

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
FOR THE PERIOD
JULY 1, 1979 - JUNE 30, 1982

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 the West Virginia College of Graduate Studies.

Our examination covers the period July 1, 1979 through June 30, 1982. The results of our examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1982 and June 30, 1981 are included in this report. The financial statements covering the fiscal year ended June 30, 1980 are included in our audit workpapers.

Respectfully submitted,

A handwritten signature in cursive script that reads "Theodford L. Shanklin".

Theodford L. Shanklin, CPA, Director
Legislative Postaudit Division

TLS/lst

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

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WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

ACKNOWLEDGMENT

We extend our thanks and appreciation to the President and his staff for their cooperation in supplying information necessary in preparing this report.

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

EXIT CONFERENCE

We held an exit conference on November 9, 1983 with the President, Director of Financial Affairs and the Assistant Director of Financial Affairs and all findings and recommendations were reviewed and discussed. The above officials' responses are included in the Summary of Findings, Recommendations and Responses and after our recommendations in the following General Remarks.

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

INTRODUCTION

The West Virginia College of Graduate Studies was authorized by the 1972 Legislature and was established by the Board of Regents 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 uses a new and innovative structure for graduate education that enables qualified faculty to be drawn from other institutions, industry, and government to supplement the full-time faculty of the College in teaching graduate courses. The structure of the College permits an increase in the use of existing physical facilities in the region served by the College and provides for the timely offering of needed graduate programs in locations convenient to prospective students.

In August 1974, the West Virginia Board of Regents further defined the mission and responsibilities of the College by specifying geographical areas to be served by the College. The area served in the sixteen counties of central and southern West Virginia stretching from Jackson County in the north to McDowell County in the south and from Putnam County in the west to Pocahontas County in the east. This area includes nearly 700,000 people.

The College in a typical semester will serve nearly 2,960 students in its nineteen degree of programs. The College is unique in that it has no campus of its own nor many of the other trappings of traditional institutions. The main offices are located on the campus of West Virginia State College.

Since the formation of the West Virginia College of Graduate Studies in 1972, the College has showed steady growth in enrollment.

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

ADMINISTRATIVE OFFICERS AND STAFF

JUNE 30, 1982

President Dr. James W. Rowley
Personnel Director Dr. Richard H. Barnard
Associate Dean for Education Dr. Jack Yeager
Associate Dean for Engineering
and Science Dr. William Crockett
Associate Dean for Business and
Management Dr. William E. Cobb
Director of Financial Affairs Mr. Larry M. Kelley
Internal Auditor/Purchasing Agent Ms. Sandie Means
Director of Administrative Services Dr. Joe Kirby
Affirmative Action Officer Ms. Lucy McNeil
Associate Dean for Behavioral
Studies and Humanities Dr. Stephen L. O'Keefe
Registrar, Director of Admissions
and Records Mr. Kenneth O'Neal
Director of Communication Services Mr. Charles W. Rhodes
Executive Assistant to the President Dr. Howard K. Tuck
Director of Development Mr. Kemp Winfree
Director of Library Services Ms. Sue Forrest

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

AREAS OF NONCOMPLIANCE

Intra-Governmental Transfers

1. The College is not complying with the State Auditor's line item codes when transferring funds to another account.

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

We do not agree with this recommendation. (See pages 11 and 12.)

Tuition and Fees

2. Credit was being extended to students on their tuition and fees.

We recommend established West Virginia Board of Regents' Regulations be followed concerning the extension of credit and the payment of tuition and fees.

This has been implemented. (See pages 12 and 13.)

Refunds

3. The College is not recording all the pertinent information on the drop slips.

We recommend all the information on the drop slip be filled out intact.

This has been implemented. (See pages 13 and 14.)

4. The College in certain instances is over refunding for drops made.

We recommend more controls over refunds be exercised.

This has been implemented. (See pages 13 and 14.)

Equipment

5. Multiple pieces of equipment are being assigned to the same State tag number.

We recommend the State purchasing procedures be followed regarding the tagging of equipment located at the College.

This is being implemented. (See pages 14-16.)

6. The College is not preparing added property forms for all equipment purchased.

We recommend the State purchasing procedures be followed regarding the filing of added property forms.

This has been implemented. (See pages 14-16.)

INTERNAL CONTROLS AND ACCOUNTING SYSTEM

Absence of Written Accounting Procedures

7. Accounting procedures were not set forth in accounting manuals.

We recommend an accounting manual be prepared detailing the accounting procedures and standardizing the procedures and controls.

This is being implemented. (See page 17.)

Cashier's Office

8. A daily cash balance form was not used.

We recommend a daily cash balance form be used to verify cash, coin and all other cash items.

This has been implemented. (See pages 17 and 18.)

9. The cashier is not cutting off the daily transactions on a consistent basis.

We recommend the cashier total out once each day at a specific time and make the deposit of the receipts for that day intact.

This has been implemented. (See pages 17 and 18.)

National Direct Student Loan

10. The National Direct Student Loan local bank account is being used as a clearing account for cashing foreign students' checks.

We recommend the National Direct Student Loan local bank account never be used for anything other than National Direct Student Loans.

This has been implemented. (See page 18.)

Telephone

11. The College does not have control of its phone system. Long distance phone use is not limited. The College doesn't have written procedures to check for or prevent abuse.

We recommend the College develop and write procedures that will check for and help to prevent abuse of the phone system.

This will be implemented. (See pages 18 and 19.)

12. The College does not have written procedures to check for and prevent telephone credit card abuse.

We recommend the College develop and write out procedures to check for and prevent telephone abuse.

This will be implemented. (See page 19.)

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

GENERAL REMARKS

INTRODUCTION

We have completed a financial and compliance audit of the West Virginia College of Graduate Studies. A financial and compliance audit determines whether the financial statements of an audited entity present fairly the financial position and the results of operations in accordance with generally accepted accounting principles and whether the entity has complied with laws and regulations that may have a material effect upon the financial statements. The audit covered the period July 1, 1979 through June 30, 1982.

APPROPRIATED FUNDS

Expenditures required for the general operation of the West Virginia College of Graduate Studies were made from the following appropriated accounts:

<u>Account Number</u>	<u>Description</u>
3010-00	Personal Services
3010-01	Current Expenses
3010-02	Repairs and Alterations
3010-03	Equipment

SPECIAL REVENUE ACCOUNTS

During the audit period, West Virginia College of Graduate Studies maintained sixteen Special Revenue Accounts. These accounts represent funds to account for the proceeds of specific activities as required by law or administrative regulations. These funds were deposited with the State Treasurer in the following Special Revenue Accounts:

<u>Account Number</u>	<u>Description</u>
8620-06	Special Operating Grants and fees, for instruction in special programs.
8620-07	Continuing Education, Workshops, etc. Receives federal grants and fees; for continuing education, workshops, etc.

8620-10 Gifts, Grants and Scholarships
Miscellaneous gifts, grants, bequests and
endowments; to be used for scholarships,
loans and research projects.

8620-11 Higher Educational Resources
Eighty percent of the total HERF money to
be used for student services, library and
instructional purposes.

8620-16 Co-Op Special Teacher Education Program
Federal funds; for community education
program. (Account closed as of June 30,
1982 per Attorney General's Opinion).

8620-18 Social Work Programs
West Virginia University grant; for social
work.

8620-20 Federal Programs
Federal funds and grants; to participate
in federal programs.

8620-23 Library Resources Programs
College of Graduate Studies Foundation and
Library Resources Grant; for library re-
sources.

8620-26 Federal Program - Special
Federal funds and grants; for special
teacher's education.

8620-51 College Work-Study Program
Federal and State matching funds; for use
in student assistance program.

8620-60 Special Services
Fees and miscellaneous revenue; use desig-
nated by type of fee collected.

8620-77 Payroll Clearing Account
Funds from all payroll accounts are placed
into this account, so that the payroll can
be paid out of one account.

8620-78 Revenue Clearing Account
Income from student tuition and fees to
be sent to the Board of Regents.

8840-99 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 Income from student tuition fees; to service bonds.
8870-06	Higher Educational Resources and Instructional Materials Income from student fees; for use by the Board of Regents for special operational costs.
8700-11	Higher Educational Resource Fees Twenty percent of the schools total HERF money is deposited into this Board of Regents Account.

LOCAL ACCOUNTS

During the audit period the West Virginia College of Graduate Studies had one local account.

<u>Description</u>	<u>Purpose</u>
National Direct Student Loan	Funds received from the federal government to make available loans to students.

AREAS OF NONCOMPLIANCE

Chapter 18, Articles 11, 11A, 11B, 24 and 25 of the West Virginia Code, as amended, generally governs West Virginia College of Graduate Studies. 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 pertained to fiscal matters. Our findings are listed below.

Intra-Governmental Transfers

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 with proper legislative authority 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 disbursements numbers when transferring funds to another account. This type of coding errors results in understating receipts and disbursements but does not affect the ending balances.

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.

The College would like to note that it is not in favor of recording the movement of funds as a credit to expenditures (transfer in) or a charge to expenditures (transfer out). This procedure understates expenditures on transfers in or overstates expenditures on transfers out and, in our opinion, provides misleading financial information. It has been our intent to show a reduction of revenue as just that and not show it as an expense to the account. This has been consistent with our reporting to the Board of Regents, NCES, etc. If we must comply, we feel as if we are going to have to maintain two sets of books.

Tuition and Fees

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 Regents. The regulations of the West Virginia Board of Regents 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 cause a loss of income.

We recommend established regulations as stated above be followed.

Under normal circumstances, all tuition and fee payments are to be collected on or before enrollment day for each semester. It is extremely difficult to ascertain whether a student has made a late payment based on the "time stamp" on a student's registration form. A student might register during the first or second week from our last "regular" registration without penalty (consistent with Board of Regents Policy Bulletin 22, revised 2/28/82). Also, a student might have registered on time but it is conceivable that the registration form could have been held in any one of three places before it eventually made its way to the Finance Office. In other words, the Finance Office does not extend credit and we do operate on a cash basis unless there is sufficient justification and authorization by the President or unless a Late Registration Authorization form is completed and attached to a registration form.

Refunds

During our test of refunds, we noted the time limits for earning percentages of refunds were sometimes extended beyond the time specified by page 13 of the 1980-81 and 1981-82 College Bulletin. We, also, noted that drop slips did not always have the date the class or classes were dropped. Due to the College not adhering to the Bulletin and the date the class or classes were dropped, there could be a loss of income.

We recommend the College comply with the College Bulletin and all drop slips be completely filled out.

The 1980-81 and 1981-82 College Bulletins state that the refund periods are to be calculated on the first two weeks of class (100% refund), 70% refund for the next two weeks, etc. Refunds were based on the day a class started. Consequently, the refund period would float from Monday through Saturday and would depend on the day the first class meeting was held. This may give the appearance of extending the period of refunds beyond that specified in the Bulletin, but actually the period was not extended.

Through the early part of the audit period there might have been some refunds issued from a drop slip that was not complete. That procedure was changed by January, 1982, and this recommendation has been implemented. Unless the date is on the drop slip (the date written notice is received in the Office of Admissions and Records of the intention to withdraw), the Finance Office has no way of calculating a refund. The date must be on the drop slip or the Finance Office will not accept it.

Since the Board of Regents implemented Policy Bulletin 22 on February 2, 1982, our schedules and Bulletin show dates for the refund periods.

Equipment

The test of equipment revealed that multiple pieces of equipment are being assigned the same state tag number and not all equipment purchased is placed on the added property form WV-62.

This policy is apparently due to the failure of the business office to enforce state purchasing regulations which states, "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 a WV-60, requisition for payment transmittal, and forwarded to the Budget Division of Finance and Administration."

The College's lack of enforcement of the regulation above creates a tremendous potential for loss and abuse of state property.

We recommend the state purchasing regulations as stated above be followed.

We feel as if an exception must be made by indicating that we are, in fact, following state purchasing regulations as stated in the State of West Virginia, Department of Finance & Administration, Handbook of Purchasing Procedures.

In June, 1979 the College of Graduate Studies submitted an equipment inventory to the Department of Finance & Administration, Inventory Control Division. We had been advised by Inventory Control to inventory file cabinets, bookcases, etc., by lots. The inventory was taken and each lot was assigned a unique number. Inventory control accepted our inventory and sent us a printout for us to verify. We later realized that we had made an error in assigning a number to a lot and we have been in the process of re-tagging all of our equipment items since February, 1983. We are researching the old equipment back to the original WV-62 form and typing a new inventory listing to submit to Inventory Control.

The state purchasing regulation does state that "the added property form WV-62, must be used to report all property acquisitions"; however, the Handbook also states, "items with a value of \$100 or more and having a useful life expectancy of over a year are considered equipment for inventory purpose." State Inventory Control has told us that they do not want the WV-62 form for pieces of equipment that cost less than \$100 even though these items are tagged internally with a College tag. By doing as we have been instructed, we do not

feel as if the College has created a "tremendous potential for loss and abuse of state property."

INTERNAL CONTROL 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 record 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, 1979 to June 30, 1982, 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 material weaknesses and they are listed below:

Absence of Written Accounting Procedures

We noted the accounting procedures of the cashier's, payroll, accounting and accounts payable offices were not set forth in an accounting manual. We believe that if written accounting procedures had been prepared, the College would have promoted better efficiency and provided guidance for new accounting employees.

We recommend an accounting procedures manual be prepared detailing and standardizing the procedures and controls to be used by the cashier, payroll, accounting and accounts payable offices.

A partial manual has been prepared for the Cashier's Office and there have been attempts in the other three areas to develop a manual. Our procedures have changed so drastically over the past three years that any procedures manual would have been outdated before it had been completed. With our new CUFS accounting program in operation since July 1, 1983, we will make every effort to prepare and complete an accounting procedures manual by the end of 1984.

Cashier's Office

During our evaluation of internal controls, it was noted that a daily cash balancing form was not being used and the cashier was not cutting off the daily transactions on a consistent basis.

If a daily cash balancing form had been used along with a daily cash register tape with a consistent cut off time, it would have promoted the accuracy and reliability of the accounting data as well as the operational efficiency of the Cashier's Office.

We recommend a daily cash balance form be used and the cashier total out the register once each day at a specific time. The balancing form should include the balance on hand as of the end of the previous day, receipts including all cash items, and deposits made to the State Treasury leaving an ending cash balance. This ending cash balance should be verified on a daily basis.

About midway through the audit period, the Cashier's Office procedures were reviewed and a daily cash reconciliation form was implemented. This form was required to be completed by the cashier on a daily basis and verified by another employee (usually the internal auditor or assistant director). During peak vacation periods the form could not be completed on a daily basis. The daily balancing procedure was implemented about May, 1982. The reference "all cash items" requires further clarification.

National Direct Student Loan

The College is using the National Direct Student Loan local bank account as a clearing account for checks issued to the school by a foreign bank for a foreign student's fees. This federally funded program is for the use of students needing financial assistance.

We recommend the College discontinue the use of this loan fund as a clearing account and use it for the sole purpose of student loans.

The College has discontinued this practice and has established a COGS Escrow/Clearing Account with the Bank of Cross Lanes to cover these occurrences.

Telephone

During our examination of the telephone system we determined that the College does not have control of the telephone system. The long distance calls are not limited. The College does not have written procedures to check for or prevent abuse of the phone system. Therefore, there is a potential for tremendous abuse possible.

We recommend the College develop and write out procedures to check for and prevent telephone abuse within the regular phone system and the credit card system.

Because our faculty advise students over at least a 16 county area, it is important that they have ready access to long distance lines. In February, 1983, the College contracted with an individual to provide a program which will identify all long distance calls placed from a three digit extension within the College. This information will be made available to each spending unit manager for the extensions in his area and it would be the manager's responsibility to monitor the frequency of calls placed from an extension. We feel that this system will be operational by July 1, 1984 and will prevent the possibility of serious abuse.

AUDITORS' OPINION

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

Sir:

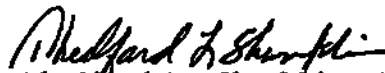
We have examined the financial statements of West Virginia College of Graduate Studies for the years ended June 30, 1982 and June 30, 1981, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more fully described in Note A, the College's policy is to prepare its financial statements on a cash basis; consequently, 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 accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements of West Virginia College of Graduate Studies listed in the aforementioned table of contents present fairly appropriations and expenditures, cash and loan transactions for the years ended June 30, 1982 and June 30, 1981 on a basis consistent with the preceding year.

The accompanying supplemental information is not necessary for fair presentation of the financial statements, but is presented as additional analytical data. The supplemental information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,



Thedford L. Shanklin, CPA, Director
Legislative Postaudit Division

March 25, 1983

Auditors: Delbert Pullen, Supervisor-in-Charge
Mark E. Welch, Auditor-in-Charge
Charles D. Combs

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

STATEMENT OF APPROPRIATIONS/CASH RECEIPTS, EXPENDITURES/

DISBURSEMENTS AND CHANGES IN LOAN FUND BALANCE

	Year Ended June 30, 1982		
	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Federal Programs</u>
Appropriations/Cash Receipts:			
General Revenue Appropriation	\$3,734,546.00	\$ -0-	\$ -0-
Tuition, Fees, Sales and Rent	-0-	512,501.30	-0-
Federal Funds	-0-	-0-	87,555.36
Gifts, Grants and Scholarships	-0-	267,345.00	-0-
Loan Payments and Loans	-0-	-0-	5,155.89
Interest	-0-	40,336.68	995.76
	<u>3,734,546.00</u>	<u>820,182.98</u>	<u>93,707.01</u>
Expenditures/Disbursements:			
Personal Services	2,958,877.00	171,058.84	54,429.66
Current Expenses	757,669.00	142,180.23	27,087.13
Repairs and Alterations	3,400.00	3,274.74	-0-
Equipment	14,600.00	97,518.05	6,298.81
Board of Regents - Net	-0-	275,299.59	-0-
Loans and Loan Payments	-0-	-0-	5,155.89
	<u>3,734,546.00</u>	<u>689,331.45</u>	<u>92,971.49</u>
Appropriations/Cash Receipts Over (Under) Expenditures/Disbursements	-0-	130,851.53	735.52
July 1-30 Expenditures	<u>13,476.70</u>	<u>-0-</u>	<u>-0-</u>
	13,476.70	130,851.53	735.52
Beginning Balance	<u>-0-</u>	<u>148,817.84</u>	<u>111,351.05</u>
Ending Balance	<u>\$ 13,476.70</u>	<u>\$ 279,669.37</u>	<u>\$ 112,086.57</u>

See Notes to Financial Statement

<u>Combined Totals</u>	Year Ended June 30, 1981			<u>Combined Totals</u>
	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Federal Programs</u>	
\$3,734,546.00	\$3,593,266.81	\$ -0-	\$ -0-	\$3,593,266.81
512,501.30	-0-	600,028.07	-0-	600,028.07
87,555.36	-0-	-0-	178,314.43	178,314.43
267,345.00	-0-	243,219.19	-0-	243,219.19
5,155.89	-0-	-0-	2,634.64	2,634.64
41,332.44	-0-	30,117.09	354.15	30,471.24
<u>4,648,435.99</u>	<u>3,593,266.81</u>	<u>873,364.35</u>	<u>181,303.22</u>	<u>4,647,934.38</u>
3,184,365.50	2,719,858.50	162,460.13	119,514.83	3,001,833.46
926,936.36	769,408.31	332,557.35	76,556.84	1,178,522.50
6,674.74	3,859.30	1,966.37	911.65	6,737.32
118,416.86	100,000.00	8,399.03	15,408.91	123,807.94
275,299.59	-0-	468,253.71	-0-	468,253.71
5,155.89	-0-	-0-	2,634.64	2,634.64
<u>4,516,848.94</u>	<u>3,593,126.11</u>	<u>973,636.59</u>	<u>215,026.87</u>	<u>4,781,789.57</u>
131,587.05	140.70	(100,272.24)	(33,723.65)	(133,855.19)
13,476.70	11,956.81	-0-	-0-	11,956.81
<u>145,063.75</u>	<u>12,097.51</u>	<u>(100,272.24)</u>	<u>(33,723.65)</u>	<u>(121,898.38)</u>
260,168.89	-0-	249,090.08	145,074.70	394,164.78
<u>\$ 405,232.64</u>	<u>\$ 12,097.51</u>	<u>\$ 148,817.84</u>	<u>\$ 111,351.05</u>	<u>\$ 272,266.40</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

NOTES TO FINANCIAL STATEMENT

Note A - Accounting Policies

Accounting Method: The cash basis method of accounting is followed. 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. There is no allowance provided for uncollectible loans receivable. Expenditures for office furniture and equipment and other fixed assets are charged to operation when purchased; accordingly, depreciation is not recognized in the account.

Note B - Pension Plan

All eligible employees are either members of the West Virginia Teachers' Retirement System or Teachers' Insurance Annuity Association with one employee being a member of both pension plans. For the West Virginia Teachers' Retirement System, employees' contributions are 6% of their compensation and employees are vested under certain circumstances. Contributions by the West Virginia Teachers' Retirement Board is 6% of the employees' compensation.

For the Teachers' Insurance Annuity Association, employees' contributions are 6% of their compensation and employees are vested under certain circumstances. Contributions by West Virginia College of Graduate Studies are 6% of the employees' compensation.

Contributions to the pension and retirement plans were as follows:

	June 30,	
	<u>1982</u>	<u>1981</u>
Current Expenses	\$124,374.92	\$128,306.19
Special Revenue	<u>5,297.11</u>	<u>7,215.04</u>
	<u>\$129,672.03</u>	<u>\$135,521.23</u>

SUPPLEMENTAL INFORMATION

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
<u>Personal Services - Account 3010-00</u>		
Appropriations	\$2,958,877.00	\$2,719,858.50
Expenditures	<u>2,958,877.00</u>	<u>2,719,858.50</u>
	-0-	-0-
Transmittals Paid July 1-30	<u>2,323.79</u>	<u>-0-</u>
Balance	<u>\$ 2,323.79</u>	<u>\$ -0-</u>
 <u>Current Expenses - Account 3010-01</u>		
Appropriations	\$ 757,669.00	\$ 769,408.61
Expenditures	<u>757,669.00</u>	<u>769,408.31</u>
	-0-	-0-
Transmittals Paid July 1-30	<u>9,570.17</u>	<u>11,594.25</u>
Balance	<u>\$ 9,570.17</u>	<u>\$ 11,594.25</u>
 <u>Repairs and Alterations - Account 3010-02</u>		
Appropriations	\$ 3,400.00	\$ 4,000.00
Expenditures	<u>3,400.00</u>	<u>3,859.30</u>
	-0-	140.70
Transmittals Paid July 1-30	<u>206.60</u>	<u>53.56</u>
Balance	<u>\$ 206.60</u>	<u>\$ 194.26</u>
 <u>Equipment - Account 3010-03</u>		
Appropriations	\$ 14,600.00	\$ 100,000.00
Expenditures	<u>14,600.00</u>	<u>100,000.00</u>
	-0-	-0-
Transmittals Paid July 1-30	<u>1,376.14</u>	<u>309.00</u>
Balance	<u>\$ 1,376.14</u>	<u>\$ 309.00</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
<u>Special Operating - Account 8620-06</u>		
Cash Receipts:		
Gifts, Grants and Donations	\$43,471.99	\$28,259.60
Interest	<u>4,307.34</u>	<u>2,663.44</u>
	47,779.33	30,923.04
Disbursements:		
Personal Services	26,200.00	26,759.00
Current Expenses	<u>7,734.74</u>	<u>3,666.55</u>
	<u>33,934.74</u>	<u>30,425.55</u>
Cash Receipts Over Disbursements	13,844.59	497.49
Beginning Balance	<u>13,913.15</u>	<u>13,415.66</u>
Ending Balance	<u>\$27,757.74</u>	<u>\$13,913.15</u>
<u>Continuing Education - Account 8620-07</u>		
Cash Receipts:		
Fees	\$ 2,734.60	\$ 2,010.00
Interest	<u>1,743.88</u>	<u>1,054.41</u>
	4,478.48	3,064.41
Disbursements:		
Current Expenses	<u>1,919.43</u>	<u>281.67</u>
Cash Receipts Over Disbursements	2,559.05	2,782.74
Beginning Balance	<u>9,278.52</u>	<u>6,495.78</u>
Ending Balance	<u>\$11,837.57</u>	<u>\$ 9,278.52</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>Gifts, Grants and Scholarships -</u> <u>Account 8620-10</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Gifts, Grants and Scholarships	\$256,953.99	\$189,089.12
Interest	10,459.75	5,852.93
	<u>267,413.74</u>	<u>194,942.05</u>
Disbursements:		
Personal Services	126,241.48	77,307.46
Current Expenses	56,949.06	123,647.44
Repairs and Alterations	-0-	68.68
Equipment	1,148.06	2,102.39
	<u>184,338.60</u>	<u>203,125.97</u>
Cash Receipts Over Disbursements	83,075.14	(8,183.92)
Beginning Balance	<u>20,199.09</u>	<u>28,383.01</u>
Ending Balance	<u>\$103,274.23</u>	<u>\$ 20,199.09</u>
 <u>Higher Education Resources -</u> <u>Account 8620-11</u>		
Cash Receipts:		
Tuition	\$227,877.43	\$ -0-
Interest	6,481.67	-0-
	<u>234,359.10</u>	<u>-0-</u>
Disbursements:		
Current Expenses	64,338.21	-0-
Equipment	90,697.82	-0-
	<u>155,036.03</u>	<u>-0-</u>
Cash Receipts Over Disbursements	79,323.07	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ 79,323.07</u>	<u>\$ -0-</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>Co-op Special Teacher Education Program - Account 8620-16</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Interest	\$ -0-	\$ 224.47
Disbursements:		
Current Expense	-0-	1,898.06
Equipment	<u>258.82</u>	<u>-0-</u>
	<u>258.82</u>	<u>1,898.06</u>
Cash Receipts (Under) Disbursements	(258.82)	(1,673.59)
Beginning Balance	<u>298.90</u>	<u>1,972.49</u>
Ending Balance	<u>\$ 40.08</u>	<u>\$ 298.90</u>
<u>Social Work Programs - Account 8620-18</u>		
Cash Receipts:		
Gifts and Grants	\$ 9,191.01	\$21,007.47
Interest	<u>3,378.39</u>	<u>-0-</u>
	12,569.40	21,007.47
Disbursements:		
Personal Services	-0-	26,417.00
Current Expenses	<u>23,625.12</u>	<u>10,691.70</u>
	<u>23,625.12</u>	<u>37,108.70</u>
Cash Receipts (Under) Disbursements	(11,055.72)	(16,101.23)
Beginning Balance	<u>20,178.08</u>	<u>36,279.31</u>
Ending Balance	<u>\$ 9,122.36</u>	<u>\$20,178.08</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 FEDERAL PROGRAM

<u>Federal Programs - Account 8620-20</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Federal Funds	\$ 36,008.36	\$ 88,726.43
Disbursements:		
Personal Services	12,177.86	75,660.21
Current Expenses	7,003.61	54,114.32
Repairs and Alterations	-0-	911.65
Equipment	<u>1,353.81</u>	<u>14,908.91</u>
	<u>20,535.28</u>	<u>145,595.09</u>
Cash Receipts Over (Under) Disbursements	15,473.08	(56,868.66)
Beginning Balance	<u>11,261.21</u>	<u>68,129.87</u>
Ending Balance	<u>\$ 26,734.29</u>	<u>\$ 11,261.21</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

<u>Library Resources Programs - Account 8620-23</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Gifts and Grants	\$1,200.00	\$4,863.00
Disbursements:		
Equipment	<u>532.90</u>	<u>5,880.50</u>
Cash Receipts Over (Under) Disbursements	667.10	(1,017.50)
Beginning Balance	<u>16.65</u>	<u>1,034.15</u>
Ending Balance	<u>\$ 683.75</u>	<u>\$ 16.65</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
<u>Federal Programs - Special - Account 8620-26</u>		
Cash Receipts:		
Federal Funds	\$51,500.00	\$87,037.00
Disbursements:		
Personal Services	41,186.50	42,111.52
Current Expenses	17,045.58	20,340.97
Equipment	4,945.00	500.00
	<u>63,177.08</u>	<u>62,952.49</u>
Cash Receipts Over (Under) Disbursements	11,677.08	24,084.51
Beginning Balance	<u>41,256.93</u>	<u>17,172.42</u>
Ending Balance	<u>\$29,579.85</u>	<u>\$41,256.93</u>
<u>College Work-Study Program - Account 8620-51</u>		
Cash Receipts:		
Matching Funds 8620-07	\$ 381.43	\$ -0-
Federal Funds	47.00	-0-
	<u>428.43</u>	<u>-0-</u>
Disbursements:		
Personal Services	1,065.30	1,743.10
Current Expenses	132.15	113.09
	<u>1,197.45</u>	<u>1,856.19</u>
Cash Receipts Over (Under) Disbursements	(769.02)	(1,856.19)
Beginning Balance	<u>1,037.05</u>	<u>2,893.24</u>
Ending Balance	<u>\$ 268.03</u>	<u>\$ 1,037.05</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

<u>Special Services - Account 8620-60</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Fees and Miscellaneous	\$119,874.96	\$188,169.04
Interest	<u>7,332.05</u>	<u>11,556.69</u>
	127,207.01	199,725.73
Disbursements:		
Personal Services	18,617.36	31,976.67
Current Expenses	132,726.32	167,559.75
Repairs and Alterations	3,274.74	1,897.69
Equipment	4,880.45	416.14
Refunds	<u>125.00</u>	<u>41.70</u>
	159,623.87	201,891.95
Cash Receipts Over (Under) Disbursements	(32,416.86)	(2,166.22)
Beginning Balance	<u>78,366.01</u>	<u>80,532.23</u>
Ending Balance	<u>\$45,949.15</u>	<u>\$ 78,366.01</u>
 <u>Payroll Clearing - Account 8620-77</u>		
Cash Receipts:		
Interest	\$ 311.80	\$ -0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ 311.80</u>	<u>\$ -0-</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

<u>Clearing Account - 8620-78</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Fees and Tuitions	\$455,209.07	\$417,080.19
Interest	6,321.80	8,765.15
	<u>461,530.87</u>	<u>425,845.34</u>
Disbursements:		
Current Expenses	423,853.59	469,183.71
Refunds	42,875.10	31,071.64
	<u>466,728.69</u>	<u>500,255.35</u>
Cash Receipts Over (Under) Disbursements	(5,197.82)	(74,410.01)
Beginning Balance	<u>6,567.44</u>	<u>80,977.45</u>
Ending Balance	<u>\$ 1,369.62</u>	<u>\$ 6,567.44</u>
 <u>Special Capital Improvement Fund Registration -</u>		
<u>Account 8840-99</u>		
Cash Receipts:		
Registration Fees	\$146,813.09	\$187,255.18
Disbursements:		
West Virginia Board of Regents	<u>146,813.09</u>	<u>187,255.18</u>
Cash Receipts Over Disbursements	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

<u>State System Tuition Special Capital</u> <u>Improvement - Account 8855-99</u>	<u>Year Ended June 30,</u>	
	<u>1982</u>	<u>1981</u>
Cash Receipts:		
Tuition Fees	\$ 74,597.97	\$ 94,155.11
Disbursements:		
West Virginia Board of Regents	<u>74,597.97</u>	<u>94,155.11</u>
Cash Receipts Over Disbursements	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Higher Education Resources and Instructional</u> <u>Materials - Account 8870-06</u>		
Cash Receipts:		
Fees	\$ 3,326.82	\$186,843.42
Disbursements:		
West Virginia Board of Regents	<u>3,326.82</u>	<u>186,843.42</u>
Cash Receipts Over Disbursements	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Higher Education Resources - Account 8700-11</u>		
Cash Receipts:		
Fees	\$ 50,561.71	\$ -0-
Disbursements:		
West Virginia Board of Regents	<u>50,561.71</u>	<u>-0-</u>
Cash Receipts Over Disbursements	-0-	-0-
Beginning Balance	<u>-0-</u>	<u>-0-</u>
Ending Balance	<u>\$ -0-</u>	<u>\$ -0-</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES
STATEMENT OF CHANGES IN LOAN FUND BALANCE
NATIONAL DIRECT STUDENT LOAN PROGRAM - FEDERAL PROGRAM

	<u>Year Ended June 30, 1982</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Beginning Balance	\$12,269.94	\$45,525.92	\$57,795.86
Additions:			
Loan Payments and Loans	2,655.89	2,500.00	5,155.89
Clearing for Foreign Student	8,292.50	-0-	8,292.50
Interest Income	-0-	995.76	995.76
HEW Reimbursement	-0-	-0-	-0-
	<u>10,948.39</u>	<u>3,495.76</u>	<u>14,444.15</u>
	<u>23,218.33</u>	<u>49,021.68</u>	<u>72,240.01</u>
Deductions:			
Loans and Loan Payments	2,500.00	2,655.89	5,155.89
Clearing for Foreign Student	8,292.50	-0-	8,292.50
Collection Expense	302.69	-0-	302.69
Cancellations of Principal	-0-	2,710.23	2,710.23
Cancellations of Interest	-0-	274.30	274.30
	<u>11,095.19</u>	<u>5,640.42</u>	<u>16,735.61</u>
Ending Balance	<u>\$12,123.14</u>	<u>\$43,381.26</u>	<u>\$55,504.40</u>

Year Ended June 30, 1981

<u>Cash</u>	<u>Loans</u> <u>Receivable</u>	<u>Total</u>
\$ 8,750.66	\$48,128.51	\$56,879.17
2,065.64	569.00	2,634.64
16,512.50	-0-	16,512.50
-0-	354.15	354.15
<u>2,551.00</u>	<u>-0-</u>	<u>2,551.00</u>
<u>21,129.14</u>	<u>923.15</u>	<u>22,052.29</u>
<u>29,879.80</u>	<u>49,051.66</u>	<u>78,931.46</u>
569.00	2,065.64	2,634.64
16,512.50	-0-	16,512.50
528.36	-0-	528.36
-0-	1,327.50	1,327.50
-0-	132.60	132.60
<u>17,609.86</u>	<u>3,525.74</u>	<u>21,135.60</u>
<u>\$12,269.94</u>	<u>\$45,525.92</u>	<u>\$57,795.86</u>

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

RECONCILIATIONS

SPECIAL REVENUE/FEDERAL PROGRAMS

JUNE 30, 1982

Special Operating - Account 8620-06

Balance per State Treasury and College \$ 27,757.74

Continuing Education Workshop, etc. -
Account 8620-07

Balance per State Treasury and College \$ 11,837.57

Gifts, Grants and Scholarships - Account 8620-10

Balance per State Treasury and College \$103,374.23

Higher Educational Resources - Account 8620-11

Balance per State Treasury and College \$ 79,323.07

Co-op Special Teacher Education Program -
Account 8620-16

Balance per State Treasury and College \$ 40.08

Social Work Programs - Account 8620-18

Balance per State Treasury and College \$ 9,122.36

Federal Programs - Account 8620-20

Balance per State Treasury and College \$ 26,734.29

Library Resources Program - Account 8620-23

Balance per State Treasury and College \$ 683.75

Federal Programs - Special - Account 8620-26

Balance per State Treasury and College \$ 29,579.85

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

RECONCILIATIONS

SPECIAL REVENUE/FEDERAL PROGRAMS

JUNE 30, 1982

College Work-Study - Account 8620-51

Balance per State Treasury and College \$ 268.03

Special Services - Account 8620-60

Balance per State Treasury and College \$45,949.15

Payroll Clearing - Account 8620-77

Balance per State Treasury and College \$ 311.80

Revenue Clearing - Account 8620-78

Balance per State Treasury and College \$ 1,369.62

Special Capital Improvement - Registration -
Account 8840-99

Balance per State Treasury and College \$ -0-

Special Capital Improvement - Tuition -
Account 8855-99

Balance per State Treasury and College \$ -0-

Higher Education Resources and Instructional Materials -
Account 8870-06

Balance per State Treasury and College \$ -0-

Higher Educational Resources Fee - Account 8700-11

Balance per State Treasury and College \$ -0-

WEST VIRGINIA COLLEGE OF GRADUATE STUDIES

BANK RECONCILIATIONS

JUNE 30, 1982

National Direct Student Loan

Balance per Bank	\$11,862.29
Add: Deposits in Transit	270.85
Less: Outstanding Check	
<u>Check Number</u>	
276	<u>10.00</u>
Balance per Book	<u>\$12,123.14</u>

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 provision 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 7th day of May,
1983.

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 West Virginia College of Graduate Studies; West Virginia Board of Regents; Governor; Attorney General; and, State Auditor.