

STATE OF WEST VIRGINIA
POST AUDIT

WEST VIRGINIA GRADUATE COLLEGE

ARNETT & FOSTER, CPA'S
1000 Laidley Tower
500 Lee Street, East
Charleston, West Virginia

C O N T E N T S

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WEST VIRGINIA GRADUATE COLLEGE

EXIT CONFERENCE

An exit conference was held on October 29, 1992, with the Director of Business Affairs and the Business Office supervisory staff of West Virginia Graduate College and all findings and recommendations were reviewed and discussed.

The formal response to the audit findings from the West Virginia Graduate College will be forwarded when received.

WEST VIRGINIA GRADUATE COLLEGE

INTRODUCTION

The West Virginia Graduate College was authorized by the 1972 legislature and was established by the Board of Regents (now the University System of West Virginia Board of Trustees) July 1, 1972, to provide graduate study opportunities through teaching, research, and public service activities to the citizens of central and southern West Virginia.

The College's mission statement as updated in May, 1991, allows the College to serve the entire State through the use of facilities at various colleges and universities and via a telecommunications network. The college's full-time faculty and faculty recruited from other colleges and universities provide courses and masters' degree programs wherever needed in the State. The mission statement also provides for cooperation among the institutions and to provide for the identified labor, industrial, educational, business, professional and economic development needs of the various communities and the State as a whole. The unique structure of the College allows for flexibility of programs and techniques which accommodate the everchanging life long learning needs of a wide variety of students while making graduate study convenient and accessible to all students of the State. In addition, the College provides academic support and resources and promotes public service research and special programs to help ensure future employment, employment development and opportunities for citizens to stay attuned with current developments in various fields.

In a typical semester, the College will serve up to 3,100 students in its twenty-one (21) degree programs. The College is unique in that it has no campus of its own, nor many of the other trappings of traditional institutions. The offices are located on the campus of West Virginia State College.

WEST VIRGINIA GRADUATE COLLEGE
IMPLEMENTATION OF PRIOR AUDIT RECOMMENDATIONS

The West Virginia Graduate College was last audited for the fiscal year ended June 30, 1982. In following up on prior year audit findings, we observed that, with the exception of those findings noted in this report as being reported in the prior post audit, all prior findings were appropriately addressed by the spending unit.

WEST VIRGINIA GRADUATE COLLEGE
 ADMINISTRATIVE OFFICERS AND STAFF
 June 30, 1992

Dr. Dennis P. Prisk	President
Mr. James R. Stephens	Human Resource Development Director
Dr. Ronald B. Childress	Dean, School of Education, Human Services, and Humanities
Dr. William E. Crockett	Dean, School of Engineering and Science
Dr. Dennis C. Emmett	Dean, School of Business
Mr. Lawrence M. Kelley	Director, Business Affairs
Mr. Kenneth A. O'Neal	Director of Admissions and Records, Registrar
Ms. Susan J. Tams	Director, Marketing and Communication
Mr. Kemp W. Winfree	Vice President for Institutional Advancement
Mr. William H. Utz, III	Director, Library Services
Dr. John H. Buskey	Director, Satellite Network of West Virginia

WEST VIRGINIA GRADUATE COLLEGE

SUMMARY OF FINDINGS AND RECOMMENDATIONS

We have audited the financial statements of the West Virginia Graduate College as of and for the years ended June 30, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992. In accordance with specific instructions received from the Legislative Post Audit Division, only financial statements for the years ended June 30, 1992 and 1991, and the related report thereon are presented within this report. Our report on the financial statements for the years ended June 30, 1992 and June 30, 1991 is dated October 27, 1992, and is presented on Page 21. Our report on these financial statements is qualified because the College's system of internal control was such that we were unable to determine if all revenues (cash basis) were properly recorded. Except as previously mentioned, we conducted our audits in accordance with generally accepted auditing standards and specific instructions received from the Legislative Post Audit Division. Those standards and instructions require that we plan and perform the audit to obtain reasonable assurance about whether the aforementioned financial statements are free of material misstatement, and to determine if significant instances of non-compliance with the West Virginia Code existed for the period audited. Our report on compliance with applicable laws and regulations is presented on Pages 10 through 17. In planning and performing the post audit of the West Virginia Graduate College for the fiscal years ended June 30, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. The reportable conditions we observed are described below. Our report on the internal control structure is presented on Pages 18 through 20.

Summary of Compliance Findings

The following is a brief summary of compliance findings resulting from the performance of the post audits. For further discussion of the compliance findings, see Pages 10 through 17 of this report.

Record Retention1. Finding

Documentation of transmittals, intra-governmental transfers, leave requests, and personnel action were destroyed or otherwise not maintained until audits of such documents could be completed as required by Chapter Five (A), Article Eight, Section Seventeen of the West Virginia Code (see Pages 11 - 12 of this Post Audit Report).

Recommendation

We recommend the College maintain documentation to ensure compliance with Chapter Five (A), Article Eight, Section Seventeen of the West Virginia Code.

Deposits to State Treasury2. Finding

During our audit we noted numerous instances where funds were held for up to thirty days after receipt. Chapter Twelve, Article Two, Section Two of the

West Virginia Code requires deposit of receipts to the State Treasury within a twenty-four hour time period (see Page 12 of this Post Audit Report).

Recommendation

We recommend that the College deposit receipts in a manner which complies with Chapter Twelve, Article Two, Section Two of the West Virginia Code, as amended.

Record Maintenance

3. Finding

Chapter Five (A), Article Eight, Section Nine of the West Virginia Code requires in part that the spending unit "Make and maintain records containing adequate and proper documentation of...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."

We noted that the enrollment records were not maintained in a manner to allow the determination of student population net of added and dropped classes to ensure the propriety of fee collections. Also waiver records were not maintained in a manner which allowed determination of compliance with Chapter Eighteen (B), Article Ten, Section 6 of the West Virginia Code for allowable waivers per semester (see Pages 12 - 13 of this Post Audit Report).

Recommendation

We recommend that the College maintain records as completely as possible to comply with Chapter Five (A), Article Eight, Section Nine and Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code.

Fee Waivers

4. Finding

We noted that employees of the College as well as West Virginia State College, who enroll in classes, are able to receive tuition and fee waivers in excess of that required to obtain their degree. Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code states that fee waivers may be granted "for a period of time not to exceed the number of semesters normally required in the student's academic discipline" (see Page 13 of this Post Audit Report).

Recommendation

We recommend that the College comply with Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code.

Inventory Reports

5. Finding

Chapter Five (A), Article Three, Section Thirty-five of the West Virginia Code requires an annual inventory of all property, equipment and supplies. We noted during our audit that the College has not performed such an inventory during the period under audit.

In addition, the prior post audit finding concerning recording of purchases on Form WV-62 had not been corrected. Form WV-62 is required under State Purchasing Regulations (see Pages 13 - 14 of this Post Audit Report).

Tuition and Fees

6. Finding

We noted that in determining tuition and fees to be charged to individual students, that residency status was not verified, which can result in the approved fee schedule required by Chapter Eighteen (B), Article Two, Section Four, of the West Virginia Code being improperly applied (see Pages 14 - 15 of this Post Audit Report).

Recommendation

We recommend that student addresses be verified to ensure compliance with Chapter Eighteen (B), Article Two, Section Four of the West Virginia Code.

Quarterly Expenditures

7. Finding

The College overspent their quarterly allotment in several quarters in noncompliance with Chapter Five (A), Article Two, Section Eighteen of the West Virginia State Code (see Page 15 of this Post Audit Report).

Recommendation

We recommend that the College comply with Chapter Five (A), Article Two, Section Eighteen of the West Virginia Code.

Additionally, we observed the following findings which were also reported in the prior post audit of the West Virginia Graduate College:

Intra-Governmental Transfers

8. Finding

The College is not complying with the State Auditor's line item codes when transferring funds to another account (see Pages 15 - 16 of this Post Audit Report).

Recommendation

We recommend the College comply with the State Auditor's line item codes when transferring funds to another account.

Tuition and Fees

9. Finding

Credit was being extended to students on their tuition and fees (see Page 16 of this Post Audit Report).

Recommendation

We recommend established regulations of the University System of West Virginia Board of Trustees be followed concerning the extension of credit and the payment of tuition and fees.

Summary of Reportable Conditions

The following is a brief summary of the reportable conditions resulting from the performance of the post audit. For further discussion of the reportable conditions, see Pages 18 through 20 of this Report.

Cash Management

1. Finding

The College did not maintain adequate segregation of duties in the handling of cash receipts and disbursement transactions, which could allow for errors, irregularities or illegal acts to occur and not be detected in a timely manner (see Page 19 of this Post Audit Report).

Recommendation

We recommend that the College separate incompatible cash receipts and disbursements functions to the fullest extent possible.

Cash Receipts Cycle

2. Finding

The College did not maintain adequate subsidiary accounting records nor did the system utilized by the College provide for proper accountability of documents relating to certain cash receipts. These conditions limited the scope of our audit and could allow for errors, irregularities or illegal acts to occur and not be detected in a timely manner (see Page 20 of this Post Audit Report).

Recommendation

We recommend that the College implement adequate accounting records as well as adequate initial controls over all cash receipts documents.

WEST VIRGINIA GRADUATE COLLEGE

GENERAL REMARKS

This section of the Post Audit Report on the West Virginia Graduate College covers compliance matters disclosed in the Independent Auditor's Report on Compliance with Applicable Laws and Regulations which appears on Pages 10 through 17 of this Post Audit Report, and internal controls and accounting system matters disclosed in the Independent Auditor's Report on Internal Control Structure which appears on Pages 18 through 20 of this Post Audit Report.



arnett & foster

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

West Virginia Legislature Joint Committee
on Government and Finance
Legislative Auditor
Room 441, Main Unit
State Capitol
Charleston, West Virginia

We have audited the financial statements of the West Virginia Graduate College for the years ended June 30, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992. In accordance with specific instructions received from the Legislative Post Audit Division, only financial statements for the years ended June 30, 1992 and 1991, and the related report thereon dated October 27, 1992, are presented within this report. Our report on the June 30, 1992 and 1991 financial statement is qualified because the College's system of internal control was such that we were unable to determine if all revenues (cash basis) were properly recorded. Except as previously mentioned, we conducted our audits in accordance with generally accepted auditing standards and specific instructions received from the Legislative Post Audit Division. Those standards and instructions require that we plan and perform the audit to obtain reasonable assurance about whether the aforementioned financial statements are free of material misstatement and to determine if significant instances of noncompliance with the West Virginia Code existed for the periods audited.

Compliance with the laws, regulations, contracts and grants applicable to the West Virginia Graduate College (the College) is the responsibility of the College's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the College's compliance with provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions and accordingly we do not express such an opinion. Our testing of compliance included, but was not limited to, testing compliance with the following rules, regulations and provisions of the West Virginia Code:

- Article 25, Chapter 18
- Sections 1 through 3, Article 2, Chapter 18B
- Article 10, Chapter 18B
- Article 11, Chapter 4
- Section 4, Article 7, Chapter 5
- Sections 9 and 17, Article 8, Chapter 5
- Section 29, Article 10, Chapter 5
- Section 12, Article 16, Chapter 5
- Articles 2 and 3, Chapter 5(a)
- Section 2(a), Article 7, Chapter 6
- Sections 71, 72, 75 and 76, Article 21, Chapter 11
- Articles 2 and 3, Chapter 12
- Articles 1 and 2, Chapter 14

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- Section 5, Article 5(c), Chapter 21
- Legislative Rules and Regulations promulgated by the West Virginia Division of Labor
- Section 5, Article 5, Chapter 21(a)
- Section 8, Article 8(a), Chapter 21(a)
- Section 5, Article 2, Chapter 23
- All Legislative rules promulgated in accordance with Article 3, Chapter 29(a)
- West Virginia Civil Service

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions contained in statutes, regulations, contracts or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the financial statements. The results of our test of compliance disclosed the following material and immaterial instances of noncompliance.

Record Retention

1. Finding

Chapter Five (A), Article Eight, Section Seventeen of the West Virginia Code states the following:

"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 section of archives and history of the division of culture and history that the record has no further administrative, legal, fiscal, research or historical value."

During the performance of our audit, we observed the following:

- During the period under audit, we observed instances of missing processed transmittals.
- Intra-governmental transfers and supporting source documentation for the period of July 1, 1983 through June 30, 1987, were inadvertently destroyed by the College's contracted janitorial service after such documents were pulled from record storage for audit purposes and held in common areas around the fiscal office.
- Leave approvals for various months of the audit period were not maintained.
- Personnel action Form WV-11 could not be located in certain instances to evidence approval of personnel salaries and position.

The above documents should be maintained to substantiate the related fiscal activities until the approvals required by the West Virginia Code have been appropriately obtained. These conditions violate Chapter Five (A), Article Eight, Section Seventeen of the West Virginia Code.

Recommendation

We recommend the Board maintain documentation to ensure compliance with Chapter Five (A), Article Eight, Section Seventeen of the West Virginia Code.

Deposits to State Treasury

2. Finding

Chapter Twelve, Article Two, Section Two of the West Virginia code states the following:

"All officials and employees of the State authorized by statute to accept moneys due to State of West Virginia shall keep 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."

Our audit procedures revealed that for the period under audit, the College did not deposit funds received through other than intra-governmental transfers with the State treasurer within the required twenty-four hour period. Our procedures revealed that funds were deposited with the State treasurer office most often between two days to twelve days after receipt and as high as thirty days after receipt of such funds. This condition appears to have resulted from difficulties that have been incurred by the College's admissions office in processing student enrollments because of limited staffing. This condition not only results in technical noncompliance with the West Virginia Code, but could also result in the occurrence of errors, irregularities, or illegal acts that could go undetected.

Recommendation

We recommend that the College comply with Chapter Twelve, Article Two, Section Two of the West Virginia Code.

Record Maintenance

3. Finding

Chapter Five (A), Article Eight, Section Nine of the West Virginia Code requires the following of spending units within West Virginia State government:

"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."

We observed that the College did not maintain sufficient documentation to evidence student population serviced by the College. Our audit procedures revealed that certain enrollment records had not been appropriately updated for students added to and/or dropped from class enrollments for various

semesters throughout the audit period. Consequently, statistical data regarding student enrollment reported by the College to other units of the West Virginia State government as well as to any outside organizations may have been in error. We were not able to determine the number of students added or dropped during the semesters of the audit period to estimate the errors in student populations served. In addition, we found that not all students who were granted waivers were included on the listings prepared by the admissions office for the Board of Trustees. As a result we were unable to determine compliance with Code Section Eighteen (B), Article Ten, Section Six.

Recommendation

We recommend that the College maintain student enrollment records sufficient for compliance with Chapter Five (A), Article Eight, Section Nine and Section Eighteen (B), Article Ten, Section Six of the West Virginia Code.

Fee Waivers

4. Finding

Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code requires the following:

"Each graduate or professional school fee waiver shall entitle the recipient to waiver of the enrollment, tuition, registration, higher education resource and other fees as maybe prescribed by the governing boards and be for a period of time not to exceed the number of semesters normally required in the recipient's academic discipline."

While testing tuition fee waivers for the audit period, we observed that employees of the College or West Virginia State College enrolled in courses of the Graduate College were able to receive tuition and fee waivers for course semesters greater than that normally required in order to receive the employee/student's related graduate degree. Consequently, it appears that for the College's employees that were also students, the College is not in compliance with Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code.

Recommendation

We recommend that the College comply with Chapter Eighteen (B), Article Ten, Section Six of the West Virginia Code.

Inventory Reports

5. Finding

Chapter Five (A), Article Three, Section Thirty-five, of the West Virginia Code provides that spending units must provide for the following:

"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."

Further, State purchasing regulations in effect during the audit period required the following:

The added property form, WV-62, must be used to report all property acquisitions. In addition, a tag identifying the property as owned by the State of West Virginia and a sequential number (State of WV XXXX) must be affixed to each piece of personal property. The tag number will correspond to the number entered in the "State Tag Number" column on the added property form. If an inventoried item is transferred, a new tag and number must be assigned by the acquiring agency. Form WV-62 must be completed in duplicate and attached to the top of the WV-60, requisition for payment transmittal, and forwarded to the Budget Division of the Department of Administration.

We observed during our audit that the College has not performed physical inventory of personal property, equipment, supplies or commodities during the period under audit. Further, the College did not submit an annual inventory report of such items to the Director of Finance and Administration during the audit period. Further, as noted by the College's previous post audit, we observed for the period under audit that not all personal property or equipment purchased was recorded on the added property form WV-62. Consequently, the above conditions could allow for College personal property and equipment to be used for unauthorized purposes that may not be consistent with the College's legislative purpose.

Recommendation

We recommend the College comply with Chapter Five (A), Article Three, Section Thirty-five of the West Virginia Code, as well as the State's purchasing regulations governing property and equipment acquisitions.

Tuition and Fees

6. Finding

Chapter Eighteen (B), Article Two, Section Four of the West Virginia Code requires the following:

The trustees shall fix tuition and establish and set other fees to be charged students as it deems appropriate, including the establishment of special fees for specific purposes.

The Board of Trustees had established certain fee levels for nonresident students attending the College. Our audit procedures revealed, however, that the College's registration office did not routinely verify addresses to determine whether students were residents or nonresidents of West Virginia in order to determine appropriate tuition and fees to charge. This condition could result in improper charging of fees and tuition to students, and the College not receiving sufficient tuition and fees from nonresident students.

Recommendation

We recommend the College registration office verify student addresses so as to ensure compliance with Chapter Eighteen (B), Article Two, Section Four of the West Virginia Code.

Quarterly Expenditures7. Finding

Chapter Five (A), Article Two, Section Eighteen of the West Virginia Code states the following:

The expenditures of a spending unit during a quarter of the fiscal year shall not exceed the amount of the approved allotment, unless the governor approves the expenditure of a larger amount. Any amounts remaining unexpended at the close of the quarter shall be available for reallocation and expenditure during any succeeding quarter of the same fiscal year.

Our audit procedures revealed that the College overspent their appropriated funds in five quarters. This appears to have been due to payroll expenditures which are spread evenly over the quarters. This condition not only results in noncompliance with the West Virginia Code, but could also result in spending restricted funds for purposes outside of their required usage.

Recommendation

We recommend that the College comply with Chapter Five (A), Article Two, Section Eighteen of the West Virginia Code.

We observed that the findings and recommendations from the previous post audit which follow have not been corrected as of June 30, 1992. We noted that the same conditions existed during our audit period. We recommend that the College implement corrective action on these items as recommended by the prior post audit.

Intra-Governmental Transfers8. Finding

The State Auditor's Office issued a memorandum April 20, 1978 to all state agencies explaining the disbursement line item numbers to be used when transferring funds to another account. Federal funds being transferred to another account should use disbursement line 004. This number was changed

July 1, 1980 to 101. Non-federal funds (but not state appropriated) being transferred to another account should use disbursement line 003. This number was changed July 1, 1980 to 102. Transfer of state appropriated funds with proper legislative authority should use disbursement line 100.

During our audit test of tracing collection receipts to the State Auditor's report, we were not always in agreement with their totals for some special revenue accounts. This was caused by the agency using revenue line item numbers instead of disbursement numbers when transferring funds to another account. This type of coding error results in understating receipts and disbursements but does not affect the ending balances.

Recommendation

We recommend all employees with the responsibility of coding transfers be instructed to use the proper code as specified by the State Auditor's Office.

Tuition and Fees

9. Finding

The tests for tuition and fees revealed some students were attending class offered by the College of Graduate Studies without paying the tuition and fees until after the due date.

This policy of allowing late payment of tuition and fees is apparently due to the failure of the business office to enforce existing regulations of the West Virginia Board of Trustees. The regulations of the West Virginia Board of Trustees provide that: "...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."

The College's lack of enforcement of the above stated regulations has had the effect of extending credit to students which has caused a loss of income.

Recommendation

We recommend established regulations as stated above be followed.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, the College complied in all material respects, with the provisions referred to in the second paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that the College had not complied in all material respects, with those provisions.

This report is intended for the information of the Joint Committee on Government and Finance and management of the West Virginia Graduate College. However, this report is a matter of public record and its distribution is not limited.

October 27, 1992

Arnett & Foster



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

West Virginia Legislature Joint Committee
on Government and Finance
Legislative Auditor
Room 441, Main Unit
State Capitol
Charleston, West Virginia

We have audited the financial statements of the West Virginia Graduate College for the years ended June 30, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992. In accordance with specific instructions received from the Legislative Post Audit Division, only financial statements for the years ended June 30, 1992 and 1991, and the related report thereon dated October 27, 1992, are presented within this report. Our report on the June 30, 1992 and 1991 financial statements is qualified because the College's system of internal control was such that we were unable to determine if all revenues (cash basis) were properly recorded.

Except as explained in the first paragraph, we conducted our audits in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audits of the financial statements of the West Virginia Graduate College for the years ended June 30, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991 and 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the West Virginia Graduate College (the College) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the College's modified cash basis of accounting. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For all of the significant internal control structure categories, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cash Management

1. Finding

Ideally, an optimal internal control structure contemplates an adequate separation of duties that ensures that no one individual can control a transaction from inception to completion including its recording into the accounting system. While gaining our understanding of the College's internal control structure, we observed the following instances of improper separation of duties:

- The Assistant Director of Finance was able to perform the following:
 - Sign a daily cash reconciliation form after counting cash.
 - Carry deposits to the West Virginia State Treasury and other authorized depository institutions.
 - Receive cash receipts.
 - Sign and approve transmittals for processing.
 - Record transactions into the College's accounting system.

- The cashier was able to perform the following:
 - Receive cash
 - Prepare deposits and reconcile daily receipts
 - Prepare the Form T-1 for recording deposits to the State's and the College's accounting systems.

The above conditions appear to result in an inappropriate access to the College's assets as well as its accounting records by the above noted employees which could result in errors, irregularities, or illegal acts to occur and go undetected.

Recommendation

We recognize that the College's financial office has limited personnel as well as limited resources to address separation of duties problems, however, we recommend that management take steps to separate incompatible functions to the fullest extent possible.

Cash Receipts Cycle2. Finding

An optimal internal control structure for the receipt of cash provides for subsidiary accounting records which ensure accountability of documents. Such a system should include proper controls through effective use of cash register systems, use of prenumbered and controlled cash receipts, use of mail cash receipts logs or other suitable initial controls over the receipt of cash. The College did utilize some of these controls through the Finance Office, however, such initial controls did not appear to be effectively utilized by the College's Admission Office. During our audit we observed that cash received through the Admissions Office from students for admission, graduation, and transcript fees were not handled in a manner to ensure that all funds due the College were appropriately received. Additionally, we observed that any hand written receipts, receipts at remote locations and receivables billings were not always prenumbered and/or controlled. We also observed that instructors were permitted to receive tuition and fee payments from students on the first day of class, which precluded the establishment of initial control on these cash receipts. Further, no comprehensive subsidiary accounting records were maintained which reflected appropriate payor detail and which would reconcile to the College's accounting records as well as the West Virginia State Auditor's office account status reports. These conditions limited the scope of our audit procedures and could allow errors, irregularities and illegal acts to occur and go undetected.

Recommendation

We recommend that the College ensure that appropriate initial controls over the collection of all cash received by the College be established. Additionally, we recommend that receipt records be recorded in subsidiary accounting records that can be reconciled with the College's accounting records as well as the West Virginia State Auditor's account status reports to ensure the completeness of the funds received.

This report is intended for the information of the Joint Committee on Government and Finance and management of the West Virginia Graduate College. However, this report is also a matter of public record and its distribution is not limited.

Arnett & Foster

October 27, 1992



INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

West Virginia Legislature Joint Committee
On Government and Finance
Legislative Auditor
Room 441, Main Unit
State Capitol
Charleston, West Virginia

We have audited the accompanying statements of appropriations/cash receipts, expenditure/disbursements and changes in fund balances of the West Virginia Graduate College for the years ended June 30, 1992 and 1991. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The College's internal control structure was not adequate to permit the application of adequate auditing procedures to indicate whether all cash receipts were recorded.

As described in Note 1, the accompanying statements of cash receipts, disbursements and changes in fund balances are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the second preceding paragraph the financial statements referred to above present fairly, in all material respects, the appropriations/cash receipts, expenditures/cash disbursements and changes in fund balances of the College for the years ended June 30, 1992 and 1991, on the basis of accounting described in Note 1.

October 27, 1992

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WEST VIRGINIA GRADUATE COLLEGE

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES
DISBURSEMENTS AND CHANGES IN FUND BALANCE

	Year Ended June 30, 1992		
	General Revenue	Special Revenue	Federal Programs
Appropriations/Cash Receipts:			
General revenue appropriation	\$ 5,729,000.00	\$ -	\$ -
Tuition, fees, sales and rent	-	841,431.17	-
Federal funds	-	982.38	4,738.35
Gifts, grants and scholarships	-	1,011,513.38	-
Loan payments and loans	-	-	66,216.06
Interest	-	201,735.28	6,966.75
Other	-	1,611,734.38	238.78
	<u>5,729,000.00</u>	<u>3,667,396.59</u>	<u>78,159.94</u>
Expenditures/Disbursements:			
Personal services	-	5,019,440.65	-
Current expenses	478,631.16	1,790,505.59	37,009.69
Repairs and alterations	7,632.79	13,786.29	-
Equipment	21,650.27	345,654.91	-
Employee benefits	924,849.29	140,029.79	2,058.71
Loans and loan payments	-	-	66,759.56
Other	-	178,951.10	402.65
	<u>1,432,763.51</u>	<u>7,488,368.33</u>	<u>106,230.61</u>
Appropriations/cash receipts over (under) expenditures/ Disbursements	4,296,236.49	(3,820,971.74)	(28,070.67)
Inter-agency and intra-agency transfers	(4,238,636.51)	4,235,152.49	(21,800.00)
Expirations	<u>(57,599.98)</u>	<u>-</u>	<u>-</u>
	-	414,180.75	(49,870.67)
Beginning balance	<u>-</u>	<u>2,912,775.29</u>	<u>145,169.44</u>
Ending balance	<u>\$ -</u>	<u>\$ 3,326,956.04</u>	<u>\$ 95,298.77</u>

See Notes to Financial Statement

1992 Combined Totals	Year Ended June 30, 1991			1991 Combined Totals
	General Revenue	Special Revenue	Federal Programs	
\$ 5,729,000.00	\$ 5,583,865.00	\$ -	\$ -	\$ 5,583,865.00
841,431.17	-	607,154.09	-	607,154.09
5,720.73	-	270.00	45,656.00	45,926.00
1,011,513.38	-	1,007,653.62	-	1,007,653.62
66,216.06	-	-	48,358.11	48,358.11
208,702.03	-	188,152.07	7,054.85	195,206.92
1,611,973.16	-	1,612,594.71	82,555.80	1,695,150.51
<u>9,474,556.53</u>	<u>5,583,865.00</u>	<u>3,415,824.49</u>	<u>183,624.76</u>	<u>9,183,314.25</u>
5,019,440.65	3,790.80	4,864,405.91	-	4,868,196.71
2,306,146.44	570,813.15	1,612,409.16	56,903.37	2,240,125.68
21,419.08	8,030.55	21,673.27	-	29,703.82
367,305.18	22,059.20	310,508.20	-	332,567.40
1,066,937.79	794,794.65	117,146.58	1,440.77	913,382.00
66,759.56	-	-	51,440.61	51,440.61
179,353.75	98.35	282,278.85	11,714.71	294,091.91
<u>9,027,362.45</u>	<u>1,399,586.70</u>	<u>7,208,421.97</u>	<u>121,499.46</u>	<u>8,729,508.13</u>
447,194.08	4,184,278.30	(3,792,597.48)	62,125.30	453,806.12
(25,284.02)	(4,184,278.30)	4,330,018.15	(12,010.00)	133,729.85
(57,599.98)	-	-	-	-
364,310.08	-	537,420.67	50,115.30	587,535.97
<u>3,057,944.73</u>	<u>-</u>	<u>2,375,354.62</u>	<u>95,054.14</u>	<u>2,470,408.76</u>
<u>\$ 3,422,254.81</u>	<u>\$ -</u>	<u>\$ 2,912,775.29</u>	<u>\$ 145,169.44</u>	<u>\$ 3,057,944.73</u>

WEST VIRGINIA GRADUATE COLLEGE

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The West Virginia Graduate College (the College) was created by the State of West Virginia under Chapter Eighteen B, Article Two, Section Four of the Code of the State of West Virginia. The purpose of the College is to provide graduate study opportunities through teaching, research and public service activities to the citizens of West Virginia.

A summary of the College's significant accounting policies follows:

Basis of accounting:

The accounting records of the College are maintained on a modified cash basis of accounting. Accordingly, expenses are recognized when paid and revenues when received. This practice differs in some respects from generally accepted accounting principles, which requires that the financial statements be prepared on an accrual basis. The College follows the modified cash basis of accounting for the general revenue fund accounts. 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. The cash basis of accounting is followed for all other funds. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Fund accounting:

To ensure observance of limitations and restrictions placed on the use of resources available to the College, the accounts are maintained in accordance with principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund types. Accordingly, all financial transactions have been recorded and reported by fund type.

General Revenue Funds - The General Revenue Fund is the general operating fund and is used to account for the ordinary operations and for operating resources not accounted for in other funds.

Appropriations are recognized when approved by the State legislature. Unexpended appropriations from the General Fund of the State of West Virginia expire or revert back to the State, unless specifically excluded. Expenses are recorded on a cash basis; however, this basis is modified to provide a 30-day "pay-out" period at the end of each fiscal year for the payment of obligations incurred in that year.

Special Revenue Fund - The Special Revenue Funds are used to account for the proceeds of specific revenue sources. Receipts and disbursements are recorded primarily on a cash basis.

Fixed assets:

Fixed assets are accounted for as expenditures in the various funds from which they are purchased. No separate general fixed assets group of accounts are maintained.

Income tax status:

The College is exempt from Federal and state income taxes.

Note 2. Retirement Plan

The College participates in the Teachers Insurance Annuity Association (TIAA) and the West Virginia Teachers Retirement System which are defined benefit, cost sharing, multiple-employer pension plans. Faculty and staff of the institution who work at least 50% time are eligible for coverage under one of the two plans. Total payroll (eligible employee's compensation) and total covered payroll for all employees was \$5,018,776.04 and \$4,535,623.00, respectively, for the year ended June 30, 1992 and \$4,862,836.36 and \$4,423,402.98, respectively, for the year ended June 30, 1991.

Members' rights to employee contributions vest immediately. Members with five years or more West Virginia service are eligible to retire at age 60 and receive an annuity consisting of employee and employer contributions. Contributions by the employee and the College are each 6% of gross pay. The College's contribution requirement was not actuarially determined.

Employer contributions were as follows:

	June 30,	
	<u>1992</u>	<u>1991</u>
Current expenses	\$ 234,047.57	\$ 235,376.85
Special revenue	<u>33,298.13</u>	<u>30,864.84</u>
	<u>\$ 267,345.70</u>	<u>\$ 266,241.69</u>

Information regarding benefit provisions, actuarial assumptions and funding method, pension benefit obligation (actuarial present value of credited projected benefits), net assets available for benefits, 10-year historical trend, and related party transactions is not readily available since such determinations are made and information is kept on a system-wide basis and not for the individual participating divisions of state and local government. This information is available in the separately issued financial statements of the West Virginia Public Employee Retirement System.

All employees of the College are eligible to participate in a tax deferred compensation plan created by the State of West Virginia in accordance with Internal Revenue Service Code Sections 403(b) and 417. The Plan permits employees to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is available to the employee upon death, termination,

retirement or unforeseeable emergency. The College makes no contribution to the Plan and has no liability under the Plan.

Note 3. Related Parties

As a unit of the State of West Virginia, the College has various contracts and transactions with other units of the State of West Virginia. Some of these transactions include the purchase of office supplies, contract for computer data processing, sale of special courses, etc.

In addition, the College has a related foundation, incorporated under a separate charter which can receive and expend funds on behalf of the College.

The College receives appropriations, grants and follows rules promulgated by the University of West Virginia Board of Trustees which is the oversight body for all colleges and universities of the state.

Note 4. Contingencies

The College is involved in one lawsuit with a supplier seeking reimbursement of liquidating damages charged for late delivery of furniture for the Professional Development Center. Management and the Attorney General's office feel that the possibility of loss is remote.



INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

West Virginia Legislature Joint Committee
on Government and Finance
Legislative Auditor
Room 441, Main Unit
State Capitol
Charleston, West Virginia

Our audit was made for the purpose of forming an opinion on the West Virginia Graduate College statements of appropriations/cash receipts, expenditures/cash disbursements and changes in fund balances (basic financial statements) taken as a whole. The supplementary information on Pages 27 and 37 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Our report on the basic financial statements explains that the College's internal control structure was not adequate to permit the application of adequate auditing procedures to indicate whether all receipt transactions were properly recorded. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures to indicate whether all receipt transactions were properly recorded, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arnett & Foster

October 27, 1992

WEST VIRGINIA GRADUATE COLLEGE
SCHEDULES OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30.	
	1992	1991
<u>Unclassified - Account 3010-31</u>		
Appropriations	<u>\$ 5,729,000.00</u>	<u>\$ 5,540,865.00</u>
Expenditures:		
Personal services	-	3,790.80
Employee benefits	924,849.29	794,794.65
Current expenses	478,631.16	570,813.15
Repairs & alterations	7,632.79	8,030.55
Equipment	21,650.27	22,059.20
Other	-	98.35
	<u>1,432,763.57</u>	<u>1,399,586.70</u>
Appropriations over (under) expenditures	<u>4,296,236.49</u>	<u>4,141,278.30</u>
Inter-agency and intra-agency transfers	(4,238,636.51)	(4,141,278.30)
Expirations	(57,599.98)	-
	<u>(4,296,236.49)</u>	<u>-</u>
Beginning balance	-	-
Ending balance	<u>\$ -</u>	<u>\$ -</u>
<u>Unclassified - Account 3011-31</u>		
Appropriations	\$ -	\$ 43,000.00
Expenditures:	-	-
Appropriation over (under) expenditures	-	43,000.00
Inter-agency and intra-agency transfers	-	(43,000.00)
Beginning balance	-	-
Ending balance	<u>\$ -</u>	<u>\$ -</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULES OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30.</u>	
	<u>1992</u>	<u>1991</u>
<u>Continuing Education - Account 8620-07</u>		
Cash receipts:		
Fees	\$ 40,003.36	\$ -
Interest	1,394.38	1,708.65
Other	<u>10,309.32</u>	<u>32,000.00</u>
	51,707.06	33,708.65
Disbursements:		
Employee benefits	<u>-</u>	<u>4,368.00</u>
Cash receipts over (under) disbursements	51,707.06	29,340.65
Inter-agency and intra-agency transfers	<u>(34,095.00)</u>	<u>(32,000.00)</u>
	17,612.06	(2,659.35)
Beginning balance	<u>5,060.68</u>	<u>7,720.03</u>
Ending balance	<u>\$ 22,672.74</u>	<u>\$ 5,060.68</u>
<u>Building & Land Improvements - Account 8620-08</u>		
Cash receipts:		
Other	\$ 13,000.00	\$ -
Disbursements:		
Repairs & alterations	<u>5,782.40</u>	<u>-</u>
Cash receipts over (under) disbursements	7,217.60	-
Beginning balance	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 7,217.60</u>	<u>\$ -</u>
<u>Higher Education Resources - Account 8620-11</u>		
Cash receipts:		
Tuition and fees	\$ 793,594.31	\$ 599,420.59
Federal grants	-	270.00
Interest	75,916.88	80,963.15
Other	<u>(12,996.00)</u>	<u>532,000.00</u>
	856,515.19	1,212,653.74
Disbursements:		
Current expenses	701,911.18	660,164.82
Equipment	202,523.44	186,208.39
Repairs and alterations	2,297.00	14,873.27
Other	<u>39,400.00</u>	<u>125,552.00</u>
	946,131.62	986,798.48
Cash receipts over (under) disbursements	(89,616.43)	225,855.26
Beginning balance	<u>1,057,049.91</u>	<u>831,194.65</u>
Ending balance	<u>\$ 967,433.48</u>	<u>\$ 1,057,049.91</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	Year Ended June 30,	
	1992	1991
<u>Other Student Fees - Account 8620-12</u>		
Cash receipts:		
Tuition and fees	\$ -	\$ 440.00
Gifts, grants and scholarships	225.00	675.00
Interest	4,956.46	4,921.68
Other	47,335.53	43,628.06
	52,516.99	49,664.74
Disbursements:		
Employee benefits	-	2,989.00
Current expenses	11,463.45	19,156.72
Repairs and alterations	-	-
Equipment	1,900.00	656.37
Other	225.00	180.00
	13,588.45	22,982.09
Cash receipts over (under) disbursements	38,928.54	26,682.65
Inter-agency and intra-agency transfers	24,888.00	(21,900.00)
	14,040.54	4,782.65
Beginning balance	51,668.99	46,886.34
Ending balance	\$ 65,709.53	\$ 51,668.99

(Continued)

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30.</u>	
	<u>1992</u>	<u>1991</u>
<u>Federal Programs - Account 8620-20</u>		
(Federal Program)		
Cash receipts:		
Federal funds	\$ 4,738.35	\$ 45,656.00
Interest income	6,877.87	6,580.00
Other	-	73,809.30
	<u>11,616.22</u>	<u>126,045.80</u>
Disbursements:		
Employee benefits	2,058.71	1,440.77
Current expenses	37,009.69	56,903.37
Other	350.00	2,706.81
	<u>39,418.40</u>	<u>61,050.95</u>
Cash receipts over (under) disbursements	(27,802.18)	64,994.85
Inter-agency and intra-agency transfers	<u>(21,800.00)</u>	<u>(12,010.00)</u>
	(49,602.18)	52,984.85
Beginning balance	<u>121,881.13</u>	<u>68,896.28</u>
Ending balance	<u>\$ 72,278.95</u>	<u>\$ 121,881.13</u>
<u>State Grants and Contracts - Account 8620-21</u>		
Cash receipts:		
Other grants and gifts	\$ 253,414.00	\$ 408,643.49
Interest	20,901.53	13,210.07
Other	682,282.32	16,404.00
	<u>956,597.85</u>	<u>438,257.56</u>
Disbursements:		
Employee benefits	43,843.87	27,337.52
Current expenses	410,365.99	222,947.90
Repairs and alterations	66.00	-
Equipment	8,638.39	5,174.15
Other	37,333.00	54,634.65
	<u>500,247.25</u>	<u>310,094.22</u>
Cash receipts over (under) disbursements	456,350.60	128,163.34
Inter-agency and intra-agency transfers	<u>(194,818.39)</u>	<u>27,044.36</u>
	261,532.21	155,207.70
Beginning balance	<u>328,595.21</u>	<u>173,387.51</u>
Ending balance	<u>\$ 590,127.42</u>	<u>\$ 328,595.21</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	Year Ended June 30.	
	1992	1991
<u>Local Grants and Contracts - Account 8620-22</u>		
Cash receipts:		
Federal grants	\$ 982.38	\$ -
Other grants and gifts	624,857.96	480,495.81
Interest	63,216.57	56,789.32
Other	(25,500.64)	57,002.00
	663,556.27	594,287.13
Disbursements:		
Employee benefits	36,001.73	32,518.77
Current expenses	152,236.08	111,781.69
Repairs and alterations	1,987.54	1,251.26
Equipment	85,210.11	26,311.46
Other	3,058.00	255.00
Personal services	-	(178.36)
	278,493.46	171,939.82
Cash receipts over (under) disbursements	385,062.81	422,347.31
Inter-agency and intra-agency transfers	(262,578.10)	(270,012.48)
	122,484.71	152,334.83
Beginning balance	866,683.82	714,348.99
Ending balance	\$ 989,168.53	\$ 866,683.82

(Continued)

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1992</u>	<u>1991</u>
<u>Private Gifts, Grants and Contracts -</u>		
<u>Account 8620-25</u>		
Cash receipts:		
Other grants and gifts	\$ 133,016.42	\$ 117,839.32
Interest	4,657.67	5,242.74
Other	2,400.00	-
	<u>140,074.09</u>	<u>123,082.06</u>
Disbursements:		
Personal services	14,269.50	-
Employee benefits	16,418.95	10,068.90
Current expenses	42,773.93	30,888.61
Other	-	3,500.00
	<u>73,462.38</u>	<u>44,457.51</u>
Cash receipts over (under) disbursements	66,611.71	78,624.55
Inter-agency and intra-agency transfers	<u>(66,200.31)</u>	<u>(50,123.24)</u>
	411.40	28,501.31
Beginning balance	<u>97,187.73</u>	<u>68,686.42</u>
Ending balance	<u>\$ 97,599.13</u>	<u>\$ 97,187.73</u>
<u>Sales and Services of Educational - Activities</u>		
<u>Account 8620-28</u>		
Cash receipts:		
Tuition and fees	\$ 7,833.50	\$ 7,293.50
Interest	1,675.23	1,324.06
	<u>9,508.73</u>	<u>8,617.56</u>
Disbursements:		
Employee benefits	79.13	62.32
Current expenses	4,824.63	2,301.42
	<u>4,903.76</u>	<u>2,363.74</u>
Cash receipts over (under) disbursements	4,604.97	6,253.82
Inter-agency and intra-agency transfers	<u>(935.31)</u>	<u>(1,716.34)</u>
	3,669.66	4,537.48
Beginning balance	<u>20,648.26</u>	<u>16,110.78</u>
Ending balance	<u>\$ 24,317.92</u>	<u>\$ 20,648.26</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	Year Ended June 30,	
	1992	1991
<u>Bookstore - Account 8620-37</u>		
Cash receipts:		
Interest	\$ 3,852.42	\$ 4,939.85
Other	197,481.55	198,392.27
	<u>201,333.97</u>	<u>203,332.12</u>
Disbursements:		
Employee benefits	860.29	2,190.48
Current expenses	192,993.55	187,419.50
Equipment	2,168.00	1,177.71
Other	6,369.00	4,300.00
Repairs and alterations	-	44.00
	<u>202,390.84</u>	<u>195,131.69</u>
Cash receipts over (under) disbursements	(1,056.87)	8,200.43
Inter-agency and intra-agency transfers	<u>(5,986.00)</u>	<u>(10,376.46)</u>
	(7,042.87)	(2,176.03)
Beginning balance	<u>57,389.87</u>	<u>59,565.90</u>
Ending balance	<u>\$ 50,347.00</u>	<u>\$ 57,389.87</u>
<u>Public Service Income - Account 8620-42</u>		
Cash receipts:		
Interest	\$ 4,896.67	\$ 3,003.69
Other	304,717.48	349,388.88
	<u>309,614.15</u>	<u>352,392.57</u>
Disbursements:		
Personal services	(14,269.50)	-
Employee benefits	26,656.41	27,486.61
Current expenses	139,093.51	221,334.83
Repair and alterations	649.35	42.00
Equipment	6,120.53	1,895.00
Other	2,015.00	3,870.00
	<u>160,265.30</u>	<u>254,628.44</u>
Cash receipts over (under) disbursements	149,348.85	97,764.13
Inter-agency and intra-agency transfers	<u>(118,086.28)</u>	<u>(128,664.92)</u>
	31,262.57	(30,900.79)
Beginning balance	<u>36,147.13</u>	<u>67,047.92</u>
Ending balance	<u>\$ 67,409.70</u>	<u>\$ 36,147.13</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	Year Ended June 30,	
	1992	1991
<u>Special Service Income - Account 8620-43</u>		
Cash receipts:		
Interest	\$ 15,808.84	\$ 12,826.78
Other	<u>261,948.77</u>	<u>253,406.27</u>
	<u>277,757.61</u>	<u>266,233.05</u>
Disbursements:		
Employee benefits	16,118.06	14,733.31
Current expenses	134,843.27	155,362.55
Equipment	1,140.30	14,896.31
Other	1,736.50	442.50
Repairs and alterations	-	<u>865.16</u>
	<u>153,838.13</u>	<u>186,299.83</u>
Cash receipts over (under) disbursements	123,919.48	79,933.22
Inter-agency and intra-agency transfers	<u>(72,015.63)</u>	<u>(72,555.01)</u>
	51,903.85	7,378.21
Beginning balance	<u>192,302.54</u>	<u>184,924.33</u>
Ending balance	<u>\$ 244,206.39</u>	<u>\$ 192,302.54</u>
<u>College Work-Study Program - Account 8620-51</u> (Federal Program)		
Cash receipts:		
Interest	\$ 26.88	\$ 23.35
Disbursements:		
Personal services	-	-
Current expenses	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Cash receipts over (under) disbursements	26.88	23.35
Beginning balance	<u>348.32</u>	<u>324.97</u>
Ending balance	<u>\$ 375.20</u>	<u>\$ 348.32</u>

(Continued)

WEST VIRGINIA GRADUATE COLLEGE
 SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE - Continued

SPECIAL REVENUE

	Year Ended June 30,	
	1992	1991
<u>Building and Campus Renewal - Account 8620-65</u>		
Cash receipts:		
Other	\$ 63,000.00	\$ 50,000.00
Disbursements:		
Repairs and alterations	3,004.00	4,597.58
Equipment	37,954.14	74,188.81
Current expenses	-	1,051.12
	40,958.14	79,837.51
Cash receipts over (under) disbursements	22,041.86	(29,837.51)
Beginning balance	41,155.11	70,992.62
Ending balance	\$ 63,196.97	\$ 41,155.11
<u>Payroll Clearing - Account 8620-77</u>		
Cash receipts:		
Interest	\$ -	\$ 126.44
Disbursements:		
Personal services	5,019,440.65	4,864,584.27
Employee benefits	51.35	(4,608.33)
	5,019,442.00	4,859,975.94
Cash receipts over (under) disbursements	(5,019,492.00)	(4,859,849.50)
Inter-agency and intra-agency transfers	5,014,755.51	4,890,322.24
	(4,736.49)	30,472.74
Beginning balance	122,515.48	92,042.74
Ending balance	\$ 117,778.99	\$ 122,515.48
<u>Clearing Account - 8620-78</u>		
Cash receipts:		
Interest	\$ 4,458.63	\$ 3,095.64
Other	67,756.05	80,373.23
	72,214.68	83,468.87
Disbursements:		
Other	88,814.60	89,544.70
Cash receipts over (under) disbursements	(16,599.92)	(6,075.83)
Beginning balance	36,370.56	42,446.39
Ending balance	\$ 19,770.64	\$ 36,370.56

WEST VIRGINIA GRADUATE COLLEGE

SCHEDULE OF CHANGES IN LOAN FUND BALANCE

NATIONAL DIRECT STUDENT LOAN PROGRAM - FEDERAL PROGRAM

	<u>Year Ended June 30, 1992</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Beginning balance	<u>\$ 3,883.42</u>	<u>\$ 14,781.00</u>	<u>\$ 18,664.42</u>
Additions:			
Loan payments and loans	783.00	-	783.00
Interest accrued	-	62.00	62.00
Interest income	<u>163.42</u>	<u>-</u>	<u>163.42</u>
	<u>946.42</u>	<u>62.00</u>	<u>1,008.42</u>
Deductions:			
Loans and loan payments	-	783.00	783.00
Repayment of fund capital	3,495.00	-	3,495.00
Overpayment refunded	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,495.00</u>	<u>783.00</u>	<u>4,278.00</u>
Ending balance	<u>\$ 1,334.84</u>	<u>\$ 14,060.00</u>	<u>\$ 15,394.84</u>

<u>Year Ended June 30, 1991</u>		
<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
<u>\$ 6,974.14</u>	<u>\$ 15,882.00</u>	<u>\$ 22,856.14</u>
1,552.00	-	1,552.00
-	451.00	451.00
<u>207.90</u>	<u>-</u>	<u>207.90</u>
<u>1,759.90</u>	<u>451.00</u>	<u>2,210.90</u>
-	1,552.00	1,552.00
4,809.00	-	4,809.00
<u>41.62</u>	<u>-</u>	<u>41.62</u>
<u>4,850.62</u>	<u>1,552.00</u>	<u>6,402.62</u>
<u>\$ 3,883.42</u>	<u>\$ 14,781.00</u>	<u>\$ 18,664.42</u>

WEST VIRGINIA GRADUATE COLLEGE
SCHEDULE OF CHANGES IN ESCROW FUND - FEDERAL PROGRAM

	Year Ended June 30,	
	1992	1991
Beginning balance	\$ <u>4,275.57</u>	\$ <u>2,976.75</u>
Additions:		
Loan payments and loans	65,269.64	46,598.21
Other	<u>238.78</u>	<u>8,746.50</u>
	<u>65,508.42</u>	<u>55,344.71</u>
Deductions:		
Loans and loan payments	62,481.56	45,037.99
Other	<u>52.65</u>	<u>9,007.90</u>
	<u>62,534.21</u>	<u>54,045.89</u>
Cash receipts over (under) cash disbursements	<u>2,974.21</u>	<u>1,298.82</u>
Ending balance	<u>\$ 7,249.78</u>	<u>\$ 4,275.57</u>

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