

STATE OF WEST VIRGINIA

AUDIT REPORT

OF

SHEPHERD COLLEGE

FOR THE PERIOD

JULY 1, 1990 - JUNE 30, 1996



OFFICE OF THE LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305-0610

SHEPHERD COLLEGE

FOR THE PERIOD

JULY 1, 1990 - JUNE 30, 1996

WEST VIRGINIA LEGISLATURE

Joint Committee on Government and Finance

Theford L. Shanklin, CPA, Director
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The Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the accounts of Shepherd College.

Our examination covers the period July 1, 1990 through June 30, 1996. The results of this examination are set forth on the following pages of this report. However, only the financial statements for the years ended June 30, 1996 and June 30, 1995 are included in this report. The financial statements covering the period July 1, 1990 through June 30, 1994 are included in our audit workpapers.

Respectfully submitted,

A handwritten signature in black ink that reads "Theford L. Shanklin".

Theford L. Shanklin, CPA, Director
Legislative Post Audit Division

TLS/cal

SHEPHERD COLLEGE

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SHEPHERD COLLEGE

EXIT CONFERENCE

We held an exit conference on May 8, 1998 with the Vice President of Finance and Administration and other representatives of Shepherd College. All findings and recommendations were reviewed and discussed. The above officials' responses are included in italics in the Summary of Findings, Recommendations and Responses and after our recommendations in the General Remarks sections of this report.

SHEPHERD COLLEGE

INTRODUCTION

Shepherd College is situated in the Shenandoah Valley, on the Banks of the Potomac River, in historic Shepherdstown, West Virginia. The oldest town in the State, Shepherdstown is an ideal college community, with the town and campus combining to offer a unique learning-living experience.

The history of Shepherd College began when the county seat of Jefferson County, West Virginia, was moved from Shepherdstown to Charles Town in July 1871. The people of Shepherdstown and vicinity decided to use the vacated courthouse for educational purposes. An article of incorporation for a school to be known as Shepherd College, designed to instruct students "in languages, arts and sciences", was drawn up and signed by C. W. Andrews, A. R. Boteler, C. T. Butler, G. M. Beltzhoover, David Billmyer, Samuel Knott and Henry Shepherd. This body of incorporators gave themselves power to elect instructors, pay salaries and prescribe courses of study.

Today, Shepherd College is an accredited, multipurpose, coeducational, state-supported college operating under the supervision of the West Virginia College System Board of Directors. The student body of Shepherd College is composed of students representing a great variety of ethnic origins and religious persuasions, including many students from foreign countries.

From its beginnings over a century ago, the College has evolved into a comprehensive center of higher learning, serving a number of related, yet distinct roles: The College offers Bachelor of Arts, Bachelor of Fine Arts, and Bachelor of Science degrees in a wide range of fields, encompassing the liberal arts, business administration, teacher education, the social and natural sciences and other career-oriented areas. In addition, the College offers a

diverse selection of programs leading to associate's degrees in various fields including Business, Business Information/Office Technology, Culinary Arts, Electronics Technology, Engineering, Fashion Merchandising, General Studies, Nursing, Safety Technology and Visual Arts. There is continual planning to further the variety of career-oriented programs available to students whose immediate objective is not a baccalaureate degree.

In addition, the College offers the courses needed by students who are preparing to enter professional schools in various fields. These curricula are two or four years in duration. Most students in the pre-professional curricula are enrolled in a baccalaureate degree program. Pre-professional curricula include dentistry, law, medicine, theological studies and veterinary medicine.

Shepherd College also offers the "Washington Gateway." Shepherd College's Washington Gateway Program draws upon the resources of the nation's capitol and the College's proximity to those resources. Committed to excellence, Shepherd College provides a series of organized, in-depth, academic, cultural, and career experiences in the political and information capital of both our nation and the world.

SHEPHERD COLLEGE
ADMINISTRATIVE OFFICERS AND STAFF
JUNE 30, 1996

Dr. John WatkinsPresident

C. Thomas Baxter, Jr. Vice President for Administrations and Finance

Dr. Mark Stern Vice President for Academic Affairs

Dr. James A. Watson Vice President for College Advancement

Clinton Davis Vice President for Student Affairs

Dr. David Eldridge..... Registrar

Harry C. Young, Jr..... Dean of Student Affairs

Dr. Peter G. Checkovich Dean of Community College
and Continuing Education

Alan Perdue, JD College Counsel

Edward Magee Controller

Frances Dolloph Director of Shepherd
College South Branch

Danette Miller Director of Financial Aid

Valerie Owens..... Director of Public Information
and Publications

Ernie La Rossa Director of Sports
Information

Dr. Howard Seiler Director of Academic
Support Services

Dr. Daniel C. Starliper Director of Human Resources

Karl L. Wolf..... Director of Admissions

Joseph W. Barnes..... Librarian

James Vigil..... Bookstore Manager

Ann E. Swope Assistant Bursar

SHEPHERD COLLEGE

SUMMARY OF FINDINGS, RECOMMENDATIONS AND RESPONSES

Local Bank Accounts

1. The College did not perform timely bank reconciliations for six local bank accounts and we noted several instances where deposits were shown as being in transit to the bank for more than 30 days. The College's local accounts had combined receipts and disbursements exceeding \$10,000,000.00 during the period July 1, 1994 through June 30, 1996 with average month-ending outstanding checks totaling \$240,433.70; however, we did not locate any evidence of missing funds.

We recommend the College comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code.

College's Response

We have complied with the audit recommendations. (See pages 15 and 16.)

Allocations of Rents and Commissions

2. The College did not have a system for allocating rent paid to the Student Union Accounts. Also, the College did not properly to various College accounts \$132,247.56 of telephone commissions received in fiscal years 1995 and 1996 and the College transferred \$7,924.82 of beverage commissions earned to the Shepherd College Foundation.

We recommend the College comply with Chapter 18B, Article 10, Section 10, as well as, Chapter 12, Article 2, Section 2, as amended of the West Virginia Code. Also, the College should seek reimbursement from the Shepherd College Foundation for all

transfers of beverage commissions made to the Foundation and remit these moneys, in addition to all other commissions that cannot be adequately allocated to the proper revenue source, to the State General Revenue Fund.

College's Response

We will comply with the audit recommendations. (See pages 16 - 20.)

Services Not Rendered

3. We noted travel expense forms for two persons, a College Vice President and the former College President indicate they took annual leave; however, the time was not deducted from their annual leave balance.

We recommend the College comply with Chapter 12, Article 3, Section 13 of the West Virginia Code. In addition, we also recommend the College seek reimbursement of \$336.90 from the former employee for services not rendered and reduce the other employee's annual leave balance by one day.

College's Response

We will comply with the audit recommendations. (See pages 20 - 22.)

Equipment Inventory

4. One audit of equipment showed five equipment items a cost of \$9,063.00 could not be located, some equipment items did not have identifying tags, other equipment items had tag numbers which did not match those shown in the inventory list and some equipment had been retired but was still shown as being in use by the College.

We recommend the College comply with Chapter 5A, Article 3, Section 35 of the West Virginia Code by conducting an annual inventory and the provisions of Section 9.2.3 of

the State College and University Systems of West Virginia Purchasing Procedures Manual regarding inventory management.

College's Response

We will comply with the audit recommendations. (See pages 22 - 24.)

Late Deposits

5. The College did not deposit money collected within the required 24 hours for almost 20% of the 314 deposits we examined while we could not determine when another 31% of those 314 deposits were received by the College.

We recommend the College comply with Chapter 12, Article 2, Section 2, as amended and Chapter 5A, Article 8, Section 9 of the West Virginia Code.

College's Response

We will comply with the audit recommendation to the extent feasible. (See pages 25 and 26.)

Employees Paid From Wrong Accounts

6. We noted five employees who we believe were incorrectly paid \$216,872.07 in salary and fringe benefits from the Housing and Dining Account during fiscal years 1995 and 1996, as well as, three employees who we believe were incorrectly paid \$48,069.40 during this period from the Student Union Account. While the services were provided we believe these employees should have been paid from other College accounts.

We recommend the College comply with Chapter 18B, Article 10, Sections 10 and 13 of the West Virginia Code, as well as, the respective bond resolutions.

College's Response

We believe these employees were paid from the proper account. (See pages 26 - 28.)

Annual Increment Calculations

7. We noted several employees whose years of service were not correctly calculated resulting in annual increment underpayments of \$108.00 and \$396.00 for fiscal years 1996 and 1995, respectively, while another employee was underpaid \$15.19 when they resigned.

We recommend the College comply with Chapter 5, Article 5, Sections 2 and Chapter 18B, Article 9, Section 5, as amended of the West Virginia Code. Also, we recommend the College correct the errors made regarding annual increment payments.

College's Response

We will comply with the audit recommendation. (See pages 29 and 30.)

Athletic Account Receipts and Transfers

8. The College failed to transfer \$3,605.58 from the Intercollegiate Athletics Account to the Athletic Facilities Construction and Reserve Account as required by law.

We recommend the College comply with Chapter 18B, Article 10, Section 11 of the West Virginia Code. Also, we recommend the College transfer a total of \$3,605.58 from the Intercollegiate Athletics Account to the Athletic Facilities Construction and Reserve Account.

College's Response

The recommended transfer has been made. (See pages 30 - 32.)

Meal Reimbursement for Single-Day Travel

9. Eight employees were reimbursed a total of \$754.20 during fiscal years 1995 and 1996 for meals involving single-day travel; however, the amounts were not reported to these employees on their W-2 forms.

We recommend Shepherd College comply with Chapter 11, Article 21, Sections 12 and 72 of the West Virginia Code, as amended.

College's Response

We will comply with the audit recommendation. (See pages 32 - 34.)

Strengthen Internal Controls Over Compliance

10. We believe the College should strengthen internal controls in the area of compliance with the West Virginia Code and various rules and regulations which control the College's operations.

We recommend the College strengthen or establish the necessary internal controls to better ensure compliance with the West Virginia Code and State College System Rules which govern the operations of the College.

College's Response

We will comply with the audit recommendation. (See pages 35 and 36.)

SHEPHERD COLLEGE
GENERAL REMARKS

INTRODUCTION

We have completed a post audit of Shepherd College. The audit covered the period July 1, 1990 through June 30, 1996.

GENERAL REVENUE ACCOUNTS

Expenditures required for the general operations of Shepherd College were made from the following appropriated accounts:

<u>FUND NUMBER</u>	<u>DESCRIPTION</u>
0366-097	Unclassified - Surplus
0366-099	Unclassified
0366-573	Faculty and Staff Salaries and Benefits

SPECIAL REVENUE ACCOUNTS

During the audit period, Shepherd College maintained 23 State 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>NUMBER</u>	<u>DESCRIPTION</u>
4500-640	Faculty Improvement Fees Faculty improvement fee and interest; to supplement faculty.

4501-640	Capital Building and Land Improvement Fees Earned interest and bond revenues from fund 4289; for building and land improvements.
4502-640	Institutional Activity Fees Activity fee and interest; for various student activities.
4503-640	Higher Education Resource Fees Fees and earned interest; used for library supplies and to improve student services.
4504-640	Other Student Fees Student fees and interest; for various student programs.
4506-640	State Grants and Contracts Fees, grants, Federal funds and interest for various programs.
4507-640	Private Gifts, Grants and Contracts Gifts, grants and interest; for various student programs.
4508-640	Sales and Services of Educational Activities Income derived from sales and services and interest; for educational activities.
4509-640	Housing and Dining Room and Board Operating revenue and interest; of housing and dining and to service bonds.
4510-640	Student Union Student fees and earned interest; for operation of student union building.

4511-640	Faculty and Married Student Housing Room and board and earned interest; for operating and maintenance costs and to service bonds.
4512-640	Bookstore Receipts for sales of books and stationary and earned interest; used to replenish stock and for operating expenses.
4513-640	Athletic Facilities Construction and Reserve Student fees and earned interest; for the construction and repairs of athletics facilities.
4514-640	Athletics Athletic and admission fees, rentals, concession sales and interest; for operating expenses of athletic department and programs.
4515-640	Public Service Income Public Services income and interest; for public services activities.
4516-640	Special Services Income Special service income and interest; for special services.
4517-640	Parking Student fees, civil penalties and interest earned; for operation and Maintenance and to service bonds.
4519-640	Scholarship Program Clearing Interest and clearing fund; for funds from trustees and directors for scholarship programs.

4520-640	Building Renewal and Capital Equipment Acquisition Transfers from fund 4290 for building renewal and equipment acquisitions.
4521-640	Benefits Clearing Benefits clearing fund
4522-640	Payroll Clearing Payroll Clearing fund.
4523-640	Revenue Clearing Revenue clearing fund for local collections and earned interest.
4524-640	Lottery Operating Lottery receipts from fund 7202, for unclassified expenses.

LOCAL ACCOUNTS

In order to have cash available for specific local College operations, local bank accounts are used to provide for specific needs. Certain local bank accounts utilized for the purpose of disbursing Federal grants, awards and financial assistance, which are included as a part of the State-wide Single Audit, were excluded from our report. However, any local bank account that was partially composed of funds relating to State matching requirements were included in our report. Shepherd College maintained 21 local bank accounts during the audit period. We are reporting on 10 of those accounts:

<u>DESCRIPTION</u>	<u>PURPOSE</u>
Private Scholarship	Revenues from outside sources for scholarships to students for various purposes.

Special Services

One Valley Bank (Current)

Jefferson Security BankFor depositing guaranteed student loan checks. These checks are disbursed to Shepherd College for payment of student fees and to students as refunds. (This local account was closed in August 1994 with the balance being transferred to the One Valley - Special Services local account.)

Continuing Education.....This account is used as a depository for collections of continuing education activities which are subsequently remitted to the State Treasurer.

Refund Account..... Monies withheld from cash collections are disbursed as refunds of tuition and fees, room and board and overpayments to students.

Student Loan/Benedum Account..... This account is the depository for miscellaneous short-term student loans.

Student Loan/Benedum

Investment Account To invest idle Student Loan Fund cash.

Cash Advance Account..... Used to provide funds for cash advances needed on an immediate basis. The related expenditures are processed through the State system and the local account is reimbursed.

Teacher's Insurance

Annuity Association Fund..... Receives premiums from employees over a period of nine months to be paid over 12 months.

South Branch Valley Center	Used for processing the tuition and fee payments from the South Branch Valley campus.
College Center Pub Lounge	Used for processing monthly cash advances for beer purchases.

COMPLIANCE MATTERS

Chapter 18B, Article 10 of the West Virginia Code, as amended, generally governs Shepherd College. We tested applicable sections of the above, plus bond resolutions, general State regulations and other sections of the West Virginia Code as they pertain to fiscal matters. Our findings are discussed below.

Local Bank Accounts

We discovered during our examination of the College’s local bank accounts that some of the monthly reconciliations of the local bank accounts reflected deposits in transit which had failed to clear the bank over a period of several months. In addition, we also noted that six of the same local bank accounts were not reconciled on a timely basis.

For instance, one local bank account deposit was reflected on the College’s bank reconciliation as in transit between the College’s Business Office and the bank for a period of 22 months and July 1994 through January 1995 bank statements for the same account were not reconciled with College records until March 6, 1995.

More importantly, these local bank accounts had combined receipts and disbursements during the period July 1, 1994 through June 30, 1996 totaling \$10,801,203.64 and \$10,810,155.42, respectively, as well as, average month-ending deposits in transit of \$95,581.76 and average month-ending outstanding checks totaling \$240,433.70. In light of the significant dollar volume of transactions in these accounts which are totally

controlled by the College, we believe timely reconciliations and review of outstanding receipt or disbursement items is very important. **Our examination revealed these deposits in transit were apparently due to longstanding errors in the treatment of deposits in transit rather than indicative of missing funds.** However, recurring items such as these could be an indication of account shortages due to errors or an absconding of funds and the nature of these transactions should be resolved monthly by appropriate College personnel.

Chapter 5A, Article 8, Section 9 of the West Virginia Code, states in part,

"The head of each agency shall:... (b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and **essential transactions of the agency designated to furnish information to protect the legal and financial rights of the state** and of persons directly affected by the agency's activities...." **(Emphasis Added)**

We recommend the College comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code.

College's Response

We agree with the recommendation. Corrective action taken before audit's field work was completed. Several procedural changes were made in January 1996 to correct the problems noted. Bank accounts are now reconciled promptly and transactions are posted correctly. Disbursements of the excess financial aid checks are made weekly rather than daily to allow time for the other duties required of the position.

Allocation of Rents and Commissions

During our examination of various special revenue accounts, we became aware Shepherd College does not have a systematic and logical basis for calculating rents paid to the Student Union Account-Fund 4510 by revenue producing units occupying space in the Student

Union building, such as the Bookstore. Because the College did not have a basis for allocating rents, we were unable to audit the allocations of rent charged. The lack of a basis for charging rents creates the possibility for some accounts or facilities to be overcharged for rent while other accounts or facilities are subsidized by such overcharges. Chapter 18B, Article 10, Section 10 of the West Virginia Code states in part,

"...Any revenues or income derived from the operation of such student union buildings may, in the discretion of the governing board, be used to pay the cost of the operation and maintenance of such student union buildings, or for the debt service on any bonds issued pursuant to this section or pursuant to any other law...."

In addition to the provisions of the West Virginia Code, Section 1.03. Definitions of the bond resolution for the "Student Union Bonds of 1972" states in part,

"...'Revenues' **means all rentals**, rates, fees, charges, revenues and other income to be derived from the operation or ownership of the Pledged Facilities, including receipts of a Student Union Fee..." **(Emphasis Added)**

Further, Chapter 12, Article 2, Section 2 of the West Virginia Code states in part,

"(a) All officials and employees of the State authorized by statute to accept moneys due the State of West Virginia shall keep a daily itemized record of such moneys so received for deposit in the state treasury and shall deposit within twenty-four hours with the state treasurer all moneys received or collected by them...All moneys, other than preferred funds, defined in section two [§4-11-2], article eleven, chapter four of this code, shall be credited to the state fund and treated by the auditor and treasurer as part of the general revenue of the state except the following funds which shall be recorded in separate accounts:...(5) **All funds derived from collections from dormitories, boarding houses, cafeterias and road camps...**(10) All moneys collected or received under any act of the Legislature providing that funds collected or received thereunder shall be used for specific purposes...." **(Emphasis Added)**

Also, our miscellaneous receipts examination revealed telephone and vending commissions are not always allocated to the proper income source. **We discovered almost all of the telephone commission receipts are deposited into the Special Services Account-Fund 4516. However, according to College personnel, the majority of the commissions are generated by students living in on-campus housing.** The amount of telephone commissions received during the period July 1, 1994 through June 30, 1996 were as follows:

<u>Total Telephone Commissions</u>	<u>Portion Allocated to Housing and Dining or Student Union Accounts</u>	<u>Portion Allocated to All Other Shepherd College Accounts</u>
\$132,247.56	\$141.55	\$132,106.01

As the schedule shows, Shepherd College received \$132,247.56 in telephone commissions, but only \$141.55 of this amount was remitted to accounts related to facilities under bond indenture, the vast majority of the remitting money was deposited in the Special Services Account. As a result, the College was technically in violation of the bond covenants of the Shepherd College Dormitory and Cafeteria Bonds of 1965.

We believe any telephone commissions earned, but not specifically allocable to facilities at Shepherd College under bond indenture, should be remitted to the State General Revenue Fund as required by Chapter 12, Article 2, Section 2 of the West Virginia Code.

In addition to the telephone commissions, we discovered commissions generated by vending machines located in administrative buildings and buildings containing classrooms and faculty offices are credited to the Special Services Account-Fund 4516 instead of the State General Revenue Fund. In one particular case, we found vending commissions generated by the machines in one building were transferred to the Shepherd College Foundation. **However, we**

found the College properly allocated vending commissions to accounts whose facilities were funded by bond issues as opposed to the problems noted earlier with telephone commissions.

The following schedule shows the disposition of beverage commissions received during the period July 1, 1994 through June 30, 1996:

<u>Total Beverage Commissions</u>	<u>Amount Transferred to Shepherd College Foundation</u>	<u>Amount Deposited Into Special Services Account</u>	<u>Amount Deposited Into All Other Shepherd College Accounts</u>
\$35,575.26	\$4,664.40	\$9,064.64	\$21,846.22

The schedule shows Shepherd College collected \$35,575.26 in vending commissions with \$9,064.64 being deposited in the Special Services Account, \$21,846.22 deposited in all other College accounts combined and \$4,664.40 transferred to the Shepherd College Foundation, a private non-profit corporation. In addition, records made available to us indicate other beverage commissions totaling \$3,160.42 were transferred to the Shepherd College Foundation during the audit period.

We believe the College is required by law to allocate these beverage commissions, where applicable, to accounts where facilities were funded by bond issues such as the Housing and Dining or Student Union Accounts. Otherwise, such commissions would be required to be deposited into the State General Revenue Fund.

We recommend the College comply with Chapter 18B, Article 10, Section 10, as well as, Chapter 12, Article 2, Section 2 of the West Virginia Code. In addition, we recommend the College formulate a method to logically and systematically calculate the amount of rent paid by various college accounts. The College should seek reimbursement from the

Shepherd College Foundation for all transfers relating to the above described commissions and remit those moneys, in addition to all other commissions that cannot be adequately allocated to the proper revenue source, to the State General Revenue Fund.

College's Response

Bookstore charged rent based upon square footage occupied (entire basement level since 1995, etc.)

Telephone Commissions deposited into Special Services Account. (page 23). This was done in order to isolate costs of installation and operation of the telephone system in residence halls with associated revenues rather than co-mingle with housing and dining accounts. The Residence Hall telephone infrastructure (cable, conduit, and labor), equipment (wiring, jacks, desk phones, building call boxes, caller ID boxes), and the maintenance and technicians payroll were funded through the special services account. The college telephone commission checks were deposited into this same account. Future expenses and commission checks will be included in the appropriate housing accounts.

Services Not Rendered

During our examination of personal services, travel and annual and sick leave we noted instances where College personnel were paid for services not rendered. Two individuals were paid for a day of work although travel documents revealed the employees were not working and were also not on annual or sick leave. One of the employees, a College Vice President, was in New York and disclosed on his Travel Expense Account Settlement Form that on June 9, 1995, he was on personal business and did not charge any expenses. Another person, the former College President, whose daily rate of pay was \$336.90, was apparently on travel status in

Washington, D.C. on January 13, 1995 and according to his travel documentation was also on personal business and did not charge any expenses.

Chapter 12, Article 3, Section 13 of the West Virginia Code states,

"No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered."

We recommend the College comply with Chapter 12, Article 3, Section 13 of the West Virginia Code. In addition, we also recommend the College seek reimbursement of \$336.90 from the former employee for services not rendered and reduce the other employee's annual leave balance by one day.

College's Response

We agree with audit findings and will comply with recommendation. As discussed during audit exit conference, the former college president, on return business trips to Charleston via Washington D. C. often made visits to the D.C. offices of elected West Virginia officials for which he usually did not charge expenses. During these visits, while informal in nature, the former president was also representing the college and played a large part in obtaining over \$12.0 million in Federal funds for construction of new facilities. The duties and responsibilities of a college president at Shepherd and elsewhere often entail representing the institution seven days a week, both day and evening, at various events and functions.

Equipment Inventory

Our examination of equipment revealed certain weaknesses in compliance with State laws, rules and regulations concerning the equipment inventory. In our work regarding the equipment inventory, we found some differences between the equipment inventory list maintained by the College and the results of our examination follows:

A) Five equipment items costing a total of \$9,063.00 could not be located as follows:

<u>Item</u>	<u>Tag Number Per Inventory Listing</u>	<u>Equipment Cost</u>
1) Synthesizer	04049	\$1,075.00
2) IBM Computer	05379	1,200.00
3) Zenith Computer	05574	2,500.00
4) Zenith Computer	05568	2,500.00
5) Executive Computer	38718	<u>1,788.00</u>
Total		<u>\$9,063.00</u>

B) We found different license plate numbers on the equipment list than were affixed to some of the College's vehicles as shown below:

<u>Vehicle</u>	<u>License Number Inventory Listing</u>	<u>License Number on Vehicle</u>
1) 1972 Dump Truck	<u>30471</u>	<u>37469</u>
2) 1983 Dodge Van	<u>26613</u>	<u>40352</u>
3) 1986 Dodge Van	<u>26851</u>	<u>40350</u>
4) 1992 Chev. Lumina	<u>35035</u>	<u>40353</u>

C) Lastly, some equipment inventory items located were not tagged as follows:

<u>Item</u>	<u>Location</u>	<u>Equipment Cost</u>
1) Musical Keyboard	Gardiner Hall	Unable to Determine
2) G.E. Television	Community College	Unable to Determine
3) Zenith Computer	Community College	Unable to Determine

In addition to the issues noted above, we located several inventory items in different locations than those reported on the College's inventory list. We located inventory items with different tag numbers than those reported on the inventory list. Also, we discovered some inventory items were reported on the inventory list as "in service" when in actuality the equipment had been transferred to Surplus Property.

Chapter 5A, Article 3, Section 35 of the West Virginia Code, states:

"The head of every spending unit of state government shall, on or before the fifteenth day of July of each year, file with the director an inventory of all real and personal property, and of all equipment, supplies and commodities in its possession as of the close of the last fiscal year, as directed by the director."

We believe the problems encountered in the examination of equipment inventory indicated the annual inventory required by the law is not being carried out. A timely inventory would allow the College to detect inventory items which did not have identifying tag numbers affixed, as well as items which may have been stolen or moved to other locations. In addition, the annual inventory would reduce the probability for equipment owned by the College to be converted to personal use.

We found the College's inventory list did not always show a state inventory tag number assigned to each inventory item. Section 9.2.3. of the Purchasing Procedures Manual promulgated by the State College and University Systems of West Virginia states:

"At a minimum, the inventory procedures and inventory management system developed by the Chief Procurement Officer shall:

- a. Account for all equipment and furnishings with a value at the time of purchase of \$1,000 or more per unit;
- b. Establish a procedure to number and tag all equipment and furnishings required to be inventoried;
- c. Identify the date of acquisition, model number and serial number, if applicable;
- d. Provide a short physical description;
- e. Identify the cost of acquisition, including shipping and installation costs;
- f. Record the location of equipment or furnishings; i.e., the department, or the building and room number;
- g. Provide the purchase order number and account number(s) used to pay for the purchase; and
- h. When retired, indicate the retirement date, method of retirement and disposal price, if applicable."

We recommend the College comply with Chapter 5A, Article 3, Section 35 of the West Virginia Code by conducting an annual inventory and the provisions of Section 9.2.3 of the State College and University Systems of West Virginia Purchasing Procedures Manual regarding inventory management.

College's Response

We agree with the findings and will implement the recommendations.

Late Deposits

As part of our examination of the various revenue accounts, we determined whether receipts were deposited within 24 hours as required by State statute. We reviewed 314 deposits posted to the Revenue Clearing Account-Fund 4523. Due to the volume of receipts where the deposit date was in excess of 24 hours after collection, we noted only those receipts where the deposit date was five or more days in excess of 24 hours. A total of 62 or 19.75% of the deposits reviewed contained one or more individual receipts which were deposited five or more days late. The deposits originated from various Shepherd College collection points.

Chapter 12, Article 2, Section 2 of the West Virginia Code states in part,

"All officials and employees of the state authorized by statute to accept moneys due the state of West Virginia shall keep a daily itemized record of such moneys so received for deposit in the state treasury and shall deposit within twenty-four hours with the State treasurer all moneys received or collected by them for or on behalf of the state for any purpose whatsoever..."

In addition, we attempted to calculate the amount of lost interest for the aforementioned late deposits. The College was unable to provide us with the documentation necessary to adequately determine the receipt date for 97 or 30.89% of the 314 deposits. Chapter 5A, Article 8, Section 9 of the West Virginia Code states in part,

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

Based on our work, there are no uniform written policy procedures that require the various collection points to generate and retain adequate documentation concerning the collection of monies.

We recommend the College comply with Chapter 12, Article 2, Section 2 and Chapter 5A, Article 8, Section 9 of the West Virginia Code. Also, we recommend Shepherd College develop and implement written policy procedures requiring various collection points to generate and retain adequate documentation concerning the collection of monies.

College's Response

We agree with the findings and will implement recommendations to the extent feasible.

Employees Paid From Wrong Accounts

During our examination of the Student Union Account-Fund 4510 and the Housing and Dining Account-Fund 4509, we determined eight College employees were paid incorrectly from the above mentioned accounts. We could not determine how the Student Union or the Housing and Dining had benefited from their services. The payroll and related fringe benefits expenses for these eight employees totaled \$264,941.47 during the period July 1, 1994 through June 30, 1996. The eight employees were usually paid from various other departments of the College. The first three employees were paid from the Student Union Account and the remaining five employees were paid from the Housing and Dining Account. The total costs, including social security matching and Shepherd College retirement contributions from the Student Union Fund were \$24,708.19 and \$23,361.20 for fiscal years 1996 and 1995, respectively, totaling \$48,069.40 for the fiscal years. The total costs, including Social Security

matching and Shepherd College retirement contributions, from Housing and Dining Fund were \$112,296.23 and \$104,575.84 for fiscal years 1996 and 1995, respectively, totaling \$216,872.07 for the fiscal years.

Chapter 18B, Article 10, Section 10 of the West Virginia Code governing the disposition and use of Student Union fees states in part,

"Each governing board may make expenditures from such building funds at the various state institutions of higher education under its jurisdiction to finance in whole or in part together with any federal, state or other grants or contributions, any one or more of the following purposes:...(5) The Payment of the cost of operation and maintenance of such student union buildings, subject however to any covenants or agreements made with the holders of revenue bonds heretofore and hereafter issued pursuant to this section or pursuant to section one of this article...."

In addition, Section 1.03. of the bond resolution for the "Shepherd College 1972 Student Union Bonds" states in part,

"...'Current Expenses' shall mean all necessary current, direct operating expenses (including management), cost of food, costs of goods sold, supplies, wages, utilities, maintenance charges, expenses of reasonable upkeep and repair, the properly allocated share of charges for insurance attributable to the Pledged Facilities, and all other direct expenses incident to the proper operation of the Pledged Facilities,..."

In relation to the personal services expenditures from the Housing and Dining Fund, Chapter 18B, Article 10, Section 13 of the West Virginia Code states in part,

"...All fees collected for such services shall be used first to pay the operating and maintenance costs of the dormitories, faculty homes, dining halls and cafeterias and to meet interest, principal and sinking fund requirements due on any outstanding revenue bonds for which such receipts may have been pledged as security...."

Article III, Section 3.04, Subsection C. of the bond resolution for the "Shepherd College Dormitory and Cafeteria Bonds of 1965, Series B and C" states,

"C. Payment of Current Expenses. Following sale or exchange of the Bonds, as herein provided, funds in the Revenue Fund, except the Refectory Fees, will be used first for payment of Current Expenses of the Pledged Facilities as the same become due and payable. 'Current Expenses' in this Resolution shall mean and include all necessary operating expenses, costs of management, labor, food, supplies, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other direct expenses incident to the operation of the Pledged Facilities, but shall exclude depreciation, all indirect and general administrative expenses of the College and the Board and payments into the Replacement Fund."

We believe the aforementioned sections of West Virginia law and the bond covenants related to the Student Union and Housing and Dining bonds prohibit the use of funds in these accounts to pay personal services not benefiting the facilities under bond.

We recommend the College comply with Chapter 18B, Article 10, Sections 10 and 13 of the West Virginia Code, as well as, the respective bond resolutions.

College's Response

All eight of the employees in question are employed to serve the Student Affairs area. One is the evening manager of the College Center (Student Union); one works at the college information desk in the College Center, the others either directly or indirectly, spend the majority of their time working on issues within Student Affairs related to Housing, Dining, or the College Center.

We feel that all of these positions are necessary for the successful operation of the facilities.

Annual Increment Calculations

Our examination of annual increment revealed discrepancies in the annual increment payments to employees. We noted several employees whose years of service were not correctly calculated, causing underpayments of \$108.00 and \$396.00 for fiscal years 1996 and 1995, respectively. Secondly, we noted one employee who was not paid the correct prorated increment when he terminated his employment. The employee should have been paid \$18.00 but was paid \$2.81, causing an underpayment of \$15.19.

Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, then in effect, stated in part,

"...Effective for the fiscal year beginning the first day of July, one thousand hundred eighty-five, every eligible employee with three or more years of service shall receive an annual salary increase equal to thirty-six dollars times the employees' years of service, not to exceed twenty years of service. In each fiscal year thereafter and on the first day thereof, each such employee shall receive an annual increment increase of thirty-six dollars for such fiscal years: Provided, That every employee becoming newly eligible as a result of meeting the three years of service minimum requirements on the first day of July in any fiscal year subsequent to one thousand nine hundred eighty-five, shall be entitled to the annual salary increase equal to aforesaid thirty-six dollars times the employee's years of service,..."

In addition, Chapter 18B, Article 9, Section 5 of the West Virginia Code, as amended, regarding classified employees in the higher education system, states in part,

"...(B) Commencing with the fiscal year beginning on the first day of July, one thousand nine hundred ninety-one, and each fiscal year thereafter, each classified employee with three or more years of experience shall receive an annual salary increase equal to thirty-six dollars times the employee's years of experience: Provided, That such salary increase shall not exceed the amount granted for the maximum of twenty years of experience. These incremental increases shall be in lieu of any salary increase received pursuant to section two, article five, chapter five of this code; shall be in

addition to any across-the-board, cost-of-living or percentage salary increases which may be granted in any fiscal year by the Legislature; and shall be paid in like manner as the annual payment to eligible state employees of the incremented salary increases based on years of service under the provisions of said section."

We recommend the College comply with Chapter 5, Article 5, Section 2 and Chapter 18B, Article 9, Section 5, as amended, of the West Virginia Code. Also, we recommend the College request reimbursement from all employees who were overpaid, pay the employee who was underpaid and take steps to pay the employee who left employment without being paid the prorata share of annual increment due them.

College's Response

We agree with findings and will implement recommendations following current guidelines.

Athletic Account Receipts and Transfers

During our examination of the Intercollegiate Athletics Account-Fund 4514 and the Athletic Facilities Construction and Reserve Account-Fund 4513, we noted Shepherd College failed to transfer one percent of the total gross receipts received by the Intercollegiate Athletics Account into the Athletics Facilities Construction and Reserve Account as required by statute.

The following table details this deficiency:

<u>Fiscal Year</u>	<u>Total Receipts</u>	<u>Recalculated Allocation</u>	<u>Allocation Transferred</u>	<u>Difference</u>
1996	\$476,629.62	\$4,766.30	\$3,349.52	\$1,416.78
1995	454,177.63	4,541.78	4,050.20	491.58
Totals	<u>\$930,807.25</u>	<u>\$9,308.08</u>	<u>\$7,399.72</u>	<u>\$1,908.36</u>

In addition, we believe the College was required by statute to transfer to Fund 4513 an additional 25% of the net proceeds of three receipts deposited into Fund 4514. Two of these receipts were received by the College in 1996 and the other in 1995. We noted one 1996 receipt in the amount of \$6,397.00 from the National Collegiate Athletic Association (NCAA). According to College personnel, this receipt was related to revenue sharing monies paid to member schools which participated in post season athletic events. The other 1996 receipt in the amount of \$2,640.00 was from the West Virginia Intercollegiate Athletic Conference relating to participation in the WVIAC basketball playoffs. Expenditures associated with the College's participation in 1996 post season athletic events totaled \$3,543.75. Therefore, the net revenue for these receipts received in the 1996 fiscal year were \$5,493.25.

For the 1995 fiscal year we noted one receipt in the amount of \$2,834.00 from the WVIAC for participating in the WVIAC basketball playoffs. Expenditures made in relation to 1995 post season athletic events were \$1,538.37. Therefore, the net proceeds for 1995 were \$1,295.63. The following table details our allocation calculation:

<u>Fiscal Year</u>	<u>Total Net Receipts</u>	<u>25% Allocation</u>	<u>Allocation Transferred</u>	<u>Difference</u>
1996	\$5,493.25	\$1,373.31	\$0.00	\$1,373.31
1995	1,295.63	323.91	0.00	323.91
Totals	<u>\$6,788.88</u>	<u>\$1,697.22</u>	<u>\$0.00</u>	<u>\$1,697.22</u>

We believe Shepherd College should transfer a total of \$3,605.58 to the Athletic Facilities Construction and Reserve Account-Fund 4513 made up of a total of \$1,697.22 for receipts subject to the 25% allocation requirement and \$1,908.36 to comply with the 1% allocation requirement.

Chapter 18B, Article 10, Section 11 of the West Virginia Code states in part,

"...(1) one percent of the total gross receipts deposited into the athletic accounts and (2) not less than twenty-five percent of the net receipts from televised athletic events, bowl games, and post-season tournaments deposited into athletic accounts shall be transferred into a separate and distinct special revenue account for each individual state institution of higher education, which special revenue account shall be designated 'athletic facilities construction and reserve account,' in the state treasury. Such revenues shall be used only for construction, repair and replacement of athletic facilities at the same individual state institution of higher education to which such special revenue account is credited."

We recommend the College comply with Chapter 18B, Article 10, Section 11 of the West Virginia Code. Also, we recommend the College transfer a total of \$3,605.58 from the Intercollegiate Athletics Account to the Athletics Facilities Construction and Reserve Account.

College's Response

We agree with the findings. The recommended transfer of \$3,605 has been made.

Meal Reimbursement for Single-Day Travel

Shepherd College employees were reimbursed for meal expenses incurred during the audit period where the trips involved did not require an overnight stay (single-day travel); however, these amounts were not reported to these employees on a Form W-2 (Employment Withholding Statement.) During our examination of Travel-Line Item 026, there were eight employees who had been reimbursed for meals involving single-day travel. The amounts paid during fiscal years 1996 and 1995 were \$376.50 and \$377.70, respectively, totaling \$754.20 for the fiscal years.

Chapter 11, Article 21, Section 72 of the West Virginia Code states in part,

"Every employer required to deduct and withhold tax under this article from the wages of an employee, or who would have been required so to deduct and withhold tax if the employee had claimed no more than one withholding exemption, shall furnish to each such employee...a written statement as prescribed by the tax commissioner showing the amount deducted and withheld as tax, and such other information as the tax commissioner shall prescribe."

Also, paragraphs (d) (2) and (c) (5) of §1.62 of the Internal Revenue Services' Income Tax

Regulations states:

"(d) (2) *Other bona fide expenses.* If an arrangement provides advances, allowances, or reimbursements for business expenses described in paragraph (d) (1) of this section (i.e., deductible employee business expenses) and for other bona fide expenses related to the employer's business (e.g., travel that is not away from home) that are not deductible under Part VI (section 161 and the following), subchapter B, Chapter 1 of the Code, the payor is treated as maintaining two arrangements. The portion of the arrangement that provides payments for the deductible employee business expenses is treated as one arrangement that satisfies this paragraph (d). The portion of the arrangement that provides payments for the nondeductible employee expenses is treated as a second arrangement that does not satisfy this paragraph (d) and all amounts paid under this second arrangement will be treated as paid under a nonaccountable plan. See paragraphs (c) (5) and (h) of this Section.

(c) (5) *Treatment of Payments under nonaccountable plans.* Amounts treated as paid under a nonaccountable plan are included in the employee's gross income, must be reported as wages or other compensation on the employee's Form W-2, and are subject to withholding and payment of employment taxes (FICA, FUTA, RRTA, RURT, and income tax)...Expenses attributable to amounts included in the employee's gross income may be deducted, provided the employee can substantiate the full amount of his or her expenses (i.e., the amount of the expenses, if any, the reimbursement for which is treated as paid under an accountable plan as well as those for which the employee is claiming the deduction) in accordance with §1.162-17, but only as a

miscellaneous itemized deduction subject to the limitations applicable to such expense...."

Further, Chapter 11, Article 21, Section 12 the West Virginia Code, as amended, states in part,

“(a) General - The West Virginia adjusted gross income of a resident individual means his federal adjusted gross income as defined in the laws of the United States for the taxable year with the modifications specified in this section....”

Therefore, any reimbursement received for non-deductible travel expenses are considered as taxable income under both Federal and West Virginia tax law.

We recommend Shepherd College comply with Chapter 11, Article 21, Sections 12 and 72 of the West Virginia Code, as amended.

College's Response

We agree with the findings and will implement recommendations in accordance with recently issued Board of Directors' travel policies.

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 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 intentionally by management with respect to either the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the period July 1, 1990 to June 30, 1996, which was made for the purpose set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system. However, such study and evaluation disclosed conditions that we believe to be weaknesses.

Strengthen Internal Controls Over Compliance

As indicated by the items noted in the "Compliance Matters" section of this report, we believe Shepherd College should strengthen internal controls in the area of compliance with the West Virginia Code and various rules and regulations which control the College's operations. We believe weaknesses in the internal control structure exist in the following areas as evidenced by the compliance findings: 1. Reconciliations of bank statements

for local bank accounts; 2. Allocation of rents and commissions; 3. Accounting for equipment inventory; and, 4. Deposits of moneys collected within twenty-four hours of receipt as required by the West Virginia Code.

We recommend the College strengthen or establish the necessary internal controls to better ensure compliance with the West Virginia Code and State College System Rules which govern the operations of the College.

College's Response

We agree with recommendation and have already taken steps to implement stronger internal control procedures.

INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the accompanying statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of Shepherd College for the years ended June 30, 1996 and June 30, 1995. The financial statement is the responsibility of the management of Shepherd College. Our responsibility is to express an opinion on the financial statement based on our audit.

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

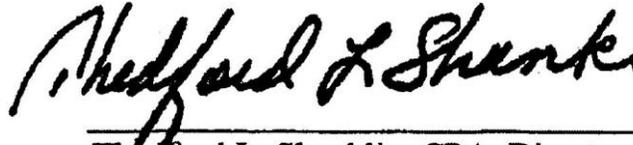
As described in Note A, the financial statement was prepared on the cash and modified cash basis of accounting, which are comprehensive bases of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly in all material respects, the appropriations and expenditures and revenue collected and expenses paid of Shepherd College for the years ended June 30, 1996 and June 30, 1995, on a bases of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, reading "Theoford L. Shanklin". The signature is written in a cursive style with a horizontal line underneath it.

**Theoford L. Shanklin, CPA, Director
Legislative Post Audit Division**

February 12, 1997

Auditors: Michael E. Sizemore, CPA, Supervisor
Timothy C. Butler, CPA, Auditor-in-charge
Stanley D. Lynch, CPA
Noah E. Cochran
Jason A. Haught

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

	<u>Year Ended June 30, 1996</u>			
	<u>General</u> <u>Revenue</u>	<u>Special</u> <u>Revenue</u>	<u>Debt</u> <u>Service</u>	<u>Combined</u> <u>Totals</u>
Appropriations/Cash Receipts:				
Appropriations	\$8,864,651.00	\$ 0.00	\$ 0.00	\$ 8,864,651.00
Tuition, Fees, Sales and Rent	0.00	10,913,024.22	0.00	10,913,024.22
Federal Funds	0.00	2,472,963.39	0.00	2,472,963.39
State Grants	0.00	367,121.19	0.00	367,121.19
Transfers - State College System Office	0.00	653,579.70	0.00	653,579.70
Loan Payments and Loans	0.00	368,023.48	0.00	368,023.48
Gifts, Grants and Scholarships	0.00	485,928.75	0.00	485,928.75
Interest on Investments	0.00	283,478.54	40,983.56	324,462.10
Other Collections and Miscellaneous	0.00	1,045,111.49	0.00	1,045,111.49
Refunds	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	8,864,651.00	16,589,230.76	40,983.56	25,494,865.32
Expenditures/Disbursements:				
Personal Services	6,893,311.07	4,694,648.62	0.00	11,587,959.69
Employee Benefits	1,762,604.23	698,000.83	0.00	2,460,605.06
Current Expenses	0.00	6,473,132.64	621.14	6,473,753.78
Repairs and Alterations	0.00	805,994.42	0.00	805,994.42
Equipment	95,079.55	1,043,243.04	0.00	1,138,322.59
Refunds	0.00	2,950,423.64	0.00	2,950,423.64
Construction, Land and Building Purchases	0.00	420,808.00	0.00	420,808.00
Loans and Loan Payments	0.00	368,152.43	0.00	368,152.43
Loan Write Out	0.00	422.46	0.00	422.46
Scholarships and Grants	0.00	71,106.02	0.00	71,106.02
Interest Expense	0.00	0.00	33,452.50	33,452.50
Miscellaneous	<u>0.00</u>	<u>7,701.00</u>	<u>0.00</u>	<u>7,701.00</u>
	8,750,994.85	17,533,633.10	34,073.64	26,318,701.59
Appropriations/Cash Receipts Over/(Under)	113,656.15	(944,402.34)	6,909.92	(823,836.27)
Expenditures/Disbursements				
Beginning Balance	0.00	6,612,975.77	767,527.28	7,380,503.05
Expirations and Expenditures after June 30 and Transfers to Pay Debt Services	<u>(113,656.15)</u>	<u>(33,315.88)</u>	<u>33,315.88</u>	<u>(113,656.15)</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$5,635,257.55</u>	<u>\$807,753.08</u>	<u>\$6,443,010.63</u>

See Notes to Financial Statement

Year Ended June 30, 1995

<u>General Revenue</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Combined Totals</u>
\$8,192,136.00	\$ 0.00	\$ 0.00	\$ 8,192,136.00
0.00	11,057,903.00	0.00	11,057,903.00
0.00	2,040,505.10	0.00	2,040,505.10
0.00	438,332.48	0.00	438,332.48
0.00	1,066,180.13	0.00	1,066,180.13
0.00	342,391.77	0.00	342,391.77
0.00	295,186.43	0.00	295,186.43
0.00	243,649.38	44,078.12	287,727.50
0.00	953,254.34	0.00	953,254.34
<u>0.00</u>	<u>142.10</u>	<u>0.00</u>	<u>142.10</u>
8,192,136.00	16,437,544.73	44,078.12	24,673,758.85
6,515,567.34	4,285,889.68	0.00	10,801,457.02
1,675,880.37	675,834.25	0.00	2,351,714.62
0.00	6,450,950.33	661.14	6,451,611.47
0.00	689,971.82	0.00	689,971.82
0.00	1,102,359.07	0.00	1,102,359.07
0.00	2,353,371.78	0.00	2,353,371.78
0.00	0.00	0.00	0.00
0.00	342,564.60	0.00	342,564.60
0.00	1,529.14	0.00	1,529.14
0.00	172,692.44	0.00	172,692.44
0.00	0.00	42,533.75	42,533.75
<u>0.00</u>	<u>41,846.75</u>	<u>0.00</u>	<u>41,846.75</u>
8,191,447.71	16,117,009.86	43,194.89	24,351,652.46
688.29	320,534.87	883.23	322,106.39
0.00	6,275,468.42	783,616.53	7,059,084.95
<u>(688.29)</u>	<u>16,972.48</u>	<u>(16,972.48)</u>	<u>(688.29)</u>
<u>\$ 0.00</u>	<u>\$6,612,975.77</u>	<u>\$767,527.28</u>	<u>\$ 7,380,503.05</u>

SHEPHERD COLLEGE

NOTES TO FINANCIAL STATEMENT

Note A - Accounting policies

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 31 day carry-over period is provided at the end of each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 31 days after the fiscal year-end; however, appropriations for buildings and land remain in effect until three years after the passage of accounting is followed by all other funds. Therefore, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Expenditures paid after June 30 in the carry-over period and expirations were as follows:

	<u>EXPENDITURES</u>		<u>EXPIRATIONS</u>	
	<u>PAID AFTER JUNE 30</u>		<u>JULY 31, JULY 31,</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Personal Services	\$ 198.03	\$696.66	\$ 0.00	\$0.00
Employee Benefits	198.03	0.00	0.00	0.00
Annual Increment	0.00	0.00	0.00	0.00
Current Expenses	736.57	0.00	0.00	0.00
Equipment	<u>103,056.64</u>	<u>0.00</u>	<u>9,862.94</u>	<u>0.00</u>
Total	<u>\$103,793.21</u>	<u>\$696.66</u>	<u>\$9,862.94</u>	<u>\$0.00</u>

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

Note B - Student Union Bonds of 1972

The Bonds were issued under the provisions of the West Virginia Code 1931, as amended, particularly Chapters 18 and 25, for the purpose of financing the construction of an addition to the existing Student Union Building.

The Bonds bear interest at a rate of 6.5% per annum and mature serially through May 1, 2000. The Bonds may be redeemed prior to their stated dates of maturity at various dates with and without premiums as set forth in the Bond Resolution.

The summary of annual aggregate principal and interest payments for years subsequent to June 30, 1996, follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u> <u>Payments</u>	<u>Interest Due</u> <u>May 1 & Nov. 1</u>	<u>Total Principal</u> <u>and Interest</u>
1997	\$ 70,000	\$20,475	\$ 90,475
1998	75,000	15,925	90,925
1999	80,000	11,050	91,050
<u>2000</u>	<u>90,000</u>	<u>5,850</u>	<u>95,850</u>
Total	<u>\$315,000</u>	<u>\$53,300</u>	<u>\$368,300</u>

Note C - Dormitory and Cafeteria Bonds of 1965, Series B and C

The Bonds were issued under the provisions of the West Virginia Code of 1931, as amended, particularly Chapters 18 and 25. The Bonds were issued for the purpose of financing the construction of dormitories and the cafeteria.

The Bonds and the interest thereon are payable solely from and secured by a first lien on and pledge of the net revenues

derived from the operation of all dormitories and the cafeteria on the campus of the College.

The Series B Bonds matured through November 1, 1995. The Series C Bonds bear interest at a rate of 3.00% per annum and mature serially through November 1, 1998. The Bonds may be redeemed prior to their stated dates of maturity at various dates with and without premiums as set forth in the Bond Resolution.

A summary of annual aggregate principal and interest payments for years subsequent to June 30, 1996, follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Due May 1 & Nov.1</u>	<u>Total Principal and Interest</u>
1997	\$ 80,000	\$5,040	\$ 85,040
1998	85,000	2,565	87,565
<u>1999</u>	<u>43,000</u>	<u>645</u>	<u>43,645</u>
<u>Total</u>	<u>\$208,000</u>	<u>\$8,250</u>	<u>\$216,250</u>

Note D - Pension Plan

All eligible employees are members of the West Virginia State Teachers' Retirement System, West Virginia Teachers' Define Contribution Retirement System or the Teachers' Insurance Annuity Association. Certain eligible employees belonging to the West Virginia State Teachers' Retirement System may also belong to the Teachers' Insurance Annuity Association.

For the West Virginia State Teachers' Retirement System, employees' contributions are 6% of their compensation and employees are vested under certain circumstances. The aggregate of the College's contributions shall be the following percentages of the earned compensation of the members: Prior to July 1, 1994 - 6%; fiscal year 1995 - 7.5%; fiscal year 1996 - 9%; fiscal year 1997 - 10.5%; fiscal year 1998 - 12%; fiscal year 1999 - 13.5%; and, fiscal year 2000 and thereafter 15%.

For the West Virginia Teachers' Defined Contribution Retirement System, employees' contributions are 4.5% of their compensation and employees are vested under certain circumstances. The College's contributions shall be the following percentages of the gross contributions of the members: Prior to July 1, 1995 - 7.5%; fiscal year 1996 - 9.0%; fiscal year 1997 - 10.5%; fiscal

year 1998 - 12.0% fiscal year 1999 - 13.5%; and, fiscal year 2000 and thereafter 15.0%.

For Teachers' Insurance Annuity Association, employees' contributions are either 6.0% or 7.5% on a portion or all of their compensation and employees are vested under certain circumstances. Contributions by the College are 6.0% or 7.5% of the compensation on which the employee made contributions to the Teachers' Insurance Annuity Association.

Contributions to the pension and retirement plans were as follows:

	<u>Year Ended June 30</u>	
	<u>1996</u>	<u>1995</u>
General Revenue	\$460,457.42	\$411,716.56
Special Revenue	<u>142,604.61</u>	<u>133,905.93</u>
Total:	<u>\$603,062.03</u>	<u>\$545,622.49</u>

Note E - Intra - Account Transactions

The following intra-account transactions have been eliminated:

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
Special Revenue	\$ 614,583.33	\$1,130,621.30
Federal Programs	<u>1,476,243.21</u>	<u>1,904,034.75</u>
	<u>\$2,090,826.54</u>	<u>\$3,034,656.05</u>

Note F - Transfers to Board of Directors of the State College System

The following amounts were transferred to accounts controlled by the Board of Directors of the State College System:

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
Higher Education Resource Fees - Fund (4283-99)	\$ 158,495.00	\$ 166,562.77
Registration Fees Cash Control - Fund (4289-999)	567,693.00	580,420.82
Tuition Fees Cash Control - Fund (4290-999)	<u>1,081,485.00</u>	<u>1,097,144.41</u>
	<u>\$1,807,673.00</u>	<u>\$1,844,128.00</u>

SUPPLEMENTAL INFORMATION

SHEPHERD COLLEGE

STATEMENTS OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	Year Ended June 30,	
	<u>1996</u>	<u>1995</u>
<u>Unclassified - Surplus -</u>		
<u>Fund - 0366-097</u>		
Appropriations	\$ 200,000.00	\$ 0.00
Expenditures:		
Current Expenses	736.57	0.00
Equipment	189,400.49	0.00
	9,862.94	0.00
Transmittals Paid After June 30	<u>103,793.21</u>	<u>0.00</u>
Balance	<u>\$ 113,656.15</u>	<u>\$ 0.00</u>
 <u>Unclassified - Fund 0366-099</u>		
Appropriations	\$8,209,635.00	\$8,036,154.00
Expenditures:		
Personal Services	6,438,097.04	6,362,069.63
Employee Benefits	1,762,802.26	1,674,084.37
Equipment	8,735.70	0.00
	<u>8,209,635.00</u>	<u>8,036,154.00</u>
	0.00	0.00
Transmittals Paid After June 30	<u>0.00</u>	<u>0.00</u>
Balance	<u>\$ 0.00</u>	<u>\$ 0.00</u>

SHEPHERD COLLEGE

STATEMENT OF APPROPRIATIONS AND EXPENDITURES

GENERAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Faculty and Staff Salaries and</u>		
<u>Benefits - Fund 0366-573</u>		
Appropriations	\$455,016.00	\$155,982.00
Expenditures:		
Personal Services	<u>455,016.00</u>	<u>155,982.00</u>
	0.00	0.00
Transmittals Paid After June 30	<u>0.00</u>	<u>688.00</u>
Balance	<u>\$ 0.00</u>	<u>\$ 688.00</u>

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Faculty Improvement Fees -</u>		
<u>Fund 4500-640</u>		
Cash Receipts:		
Tuition and Fees	\$370,167.55	\$397,125.83
Interest on Investments	<u>4,906.25</u>	<u>5,282.97</u>
	375,073.80	402,408.80
Disbursements:		
Personal Services	<u>379,950.00</u>	<u>401,000.00</u>
Cash Receipts (Under)/Over Disbursements	(4,876.20)	1,408.80
Beginning Balance	<u>4,879.65</u>	<u>3,470.85</u>
Ending Balance	<u>\$ 3.45</u>	<u>\$ 4,879.65</u>

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Capital Building and Land</u>		
<u>Improvement Fees - Fund 4501-640</u>		
Cash Receipts:		
Capitol Building and Land Improvement Fees	\$155,250.00	\$267,195.25
Disbursements:		
Current Expenses	2,959.13	12,922.00
Repairs and Alterations	101,345.35	64,061.73
Equipment	8,429.35	14,486.17
	112,733.83	91,469.90
Cash Receipts Over Disbursements	42,516.17	175,725.35
Beginning Balance	751,519.86	575,794.51
Ending Balance	\$794,036.03	\$751,519.86

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Institutional Activity Fees -</u>		
<u>Fund 4502-640</u>		
Cash Receipts:		
Tuition and Fees	\$545,999.31	\$545,201.10
Other Collections and Fees	165,155.51	94,186.53
Interest on Investments	8,605.63	10,459.54
	719,760.45	649,847.17
Disbursements:		
Personal Services	182,773.66	307,850.33
Employee Benefits	33,539.28	29,650.95
Current Expenses	431,854.75	368,537.83
Repairs and Alterations	4,276.24	18,223.23
Equipment	41,924.42	30,444.83
	694,368.35	754,707.17
Cash Receipts Over/(Under)		
Disbursements	25,392.10	(104,860.00)
Beginning Balance	67,402.08	172,262.08
Ending Balance	\$ 92,794.18	\$ 67,402.08

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Higher Education Resource Fees -</u>		
<u>Fund 4503-640</u>		
Cash Receipts:		
Tuition and Fees	\$2,439,720.34	\$2,439,869.99
Other Collections and Fees	13,797.46	5,415.00
Interest on Investments	30,236.78	34,136.76
	2,483,754.58	2,479,421.75
Disbursements:		
Personal Services	670,616.66	814,071.77
Employee Benefits	51,778.01	52,896.03
Current Expenses	1,450,204.29	1,294,014.58
Repairs and Alterations	39,486.25	15,852.66
Equipment	561,793.56	547,853.66
	2,773,878.77	2,724,688.70
Cash Receipts (Under)		
Disbursements	(290,124.19)	(245,266.95)
Beginning Balance	298,080.31	543,347.26
Ending Balance	\$ 7,956.12	\$ 298,080.31

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Other Student Fees -</u>		
<u>Fund 4504-640</u>		
Cash Receipts:		
Tuition and Fees	\$1,793,216.36	\$1,959,225.38
Other Collections and Fees	6,803.07	57,058.00
Interest on Investments	21,894.34	29,543.92
	1,821,913.77	2,045,827.30
Disbursements:		
Personal Services	1,008,928.44	770,311.17
Employee Benefits	153,181.88	155,739.40
Current Expenses	789,111.63	1,016,881.14
Repairs and Alterations	71,249.06	103,023.78
Equipment	53,253.75	60,957.65
Other Extraordinary Disbursements	0.00	41,846.75
	2,075,724.76	2,148,759.89
Cash Receipts (Under)		
Disbursements	(253,810.99)	(102,932.59)
Beginning Balance	262,555.73	365,488.32
Ending Balance	\$ 8,744.74	\$ 262,555.73

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	Year Ended June 30,	
	1996	1995
<u>State Grants and Contracts -</u>		
<u>Fund 4506-640</u>		
Cash Receipts:		
Gifts	\$ 9,337.00	\$ 3,417.20
Non-Federal Grants	209,121.19	337,618.48
Other Collections and Fees	123,630.66	66,533.79
Transfers from Higher Education Central Office	51,239.45	29,341.24
Federal Funds	30,498.00	4,027.00
Interest on Investments	5,378.22	7,565.56
	429,204.52	448,503.27
Disbursements:		
Personal Services	211,447.35	112,200.32
Employee Benefits	28,328.99	26,844.19
Current Expenses	119,651.07	199,888.43
Repairs and Alterations	1,177.91	489.44
Transfers of Federal Funds	0.00	8,129.00
Equipment	100,512.98	158,899.66
Grants, Awards, Scholarships and Loans	0.00	315.00
	461,118.30	506,766.04
Cash Receipts (Under) Disbursements	(31,913.78)	(58,262.77)
Beginning Balance	51,066.26	109,329.03
Ending Balance	\$ 19,152.48	\$ 51,066.26

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Private Gifts, Grants and</u>		
<u>Contracts - Fund 4507-640</u>		
Cash Receipts:		
Gifts	\$ 0.00	\$ 800.00
Other Collections and Fees	1,804.00	17,592.92
Interest on Investments	2,939.00	3,252.24
	4,743.00	21,645.16
Disbursements:		
Personal Services	40,000.00	2,000.00
Employee Benefits	0.00	273.00
Current Expenses	748.08	58,409.77
	748.08	60,682.77
Cash Receipts (Under) Disbursements	(36,005.08)	(39,037.61)
Beginning Balance	45,379.67	84,417.28
Ending Balance	\$ 9,374.59	\$45,379.67

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Sales and Services of Educational</u>		
<u>Activities - Fund 4508-640</u>		
Cash Receipts:		
Other Collections and Fees	\$12,398.00	\$10,756.00
Interest on Investments	<u>11,532.03</u>	<u>8,983.22</u>
	23,930.03	19,739.22
Disbursements:		
Current Expenses	6,483.47	6,334.00
Repairs and Alterations	1,319.87	50.00
Equipment	<u>600.00</u>	<u>0.00</u>
	<u>8,403.34</u>	<u>6,384.00</u>
Cash Receipts Over Disbursements	15,526.69	13,355.22
Beginning Balance	<u>187,785.84</u>	<u>174,430.62</u>
Ending Balance	<u>\$203,312.53</u>	<u>\$187,785.84</u>

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	Year Ended June 30,	
	1996	1995
<u>Housing and Dining Fund 4509-640</u>		
Cash Receipts:		
Room and Board	\$3,558,724.85	\$3,929,145.43
Other Collections and Fees	243,100.18	327,475.38
Inter-agency Federal Payments	11,611.60	11,162.37
Interest on Investments	48,427.02	27,662.06
	3,861,863.65	4,295,445.24
Disbursements:		
Personal Services	1,517,519.34	1,354,196.79
Employee Benefits	308,850.97	292,095.87
Current Expenses	1,750,242.36	1,601,235.80
Repairs and Alterations	385,530.04	235,134.98
Equipment	160,645.30	194,515.58
	4,122,788.01	3,677,179.02
Cash Receipts Over Disbursements	(260,924.36)	618,266.22
Beginning Balance	1,073,452.57	455,186.35
Ending Balance	\$ 812,528.21	\$1,073,452.57

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH REVENUE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Student Union - Fund 4510-640</u>		
Cash Receipts:		
Tuition and Fees	\$203,170.97	\$222,880.36
Student Union Counter Sales	187,464.84	197,988.40
Other Collections and Fees	38,813.18	38,886.21
Housing and Urban Development Revenue	25,608.00	38,412.00
Interest on Investments	2,692.83	1,742.24
	457,749.82	499,909.21
Disbursements:		
Personal Services	180,869.75	178,634.87
Employee Benefits	50,721.91	44,858.09
Current Expenses	229,774.23	256,267.85
Repairs and Alterations	4,640.50	9,633.88
Equipment	1,112.03	6,362.91
	467,118.42	495,757.60
Cash Receipts (Under) Over Disbursements	(9,368.60)	4,151.61
Beginning Balance	9,851.22	5,699.61
Ending Balance	\$ 482.62	\$ 9,851.22

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Faculty and Married Student</u>		
<u>Housing - Fund 4511-640</u>		
Cash Receipts:		
Interest on Investments	\$ 1,411.81	\$ 1,082.43
Disbursements	<u>0.00</u>	<u>0.00</u>
Cash Receipts Over		
Beginning Balance	<u>22,411.36</u>	<u>21,328.93</u>
Ending Balance	<u>\$23,823.17</u>	<u>\$22,411.36</u>

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Bookstore - Fund 4512-640</u>		
Cash Receipts:		
Bookstore Sales	\$1,195,342.83	\$1,225,211.02
Interest on Investments	<u>44,844.08</u>	<u>37,709.58</u>
	1,240,186.91	1,262,920.60
Disbursements:		
Personal Services	158,051.03	146,501.95
Employee Benefits	37,976.60	38,932.87
Current Expenses	1,066,942.07	1,023,731.61
Repairs and Alterations	0.00	402.74
Equipment	<u>7,430.04</u>	<u>5,620.95</u>
	<u>1,270,399.74</u>	<u>1,210,025.12</u>
Cash Receipts (Under)/Over Disbursements	(30,212.83)	52,895.48
Beginning Balance	<u>802,442.13</u>	<u>749,546.65</u>
Ending Balance	<u>\$ 772,229.30</u>	<u>\$ 802,442.13</u>

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Athletics Facilities Construction</u>		
<u>and Reserve Fund 4513-640</u>		
Cash Receipts:		
Tuition and Fees	\$ 0.00	\$ 4,684.10
Interest on Investments	2,013.03	1,395.22
	2,013.03	6,079.32
Disbursements:		
	0.00	0.00
Cash Receipts Over Disbursements	2,013.03	6,079.32
Beginning Balance	33,528.30	27,448.98
Ending Balance	\$35,541.33	\$33,528.30

SHEPHERD COLLEGE
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Athletics - Fund 4514-640</u>		
Cash Receipts:		
Tuition and Fees	\$438,777.22	\$427,510.72
Athletic Event Income	11,658.22	9,169.26
Other Collections and Fees	11,844.47	11,622.25
Interest on Investments	3,347.59	3,283.42
	465,627.50	451,585.65
Disbursements:		
Personal Services	151,598.30	153,468.41
Employee Benefits	25,194.04	28,507.06
Current Expenses	288,473.19	280,064.30
Repairs and Alterations	5,154.39	6,444.74
Equipment	10,725.00	3,559.78
Grants, Awards, Scholarships and Loans	0.00	5,165.00
	481,144.92	477,209.29
Cash Receipts (Under) Disbursements	(15,517.42)	(25,623.64)
Beginning Balance	31,259.08	56,882.72
Ending Balance	\$ 15,741.66	\$ 31,259.08

SHEPHERD COLLEGE
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Public Service Income - Fund 4515-640</u>		
Cash Receipts:		
Other Collections and Fees	\$52,010.65	\$44,170.00
Interest on Investments	3,900.26	2,798.08
	55,910.91	46,968.08
Disbursements:		
Personal Services	7,826.00	5,220.00
Employee Benefits	717.20	399.33
Current Expenses	49,483.80	29,451.52
Equipment	1,478.44	0.00
	59,505.44	35,070.85
Cash Receipts (Under)/Over Disbursements	(3,594.53)	11,897.23
Beginning Balance	62,491.87	50,594.64
Ending Balance	\$58,897.34	\$62,491.87

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Special Services Income -</u>		
<u>Fund 5416-640</u>		
Cash Receipts:		
Bad Check Penalty Fees	\$ 1,375.10	\$ 1,570.00
Other Collections and Fees	520,983.07	410,837.76
Interest on Investments	38,294.56	26,512.52
	560,652.73	438,920.28
Disbursements:		
Personal Services	102,129.61	20,139.81
Employee Benefits	2,301.99	1,632.17
Current Expenses	346,678.44	221,909.72
Repairs and Alterations	40,594.60	14,550.64
Equipment	75,490.43	32,168.70
	567,195.07	290,401.04
Cash Receipts (Under)/Over Disbursements	(6,542.34)	148,519.24
Beginning Balance	586,133.60	437,614.36
Ending Balance	\$579,591.26	\$586,133.60

SHEPHERD COLLEGE
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Parking - Fund 4517-640</u>		
Cash Receipts:		
Parking Fees	\$23,014.00	\$24,069.70
Parking Fines	20,339.40	17,156.95
Interest on Investments	1,652.47	642.11
	45,005.87	41,868.76
Disbursements:		
Personal Services	9,213.20	1,791.45
Employee Benefits	728.22	142.14
Current Expenses	22,415.05	22,893.92
	32,356.47	24,827.51
Cash Receipts Over Disbursements	12,649.40	17,041.25
Beginning Balance	18,024.08	982.83
Ending Balance	\$30,673.48	\$18,024.08

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Scholarship Program Clearing</u>		
<u>Fund 4519-640</u>		
Cash Receipts:		
Non-federal Grants	\$ 0.00	\$ 714.00
Disbursements:		
Current Expenses	21.77	32.70
Cash Receipts Over Disbursements	(21.77)	681.30
Beginning Balance	14,364.53	13,683.23
Ending Balance	\$14,342.76	\$14,364.53

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30</u>	
	<u>1996</u>	<u>1995</u>
<u>Building Renewal and Capital</u>		
<u>Equipment Acquisition - Fund 4520-640</u>		
Cash Receipts:		
Operating Fund Transfers	\$ 447,090.25	\$ 769,643.64
Disbursements:		
Personal Services	7,063.91	1,031.25
Employee Benefits	964.23	78.90
Current Expenses	80,610.21	163,044.08
Repairs and Alterations	149,028.20	222,104.00
Equipment	0.00	38,590.00
Buildings	420,808.00	0.00
	658,474.55	424,848.23
Cash Receipts (Under)/Over Disbursements	(211,384.30)	344,795.41
Beginning Balance	1,704,738.23	1,359,942.82
Ending Balance	\$1,493,353.93	\$1,704,738.23

SHEPHERD COLLEGE

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Benefits Clearing - Fund 4521-640</u>		
Cash Receipts:		
Employee Premium Contributions	\$13,208.29	\$14,629.44
Disbursements:		
Employee Benefits	13,748.57	15,529.72
Cash Receipts (Under) Disbursements	(540.28)	(900.28)
Beginning Balance	7,890.09	8,790.37
Ending Balance	\$ 7,349.81	\$ 7,890.09
<u>Payroll Clearing - Fund 4522-640</u>		
Cash Receipts:	\$ 0.00	\$ 0.00
Disbursements:		
Personal Services	905.04	(125.01)
Employee Benefits	123.52	(17.09)
	1,028.56	(142.10)
Cash Receipts (Under)/Over Disbursements	(1,028.56)	142.10
Beginning Balance	4,949.79	4,807.69
Ending Balance	\$ 3,921.23	\$ 4,949.79

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	Year Ended June 30,	
	1996	1995
<u>Revenue Clearing - Fund 4523-640</u>		
Cash Receipts:		
Tuition and Fees	\$ 73,505.00	\$ 50,508.01
Interest on Investments	42,584.29	68,395.63
	116,089.29	118,903.64
Disbursements:		
Transfer to Other Student Fees		
- Fund 4504	21,362.69	0.00
Transfer to Housing and Dining		
- Fund 4509	0.00	0.00
	21,362.69	550,571.79
Cash Receipts Over/ (Under)		
Disbursements	94,726.60	(431,668.15)
Beginning Balance	221,308.94	652,977.09
Ending Balance	\$316,035.54	\$221,308.94

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Lottery Operating - Fund 4524-640</u>		
Cash Receipts:		
Statutory Transfers	\$158,000.00	\$100,000.00
Disbursements:		
Personal Services	65,756.33	17,471.56
Employee Benefits	3,053.71	2,883.97
Current Expenses	67,150.21	70,745.29
Repairs and Alterations	2,192.01	0.00
Equipment	19,847.74	8,899.18
	158,000.00	100,000.00
Cash Receipts Over Disbursements	0.00	0.00
Beginning Balance	0.00	0.00
Ending Balance	\$ 0.00	\$ 0.00

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS

AND CHANGES IN FUND BALANCE

STUDENT UNION BONDS OF 1972

	<u>Bond and Interest</u>	<u>Year Ended June 30, 1996</u> <u>Debt Service</u> <u>Reserve</u>	<u>Repair and</u> <u>Replacement</u>	<u>Total</u>
Cash Receipts:				
Interest	\$ 350.40	\$ 4,859.81	\$ 2,711.96	\$ 7,922.17
Disbursements:				
Interest Expense	24,700.00	0.00	0.00	24,700.00
Current Expenses	<u>24.26</u>	<u>0.00</u>	<u>0.00</u>	<u>224.26</u>
	<u>24,924.26</u>	<u>0.00</u>	<u>0.00</u>	<u>24,924.26</u>
Cash Receipts (Under) /Over Disbursements	(24,573.86)	4,859.81	2,711.96	(17,002.09)
Beginning Balances	131.88	97,942.28	50,679.72	148,753.88
Transfers from (to):				
Student Union Fund - 4510 to Pay Current Debt Service	0.00	89,564.99	0.00	89,564.99
Student Union Fund - 4510 to Pay Bonds	(65,000.00)	0.00	0.00	(65,000.00)
Other Accounts	<u>89,595.87</u>	<u>(89,595.87)</u>	<u>0.00</u>	<u>0.00</u>
Ending Balance	<u>\$ 153.89</u>	<u>\$102,771.21</u>	<u>\$53,391.68</u>	<u>\$156,316.78</u>

<u>Year Ended June 30, 1995</u>			
<u>Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
\$ 333.24	\$ 5,926.43	\$ 4,503.25	\$ 10,762.92
28,925.00	0.00	0.00	128,925.00
<u>277.12</u>	<u>0.00</u>	<u>0.00</u>	<u>277.12</u>
<u>29,202.12</u>	<u>0.00</u>	<u>0.00</u>	<u>129,202.12</u>
(28,868.88)	5,926.43	4,503.25	(18,439.20)
12.46	107,941.65	89,776.47	197,730.58
14,462.50	0.00	20,000.00	34,462.50
(65,000.00)	0.00	0.00	(65,000.00)
<u>79,525.80</u>	<u>(15,925.80)</u>	<u>(63,600.00)</u>	<u>0.00</u>
<u>\$ 131.88</u>	<u>\$ 97,942.28</u>	<u>\$50,679.72</u>	<u>\$148,753.88</u>

SHEPHERD COLLEGE

Statement of Cash Receipts, Disbursements

and Changes in Fund Balance

Dormitory and Cafeteria Bonds of 1965, Series B and C

	<u>Year Ended June 30, 1996</u>				
	<u>Series B Bond and Interest</u>	<u>Series C Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Total</u>
Cash Receipts:					
Interest	\$ 0.74	\$ 14.84	\$ 9,057.93	\$ 23,987.88	\$ 33,061.39
Disbursements:					
Interest Expense	1,312.50	7,440.00	0.00	0.00	8,752.50
Current Expense	<u>178.28</u>	<u>218.60</u>	<u>0.00</u>	<u>0.00</u>	<u>396.88</u>
	<u>1,490.78</u>	<u>7,658.60</u>	<u>0.00</u>	<u>0.00</u>	<u>9,149.38</u>
Cash Receipts (Under)/ Over Disbursements	(1,490.04)	(7,643.76)	9,057.93	23,987.88	23,912.01
Beginning Balance	0.00	0.00	165,711.12	453,062.28	618,773.40
Transfers from (to):					
Housing and Dining Fund - 4509 to Pay Current Debt Service	0.00	0.00	3,118.39	155,632.50	158,750.89
Housing and Dining Fund - 4509 to Pay Bonds	(70,000.00)	(80,000.00)	0.00	0.00	(150,000.00)
Other Accounts	<u>71,490.04</u>	<u>87,649.93</u>	<u>(3,118.39)</u>	<u>156,021.58</u>	<u>0.00</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 6.17</u>	<u>\$174,769.05</u>	<u>\$476,661.08</u>	<u>\$651,436.30</u>

Year Ended June 30, 1995

<u>Series B Bond and Interest</u>	<u>Series C Bond and Interest</u>	<u>Debt Service Reserve</u>	<u>Repair and Replacement</u>	<u>Totals</u>
\$ 189.04	\$ 226.81	\$ 8,811.02	\$ 24,088.33	\$ 33,315.20
3,843.75	9,765.00	0.00	0.00	13,608.75
<u>172.11</u>	<u>211.91</u>	<u>0.00</u>	<u>0.00</u>	<u>384.02</u>
<u>4,015.86</u>	<u>9,976.91</u>	<u>0.00</u>	<u>0.00</u>	<u>13,992.77</u>
(3,826.82)	(9,750.10)	8,811.02	24,088.33	19,322.43
0.41	0.89	156,910.70	428,973.95	585,885.95
68,823.98	84,741.04	0.00	0.00	153,565.02
(65,000.00)	(75,000.00)	0.00	0.00	(140,000.00)
<u>2.43</u>	<u>8.17</u>	<u>(10.60)</u>	<u>0.00</u>	<u>0.00</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$165,711.12</u>	<u>\$453,062.28</u>	<u>\$618,773.40</u>

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Private Scholarship Account</u>		
Cash Receipts:		
Gifts, Grants and Scholarships	\$68,227.00	\$122,218.50
Disbursements:		
Scholarships an Grants	68,227.00	165,427.06
Cash Receipts Over/(Under)		
Disbursements	0.00	(43,208.56)
Beginning Balance	0.00	43,208.56
Ending Balance	\$ 0.00	\$ 0.00

SHEPHERD COLLEGE
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCE
 SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Special Services Account</u>		
Cash Receipts:		
Federal Revenue	\$3,881,489.00	\$3,890,938.48
Scholarships	408,364.75	168,750.73
Vending Commissions	2,879.02	1,785.38
Interest on Investments	5,025.62	6,782.29
	<u>17,218.94</u>	<u>0.00</u>
	4,314,977.33	4,068,256.88
Disbursements:		
Shepherd College Fund 4523	1,476,243.21	1,904,034.75
Transfers to Shepherd College Foundation	2,879.02	1,785.38
Refunds - Excess Financial Aid	2,827,959.15	2,200,635.20
	<u>4,307,081.38</u>	<u>4,106,455.33</u>
Cash Receipts Over/Under) Disbursements	7,895.95	(38,198.45)
Beginning Balance	<u>77,977.88</u>	<u>116,176.33</u>
Ending Balance	<u>\$ 85,873.83</u>	<u>\$ 77,977.88</u>

SHEPHERD COLLEGE

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND

CHANGES IN CASH BALANCE

SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Continuing Education Account</u>		
Cash Receipts:		
Other Collections and Fees	\$34,435.15	\$31,663.00
Interest on Investments	<u>128.35</u>	<u>140.37</u>
	34,563.50	31,803.37
Disbursements:		
Transfers to Public Service Income - Fund 4515	27,588.65	30,768.00
Refunds	<u>719.00</u>	<u>890.00</u>
	<u>8,307.65</u>	<u>31,658.00</u>
Cash Receipts Over Disbursements	6,255.85	145.37
Beginning Balance	<u>1,888.57</u>	<u>1,743.20</u>
Ending Balance	<u>\$ 8,144.42</u>	<u>\$ 1,888.57</u>

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Refund Account</u>		
Cash Receipts:		
Tuition and Fees	\$ 89,371.30	\$165,892.51
Interest on Investments	2,787.02	2,865.83
	92,158.32	168,758.34
Disbursements:		
Refunds	121,745.49	143,684.80
Cash Receipts (Under)/Over Disbursements	(29,587.17)	25,073.54
Beginning Balance	157,496.79	132,423.25
Ending Balance	\$127,909.62	\$157,496.79

SHEPHERD COLLEGE
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Student Loan/Benedum Investment Account</u>		
Cash Receipts:		
Interest on Investments	\$ 10.63	\$ 18.53
Disbursements:		
Transfer to Student Loan/Benedum Account	<u>719.98</u>	<u>0.00</u>
Cash Receipts (Under)/Over Disbursements	(709.35)	18.53
Beginning Balance	<u>709.35</u>	<u>690.82</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 709.35</u>
<u>Cash Advance Account</u>		
Cash Receipts:		
Transfer from Athletics - Fund 4514	\$164,952.05	\$139,633.10
Interest on Investments	<u>224.78</u>	<u>288.10</u>
	65,176.83	139,921.20
Disbursements:		
Travel	<u>164,952.05</u>	<u>139,633.00</u>
Cash Receipts Over Disbursements	224.78	288.20
Beginning Balance	<u>3,117.45</u>	<u>2,829.35</u>
Ending Balance	<u>\$ 3,342.23</u>	<u>\$ 3,117.55</u>

SHEPHERD COLLEGE
STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>Teacher's Insurance Annuity Association Fund</u>		
Cash Receipts:		
Employee Premium Contributions	\$ 20,892.46	\$ 18,847.19
Interest on Investments	<u>110.68</u>	<u>135.86</u>
	21,003.14	18,983.05
Disbursements:		
Other Health Insurance	20,051.44	18,603.68
Office Supplies (Checks)	0.00	62.95
Refunds	<u>0.00</u>	<u>32.78</u>
	20,051.44	18,699.41
Cash Receipts Over Disbursements	951.70	283.64
Beginning Balance	<u>5,969.33</u>	<u>5,685.69</u>
Ending Balance	<u>\$ 6,921.03</u>	<u>\$ 5,969.33</u>
<u>South Branch Valley Center</u>		
Cash Receipts:		
Tuition and Fees	\$135,851.87	\$138,062.03
Disbursements:		
Transfers to Revenue Clearing - Fund 4523	<u>143,462.87</u>	<u>131,424.43</u>
Cash Receipts (Under)/Over Disbursements	(7,611.00)	6,637.60
Beginning Balance	<u>7,611.00</u>	<u>973.40</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 7,611.00</u>

SHEPHERD COLLEGE
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCE
SPECIAL REVENUE - LOCAL BANK ACCOUNTS

	<u>Year Ended June 30,</u>	
	<u>1996</u>	<u>1995</u>
<u>College Center Pub Lounge</u>		
Cash Receipts:		
Transfer from Revenue Clearing - Fund 4523	\$1,000.00	\$2,500.00
Disbursements:		
Transfer to Student Union - Fund 4510	<u>1,090.00</u>	<u>2,500.00</u>
Cash Receipts (Under)/Over Disbursements	(90.00)	0.00
Beginning Balance	<u>90.00</u>	<u>90.00</u>
Ending Balance	<u>\$ 0.00</u>	<u>\$ 90.00</u>

SHEPHERD COLLEGE

STATEMENT OF CHANGES IN LOAN FUND BALANCE

BENEDUM STUDENT LOAN

	<u>Year Ended June 30, 1996</u>		
	<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
Additions:			
Loan Payments and Loans	\$183,844.87	\$184,178.61	\$368,023.48
Reinstatement of Write-Offs	6,767.21	0.00	6,767.21
Processing Fees	0.00	0.00	0.00
Interest	<u>541.90</u>	<u>0.00</u>	<u>541.90</u>
	191,153.98	184,178.61	375,332.59
Deductions:			
Loans and Loan Payments	184,307.56	183,844.87	368,152.43
Write-Offs	422.46	0.00	422.46
Bad Debt Expense	0.00	0.00	0.00
Collection Costs	<u>177.25</u>	<u>0.00</u>	<u>177.25</u>
	<u>184,907.27</u>	<u>183,844.87</u>	<u>368,752.14</u>
Additions Over/ (Under) Deductions	6,246.71	333.74	6,580.45
Beginning Balance	<u>52,406.08</u>	<u>44,194.03</u>	<u>96,600.11</u>
Ending Balance	<u>\$ 58,652.79</u>	<u>\$ 44,527.77</u>	<u>\$103,180.56</u>

Year Ended June 30, 1995

<u>Cash</u>	<u>Loans Receivable</u>	<u>Total</u>
\$167,257.98	\$175,133.79	\$342,391.77
631.70	0.00	631.70
0.00	0.00	0.00
<u>680.48</u>	<u>0.00</u>	<u>680.48</u>
168,570.16	175,133.79	343,703.95
175,306.62	167,257.98	342,564.60
1,529.14	0.00	1,529.14
0.00	0.00	0.00
<u>31.70</u>	<u>0.00</u>	<u>631.70</u>
<u>177,467.46</u>	<u>167,257.98</u>	<u>344,725.44</u>
(8,897.30)	7,875.81	(1,021.49)
<u>61,303.38</u>	<u>36,318.22</u>	<u>97,621.60</u>
<u>\$ 52,406.08</u>	<u>\$ 44,194.03</u>	<u>\$ 96,600.11</u>

SHEPHERD COLLEGE

RECONCILIATIONS

JUNE 30, 1996

Private Scholarship Account

Balance per Bank and Book \$ 0.00

Continuing Education Account

Balance Per Bank \$ 8,192.42

Less: Outstanding Checks

 Check No. 624 19.00

 623 29.00

48.00

Balance per Book \$ 8,144.42

Refund Account

Balance Per Bank \$134,589.27

Less: Outstanding Checks

 Check No. 5764 50.00

 5896 50.00

 5984 99.41

 6087 50.00

 6117 50.00

 6119 50.00

 6288 10.00

 6406 50.00

 6440 40.00

 6551 25.00

 6593 50.00

 6682 50.00

**SHEPHERD COLLEGE
RECONCILIATIONS
JUNE 30, 1996**

Check No.	6753	50.00
	6775	43.00
	6885	71.00
	6976	150.00
	6992	50.00
	6995	50.00
	6999	50.00
	7005	50.00
	7015	50.00
	7018	50.00
	7019	50.00
	7022	540.00
	7024	23.45
	7026	30.00
	7027	35.00
	7028	100.00
	7030	440.00
	7031	146.99
	7034	504.00
	7035	104.98
	7036	377.98
	7037	104.98
	7038	104.98
	7039	104.98
	7040	146.99
	7042	104.98
	7043	146.99
	7044	104.98
	7045	269.98
	7046	104.98
	7047	50.00
	7048	<u>1,895.00</u>
		<u>6,679.65</u>
Balance per Book		<u>\$127,909.62</u>

SHEPHERD COLLEGE

RECONCILIATIONS

JUNE 30, 1996

Special Services Account

Balance Per Bank \$95,510.48

Less: Outstanding Checks

Check No.	5710	86.00
	5823	100.00
	6014	1,200.00
	6060	38.00
	6100	52.25
	6199	330.00
	6208	540.00
	6212	210.00
	6217	70.00
	6218	130.00
	6219	280.00
	6220	3,449.00
	6221	280.00
	6222	845.20
	6223	210.00
	6224	516.00
	6225	540.00
	6226	210.00
	6227	210.00
	6228	60.20
	6229	70.00
	6230	210.00
		<u>9,636.65</u>

Balance per Book \$85,873.83

SHEPHERD COLLEGE

RECONCILIATIONS

JUNE 30, 1996

Student Loan/Benedum Account

Balance Per Bank \$67,597.76

Less: Outstanding transfer to
Private Gifts, Grants
and Contracts - Fund
4507 8,944.10

Balance per Book \$58,652.79

**Student Loan/Benedum Investment
Account**

Balance per Bank and Book \$ 0.00

Cash Advance Account

Balance per Bank and Book \$ 3,342.23

**Teacher's Insurance Annuity
Association Fund**

Balance per Bank and Book \$ 6,921.03

SHEPHERD COLLEGE

RECONCILIATIONS

JUNE 30, 1996

South Branch Account

Balance Per Bank \$ 2,917.25

Less: Outstanding Checks

Check No. 423	\$ 1,874.75
425	<u>651.80</u>
430	<u>390.70</u>
	<u>2,917.25</u>

Balance per Book \$ 0.00

College Center Pub Lounge

Balance per Bank and Book \$ 0.00

STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, 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 copy of said report.

Given under my hand this 15TH day of June 1998.



**Thedford L. Shanklin, CPA, Director
Legislative Post Audit Division**

Copy forwarded to the Secretary of Administration to be filed as a public record. Copies forwarded to Shepherd College; Board of Directors of the State College System; Governor; Attorney General; and, State Auditor.