

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
LEWISBURG, WEST VIRGINIA

REPORT OF AUDIT
NATIONAL DIRECT STUDENT LOAN PROGRAM
COLLEGE WORK-STUDY PROGRAM

U.S. OFFICE OF EDUCATION
ENTITY NUMBER: 1-55-0532-668-A1

FOR THE PERIOD
JULY 1, 1979 - JUNE 30, 1980



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
LEWISBURG, WEST VIRGINIA

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LEGISLATIVE AUDITOR'S OFFICE
STATE OF WEST VIRGINIA

West Virginia



LEGISLATIVE AUDITOR

CHARLESTON

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

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, Mr. John T. Davis was assigned to audit the National Direct Student Loan Program and the College Work-Study Program at West Virginia School of Osteopathic Medicine.

This audit covers the period July 1, 1979 through June 30, 1981. The results of the examination are set forth on the following pages of this report.

Respectfully submitted

James R. Blake

James R. Blake, Supervisor
Legislative Postaudit Division

JRB:cmh

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West Virginia School of Osteopathic Medicine
Lewisburg, West Virginia

Report of Audit
National Direct Student Loan Program
College Work-Study Program

U.S. Office of Education
Entity Number: 1-55-0532-668-A1

For the Period July 1, 1979 - June 30, 1981

Part I - Introduction

Background

West Virginia School of Osteopathic Medicine is an institution of higher education and was last approved on June 5, 1978 by the U.S. Office of Education for participation in the student financial aid programs. Our examination of the National Direct Student Loan Program and the College Work-Study Program for the two year period ended June 30, 1981 was directed toward the objectives set forth in the audit guide dated June 1980 prepared by the U.S. Department of Education (DE).

National Direct Student Loan Program (NDSLP):

The School established the NDSLP July 1, 1976 under Part E of Title IV of the Higher Education Act of 1965. The records of the School indicate that loans aggregating \$707,002.00 have been made to 156 students since the program was established at the School. As of June 30, 1981 the principal outstanding on loans in default amounted to 5.80% of matured principal on all loans.

College Work-Study Program (CWSP):

On July 1, 1975 the School established the CWSP pursuant to Title IV, Part C, of the Higher Education Act of 1965, as amended. During the two year period ended June 30, 1981 up to 11 students participated in the program each year and expenditures for wages for the period aggregated \$9,272.70. The authorization award letters to the School were in the amount of \$5,610.00 for the academic year 1979-80 and \$7,500.00 for the academic year 1980-81.

Administration of Programs

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

Scope of Audit

Our audit of the National Direct Student Loan Program and the College Work-Study Program was performed in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the U.S. Comptroller General (GAO) in June, 1972 (1974 reprint), and the audit guide dated June 1980 prescribed by the U.S. Department of Education. The purpose of our audit was to formulate an opinion on the basic financial statements taken as a whole and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreement and DE directives which are set forth in the audit guide.

The audit included:

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

As part of our audit we obtained confirmation from selected students participating in the CWSP and student NDSLPL loan balances as of June 30, 1981.

Part II - Highlights of Audit Results

During our audit nothing came to our attention which caused us to believe that the West Virginia School of Osteopathic Medicine had not generally administered its student financial aid programs (NDSLPL and CWSP) in accordance with the federal regulations and directives cited in the DE audit guide for the NDSLPL and CWSP. However, certain areas of the School's management of student financial aid programs were in need of attention. More specifically, (1) some students had not provided required financial aid transcripts, (2) there was no documentation on file to support the data used in the application process for fiscal years 1981 and 1982, and (3) the School has not established an organized self-evaluation system for monitoring and evaluating the programs. These matters are discussed more fully on pages 5 and 6 of this report. As to our opinion on the financial statements see page 3.

Part III - Financial

Auditors' Report on Financial Statements

We have examined the balance sheets of the National Direct Student Loan Program (NDSLP) and the College Work-Study Program (CWSP) of the West Virginia School of Osteopathic Medicine as of June 30, 1981 and the related statements of changes in fund balances for the two year period then ended. (See Exhibits A through B-1.) Our examination was made in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the U.S. Comptroller General (GAO) in June, 1972 (1974 reprint). Accordingly, we conducted such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. The audit guide dated June 1980, prescribed by the U.S. Department of Education was used as a guide in the examination.

In our opinion the aforementioned financial statements present fairly the financial position of the NDSLP and the CWSP of the West Virginia School of Osteopathic Medicine at June 30, 1981 and the changes in fund balance for the two year period then ended, in conformity with generally accepted accounting principles applied on a consistent basis except as indicated under "Note to Financial Statements" below.

The examination referred to above was directed primarily toward formulating an opinion on the aforementioned statements as of and for the two year period ended June 30, 1981 taken as a whole, and was not directed toward formulating an opinion on the balance sheet at June 30, 1980, or the statements of changes in fund balances for the individual years ended June 30, 1980 and June 30, 1981. The supplemental data included in Schedules 1 through 6 have been subjected to the auditing procedures applied in the examination of the basic financial statements and in our opinion are stated fairly in all material respects only when considered in connection with the financial statements of the NDSLP and CWSP taken as a whole.

Note to Financial Statements
For the Two Year Period Ended June 30, 1981

1. Summary of significant accounting policies:

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

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

Part IV - Internal Accounting and Administrative Controls and Compliance

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

We have examined the financial statements on the NDSLP and the CWSP at the West Virginia School of Osteopathic Medicine for the two year period ended June 30, 1981. Our opinion on the above statements is contained on page 3 of this report. As a part of our examination we have made a study of the School's system of internal accounting control to the extent we considered necessary to evaluate the system as required by "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the U.S. Comptroller General (GAO) in June, 1972 (1974 reprint). Under these standards the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

We have also made a study of those internal accounting control and administrative control procedures at West Virginia School of Osteopathic Medicine that we considered relevant to the criteria established in the audit guide dated June 1980 (NDSLP and CWSP) prescribed by the U.S. Department of Education. Our study included tests of compliance with such procedures during the period July 1, 1979 through June 30, 1981.

The objectives of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. We understand that the objective of those administrative control procedures comprehended in the U.S. Department of Education criteria is to provide similar assurance as to compliance with its related requirements. The concept of reasonable assurance recognizes that the cost of a system of internal control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented 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 control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

We understand that procedures in conformity with the criteria referred to in the second paragraph of this PART are considered by the U.S. Department of Education to be adequate for its purposes in accordance with the provisions of the Higher Education Act of 1965 and related regulations, and the procedures not in conformity therewith indicate some inadequacy for such purposes.

Based on this understanding and our study, we believe West Virginia School of Osteopathic Medicine followed procedures which were adequate for the Department's purposes, except for the conditions described on pages 5 and 6 which we believe are not in conformity with the criteria referred to above.

Findings and Recommendations - Internal Accounting and
Administrative Controls and Compliance

All Federal Student Financial Aid Programs

Absence of Financial Aid Transcripts

The School had not been requiring all students to provide a financial aid transcript before granting them federal student financial aid. Of the 81 students receiving financial aid in the academic year 1980-81, 12 did not have financial aid transcripts on file. We noted that financial aid transcripts were on file for all 28 students receiving financial aid for the first time for the first semester of academic year 1981-82.

Section 168.14, of Part 168 of the federal regulations pertaining to federal student financial aid programs, requires that all institutions establish and maintain a financial aid transcript for each student receiving assistance under any of the federal student financial aid programs. This section further provides that if a student indicates that he or she attended another institution, the institution the student is currently attending shall, before disbursing any federal student financial aid funds to that student, obtain a certified financial aid transcript from the institution or institutions the student previously attended.

Financial aid transcripts are particularly important at this institution since all students previously attended other institutions.

At the time of this audit, School officials were endeavoring to obtain financial aid transcripts from all students receiving federal student financial aid in the past.

We recommend that the School establish procedures which will assure that a financial aid transcript is obtained from a student before he or she is awarded federal student financial aid. School officials indicated that this will be done.

Data Used in Application Process

We could not find documentation on file to support the data used in the application process for fiscal years 1981 and 1982 (Part A of the application).

The supporting documentation for the data used for those two years was prepared by the financial aid office and was destroyed after the applications were completed.

We recommend that in the future the School retain all working papers and supporting information utilized in developing the data used in the application process.

Self-Evaluation System

The School has not established a self-evaluation system to monitor and evaluate the federal student financial aid programs to ensure that their objectives are being met.

The purpose of a self-evaluation system is to encourage the institution to provide continuous monitoring of the programs' activities to assure that the programs are being operated in an effective, efficient, and economical manner.

We recommend that a self-evaluation system be established and that the programs be reviewed under the system at least annually.

Part V - Prior Audit Report for the Period July 1, 1975 - June 30, 1979

The prior audit report included 2 findings, one of which has been cleared. The other finding, identified below, is repeated in this audit report:

Self-Evaluation System. (See above.)

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 BALANCE SHEET AS OF JUNE 30, 1981

Assets

Cash on Hand and in Depository	\$ 6,797.37
Student Loans Receivable (See Schedule 1)	<u>654,565.40</u>
Total Assets	<u>\$661,362.77</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Administrative Expenses Payable	<u>\$ 1,590.30</u>
Fund Balance:	
Capital:	
Federal Contributions:	
Authorized	\$615,846.00
Repaid	<u>-0-</u>
Balance	<u>\$615,846.00</u>
Institutional Contributions:	
Authorized	\$ 69,428.11
Repaid	<u>-0-</u>
Balance	<u>\$ 69,428.11</u>
Capital Fund Balance	\$685,274.11
Non-Capital Fund Deficits (See Exhibit A-1)	<u>(25,501.64)</u>
Total Fund Balances	<u>\$659,772.47</u>
Total Liabilities and Fund Balance	<u>\$661,362.77</u>

Exhibit A

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 TWO YEAR PERIOD ENDED JUNE 30, 1981
 AND THE PERIOD JULY 1, 1976 THROUGH JUNE 30, 1981

	For the Period July 1, 1976 Through June 30, 1981	Two Year Period Ended June 30, 1981
<u>Non-Capital Fund Balance</u>		
Additions:		
Interest on Loans - Collected	\$ 7,255.69	\$ 6,887.21
Interest on Loans - Cancelled	<u>57.76</u>	<u>57.76</u>
Total Additions	<u>\$ 7,313.45</u>	<u>\$ 6,944.97</u>
Deductions:		
Loan Principal and Interest Cancelled:		
Death	\$ 2,945.11	\$ 2,945.11
Administrative Expenses	<u>29,869.98</u>	<u>14,614.30</u>
Total Deductions	<u>\$ 32,815.09</u>	<u>\$ 17,559.41</u>
Net (Decrease) For the Period	(\$ 25,501.64)	(\$ 10,614.44)
Fund Deficit, Beginning of Period	<u>-0-</u>	<u>(14,887.20)</u>
Non-Capital Fund Deficit, June 30, 1981	<u>(\$ 25,501.64)</u>	<u>(\$ 25,501.64)</u>
<u>Capital Fund Balance</u>		
Federal Contributions	\$615,846.00	\$210,481.00
Institutional Contributions	<u>69,428.11</u>	<u>24,387.54</u>
Total Contributions	\$685,274.11	\$234,868.54
Fund Balance, Beginning of Period	<u>-0-</u>	<u>450,405.57</u>
Fund Balance, End of Period	<u>\$685,274.11</u>	<u>\$685,274.11</u>

Exhibit A-1

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
COLLEGE WORK-STUDY PROGRAM
BALANCE SHEET AS OF JUNE 30, 1981

Assets

Cash on Hand and in Depository	<u>\$3,297.20</u>
Total Assets	<u>\$3,297.20</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Wages Payable	\$2,255.29
Accrued FICA Matching Payable	336.47
Accrued Administrative Expenses Payable	<u>302.87</u>
Total Liabilities	\$2,894.63
Fund Balance	<u>402.57</u>
Total Liabilities and Fund Balance	<u>\$3,297.20</u>

Exhibit B

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 COLLEGE WORK-STUDY PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1981

Additions:	
Total Grant Award Authorization	\$13,110.00
Authorization Not Used	<u>(5,110.00)</u>
Net Federal Funds Provided	\$ 8,000.00
Funds Provided by Institution	<u>2,639.00</u>
 Total Additions	 <u>\$10,639.00</u>
Deductions:	
Wages:	
On Campus:	
Federal Share	\$ 7,418.16
Institutional Share	1,854.54
FICA Matching	595.71
Administrative Expenses	<u>431.48</u>
 Total Deductions	 <u>\$10,299.89</u>
 Net Increase For the Period	 \$ 339.11
 Fund Balance, Beginning of Period	 <u>63.46</u>
 Fund Balance, End of Period	 <u>\$ 402.57</u>

Exhibit B-1

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 ANALYSIS OF STUDENT LOANS RECEIVABLE
 TWO YEAR PERIOD ENDED JUNE 30, 1981
 AND THE PERIOD JULY 1, 1976 THROUGH JUNE 30, 1981

	For the Period July 1, 1976 Through June 30, 1981	Two Year Period Ended June 30, 1981
Balance, Beginning of Period	\$ -0-	\$366,886.02
Funds Advanced to Students	<u>707,002.00</u>	<u>325,610.00</u>
Total	<u>\$707,002.00</u>	<u>\$692,496.02</u>
Less Credits:		
Collections	\$ 49,549.25	\$ 35,043.27
Cancellations:		
Death	<u>2,887.35</u>	<u>2,887.35</u>
Total Credits	<u>\$ 52,436.60</u>	<u>\$ 37,930.62</u>
Balance, June 30, 1981	\$654,565.40	<u>\$654,565.40</u>
Total of Individual Loan Balances	<u>\$654,565.40</u>	
Difference	<u>\$ -0-</u>	

Schedule 1

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 COMPUTATION OF DEFAULT RATE
 AS OF JUNE 30, 1981
 (CUMULATIVE INFORMATION)

Principal Outstanding on Loans in Default

Total Amount Advanced on Loans in Default	\$ 19,017.00
Deduct: Principal Amount Repaid or Cancelled	<u>168.00</u>
Total Remaining Principal Amount Which Has Not Been Paid, Cancelled or Assigned/Referred on All Notes in Default	<u>\$ 18,849.00</u>
<u>Total Amount of Matured Principal</u>	
Total Amount Advanced - All Borrowers	\$707,002.00
Deduct Amount Not in Repayment Status:	
Student Status at West Virginia School of Osteopathic Medicine	\$225,015.00
Grace Period (Armed Forces, Peace Corps, Vista, Hardship)	<u>157,256.00</u>
Total Amount Not in Repayment Status	<u>382,271.00</u>
Total Amount of Matured Principal	<u>\$324,731.00</u>
Percentage of Loans in Default (\$18,849.00 ÷ \$324,731.00)	<u>5.80%</u>

Schedule 2

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 ANALYSIS OF CASH FLOW
 TWO YEAR PERIOD ENDED JUNE 30, 1981

Cash Balance, Beginning of Period		\$ 68,632.35
Add:		
Federal Contributions	\$210,481.00	
Institutional Contributions	<u>24,387.54</u>	234,868.54
Reprogrammed Funds:		
Collections on Loans	\$ 35,043.27	
Interest Collected on Loans	<u>6,887.21</u>	<u>41,930.48</u>
Total Cash Available For the Period		\$345,431.37
Funds Applied:		
Funds Advanced to Students	\$325,610.00	
Administrative Expenses	<u>13,024.00</u>	
Total Cash Applied		<u>338,634.00</u>
Cash Balance, End of Period		<u>\$ 6,797.37</u>

Schedule 3

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 NATIONAL DIRECT STUDENT LOAN PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEARS ENDED JUNE 30, 1980 AND JUNE 30, 1981

	<u>Year Ended June 30, 1980</u>	<u>Year Ended June 30, 1981</u>	
<u>Non-Capital Fund Balance</u>			
Additions:			
Interest on Loans - Collected	\$ 2,168.72	\$ 4,718.49	
Interest on Loans - Cancelled	-0-	57.76	
Total Additions	\$ 2,168.72	\$ 4,776.25	
Deductions:			
Loan Principal and Interest Cancelled:			
Death	\$ -0-	\$ 2,945.11	
Administrative Expenses	4,510.00	10,104.30	
Total Deductions	\$ 4,510.00	\$ 13,049.41	
Net (Decrease) For the Year	(\$ 2,341.28)	(\$ 8,273.16)	
Fund Balance, Beginning of Year	(14,887.20)	(17,228.48)	
Fund Balance, End of Year	(\$17,228.48)	(\$ 25,501.64)	
	<u>Federal</u>	<u>Institutional</u>	<u>Total</u>
<u>Capital Fund Balance</u>			
Fund Balance, Beginning of Period	\$405,365.00	\$45,040.57	\$450,405.57
Add Contributions:			
July 1, 1979 - June 30, 1980	82,400.00	9,155.55	91,555.55
July 1, 1980 - June 30, 1981	128,081.00	15,231.99	143,312.99
Capital Fund Balance, End of Period	\$615,846.00	\$69,428.11	\$685,274.11

Schedule 4

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 COLLEGE WORK-STUDY PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1981

	<u>Per</u> <u>OE 646</u>	<u>As</u> <u>Audited</u>	<u>Difference</u>
Additions:			
Total Grant Award Authorization	\$7,500.00	\$7,500.00	\$ -0-
Authorization Not Used	<u>(3,500.00)</u>	<u>(3,500.00)</u>	<u>-0-</u>
Net Federal Funds Provided	\$4,000.00	\$4,000.00	\$ -0-
Funds Provided by Institution	<u>1,332.50</u>	<u>1,332.50</u>	<u>-0-</u>
 Total Additions	 <u>\$5,332.50</u>	 <u>\$5,332.50</u>	 <u>\$ -0-</u>
Deductions:			
Wages:			
On Campus:			
Federal Share	\$4,845.94	\$4,845.94	\$ -0-
Institutional Share	1,211.48	1,211.48	-0-
FICA Matching	398.63	398.63	-0-
Administrative Expenses	<u>302.87</u>	<u>302.87</u>	<u>-0-</u>
 Total Deductions	 <u>\$6,758.92</u>	 <u>\$6,758.92</u>	 <u>\$ -0-</u>
 Net (Decrease) For the Year	 (\$1,426.42)	 (\$1,426.42)	 \$ -0-
 Fund Balance, Beginning of Year	 <u>1,829.98</u>	 <u>1,828.99</u>	 <u>.99</u>
 Fund Balance, End of Year	 <u>\$ 403.56</u>	 <u>\$ 402.57</u>	 <u>\$.99</u>

Schedule 5

WEST VIRGINIA SCHOOL OF OSTEOPATHIC MEDICINE
 COLLEGE WORK-STUDY PROGRAM
 STATEMENT OF CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1980

	<u>Per</u> <u>OE 646</u>	<u>As</u> <u>Audited</u>	<u>Difference</u>
Additions:			
Total Grant Award Authorization	\$5,610.00	\$5,610.00	\$ -0-
Authorization Not Used	<u>(1,610.00)</u>	<u>(1,610.00)</u>	<u>-0-</u>
Net Federal Funds Provided	\$4,000.00	\$4,000.00	\$ -0-
Funds Provided by Institution	<u>1,306.50</u>	<u>1,306.50</u>	<u>-0-</u>
 Total Additions	 <u>\$5,306.50</u>	 <u>\$5,306.50</u>	 <u>\$ -0-</u>
Deductions:			
Wages:			
On Campus:			
Federal Share	\$2,572.22	\$2,572.22	-0-
Institutional Share	643.06	643.06	-0-
FICA Matching	197.08	197.08	-0-
Administrative Expenses	<u>127.62</u>	<u>128.61</u>	(\$ <u>.99</u>)
 Total Deductions	 <u>\$3,539.98</u>	 <u>\$3,540.97</u>	 <u>(\$ <u>.99</u>)</u>
 Net Increase For the Year	 \$1,766.52	 \$1,765.53	 \$.99
 Fund Balance, Beginning of Year	 <u>63.46</u>	 <u>63.46</u>	 <u>-0-</u>
 Fund Balance, End of Year	 <u>\$1,829.98</u>	 <u>\$1,828.99</u>	 <u>\$ <u>.99</u></u>

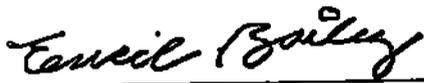
Schedule 6

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

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

Given under my hand this 8th day of December
1981.


Encil Bailey, Legislative Auditor

Copy forwarded to the Commissioner of the Department of Finance and Administration to be filed as a public record. Copies forwarded to the U.S. Department of Education; West Virginia School of Osteopathic Medicine; West Virginia Board of Regents; Governor; Attorney General; and, State Auditor.