

# STATE OF WEST VIRGINIA

## AUDIT REPORT

OF

GLENVILLE STATE COLLEGE  
GLENVILLE, WEST VIRGINIA

NATIONAL DIRECT STUDENT LOAN PROGRAM  
COLLEGE WORK-STUDY PROGRAM  
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM  
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

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

FOR THE PERIOD  
JULY 1, 1979 - JUNE 30, 1981



OFFICE OF LEGISLATIVE AUDITOR

CAPITOL BUILDING

CHARLESTON, WEST VIRGINIA 25305

GLENVILLE STATE COLLEGE  
GLENVILLE, WEST VIRGINIA

REPORT OF AUDIT  
NATIONAL DIRECT STUDENT LOAN PROGRAM  
COLLEGE WORK-STUDY PROGRAM  
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LEGISLATIVE AUDITOR'S OFFICE  
STATE OF WEST VIRGINIA



**LEGISLATIVE AUDITOR**

**CHARLESTON**

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

Sir:

In compliance with your instructions and the provisions of the West Virginia Code, Chapter 4, Article 2, as amended Mr. John T. Davis was assigned to audit the National Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grants, and Basic Educational Opportunity Grant Programs at Glenville State College.

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

Respectfully submitted,

*James R. Blake*  
James R. Blake, Supervisor  
Legislative Postaudit Division

JRB/wmm

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Glenville State College  
Glenville, West Virginia

Report of Audit  
National Direct Student Loan Program  
College Work-Study Program  
Supplemental Educational Opportunity Grants Program  
Basic Educational Opportunity Grant Program

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

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

Part I - Introduction

Background

Glenville State College is an institution of higher education and was last approved on June 2, 1978 by the U.S. Office of Education for participation in the student financial aid programs. Our examination of the National Direct Student Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grants Program and Basic Educational Opportunity Grant Program for the two year period ended June 30, 1981 was directed toward the objectives set forth in the audit guides dated June 1980 and June 1981 prepared by the U.S. Department of Education (DE).

National Direct Student Loan Program (NDSLP)

On September 1, 1958 the College established the NDSLP under the National Defense Education Act of 1958 which was transferred in 1972 to Part E of Title IV of the Higher Education Act of 1965. The records of the institution indicate that loans aggregating \$2,462,997.69 have been made to 2,965 students since the program was established at the College. As of June 30, 1981 the principal outstanding on loans in default amounted to 10.98% of matured principal on all loans.

College Work-Study Program (CWSP)

On January 25, 1965 the College started the CWSP pursuant to Title IV, Part C, of the Higher Education Act of 1965, as amended. During the two year period ended June 30, 1981 up to 144 students participated in the program each year and expenditures for wages for the period aggregated \$123,913.74. The authorization award letters to the College were in the amounts of \$41,093.00 for the academic year 1979-80 and \$60,000.00 for the academic year 1980-81.

Supplemental Educational Opportunity Grants Program (SEOGP)

The SEOGP was established at the College on July 1, 1966 under Title IV, Part A, of the Higher Education Act of 1965, as amended. During the two year period ended June 30, 1981 up to 131 students participated in the program each year and awards aggregated \$145,875.31. The authorization award letters to the College were in the amounts of \$74,558.00 for the academic year 1979-80 and \$73,641.00 for the academic year 1980-81.

## Basic Educational Opportunity Grant Program (BEOGP)

The BEOGP was started at the College on July 1, 1973. During the two year period ended June 30, 1981 up to 610 students participated in the program each year and awards aggregated \$988,568.04. The authorization award letters to the College were in the amounts of \$490,380.00 for the academic year 1979-80 and \$498,644.00 for the academic year 1980-81.

### Administration of the Programs

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

### Scope of Audit

Our audit of the National Direct Student Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grants Program and Basic Educational Opportunity Grant Program was performed in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (revised 1981) and the audit guides dated June 1980 (NDSLPL, CWSP and SEOGP) and June 1981 (BEOGP) prepared by the U.S. Department of Education (DE). The purpose of the audit was to formulate an opinion on the basic financial statements taken as a whole and to determine if these programs were administered in accordance with applicable laws, regulations, agreements to participate and DE directives which are set forth in the audit guides.

The audit included:

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

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

## Part II - Highlights of Audit Results

During our audit nothing came to our attention which caused us to believe that Glenville State College had not generally administered its student financial aid programs (NDSLPL, CWSP, SEOGP and BEOGP) in accordance with the DHEW and DE federal regulations and directives cited in the DE audit guides for the NDSLPL, CWSP, SEOGP and BEOGP. However, certain areas of the College's management of the student financial aid programs were in need of attention. More specifically: for all programs (1) procedural guidelines have not been prepared for administering the student financial aid programs, and (2) the College has not established a self-evaluation system for monitoring and evaluating the programs; for NDSLPL, (1) as of June 30, 1981 and subsidiary records of student loans receivable were \$6,094.34 less than the general ledger control accounts, and (2) as of June 30, 1981 federal capital contributions were undermatched by institutional contributions by \$1,160.21. These matters are discussed more fully under the "Findings and Recommendations" sections of this report (see pages 4 through 7.) As to our opinion on the financial statements see below.

## Part III - Financial

### Auditors' Report on Financial Statements

We have examined the balance sheets of the National Direct Student Loan Program (NDSLPL), College Work-Study Program (CWSP), Supplemental Educational Opportunity Grants Program (SEOGP) and Basic Educational Opportunity Grant Program (BEOGP) at Glenville State College as of June 30, 1981 and the related statements of changes in fund balances for the two year period then ended. (See Exhibits A through D-1.) Our examination was made in accordance with the financial and compliance elements of the "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (revised 1981). Accordingly we conducted such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances. The audit guides dated June 1980 (NDSLPL, CWSP and SEOGP) and June 1981 (BEOGP), prepared by the U.S. Department of Education, were used as guides in the examination.

In our opinion, the aforementioned financial statements present fairly the financial position of the NDSLPL, CWSP, SEOGP and BEOGP of Glenville State College at June 30, 1981 and the changes in fund balances for the two year period then ended, in conformity with generally accepted accounting principles applied on a consistent basis except as indicated under "Note to Financial Statements" on page 4.

The examination referred to above was directed primarily toward formulating an opinion on the aforementioned statements as of and for the two year period ended June 30, 1981 taken as a whole, and was not directed toward formulating an opinion on the balance sheet at June 30, 1980, or the statements of changes in fund balances for the individual years ended June 30, 1980 and June 30, 1981. The supplemental data included in Schedules 1 through 12 are presented for supplemental analysis purposes and are not necessary for a fair presentation of the financial position as of June 30, 1981 and the changes in fund balances for the two year period then ended. The supplemental data included in Schedules 1 through 12 have been subjected to the auditing procedures applied in the examination of the basic



financial statements and, in our opinion, are stated fairly in all material respects only when considered in conjunction with the financial statements of the NDSLP, CWSP, SEOGP and BEOGP taken as a whole.

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

1. Summary of Significant Accounting Policies:

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

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

Findings and Recommendations - Financial

National Direct Student Loan Program

Imbalance of Student Loans Receivable

As of June 30, 1981 the subsidiary records of the student loans receivable were \$6,094.34 less than the general ledger control accounts (See Schedule 1.) As of the previous audit date, June 30, 1979, the subsidiary records of the student loans receivable were \$3,635.61 less than the general ledger control accounts. Further, the College has not been reconciling the subsidiary records with the control accounts each month.

The NDSLP Manual of Policies and Procedures states that the subsidiary records of the student loans receivable should be reconciled monthly with the control accounts. Regular reconciliements are important to avoid errors which affect individual borrowers' obligations to the NDSLP fund as well as the contributions to the fund by the College and the federal government.

We recommend the College commence regular reconciliements of the subsidiary records of student loans receivable with the control accounts. We also recommend the College locate and correct the errors causing the difference between the subsidiary records and the control accounts as of June 30, 1981. College officials indicated that these recommendations will be followed.

Federal Capital Contributions Undermatched

Federal capital contributions totaling \$69,728.00 were received in August and September, 1979. Institutional matching contributions totaling \$5,568.00 were deposited between November, 1979 and May, 1980. The matching

contributions were inadequate by \$1,160.21 and were not made at the same time the federal contributions were received. The institution made a contribution of \$1,160.21 in November, 1981, subsequent to the date of this audit, bringing the institutional capital contribution into compliance.

College officials indicated that required matching was not effected when required because matching funds were not available at the time.

The federal regulations for the NDSLP require that an institution make a capital contribution in an amount equal to not less than one-ninth of the amount of the federal contribution.

We recommend in the future the College request authorized federal capital contributions only when required matching institutional contributions are available.

#### Part IV - Internal Accounting and Administrative Controls and Compliance

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

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

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

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

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal control. In the perform-

ance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

We understand that procedures in conformity with the criteria referred to in the second paragraph of this PART are considered by the U.S. Department of Education to be adequate for its purposes in accordance with the provisions of the Higher Education Act of 1965 and related regulations, and that procedures not in conformity therewith indicate some inadequacy for such purposes. Based on this understanding and our study, we believe Glenville State College's procedures were adequate for the Department's purposes, except for the conditions described on pages 4 through 7 which we believe are not in conformity with the criteria referred to above.

#### Findings and Recommendations - Internal Accounting and Administrative Controls and Compliance

##### All Federal Student Financial Aid Programs

##### Procedural Guidelines

While the student financial aid office is in the process of developing procedural guidelines for that office, the guidelines have not been completed. Also, guidelines have not been prepared for handling and recording financial aid transactions after awards are made by the financial aid office.

We recommend that the guidelines for the financial aid office be completed as soon as possible, and that procedural guidelines be developed for handling financial aid transactions, including recordkeeping, in the business office.

A well-defined set of guidelines could (1) contribute to the effectiveness of the programs, (2) ensure efficient and economical administration, and (3) facilitate program continuity when changes occur in personnel.

Suggestions for preparing procedural guidelines can be found in DHEW's 1977 publication, "Accounting, Recordkeeping, and Reporting by Colleges and Universities for Federally Funded Student Financial Aid Programs".

##### Self-Evaluation System

As of June 30, 1981 the College had not established a formal self-evaluation system to monitor and evaluate the federal student financial aid programs to ensure that their objectives were being met. In March, 1981, the financial aid office filled out an evaluation form for the functions in that office. However, an evaluation was not made of the administration of the programs by the business office.

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

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

Part V - Prior Audit Report, For the Period  
July 1, 1976 - June 30, 1979

The prior audit report included seven findings which were discussed in subsequent correspondence between the College and the U.S. Office of Education. The findings have been corrected or cleared except for the following, which are repeated in this audit report:

All Student Financial Aid Programs:

Procedural Guidelines. (See page 6.)

Self-Evaluation System. (See page 6.)

National Direct Student Loan Program:

Imbalance of Student Loans Receivable. (See page 4.)

GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 BALANCE SHEET AS OF JUNE 30, 1981 1/

Assets

Cash on Hand and in Depository	\$ 96,481.13
Student Loans Receivable (See Schedule 1)	<u>1,066,504.27</u>
Total Assets	<u>\$1,162,985.40</u>

Liabilities and Fund Balance

<b>Liabilities:</b>	
Accrued Administrative Expenses Payable	\$ <u>802.66</u>
<b>Fund Balance:</b>	
<b>Capital</b>	
<b>Federal Contributions:</b>	
Authorized	\$1,516,912.00
Repaid	<u>-0-</u>
Balance	<u>\$1,516,912.00</u>
<b>Institutional Contributions:</b>	
Authorized	\$ 167,385.57
Repaid	<u>-0-</u>
Balance	<u>\$ 167,385.57</u>
Capital Fund Balance	\$1,684,297.57
Non-Capital Fund Deficit (See Exhibit A-1)	<u>(522,114.83)</u>
Total Fund Balances	<u>\$1,162,182.74</u>
Total Liabilities and Fund Balances	<u>\$1,162,985.40</u>

Exhibit A

1/ The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 TWO YEAR PERIOD ENDED JUNE 30, 1981  
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1981

	For the Period September 1, 1958 Through <u>1/</u> June 30, 1981	Two Year Period Ended June 30, 1981
<u>Non-Capital Fund Balance</u>		
Additions:		
Reimbursement on Loans - Cancelled	\$ 32,738.00	\$ 20,886.00
Interest on Loans - Collected	121,371.16	38,002.06
Interest on Loans - Cancelled	105,931.94	6,658.23
Other Income	<u>8,750.96</u>	<u>8,750.96</u>
Total Additions	<u>\$ 268,792.06</u>	<u>\$ 74,297.25</u>
Deductions:		
Loan Principal and Interest Cancelled:		
Teaching Service	\$ 585,716.02	\$ 63,672.84
Military Service	1,091.63	-0-
Death	9,404.73	-0-
Bankruptcy	14,203.18	-0-
Administrative Expenses	85,926.93	25,143.66
Other Collection Costs	19,986.23	3,105.34
Defaulted Loan Principal and Interest Assigned/Referred to and Received by the United States	<u>74,578.17</u>	<u>2,917.56</u>
Total Deductions	<u>\$ 790,906.89</u>	<u>\$ 94,839.40</u>
Net (Decrease) For the Period	(\$ 522,114.83)	(\$ 20,542.15)
Fund Deficit, Beginning of Period	<u>-0-</u>	<u>(501,572.68)</u>
Non-Capital Fund Deficit, June 30, 1981	<u>(\$ 522,114.83)</u>	<u>(\$ 522,114.83)</u>
<u>Capital Fund Balance</u>		
Federal Contributions	\$1,516,912.00	\$ 159,728.00
Institutional Contributions	<u>167,385.57</u>	<u>15,568.00</u>
Total Contributions	\$1,684,297.57	\$ 175,296.00
Fund Balance, Beginning of Period	<u>-0-</u>	<u>1,509,001.57</u>
Fund Balance, End of Period	<u>\$1,684,297.57</u>	<u>\$1,684,297.57</u>

Exhibit A-1

1/ The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
COLLEGE WORK-STUDY PROGRAM  
BALANCE SHEET AS OF JUNE 30, 1981

Assets

Cash on Hand and in Depository	\$ 852.09
Accounts Receivable <u>1/</u>	<u>5,205.27</u>
Total Assets	<u>\$6,057.36</u>

Liabilities and Fund Balance

Liabilities:	
Accrued Wages Payable	\$3,791.39
Fund Balance	<u>2,265.97</u>
Total Liabilities and Fund Balance	<u>\$6,057.36</u>

<u>1/</u> Receivable From:	
DFAFS (Received July 10, 1981)	\$3,000.00
Glenville State College (Received July 17, 1981)	750.00
Glenville State College For Wages not Charged to CWSP (Received November 10, 1981)	<u>1,455.27</u>
Total	<u>\$5,205.27</u>

Exhibit B

GLENVILLE STATE COLLEGE  
 COLLEGE WORK-STUDY PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1981

**Additions:**

Total Grant Award Authorization	\$101,093.00
Authorization Transferred to SEOG	(1,109.00)
Authorization Not Used	<u>(656.00)</u>
Net Federal Funds Provided	\$ 99,328.00
Funds Provided by Institution	<u>26,023.00</u>
Total Additions	<u>\$125,351.00</u>

**Deductions:**

Wages:	
On Campus:	
Federal Share	\$ 98,178.00
Institutional Share	25,735.74
Administrative Expenses	<u>1,805.81</u>
Total Deductions	<u>\$125,719.55</u>

Net (Decrease) For the Period	(\$ 368.55)
Fund Balance, Beginning of Period	<u>2,634.52</u>
Fund Balance, End of Period	<u>\$ 2,265.97</u>

Exhibit B-1



GLENVILLE STATE COLLEGE  
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM  
BALANCE SHEET AS OF JUNE 30, 1981

Assets

Cash on Hand and in Depository	<u>\$ -0-</u>
Total Asset	<u><u>\$ -0-</u></u>

Liabilities and Fund Balance

Liabilities	\$ -0-
Fund Balance	<u>-0-</u>
Total Liabilities and Fund Balance	<u><u>\$ -0-</u></u>

Exhibit C

GLENVILLE STATE COLLEGE  
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1981

<b>Additions:</b>	
Total Grant Award Authorization	\$148,199.00
Authorization Transferred from CWSP	1,109.00
Additional Federal Funds Deposited	<u>1,082.00</u>
<b>Total Additions</b>	<b><u>\$150,390.00</u></b>
<b>Deductions:</b>	
Initial Awards	\$ 71,372.31
Continuing Awards	74,503.00
Administrative Expenses:	
For Current Period	3,432.69
For Fiscal Year 1979	<u>1,082.00</u>
<b>Total Deductions</b>	<b><u>\$150,390.00</u></b>
Net Increase For the Period	\$ -0-
Fund Balance, Beginning of Period	<u>-0-</u>
Fund Balance, End of Period	<u><u>\$ -0-</u></u>

Exhibit C-1

GLENVILLE STATE COLLEGE  
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
BALANCE SHEET AS OF JUNE 30, 1981

Assets

Cash on Hand and in Depository	\$ 62.16
Accounts Receivable	<u>456.00</u>
Total Assets	<u>\$518.16</u>

Liabilities and Fund Balance

Liabilities	\$-0-
Fund Balance	<u>518.16</u>
Total Liabilities and Fund Balance	<u>\$518.16</u>

Exhibit D

GLENVILLE STATE COLLEGE  
 BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1981

<b>Additions:</b>	
Current Approved Authorization	\$989,024.00
Recoveries For Fiscal Year 1980	250.00
Additional Federal Funds Deposited	<u>5,532.20</u>
<b>Total Additions</b>	<b><u>\$994,806.20</u></b>
<b>Deductions:</b>	
Net Awards to Students	\$988,568.04
Administrative Expenses	<u>5,720.00</u>
<b>Total Deductions</b>	<b><u>\$994,288.04</u></b>
<b>Net Increase For the Period</b>	<b>\$ 518.16</b>
<b>Fund Balance, Beginning of Period</b>	<b><u>-0-</u></b>
<b>Fund Balance, End of Period</b>	<b><u>\$ 518.16</u></b>

Exhibit D-1

GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 ANALYSIS OF STUDENT LOANS RECEIVABLE  
 TWO YEAR PERIOD ENDED JUNE 30, 1981  
 AND THE PERIOD SEPTEMBER 1, 1958 THROUGH JUNE 30, 1981

	For the Period September 1, 1958 Through <u>June 30, 1981</u>	Two Year Period Ended <u>June 30, 1981</u>
Balance, Beginning of Period	\$ -0-	\$ 992,325.15
Funds Advanced to Students	<u>2,462,997.69</u>	<u>280,301.44</u>
Total	<u>\$2,462,997.69</u>	<u>\$1,272,626.59</u>
Less Credits:		
Collections	\$ 814,005.10	\$ 146,065.21
Cancellations:		
Teaching Service	495,352.73	57,024.61
Military Service	1,068.76	-0-
Death	9,261.08	-0-
Bankruptcy	13,366.64	114.94
Defaulted Loan Principal Assigned/Referred to and Received by the United States	<u>63,439.11</u>	<u>2,917.56</u>
Total Credits	<u>\$1,396,493.42</u>	<u>\$ 206,122.32</u>
Balance, June 30, 1981	\$1,066,504.27	<u>\$1,066,504.27</u>
Total of Individual Loan Balance	<u>1,060,409.93</u>	
Difference	<u>\$ 6,094.34</u>	

Schedule 1

1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 COMPUTATION OF DEFAULT RATE  
 AS OF JUNE 30, 1981 1/  
 (CUMULATIVE INFORMATION)

Principal Outstanding On Loans In Default

Total Amount Advanced on Loans in Default	\$ 304,000.00
Deduct: Principal Amount Repaid or Cancelled	<u>74,817.00</u>
Total Remaining Principal Amount Which Has Not Been Paid, Cancelled Or Assigned On Notes in Default	<u>\$ 229,183.00</u>

Total Amount of Matured Principal

Total Amount Advanced	\$2,462,997.69
Deduct - Amount Not in Repayment Status:	
Student Status	\$250,555.00
Grace Period (Armed Forces, Peace Corps, Vista, Hardship)	<u>125,389.00</u>
Total Amount Not in Repayment Status	<u>375,944.00</u>
Total Amount of Matured Principal	<u>\$2,087,053.69</u>
Percentage of Loans in Default (\$229,183.00 ÷ \$2,087,053.69)	<u>10.98%</u>

Schedule 2

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1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 ANALYSIS OF CASH FLOW  
 TWO YEAR PERIOD ENDED JUNE 30, 1981

Cash Balance, Beginning of Period		\$ 20,456.02
Add:		
Federal Contributions	\$159,728.00	
Institutional Contributions	15,568.00	
Reimbursement on Loans Cancelled	<u>20,886.00</u>	196,182.00
Reprogrammed Funds:		
Collection on Loans	\$146,065.21	
- Interest Collected on Loans	32,774.72	
Other Income	<u>8,750.96</u>	<u>187,590.89</u>
Total Cash Available For the Period		\$404,228.91
Cash Applied:		
Funds Advanced to Students	\$280,301.44	
Administrative Expenses	24,341.00	
Other Collection Costs	<u>3,105.34</u>	
Total Cash Applied		<u>307,747.78</u>
Cash Balance, End of Period <u>1/</u>		<u>\$ 96,481.13</u>

Schedule 3

1/The Amount Reported Agrees With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 SCHEDULE OF ADMINISTRATIVE COST ALLOWANCE  
 FOR THE TWO YEAR PERIOD ENDED JUNE 30, 1981  
 (UNAUDITED)

Total Administrative Cost Allowance		\$30,742.00
Deduct Expenditures Related to Student Consumer Information Service:		
Preparation of Information Dissemination Topics	\$ 400.50	
Dissemination of Information to Students	60.38	
Salaries of Employees	<u>4,108.15</u>	
Total Expenditures Related to Student Consumer Information Service		<u>4,569.03</u>
Balance of Allowance		\$26,172.97
Deduct Expenditures Directly Related to Administering the Federal Student Financial Aid Programs:		
Postage	\$ 825.00	
Current Expenses	1,200.00	
Salaries of Employees	<u>91,739.20</u>	
Total Expenditures Directly Related to Administering the Federal Student Financial Aid Programs		<u>93,764.20</u>
Excess Expenditures Over Total Administrative Cost Allowance		<u>(<u>\$67,591.23</u>)</u>

Schedule 4



GLENVILLE STATE COLLEGE  
 NATIONAL DIRECT STUDENT LOAN PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEARS ENDED JUNE 30, 1980 AND JUNE 30, 1981

	<u>Year Ended</u> <u>June 30, 1980</u>	<u>Year Ended</u> <u>June 30, 1981</u>
<u>Non-Capital Fund Balance</u>		
Additions:		
Interest on Loans - Collected	\$ 6,302.98	\$ 26,471.74
Interest on Loans - Cancelled	9,311.47	2,574.10
Reimbursement on Loans - Cancelled	9,259.00	11,627.00
Other Income	<u>6,290.80</u>	<u>2,460.16</u>
Total Additions	<u>\$ 31,164.25</u>	<u>\$ 43,133.00</u>
Deductions:		
Loan Principal and Interest Cancelled:		
Teaching Service	\$ 40,833.21	\$ 22,839.63
Administrative Expenses	10,420.86	14,722.80
Other Collection Costs	1,395.52	1,709.82
Defaulted Loan Principal and Interest Assigned/Referred to and Received by the United States	<u>                    </u>	<u>2,917.56</u>
Total Deductions	<u>\$ 52,649.59</u>	<u>\$ 42,189.81</u>
Net Increase or (Decrease) For the Year	(\$ 21,485.34)	\$ 943.19
Fund Deficit, Beginning of Year	<u>(501,572.68)</u>	<u>(523,058.02)</u>
Fund Deficit, End of Year	<u>(\$523,058.02)</u>	<u>(\$ 522,114.83)</u>

	<u>Federal</u>	<u>Institutional</u>	<u>Total</u>
<u>Capital Fund Balance</u>			
Fund Balance, Beginning of Year	\$1,357,184.00	\$151,817.57	\$1,509,001.57
Add Contributions:			
July 1, 1979 - June 30, 1980	69,728.00	5,568.00	75,296.00
July 1, 1980 - June 30, 1981	<u>90,000.00</u>	<u>10,000.00</u>	<u>100,000.00</u>
Capital Fund Balance, End of Period <u>1/</u>	<u>\$1,516,912.00</u>	<u>\$167,385.57</u>	<u>\$1,684,297.57</u>

Schedule 5

1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 SCHEDULE OF DISTRIBUTION OF ADMINISTRATIVE EXPENSES CLAIMED  
 (NDSLIP, CWSP, SEOGP AND BEOGP)  
 FISCAL YEAR 1981

Program	Administration Expenses Claimed	Distribution of Charges For Administrative Expenses Claimed			
		NDSLIP	CWSP	SEOGP	BEOGP
National Direct Student Loan Program	\$ 7,681.32	\$ 7,681.32	\$ -0-	\$ -0-	\$ -0-
College Work-Study Program	3,937.50	3,937.50	-0-	-0-	-0-
Supplemental Educational Opportunity Grants Program	3,511.67	3,103.98	-0-	407.69	-0-
Basic Educational Opportunity Grant Program	<u>5,720.00</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,720.00</u>
Totals	<u>920,850.49</u>	<u>914,722.80</u>	<u>\$ -0-</u>	<u>\$ 407.69</u>	<u>\$5,720.00</u>

Schedule 6

GLENVILLE STATE COLLEGE  
 COLLEGE WORK-STUDY PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1981 1/

	<u>Per</u> <u>OE 646</u>	<u>As</u> <u>Audited</u>
<b>Additions:</b>		
Total Grant Award Authorization	\$60,000.00	\$60,000.00
Authorization Transferred From SEOGP	<u>3,000.00</u>	<u>3,000.00</u>
Total Federal Funds Provided	\$63,000.00	\$63,000.00
Funds Provided by Institution	<u>15,750.00</u>	<u>15,750.00</u>
 Total Addition	 <u>\$78,750.00</u>	 <u>\$78,750.00</u>
<b>Deductions:</b>		
Wages:		
On Campus:		
Federal Share	\$63,000.00	\$63,000.00
Institutional Share	<u>15,750.00</u>	<u>15,750.00</u>
 Total Deductions	 <u>\$78,750.00</u>	 <u>\$78,750.00</u>
 Net Increase For the Year	 \$ -0-	 \$ -0-
 Fund Balance, Beginning of Year	 <u>2,265.97</u>	 <u>2,265.97</u>
 Fund Balance, End of Year	 <u>\$ 2,265.97</u>	 <u>\$ 2,265.97</u>

Schedule 7

1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENVILLE STATE COLLEGE  
 COLLEGE WORK-STUDY PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1980 1/

	<u>Per</u> <u>OE 646</u>	<u>As</u> <u>Audited</u>
<b>Additions:</b>		
Total Grant Award Authorization	\$41,093.00	\$41,093.00
Authorization Transferred to SEOGP	(4,109.00)	(4,109.00)
Authorization Not Used	(656.00)	(656.00)
Net Federal Funds Provided	<u>\$36,328.00</u>	<u>\$36,328.00</u>
Funds Provided by Institution	<u>10,273.00</u>	<u>10,273.00</u>
 Total Additions	 <u>\$46,601.00</u>	 <u>\$46,601.00</u>
<b>Deductions:</b>		
Wages:		
On Campus:		
Federal Share	\$35,178.00	\$35,178.00
Institutional Share	9,985.74	9,985.74
Administrative Expenses	<u>1,805.81</u>	<u>1,805.81</u>
 Total Deductions	 <u>\$46,969.55</u>	 <u>\$46,969.55</u>
 Net (Decrease) For the Year	 (\$ 368.55)	 (\$ 368.55)
 Fund Balance, Beginning of Year	 <u>2,634.52</u>	 <u>2,634.52</u>
 Fund Balance, End of Year	 <u>\$ 2,265.97</u>	 <u>\$ 2,265.97</u>

Schedule 8

1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENNVILLE STATE COLLEGE  
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1981 1/

	<u>Per</u> <u>OE 646</u>	<u>As</u> <u>Audited</u>
<b>Additions:</b>		
Total Grant Award Authorization	\$73,641.00	\$73,641.00
Authorization Transferred to CWSP	<u>(3,000.00)</u>	<u>(3,000.00)</u>
Total Additions	<u>\$70,641.00</u>	<u>\$70,641.00</u>
<b>Deductions:</b>		
Initial Awards	\$35,067.31	\$35,067.31
Continuing Awards	35,166.00	35,166.00
Administrative Expenses*	<u>407.69</u>	<u>407.69</u>
Total Deductions	<u>\$70,641.00</u>	<u>\$70,641.00</u>
Net Increase For the Year	\$ -0-	\$ -0-
Fund Balance, Beginning of Year	<u>-0-</u>	<u>-0-</u>
Fund Balance, End of Year	<u>\$ -0-</u>	<u>\$ -0-</u>

\* Balance of Administrative Expenses Earned, \$3,103.98, was charged to NDSLFP (See Schedule 6).

Schedule 9

1/ The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report, ED Form 646

GLENNVILLE STATE COLLEGE  
 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1980 1/

	Per OE 646	As <u>Audited</u>
<b>Additions:</b>		
Total Grant Award Authorization	\$74,558.00	\$74,558.00
Authorization Transferred From CWSP	4,109.00	4,109.00
Additional Federal Funds Deposited	<u>1,082.00</u>	<u>1,082.00</u>
<b>Total Additions</b>	<b><u>\$79,749.00</u></b>	<b><u>\$79,749.00</u></b>
<b>Deductions:</b>		
Initial Awards	\$36,305.00	\$36,305.00
Continuing Awards	39,337.00	39,337.00
Administrative Expenses:		
For Fiscal Year 1980	3,025.00	3,025.00
For Fiscal Year 1979	<u>1,082.00</u>	<u>1,082.00</u>
<b>Total Deductions</b>	<b><u>\$79,749.00</u></b>	<b><u>\$79,749.00</u></b>
<b>Net Increase For the Year</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>Fund Balance, Beginning of Year</b>	<u>-0-</u>	<u>-0-</u>
<b>Fund Balance, End of Year</b>	<b><u>\$ -0-</u></b>	<b><u>\$ -0-</u></b>

Schedule 10

1/The Amounts Reported Agree With the Figures Reported on the Fiscal-Operations Report ED Form 646

GLENVILLE STATE COLLEGE  
 BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1981 1/

	<u>Per</u> <u>255-3</u>	<u>As</u> <u>Audited</u>
<b>Additions:</b>		
Current Approved Authorization	\$498,644.00	\$498,644.00
Recoveries For Previous Fiscal Year	250.00	250.00
Additional Federal Funds Deposited	<u>5,281.55</u>	<u>5,281.55</u>
Total Additions	<u>\$504,175.55</u>	<u>\$504,175.55</u>
<b>Deductions:</b>		
Net Awards to Students	\$498,187.39	\$498,187.39
Administrative Expenses	<u>5,720.00</u>	<u>5,720.00</u>
Total Deductions	<u>\$503,907.39</u>	<u>\$503,907.39</u>
Net Increase For the Year	\$ 268.16	\$ 268.16
Fund Balance, Beginning of Year	<u>250.00</u>	<u>250.00</u>
Fund Balance, End of Year	<u>\$ 518.16</u>	<u>\$ 518.16</u>

Schedule 11

1/The Amounts Reported Agree With the Figures Reported on the Institutional Progress Reports, ED Form 255-3

GLENVILLE STATE COLLEGE  
 BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM  
 STATEMENT OF CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 1980 1/

	<u>Per</u> <u>255-3</u>	<u>As</u> <u>Audited</u>
<b>Additions:</b>		
Current Approved Authorization	\$490,380.00	\$490,380.00
Additional Federal Funds Deposited	<u>250.65</u>	<u>250.65</u>
Total Additions	<u>\$490,630.65</u>	<u>\$490,630.65</u>
<b>Deductions:</b>		
Net Awards to Students	<u>\$490,380.65</u>	<u>\$490,380.65</u>
Total Deductions	<u>\$490,380.65</u>	<u>\$490,380.65</u>
Net Increase For the Year	\$ 250.00	\$ 250.00
Fund Balance, Beginning of Year	<u>-0-</u>	<u>-0-</u>
Fund Balance, End of Year	<u>\$ 250.00</u>	<u>\$ 250.00</u>

Schedule 12

1/The Amounts Reported Agree With the Figures Reported on the Institutional Progress Report, ED Form 255-3



STATE OF WEST VIRGINIA

OFFICE OF LEGISLATIVE AUDITOR, TO WIT:

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

Given under my hand this 4<sup>th</sup> day of May,  
1982.

  
Encil Bailey, Legislative Auditor

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