,392.39

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

BANK RECONCILIATIONS

JUNE 30, 1987

Supplemental Educational Opportunity Grant Program

Balance per Bank	\$ 532.16
Add: Deposits-in-Transit	<u>43.38</u>
	575.54
Less: Outstanding Checks	
<u>Check Numbers</u>	
1145	97.75
1146	<u>12.25</u>
	<u>110.00</u>
Balance per Book	<u>\$ 465.54</u>

Student Union Account

Balance per Bank and Book	<u>\$2,230.81</u>
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Student Aid Clearing Account

Balance per Bank	\$6,000.00
Less: Outstanding Check	
<u>Check Number</u>	
2635	<u>200.00</u>
Balance per Book	<u>\$5,800.00</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

BANK RECONCILIATIONS

JUNE 30, 1987

Keyser Rotary Club Student Loan Fund

Balance per Bank \$ 728.36

Less: Outstanding Check

Check Number

485 180.00

Balance per Book \$ 548.36

Basic Educational Opportunity Grant Program

Balance per Bank \$1,757.01

Less: Outstanding Checks

Check Numbers

1661 .50

3162 .75

4346 127.97

129.22

Balance per Book \$1,627.79

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

BANK RECONCILIATIONS

JUNE 30, 1987

Student Fee Refund Account

Balance per Bank \$4,869.27

Less: Outstanding Checks

Check Numbers

873	75.75
1047	46.50
1157	50.00
1172	43.38
1173	87.50
1174	60.73
1175	87.98
1176	60.73
1177	60.73
1178	57.23
1179	57.23
1180	50.00
1181	50.00
1182	50.00
	<u>837.76</u>

Balance per Book \$4,031.51

PHEE Scholarship Fund

Balance per Bank and per Book \$ -0-

Student Emergency Loan Fund

Balance per Bank \$1,897.67

Less: Outstanding Check

Check Number

462	<u>168.20</u>
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Balance per Book \$1,729.47

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY

BANK RECONCILIATIONS

JUNE 30, 1987

National Direct Student Loan

Balance per Bank	\$104,047.18
Add: Deposits-in-Transit	
June 29	1,249.55
June 30	246.24
	<u>1,495.79</u>
Balance per Book	<u>\$105,542.97</u>

POTOMAC STATE COLLEGE OF WEST VIRGINIA UNIVERSITY
 EMPLOYEE AND ENROLLMENT DATA
 FOR THE PERIOD JULY 1, 1985 THROUGH JUNE 30, 1987

	<u>Employee Data</u>		<u>Total</u>
	<u>Full-Time</u>	<u>Part-Time</u>	
Administrative	5	0	5
Faculty	39	21	60
Other	72	83*	155

	<u>Enrollment Data</u>		<u>Total</u>
	<u>Resident</u>	<u>Non-Resident</u>	
Fall 1985	828	187	1,015
Spring 1986	689	147	836
Summer 1986	130	9	139
Fall 1986	846	194	1,040
Spring 1987	735	166	901

	<u>Full-Time</u>	<u>Part-Time</u>	<u>Total</u>
Fall 1985	586	429	1,013
Spring 1986	519	317	836
Summer 1986	114	25	139
Fall 1986	608	432	1,040
Spring 1987	560	341	901

* This includes work-study students.

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WITT:

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 5th day of December,
1988.

Encil Bailey

Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to Potomac State College of West Virginia University; West Virginia University, West Virginia Board of Regents; Attorney General; Governor; and, State Auditor.