

GLENVILLE STATE COLLEGE  
GLENVILLE, WEST VIRGINIA

REPORT OF AUDIT  
PELL GRANT PROGRAM  
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
COLLEGE WORK-STUDY PROGRAM  
PERKINS LOAN PROGRAM  
GUARANTEED STUDENT LOAN PROGRAM

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

FOR THE PERIOD  
JULY 1, 1983 - JUNE 30, 1987

LEGISLATIVE AUDITOR'S OFFICE  
STATE OF WEST VIRGINIA

*West Virginia*



**LEGISLATIVE AUDITOR**

**CHARLESTON**

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

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study, Perkins Loan and the Guaranteed Student Loan Programs at Glenville State College.

Our examination covers the period July 1, 1983 through June 30, 1987. The results of the examination are set forth on the following pages of this report.

Respectfully submitted,

*Theford L. Shanklin*  
Theford L. Shanklin, CPA, Director  
Legislative Postaudit Division

TLS/dws

## TABLE OF CONTENTS

<u>Part I - Introduction</u> . . . . .	1
<u>Part II - Highlights of Audit Results</u> . . . . .	3
<u>Part III - Auditors' Report on Statement of Changes in Student Financial Assistance Programs Fund Balances</u> . . . . .	4
Exhibit A - Statement of Changes in Student Financial Assistance Programs Fund Balances . . . . .	6
Notes to Statement of Changes in Student Financial Assistance Programs Fund Balances . . . . .	8
<u>Part IV - Auditors' Report on Internal Accounting Control</u> . . . . .	10
<u>Part V - Auditors' Report on Compliance</u> . . . . .	12
Findings and Recommendations:	
1. Pell Awards Made to Ineligible Students . . . . .	14
2. Fiscal Operations Report (FISAP) Not in Agreement With Supplemental Educational Opportunity Grant and College Work-Study Program Accounting Records . . . . .	14
3. Missing Financial Aid Transcripts, Statements of Educational Purpose and Registration Compliance . . . . .	15
<u>Part VI - Auditors' Comments on Audit Resolution Matters Relating to the Student Financial Assistance Programs</u> . . . . .	16
<u>Supplemental Information</u>	
Schedule 1 - Schedule of Disbursements and Expenditures for Each Student Financial Assistance Program . . . . .	19
Schedule 2 - Statement of Changes in Student Financial Assistance Programs Fund Balances for the Year Ended June 30, 1987 . . . . .	21
Schedule 3 - Statement of Changes in Student Financial Assistance Programs Fund Balances for the Year Ended June 30, 1986 . . . . .	23
Schedule 4 - Statement of Changes in Student Financial Assistance Programs Fund Balances for the Year Ended June 30, 1985 . . . . .	25
Schedule 5 - Statement of Changes in Student Financial Assistance Programs Fund Balances for the Year Ended June 30, 1984 . . . . .	27

Schedule 6 - Balance Sheet as of June 30, 1987 for Pell Grant Program . . . . .	29
Schedule 7 - Balance Sheet as of June 30, 1987 for Supplemental Educational Opportunity Grant Program . . . . .	30
Schedule 8 - Balance Sheet as of June 30, 1987 for College Work-Study Program . . . . .	31
Schedule 9 - Balance Sheet as of June 30, 1987 for Perkins Loan Program . . . . .	32
Schedule 10 - Analysis of Student Loans Receivable . . . . .	33
Schedule 11 - Statement of Changes in Non-Capital and Capital Fund Balance . . . . .	34
Schedule 12 - Computation of Default Rate as of June 30, 1987. . . . .	35
<u>Certificate of Legislative Auditor</u> . . . . .	36

Glenville State College  
Glenville, West Virginia

Report of Audit  
Pell Grant Program  
Supplemental Educational Opportunity Grant Program  
College Work-Study Program  
Perkins Loan Program  
Guaranteed Student Loan Program

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

For the Period July 1, 1983 - June 30, 1987

Part I - Introduction

Background

Glenville State College is an institution of higher education and was last approved on December 8, 1981 by the U.S. Department of Education for participation in the Student Financial Assistance Programs. Our examination of the Pell Grant Program, Supplemental Educational Opportunity Grant Program, College Work-Study Program and Perkins Loan Program for the four-year period ended June 30, 1987 and the Guaranteed Student Loan Program for the four-year period ended June 30, 1987 was directed toward the objectives set forth in the U.S. Department of Education's March 1984 Audit Guide for Student Financial Assistance Programs (Guide).

Pell Grant Program (PGP)

The PGP (formerly Basic Educational Opportunity Grant Program) was established under Title IV, Part A-1 of the Higher Education Act of 1965 (P.L. 89-329), as amended. The College began participating in the PGP on July 1, 1973. During the four-year period ended June 30, 1987, awards to students aggregated \$2,883,962.78 while up to 650 students annually participated in the program. U.S. Department of Education authorization award letters to the College aggregated \$2,914,581.00 and were in the amounts of \$830,021.00, \$745,086.00, \$701,807.00 and \$637,667.00 for the fiscal years ended June 30, 1987, 1986, 1985 and 1984, respectively.

Supplemental Educational Opportunity Grant Program (SEOGP)

The SEOGP was established under Title IV, Part A of the Higher Education Act of 1965, as amended. The College began participating in the SEOGP on July 1, 1966. During the four-year period ended June 30, 1987, up to 323 students participated in the program each year and awards to students aggregated \$317,721.95. U.S. Department of Education authorization award letters to the College aggregated \$315,152.00 and were in the amounts of \$79,808.00, \$78,666.00, \$78,666.00, and \$78,012.00 for the fiscal years ended June 30, 1987, 1986, 1985, and 1984, respectively.

### College Work-Study Program (CWSP)

The CWSP was established under Title IV, Part C of the Higher Education Act of 1965, as amended. The College began participating in the CWSP on January 25, 1965. During the four-year period ended June 30, 1987, up to 200 students participated in the program each year and expenditures for wages for the period aggregated \$378,316.21. U.S. Department of Education authorization award letters to the College were in the amounts of \$92,139.00, \$97,681.00, \$62,704.00 and \$83,368.00 for the fiscal years ended June 30, 1987, 1986, 1985 and 1984, respectively.

### Perkins Loan Program (PLP)

The PLP (formerly National Direct Student Loan Program) was established under the National Defense Education Act of 1958, which was transferred in 1972 to Part E of Title IV of the Higher Education Act of 1965. The College began participating in the PLP on September 1, 1958 and since that date it has made 3,689 loans aggregating \$3,549,908.24. The principal outstanding on loans in default amounts to 4.25% of the matured principal on all loans as of June 30, 1987.

### Guaranteed Student Loan Program (GSLP)

The GSLP was established under Title IV, Part B of the Higher Education Act of 1965, as amended. The College began participating in the GSLP on December 8, 1981. During the four-year period ended June 30, 1987, guaranteed loans were received by 2,178 students with 639, 421, 658 and 460 students receiving loans in the fiscal years of 1987, 1986, 1985 and 1984, respectively.

In addition, the Parent Loans for Undergraduate Students (PLUS) program, which was also authorized under the same criteria, provided loans to students during the four-year period ended June 30, 1987. The amount of these loans and the number of students receiving these loans were not identified separately but were included with the GSLP.

### Administration of Programs

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

### Scope of Audit

Our audit of the Pell Grant Program, Supplemental Educational Opportunity Grant Program, College Work-Study Program, Perkins Loan Program and the Guaranteed Student Loan Program was performed in accordance with the financial and compliance elements of the Standards for Audit of Governmental Organizations, Programs, Activities and Functions (1981 Revision) and the Guide. The purpose of the audit was to formulate an opinion of the basic financial statement taken as a whole and to determine if these programs were administered in accordance

with the applicable laws, regulations, agreements to participate, and U.S. Department of Education's directives which are set forth in the Guide.

The audit included:

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

As part of our audit, we obtained confirmation from selected students who had Perkins Loan Program loan balances as of June 30, 1987.

## Part II - Highlights of Audit Results

During our audit, nothing came to our attention which caused us to believe that Glenville State College had not generally administered its Student Financial Assistance Programs (PGP, SEOGP, CWSP, PLP, and GSLP) in accordance with the U.S. Department of Education's Federal regulations and directives cited in the Guide for PGP, SEOGP, CWSP, PLP and GSLP. However, certain areas of the College's management of the Student Financial Assistance Programs were in need of attention. More specifically, for PGP (1) the College made Pell awards to ineligible students. In addition, for the SEOG (2) and CWS (3) programs, FISAPS did not agree with the accounting records for selected years. We further noted, for all programs (4), that the required financial aid transcripts, statements of educational purpose, and registration compliance were missing from selected files.

These matters are discussed more fully under the "Findings and Recommendations" section of this report. (See pages 14-15.)

Part III - Auditors' Report on Statement of Changes in Student Financial Assistance Programs Fund Balances

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

Sir:

We have examined the accompanying statement of changes in the Student Financial Assistance Programs fund balances of Glenville State College for the four-year period ended June 30, 1987. Our examination was made in accordance with Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the U.S. Comptroller General (GAO) in June 1972 and revised February 1981 and the U.S. Department of Education's March 1984 Audit Guide for Student Financial Assistance Programs and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying statement was prepared for the purpose of complying with the audit requirement relating to the Student Financial Assistance Programs of the U.S. Department of Education and is limited to the activities related to these programs.

As described in Note 1, to the financial statement, and in accordance with prescribed practices of the Program, the College has not accrued interest on student loans receivable nor provided an allowance for doubtful loans receivable. Interest on loans is recorded when received. Uncollectible loans are recognized when cancelled or written-off in conformity with the Perkins Loan Program requirements. These practices do not conform with generally accepted accounting principles.

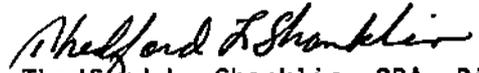
As more fully described in Note 2, to the financial statements, the College did not always obtain required data prior to awarding Pell Grant Program Funds to students. In our opinion Pell Grant Program regulations require such validation prior to awarding funds to students.

In our opinion, except for the effects of not accruing earned interest on student loans receivable, not providing an allowance for doubtful loans receivable, and not always performing the required validation prior to disbursing Pell Grant Funds, the statement referred to above presents fairly the changes in Student Financial Assistance Programs fund balances of Glenville State College for the four-year period ended June 30, 1987, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examination was made for the purpose of forming an opinion on the accompanying statement of changes in Student Financial Assistance Programs fund balances taken as a whole. The information included in the supplementary schedule of disbursements and expenditures for each Student Financial Assistance Program for the four-year period ended June 30, 1987, is presented for purposes of additional analysis and is not a required part of the accompanying statement of changes in Student Financial Assistance Programs fund balances. The information has been subjected

to the auditing procedures applied in the examination of the accompanying statement of changes in Student Financial Assistance Programs fund balances of Glenville State College and, in our opinion, except for the effects, if any, of the items described in Notes 1 and 2 to the financial statements, is fairly stated in all material respects in relation to the accompanying statement taken as a whole.

Respectfully submitted,



Theford L. Shanklin, CPA, Director  
Legislative Postaudit Division

June 24, 1988

Auditors: Raymond V. Shingler, CPA, Supervisor  
Donald T. Moore, Auditor-in-Charge

GLENVILLE STATE COLLEGE  
STATEMENT OF CHANGES IN STUDENT FINANCIAL  
ASSISTANCE PROGRAMS FUND BALANCES  
FOR THE PERIOD JULY 1, 1983 THROUGH JUNE 30, 1987

	Grants and College Work Study		
	Pell	SEOG	CWS
<b>Additions:</b>			
Federal Awards	\$2,914,581.00	\$315,152.00	\$335,892.00
Other - Interest Income	-0-	-0-	-0-
Other	-0-	-0-	2,945.80
Other Administrative Cost Allowance Received	12,295.00	-0-	-0-
<b>Total Additions</b>	<b>2,926,876.00</b>	<b>315,152.00</b>	<b>338,837.80</b>
<b>Deductions:</b>			
Grants	2,883,962.78	317,721.95	-0-
Wages	-0-	-0-	378,316.21
Loan Cancellations	-0-	-0-	-0-
Collection Costs	-0-	-0-	-0-
Administrative Expenses	12,295.00	12,353.55	14,251.53
Defaulted Loan Principal and Interest Assigned to Dept. Ed.	-0-	-0-	-0-
Other Costs or Losses	-0-	-0-	-0-
Amounts Returned to Dept. Ed.	23,000.00	6,034.25	-0-
<b>Total Deductions</b>	<b>2,919,257.78</b>	<b>336,109.75</b>	<b>392,567.74</b>
<b>Other Changes:</b>			
Institutional Matching Funds	-0-	-0-	81,531.00
Reimbursement on Loans Cancelled	-0-	-0-	-0-
Interest on Loans Cancelled	-0-	-0-	-0-
Transfer Among Programs	-0-	15,819.00	(13,369.00)
Funds Used in Excess (Less Than) Authorization	(5,297.00)	4,454.60	(11,186.80)
<b>Total Other Changes</b>	<b>(5,297.00)</b>	<b>20,273.60</b>	<b>56,975.20</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>2,321.22</b>	<b>(684.15)</b>	<b>3,245.26</b>
<b>Beginning Fund Balance, July 1, 1983</b>	<b>548.40</b>	<b>-0-</b>	<b>546.26</b>
<b>Ending Fund Balance, June 30, 1987</b>	<b>\$ 2,869.62</b>	<b>(\$ 684.15)</b>	<b>\$ 3,791.52</b>

See Notes to Financial Statement

	<u>Student Loans</u>	
	<u>Perkins</u>	<u>Total</u>
\$	-0-	\$3,565,625.00
	61,990.25	61,990.25
	32,123.04	35,068.84
	<u>-0-</u>	<u>12,295.00</u>
	94,113.29	3,674,979.09
	-0-	3,201,684.73
	-0-	378,316.21
	79,383.07	79,383.07
	29,614.57	29,614.57
	42,793.01	81,693.09
	107,935.25	107,935.25
	468.82	468.82
	<u>-0-</u>	<u>29,034.25</u>
	260,194.72	3,908,129.99
	-0-	81,531.00
	107,821.00	107,821.00
	21,166.52	21,166.52
	-0-	2,450.00
	<u>-0-</u>	<u>(12,029.20)</u>
	<u>128,987.52</u>	<u>200,939.32</u>
	(37,093.91)	(32,211.58)
	<u>1,263,713.74</u>	<u>1,264,808.40</u>
	<u>\$1,226,619.83</u>	<u>\$1,232,596.82</u>

Exhibit A

Notes to Statement of Changes in Student Financial  
Assistance Programs Fund Balances

(1) Basis of Presentation

The accompanying statement of changes in Student Financial Assistance Programs fund balances has been prepared in accordance with accounting practices prescribed for such programs by the U.S. Department of Education's fiscal control and fund accounting procedures and the format as set forth in the publication Audit Guide for Student Financial Assistance Programs. The purpose of the statement is to present, in summary form, student financial assistance activities of Glenville State College for the four-year period ended June 30, 1987, which have been financed by the U.S. Department of Education. Except as described in the following paragraph, these accounting practices are in agreement with generally accepted accounting principles.

The Perkins Loan Program does not provide for accrual of interest on student loans receivable nor for a provision of allowance for doubtful loans. Interest on loans is recorded as received and uncollectible loans are recognized when the loans are cancelled or written-off. These practices are in conformity with the Perkins Loan Program requirements. The effects of these variations from generally accepted accounting principles have not been determined.

Because the statement of changes in fund balances presents only a selected portion of the activities of Glenville State College, it is not intended to and does not present either the financial position, changes in fund balances or the current funds, revenues, expenditures and other changes in fund balances of the College.

(2) Pell Grant Program Awards to Students

The College awarded Pell Grant Program funds to students prior to performing the required validation procedures. Subsequently, the College determined that some of the students were either ineligible for the awards or were overawarded. The College reimbursed the Pell Grant Program fund from College funds for those amounts detected. Because the names of the ineligible students and the corresponding award amounts do not appear on the Pell Grant Program Validation Rosters, we were unable to determine that the College detected all ineligible payments and reimbursed the Pell Grant Program fund all amounts inadvertently awarded.

(3) Pell Grant Program Fund Balance, Beginning Year

The ending fund balance at June 30, 1983 was understated by \$7,372.40. This understatement resulted from the understatement of receivables and the overstatement of payables at June 30, 1983.

Fund Balance, Ending Year (June 30, 1983)	(\$6,824.00)
Administrative Cost Receivable	2,570.00
Funds Receivable from Department of Education	4,681.00
Funds Receivable from Student	71.40
Correction of a Payable (June 30, 1982)	<u>50.00</u>
Fund Balance, Beginning of Year	<u>\$ 548.40</u>

#### (4) Administrative Expenses

Participating colleges earn an Administrative Cost Allowance to use as an offset to the actual cost of administering the Student Financial Assistance Programs. The Department of Education pays the allowance earned by the Pell Grant Program directly to the College. The campus-based programs, (i.e. Supplemental Educational Opportunity Grant Program, College Work-Study Program and the Perkins Loan Program) provide for the allowance to pay the College from monies in the various programs. The Regulations also permit the payment of the allowance from each of the programs or from any one of the programs.

The College's earned allowance from the campus-based programs was \$69,398.09 and this amount is reflected in the \$81,693.09 for Administrative Expenses in the Total Column on Exhibit A. The Administrative Expenses shown under the SEOG, CWS and Student Loans columns are the actual amounts paid or to be paid from each of the programs.

#### (5) Other Changes

These changes represent increases or decreases to the various program funds due to transfers among programs, carry forwards and carry backs within the same programs from and to fiscal years outside our audit period, overdraws of Federal authorizations, amounts returned to the U.S. Department of Education, and Federal awards authorized but not requested.

#### (6) Combined Totals

The combined totals contain the totals of similar accounts of the various programs. The totaling of the accounts is for memorandum only and does not indicate that the combined balances are available for any purpose other than provided by laws, rules and regulations governing the separate programs.

## Part IV - Auditors' Report on Internal Accounting Control

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

Sir:

We have examined the statement of changes in fund balances for the Student Financial Assistance Programs of Glenville State College for the four-year period ended June 30, 1987, and have issued our report thereon dated June 24, 1988.

As part of our examination, we made a study and evaluation of the system of internal accounting control of Glenville State College to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office's Standards for Audit of Governmental Organizations, Programs, Activities and Functions (1981 Revision). For the purpose of this report, we have classified the significant internal accounting controls in the following categories:

1. Receipts
2. Disbursements
3. Granting of Loans
4. Payment of Administrative Expenses
5. Collection of Loan Principal and Interest
6. Payment of Litigation Costs
7. Cancellation of Loans
8. Federal and Institutional Capital Contribution
9. Posting of Transactions

Our study included all of the control categories listed above. The purpose of our study and evaluation was to determine the nature, timing, and extent of performing the auditing procedures necessary for expressing an opinion on the entity's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

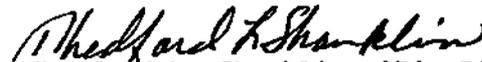
The management of Glenville State College is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system 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 generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Glenville State College taken as a whole or on any of the categories of controls identified in the first paragraph. However, except as described in the "Findings and Recommendations" section of this report our study and evaluation disclosed no condition that we believe to be a material weakness.

This report is intended solely for the use of management and the U.S. Department of Education and should not be used for any other purpose.

Respectfully submitted,

  
Theodora L. Shanklin, CPA, Director  
Legislative Postaudit Division

June 24, 1988

Auditors: Raymond V. Shingler, CPA, Supervisor  
Donald T. Moore, Auditor-in-Charge

## Part V - Auditors' Report on Compliance

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

Sir:

We have examined the accompanying statement of changes in Student Financial Assistance Programs fund balances of Glenville State College for the four-year period ended June 30, 1987 and have issued our report thereon dated June 24, 1988. As part of our examination, we made a study and evaluation of those internal administrative methods and procedures established by Glenville State College to administer and account for Student Financial Assistance Programs in accordance with the significant administrative requirements of the U.S. Department of Education's March 1984 Audit Guide for Student Financial Assistance Programs (Guide), Section II and the following compliance requirements:

- I. Cash Management
- II. Financial Reporting
- III. Institutional Eligibility and Participation
- IV. Coordination of Student Assistance Programs
- V. Student File Maintenance Fiscal Procedures and Record Keeping
- VI. Student Eligibility
- VII. Institutional Disbursements to Award Recipients
- VIII. Refund Calculation and Overpayment Determination Procedures

We understand that procedures and systems in conformity with the criteria contained in these significant administrative requirements are considered by the U.S. Department of Education to be adequate for its purposes in accordance with the provisions of the Higher Education Act, as amended. Based on this understanding of our study and evaluation, we believe the institution's procedures and systems were adequate for the U.S. Department of Education's purposes.

In addition, our examination also included tests of controls to ensure compliance with the provisions of certain major program terms and conditions identified in Section II - Compliance Requirements of the Guide. Based upon our examination, we found that for the items tested the institution complied with the material terms and conditions of the Student Financial Assistance award agreements except as described in the "Findings and Recommendations" section of this report.

Further, based on our examination and the procedures referred to above, except as discussed in the preceding paragraph, nothing came to our attention to indicate that Glenville State College had not complied with the material terms and conditions identified in the first paragraph above of Glenville State College's Student Financial Assistance Programs.

This report is intended solely for the use of Glenville State College, the cognizant audit agency and other Federal audit agencies and should not be used for any other purpose.

Respectfully submitted,

  
Thedford L. Shanklin, CPA, Director  
Legislative Postaudit Division

June 24, 1988

Auditors: Raymond V. Shingler, CPA, Supervisor  
Donald T. Moore, Auditor-in-Charge

## Findings and Recommendations

### Pell Awards Made to Ineligible Students

The Audit Guide issued by the U.S. Department of Education (ED) in March 1984 states, "the institution must verify the Pell Grant applicant data on those Student Aid Reports (SAR) selected by ED for validation before disbursing payment. The Pell Grant Programs regulations at 34CFR, Part 690.77 states, in part, "if an institution believes that any information on the SAR used in calculating the students' expected family contribution is inaccurate, or if the application is chosen by the secretary for verification, the institution must request that the student verify the information on the SAR." Furthermore, this same section states, "the Secretary may also require that the institution withhold payment of a students' grant until the institution or the Secretary determines that the student has supplied the correct information."

During the periods ended June 30, 1986 and June 30, 1985, the College made payments to some students who were later determined to be partially or fully ineligible for Pell Grant funds. The College determined that awards were made to at least 24 and 55 students in amounts totaling at least \$22,089.32 and \$23,899.90, respectively, prior to obtaining the required verification and necessary documentation. Our review showed the College accepted its liability for these overawards since it reimbursed the Pell Grant Program fund for these above stated amounts. However, since students who were later determined to be ineligible did not appear on the Pell Grant Student Payment Summary, we were unable to determine whether the College detected and reimbursed the Pell Grant Program fund for all students who were awarded grants and were subsequently determined to be ineligible.

We recommend the College establish procedures to comply with the Audit Guide and 34 CFR, Part 690.77 of the Pell Grant Program Regulations.

### Fiscal Operations Report (FISAP) Not in Agreement With SEOG and CWS Program Accounting Records

During our audit we determined that the CWS accounting records were not in agreement with the amount reported on the FISAP for the fiscal year ended June 30, 1985. We also determined that the SEOG accounting records were not in agreement with the amounts reported on the FISAP reports for the fiscal years ended June 30, 1986 and June 30, 1985. The amounts reported and the amounts on the accounting records are as follows:

<u>Program</u>	<u>Accounting Records</u>	<u>FISAP</u>	<u>FISAP Over Records</u>
CWS Salaries 06-30-85	\$68,835.00	\$70,277.00	\$1,442.00
SEOG Awards 06-30-86	84,333.00	85,464.00	1,131.00
SEOG Awards 06-30-85	75,285.00	76,185.00	900.00

We were told that the above differences were attributable to administrative oversight.

We recommend the College submit corrected FISAP Reports for the above programs for the fiscal years ended June 30, 1986 and 1985.

Missing Financial Aid Transcripts and Statements  
of Educational Purpose and Registration Compliance

Our audit of 87 statistically selected student files showed that two students failed to provide the required financial aid transcript and one student did not sign the required Statement of Educational Purpose and the Statement of Registration Compliance. These items are specifically required by Federal criteria.

34 CFR, Part 668, Section 668.14 of the Student Assistance General Provisions provides that the institution the student is currently attending shall not disburse any Title IV funds (except Guaranteed Student Loan and Parent Loans for Undergraduate Students checks where the institution is not the lender) to that student before obtaining a properly signed financial aid transcript from the institution or institutions the student previously attended unless the institution or institutions each indicate, in writing, that they are not required to provide a transcript under the provisions of specific Federal criteria.

In addition, section 668.23 of this same CFR points out that an institution may not disburse any funds under any of the Title IV Student Financial Assistance Programs to a student unless the student files with it a Statement of Educational Purpose.

Furthermore, section 668.24 of this same CFR provides that unless a student who is applying for Title IV aid or, under the PLUS Program, who will benefit from the loan, files a Statement of Registration Compliance with the institution, an institution may not for a period of instruction beginning on or after July 1, 1983, disburse funds to the student under any Title IV Student Financial Assistance Program.

Since the financial aid transcript identifies the amount of each type of financial aid received, the College has no assurance the student is not being over awarded in instances where limitations are placed on the amount of award.

Statements of Educational Purpose and Registration Compliance are requirements for student eligibility. Since these statements were not obtained for this, student funds were disbursed to an ineligible student.

We recommend the College obtain the necessary financial aid transcripts and the Statements of Educational Purpose and Registration Compliance. Furthermore, we recommend that the College implement procedures whereby these items are obtained for all future students.

Part VI - Auditors' Comments on Audit Resolution Matters  
Relating to the Student Financial Assistance Programs

The College has taken corrective action on five of the five findings from the prior audit report of the Perkins Loan Program (formerly the National Direct Student Loan Program), College Work-Study Program, Supplemental Educational Opportunity Grant Program and the Pell Grant Program (formerly Basic Educational Opportunity Grant Program) for the period July 1, 1981 through June 30, 1983.

- Finding No. 1 . . . . . As of June 30, 1983, the subsidiary records of student loans receivable were \$18,160.89 less than the general ledger control accounts.
- Action Taken . . . . . The College personnel located errors totaling \$1,625.93 and on December 25, 1984, the NDSL fund was reimbursed \$16,534.96.
- Finding No. 2 . . . . . As of June 30, 1983 the College had \$150,393.87 in a checking account and certificates of deposit at a local bank. This amount was insured by the FDIC for only \$100,000.00.
- Action Taken . . . . . The balance was reduced to less than \$100,000.00 in November 1983 and the coverage increased to \$200,000.00. The data was provided to the U.S. Department of Education which accepted the resolution.
- Finding No. 3 . . . . . The SEOGP subsidiary accounts have not reflected the dates of the award payments and control identification number.
- Action Taken . . . . . During the current review, we noted the amount of SEOG award for each student identified on a computer generated printout.
- Finding No. 4 . . . . . The Pell subsidiary accounts have not reflected the dates of the award payments and control identification number.
- Action Taken . . . . . During the current review, we noted the amount of Pell award for each student was identified on a computer generated printout.

Finding No. 5 . . . . . As of June 30, 1983, the College received \$167.26 in interest on the SEOGP bank checking account. This amount should have been refunded to the Federal Government.

Action Taken . . . . . On December 16, 1983, the College refunded the \$167.26 to the SEOG account. The amount of the DFAFS revenue for the 1983-84 fiscal year was reduced by a like amount.

**SUPPLEMENTAL INFORMATION**

GLENVILLE STATE COLLEGE  
 SCHEDULE OF DISBURSEMENTS AND EXPENDITURES  
 FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM  
 FOR THE PERIOD JULY 1, 1983 - JUNE 30, 1987

<u>Disbursements</u>	<u>Year Ended June 30,</u>	
	<u>1984</u>	<u>1985</u>
Perkins Loan Program:		
Funds Advanced to Students	\$ 252,851.00	\$ 166,060.00
Administrative Expenses	16,606.65	13,082.66
Collection Costs	6,271.42	4,131.41
Other Costs or Losses	4.03	5.57
	<u>                    </u>	<u>                    </u>
Total Disbursements	<u>\$ 275,733.10</u>	<u>\$ 183,279.64</u>
 <u>Expenditures</u>		
College Work-Study Program	\$ 104,756.26	\$ 72,277.06
Supplemental Educational Opportunity Grant Program	79,102.00	85,049.25
Pell Grant Program	630,444.33	720,170.81
	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>\$ 814,302.59</u>	<u>\$ 877,497.12</u>

<u>Year Ended June 30,</u>	
<u>1986</u>	<u>1987</u>
\$ 113,845.00	\$ 148,228.96
5,692.25	7,411.45
16,762.43	2,449.31
497.41	(38.19)
<u>\$ 136,797.09</u>	<u>\$ 158,051.53</u>
\$ 99,503.44	\$ 116,030.98
88,549.65	83,408.85
<u>738,303.89</u>	<u>818,043.75</u>
<u>\$ 926,356.98</u>	<u>\$1,017,483.58</u>

Schedule 1

GLENVILLE STATE COLLEGE  
 STATEMENT OF CHANGES IN STUDENT FINANCIAL  
 ASSISTANCE PROGRAMS FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 1987

	<u>Grants and College Work-Study</u>		
	<u>Pell</u>	<u>SEOG</u>	<u>CWS</u>
<b>Additions:</b>			
Federal Awards	\$ 830,021.00	\$ 79,808.00	\$ 92,139.00
Other - Interest Income	-0-	-0-	-0-
Other	-0-	-0-	-0-
Other - Administrative Cost Allowance Received	3,250.00	-0-	-0-
Total Additions	833,271.00	79,808.00	92,139.00
<b>Deductions:</b>			
Grants	818,043.75	79,437.00	-0-
Wages	-0-	-0-	110,505.71
Loan Cancellations	-0-	-0-	-0-
Collection Costs	-0-	-0-	-0-
Administrative Expenses	3,250.00	3,971.85	5,525.27
Other Costs or Losses	-0-	-0-	-0-
Total Deductions	821,293.75	83,408.85	116,030.98
<b>Other Changes:</b>			
Institutional Matching Funds	-0-	-0-	23,035.00
Reimbursement on Loans Cancelled	-0-	-0-	-0-
Interest on Loans Cancelled	-0-	-0-	-0-
Transfer Among Programs	-0-	3,601.00	(3,601.00)
Funds Used in Excess (Less Than) Authorization	(26,021.00)	(1,565.40)	5,392.00
Total Other Changes	(26,021.00)	2,035.60	24,826.00
Net (Decrease) Increase in Fund Balances	(14,043.75)	(1,565.25)	934.02
Beginning Fund Balance, July 1, 1986	16,913.37	881.10	2,857.50
Ending Fund Balance, June 30, 1987	<u>\$ 2,869.62</u>	<u>(\$ 684.15)</u>	<u>\$ 3,791.52</u>

<u>Student Loans</u>		
<u>Perkins</u>		<u>Total</u>
\$ -0-		\$1,001,968.00
16,197.88		16,197.88
10,751.72		10,751.72
<u>-0-</u>		<u>3,250.00</u>
26,949.60		1,032,167.60
-0-		897,480.75
-0-		110,505.71
16,574.83		16,574.83
2,449.31		2,449.31
7,411.45		20,158.57
<u>(38.19)</u>		<u>(38.19)</u>
26,397.40		1,047,130.98
-0-		23,035.00
34,524.00		34,524.00
1,835.82		1,835.82
-0-		-0-
<u>-0-</u>		<u>(22,194.40)</u>
<u>36,359.82</u>		<u>37,200.42</u>
36,912.02		22,237.04
<u>1,189,707.81</u>		<u>1,210,359.78</u>
<u>\$1,226,619.83</u>		<u>\$1,232,596.82</u>

GLENVILLE STATE COLLEGE  
STATEMENT OF CHANGES IN STUDENT FINANCIAL  
ASSISTANCE PROGRAMS FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1986

	Grants and College Work-Study		
	<u>Pell</u>	<u>SEOG</u>	<u>CWS</u>
<b>Additions:</b>			
Federal Awards	\$ 745,086.00	\$ 78,666.00	\$ 97,681.00
Other - Interest Income	-0-	-0-	-0-
Other	-0-	-0-	-0-
Other Administrative Cost Allowance Received	2,900.00	-0-	-0-
<b>Total Additions</b>	<b>747,986.00</b>	<b>78,666.00</b>	<b>97,681.00</b>
<b>Deductions:</b>			
Grants	738,303.89	84,333.00	-0-
Wages	-0-	-0-	94,765.19
Loan Cancellations	-0-	-0-	-0-
Collection Costs	-0-	-0-	-0-
Administrative Expenses	2,900.00	4,216.65	4,738.25
Defaulted Loan Principal and Interest Assigned to Dept. of Education	-0-	-0-	-0-
Other Costs or Losses	-0-	-0-	-0-
<b>Total Deductions</b>	<b>741,203.89</b>	<b>88,549.65</b>	<b>99,503.44</b>
<b>Other Changes:</b>			
Institutional Matching Funds	-0-	-0-	21,978.00
Reimbursement on Loans Cancelled	-0-	-0-	-0-
Interest on Loans Cancelled	-0-	-0-	-0-
Transfer Among Programs	-0-	9,768.00	(9,768.00)
Funds Used in Excess (Less Than) Authorization	(9,454.00)	-0-	(9,438.00)
<b>Total Other Changes</b>	<b>(9,454.00)</b>	<b>9,768.00</b>	<b>2,772.00</b>
<b>Net (Decrease) Increase in Fund Balances</b>	<b>(2,671.89)</b>	<b>(115.65)</b>	<b>949.56</b>
<b>Beginning Fund Balance - July 1, 1985</b>	<b>19,585.26</b>	<b>996.75</b>	<b>1,907.94</b>
<b>Ending Fund Balance - June 30, 1986</b>	<b>\$ 16,913.37</b>	<b>\$ 881.10</b>	<b>\$ 2,857.50</b>

<u>Student Loans</u>	
<u>Perkins</u>	<u>Total</u>
\$ -0-	\$ 921,433.00
19,809.41	19,809.41
8,155.89	8,155.89
<u>-0-</u>	<u>2,900.00</u>
27,965.30	952,298.30
-0-	822,636.89
-0-	94,765.19
19,854.72	19,854.72
16,762.43	16,762.43
5,692.25	17,547.15
82,587.81	82,587.81
<u>497.41</u>	<u>497.41</u>
125,394.62	1,054,651.60
-0-	21,978.00
21,531.00	21,531.00
12,320.22	12,320.22
-0-	-0-
<u>-0-</u>	<u>(18,892.00)</u>
<u>33,851.22</u>	<u>36,937.22</u>
(63,578.10)	(65,416.08)
<u>1,253,285.91</u>	<u>1,275,775.86</u>
<u>\$1,189,707.81</u>	<u>\$1,210,359.78</u>

Schedule 3

GLENVILLE STATE COLLEGE  
STATEMENT OF CHANGES IN STUDENT FINANCIAL  
ASSISTANCE PROGRAMS FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1985

	<u>Grants and College Work-Study</u>		
	<u>Pell</u>	<u>SEOG</u>	<u>CWS</u>
<b>Additions:</b>			
Federal Awards	\$ 701,807.00	\$ 78,666.00	\$ 62,704.00
Other - Interest Income	-0-	-0-	-0-
Other	-0-	-0-	-0-
Other Administrative Cost Allowance Received	3,150.00	-0-	-0-
<b>Total Additions</b>	<b>704,957.00</b>	<b>78,666.00</b>	<b>62,704.00</b>
<b>Deductions:</b>			
Grants	697,170.81	75,285.00	-0-
Wages	-0-	-0-	68,835.31
Loan Cancellations	-0-	-0-	-0-
Collection Costs	-0-	-0-	-0-
Administrative Expense	3,150.00	3,764.25	3,441.75
Defaulted Loan Principal and Interest Assigned to Department of Education	-0-	-0-	-0-
Other Costs or Losses	-0-	-0-	-0-
Amounts Returned to Department of Education	23,000.00	6,000.00	-0-
<b>Total Deductions</b>	<b>723,320.81</b>	<b>85,049.25</b>	<b>72,277.06</b>
<b>Other Changes:</b>			
Institutional Matching Funds	-0-	-0-	15,676.00
Reimbursement on Loans Cancelled	-0-	-0-	-0-
Interest on Loans Cancelled	-0-	-0-	-0-
Transfer Among Programs	-0-	1,380.00	-0-
Funds Used in Excess (Less Than) Authorization	35,420.00	6,020.00	(4,195.00)
<b>Total Other Changes</b>	<b>35,420.00</b>	<b>7,400.00</b>	<b>11,481.00</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>17,056.19</b>	<b>1,016.75</b>	<b>1,907.94</b>
<b>Beginning Fund Balance - July 1, 1984</b>	<b>2,529.07</b>	<b>(20.00)</b>	<b>-0-</b>
<b>Ending Fund Balance - June 30, 1985</b>	<b>\$ 19,585.26</b>	<b>\$ 996.75</b>	<b>\$ 1,907.94</b>

<u>Student Loans</u>	
<u>Perkins</u>	<u>Total</u>
\$ -0-	\$ 843,177.00
12,750.50	12,750.50
5,776.56	5,776.56
-0-	3,150.00
<hr/>	<hr/>
18,527.06	864,854.06
-0-	772,455.81
-0-	68,835.31
18,354.14	18,354.14
4,131.41	4,131.41
13,082.66	23,438.66
25,347.44	25,347.44
5.57	5.57
-0-	29,000.00
<hr/>	<hr/>
60,921.22	941,568.34
-0-	15,676.00
16,532.00	16,532.00
4,932.80	4,932.80
-0-	1,380.00
-0-	37,245.00
<hr/>	<hr/>
21,464.80	75,765.80
(20,929.36)	(948.48)
<hr/>	<hr/>
1,274,215.27	1,276,724.34
<hr/>	<hr/>
<u>\$1,253,285.91</u>	<u>\$1,275,775.86</u>

Schedule 4

GLENVILLE STATE COLLEGE  
STATEMENT OF CHANGES IN STUDENT FINANCIAL  
ASSISTANCE PROGRAMS FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1984

	Grants and College Work-Study		
	<u>Pell</u>	<u>SEOG</u>	<u>CWS</u>
Additions:			
Federal Awards	\$ 637,667.00	\$ 78,012.00	\$ 83,368.00
Other - Interest Income	-0-	-0-	-0-
Other	-0-	-0-	2,945.80
Other Administrative Cost Allowance Received	2,995.00	-0-	-0-
<b>Total Additions</b>	<b>640,662.00</b>	<b>78,012.00</b>	<b>86,313.80</b>
Deductions:			
Grants	630,444.33	78,666.95	-0-
Wages	-0-	-0-	104,210.00
Loan Cancellations	-0-	-0-	-0-
Collection Costs	-0-	-0-	-0-
Administrative Expenses	2,995.00	400.80	546.26
Other Costs or Losses	-0-	-0-	-0-
Amounts Returned to Department of Education	-0-	34.25	-0-
<b>Total Deductions</b>	<b>633,439.33</b>	<b>79,102.00</b>	<b>104,756.26</b>
Other Changes:			
Institutional Matching Funds	-0-	-0-	20,842.00
Reimbursement on Loans Cancelled	-0-	-0-	-0-
Interest on Loans Cancelled	-0-	-0-	-0-
Transfer Among Programs	-0-	1,070.00	-0-
Funds Used in Excess (Less Than) Authorization	(5,242.00)	-0-	(2,945.80)
<b>Total Other Changes</b>	<b>(5,242.00)</b>	<b>1,070.00</b>	<b>17,896.20</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>1,980.67</b>	<b>(20.00)</b>	<b>(546.26)</b>
Beginning Fund Balance - July 1, 1983	548.40	-0-	546.26
Ending Fund Balance - June 30, 1984	<u>\$ 2,529.07</u>	<u>(\$ 20.00)</u>	<u>-0-</u>

<u>Student Loans</u>	
<u>Perkins</u>	<u>Total</u>
\$ -0-	\$ 799,047.00
13,232.46	13,232.46
7,438.87	10,384.67
<u>-0-</u>	<u>2,995.00</u>
20,671.33	825,659.13
-0-	709,111.28
-0-	104,210.00
24,599.38	24,599.38
6,271.42	6,271.42
16,606.65	20,548.71
4.03	4.03
<u>-0-</u>	<u>34.25</u>
47,481.48	864,779.07
-0-	20,842.00
35,234.00	35,234.00
2,077.68	2,077.68
-0-	1,070.00
<u>-0-</u>	<u>(8,187.80)</u>
<u>37,311.68</u>	<u>51,035.88</u>
10,501.53	11,915.94
<u>1,263,713.74</u>	<u>1,264,808.40</u>
<u>\$1,274,215.27</u>	<u>\$1,276,724.34</u>

GLENVILLE STATE COLLEGE  
PELL GRANT PROGRAM  
BALANCE SHEET AS OF JUNE 30, 1987

Assets

Cash on Hand and in Depository	\$ 167.62
Accounts Receivable	
Administrative Cost 86/87	140.00
Recoveries from Students 86/87	16,064.00
Due from Department of Education	<u>500.00</u>
Total Assets	<u>\$16,871.62</u>

Liabilities and Fund Balance

Liabilities:	
Administrative Cost Payable 86/87	\$ 140.00
Accrued Grants Payable 86/87	<u>13,862.00</u>
Total Liabilities	14,002.00
Fund Balance	<u>2,869.62</u>
Total Liabilities and Fund Balance	<u>\$16,871.62</u>

Schedule 6

GLENVILLE STATE COLLEGE  
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
 BALANCE SHEET AS OF JUNE 30, 1987

Assets

Cash on Hand and in Depository		\$ 587.25
Accounts Receivable - Due from DFAFS		<u>11,243.60</u>
Total Assets		<u>\$11,830.85</u>

Liabilities and Fund Balance

Liabilities:		
Student Grants Payable		\$11,081.00
Accrued Administrative Expenses Payable 85/86	684.15	
Accrued Administrative Expenses Payable 86/87	<u>749.85</u>	
		<u>1,434.00</u>
Total Liabilities		12,515.00
Fund Balance		<u>(684.15)</u>
Total Liabilities and Fund Balance		<u>\$11,830.85</u>

Schedule 7

GLENVILLE STATE COLLEGE  
COLLEGE WORK-STUDY PROGRAM  
BALANCE SHEET AS OF JUNE 30, 1987

Assets

Cash on Hand and in Depository	\$ 4,183.45
Accounts Receivable - Department of Education	<u>13,841.00</u>
Total Assets	<u>\$18,024.45</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Wages Payable	\$11,436.45
Accrued Administrative Expenses Payable	<u>2,796.48</u>
Total Liabilities	14,232.93
Fund Balance	<u>3,791.52</u>
Total Liabilities and Fund Balance	<u>\$18,024.45</u>

Schedule 8

GLENVILLE STATE COLLEGE  
 PERKINS LOAN PROGRAM  
 BALANCE SHEET AS OF JUNE 30, 1987

Assets

Cash on Hand and in Depository	\$ 205,827.91
Funds Receivable from Federal Government	17,300.00
Student Loans Receivable	<u>1,003,570.36</u>
Total Assets	<u>\$1,226,698.27</u>

Liabilities and Fund Balance

Liabilities:	
Accounts Payable	\$ 78.44
Fund Balance:	
Capital:	
Federal Contributions:	
Authorized	1,569,466.00
Repaid	<u>-0-</u>
Balance	1,569,466.00
Institutional Contributions:	
Authorized	174,384.78
Repaid	<u>-0-</u>
Balance	<u>174,384.78</u>
Capital Fund Balance	1,743,850.78
Non-Capital Fund Balance	<u>(517,230.95)</u>
Total Fund Balance	<u>1,226,619.83</u>
Total Liabilities and Fund Balance	<u>\$1,226,698.27</u>

GLENVILLE STATE COLLEGE  
 PERKINS LOAN PROGRAM  
 ANALYSIS OF STUDENT LOANS RECEIVABLE  
 FOUR-YEAR PERIOD ENDED JUNE 30, 1987  
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1987

	For the Period September 1, 1958 Through June 30, 1987	Four-Year Period Ended June 30, 1987
Balance, Beginning of Period	\$ -0-	\$1,115,073.63
Funds Advanced to Students	<u>3,549,908.24</u>	<u>680,984.96</u>
Total	<u>3,549,908.24</u>	<u>1,796,058.59</u>
Less Credits:		
Collections	1,782,587.52	625,827.79
Cancellations:		
Teacher Service -		
Prior to July 1, 1972	445,135.29	2,551.91
July 1, 1972 and After	176,458.84	63,921.47
Military Service	1,068.76	-0-
Death	11,882.35	2,621.27
Bankruptcy	22,620.73	2,786.66
Defaulted Loan Principal Assigned to and Accepted by the U.S.	106,073.84	94,270.49
Loan Principal Adjustments - Other	<u>510.55</u>	<u>508.64</u>
Total Credits	<u>2,546,337.88</u>	<u>792,488.23</u>
Balance, June 30, 1987	1,003,570.36	<u>\$1,003,570.36</u>
Total of Individual Loan Balances	<u>1,003,570.36</u>	
Difference	<u>\$ -0-</u>	

Schedule 10

GLENVILLE STATE COLLEGE  
 PERKINS LOAN PROGRAM  
 STATEMENT OF CHANGES IN NON-CAPITAL AND CAPITAL FUND BALANCE  
 FOR THE FOUR-YEAR PERIOD ENDED JUNE 30, 1987  
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1987

<u>Non-Capital Fund Balance</u>	<u>September 1, 1958 Through June 30, 1987</u>	<u>Four-Year Period Ended June 30, 1987</u>
<b>Additions:</b>		
Interest on Loans - Collected	\$ 213,408.36	\$ 61,990.25
Interest on Loans - Cancelled	125,111.13	21,166.52
Reimbursement on Loans Cancelled	184,403.00	107,821.00
Other Income	<u>64,471.52</u>	<u>32,123.04</u>
Total Additions	587,394.01	223,100.81
<b>Deductions:</b>		
Loan Principal and Interest Cancelled:		
Teaching Service - Prior to 07/01/72	529,129.27	2,781.61
Teaching Service - After 06/30/72	195,627.05	70,836.55
Military Service	1,091.63	-0-
Death	12,031.46	2,626.73
Bankruptcy	24,691.17	3,138.18
Administrative Expenses	165,116.88	42,793.01
Other Collection Costs	53,619.94	29,121.57
Cost of Litigation	493.00	493.00
Defaulted Loan Principal and Interest Assigned to and Accepted by the Department of Education	122,353.83	107,935.25
Other Costs or Losses	<u>470.73</u>	<u>468.82</u>
Total Deductions	<u>1,104,624.96</u>	<u>260,194.72</u>
Net (Decrease) for the Period	(517,230.95)	(37,093.91)
Fund Deficit, Beginning of Year	<u>-0-</u>	<u>(480,137.04)</u>
Non-Capital Fund Deficit, June 30, 1987	<u>(\$ 517,230.95)</u>	<u>(\$517,230.95)</u>
	<u>Sept. 1, 1958 Through June 30, 1987</u>	<u>Four-Year Period Ended June 30, 1987</u>
Capital Fund Balance		
Fund Balance, Beginning of Period	\$ -0-	\$1,743,850.78
<b>Add Contributions:</b>		
Federal Contributions	1,569,466.00	-0-
Institutional Contributions	<u>174,384.78</u>	<u>-0-</u>
Total Contributions	<u>1,743,850.78</u>	<u>-0-</u>
Capital Fund Balance - June 30, 1987	<u>\$1,743,850.78</u>	<u>\$1,743,850.78</u>

GLENVILLE STATE COLLEGE  
 PERKINS LOAN PROGRAM  
 COMPUTATION OF DEFAULT RATE  
 AS OF JUNE 30, 1987  
 (CUMULATIVE INFORMATION)

Principal Outstanding on Loans in Default

Total Amount Advanced on Loans in Default	\$ 177,519.00
Deduct: Principal Amount Repaid or Cancelled	<u>41,140.00</u>
Total Remaining Principal Amount Which Has Not Been Paid, Cancelled or Assigned on Notes in Default	<u>\$ 136,379.00</u>

Total Amount of Matured Principal

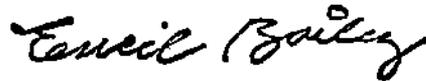
Total Amount Advanced to All Borrowers	\$3,549,908.24
Deduct: Amount Not in Repayment Status:	
Student Status	\$280,652.00
Grace Period	<u>61,023.00</u>
Total Amount Not in Repayment Status	<u>341,675.00</u>
Total Amount of Matured Principal	<u>\$3,208,233.24</u>
Percentage of Loans in Default (\$136,379.00 ÷ \$3,208,233.24)	4.25%

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

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

Given under my hand this 18<sup>th</sup> day of October, 1988.



Encil Bailey, Legislative Auditor

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