

GRAMBLING STATE UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/13/02

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**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Dr. Neri F. Warner, Acting President
Grambling State University
Grambling, Louisiana 71245

We were engaged to audit the accompanying Schedule of Expenditures of Federal Awards of Grambling State University (the University) for the year ended June 30, 2001. The Schedule of Expenditures of Federal Awards is the responsibility of the management of the University. The accompanying Schedule of Expenditures of Federal awards is not a part of the University's component unit financial statements for the year ended June 30, 2001. The component unit financial statements are audited by the State of Louisiana Legislative Auditor (the Legislative Auditor).

For the years ended June 30, 2000 and 1999, the Legislative Auditor has issued a disclaimer of an opinion on the general purpose financial statements due to uncertainties about the completeness of the financial records. We have also issued a disclaimer of an opinion on the June 30, 2000 and 1999 Schedule of Expenditures of Federal Awards because of the same uncertainties pertinent to federal, state and local grant expenditures. For the year ended June 30, 2001, the Legislative Auditor was unable to express, and did not express an opinion on the general purpose financial statements for the year ended June 30, 2001.

Due to these previously noted conditions, we are still uncertain that accounting transactions were accurately recorded to the accounting records, which result in risks of misclassification of accounts and incorrect postings of amounts and risks that transactions and accounts that should be recorded in the Schedule of Expenditures of Federal Awards might be omitted. As such, we were unable to restrict such risks by performing sufficient substantive procedures to enable us to form an opinion regarding the amounts recorded as expenditures in the accompanying Schedule of Expenditures of Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)**

Dr. Neri F. Warner, Acting President
Grambling State University
Grambling, Louisiana 71245
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Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Schedule of Expenditures of Federal Awards.

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2002 on our consideration of Grambling State University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of attempting an audit in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our engagement. Also, that report identified an instance of noncompliance and a reportable condition which was considered to be a material weakness.

We were engaged to audit the Schedule of Expenditures of Federal Awards for the purpose of forming an opinion on the Schedule of Expenditures of Federal Awards, taken as a whole. The supplementary data included in this report is presented for the purposes of additional analyses and is not a required part of the Schedule of Expenditures of Federal Awards. As discussed previously, the scope of our work was not sufficient to enable us to express an opinion on the Schedule of Expenditures of Federal Awards. Similarly, we are unable to express and do not express, an opinion on the accompanying supplementary data.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2002

Bruno & Tervalon LLP
Certified Public Accountants

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|--|---|---|------------------|
| <u>U.S. Agency for International Development</u> | | | |
| <i>Awards from a Pass-Through Entity</i> Through: United Negro College Fund International Development Partnership | N/A | 31123-IDF | \$ <u>45,599</u> |
| Total U.S. Agency for International Development | | | <u>45,599</u> |
| <u>U.S. Department of Commerce</u> | | | |
| <i>Direct Awards</i> Economic Adjustment Assistance | 11.307 | ----- | <u>42,391</u> |
| Total U.S. Department of Commerce | | | <u>42,391</u> |
| <u>U.S. Department of Defense</u> | | | |
| <i>Awards from a Pass-Through Entity</i> Through: Northrop Grumman Department of Defense High Performance Computing Program | N/A | 972-0383-07 | <u>24,200</u> |
| Total U.S. Department of Defense | | | <u>24,200</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|--|---|---|------------------|
| <u>U.S. Department of Defense, Continued</u> | | | |
| <u>U.S. Department of the Army</u> | | | |
| <i>Direct Awards</i> | | | |
| U.S. Army ROTC Cadet Command | DABT60-96-P-0420 | ----- | \$ <u>55,552</u> |
| Total U. S. Department of the Army | | | |
| <u>Office of Naval Research - U.S. Department of the Navy</u> | | | |
| <i>Research and Development Cluster</i> | | | |
| <i>Direct Awards</i> | | | |
| Parallel and Distributed Evaluation, Visualization and Reasoning to Advanced Distributive Interactive Simulation Technology | | | 1,123,564 |
| Sub-total | | | <u>1,123,564</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|---|---|---|-------------------|
| <u>U.S. Department of the Navy, Continued</u> | | | |
| <i>Research and Development Cluster, Continued</i> | | | |
| <i>Direct Awards</i> | | | |
| Basic and Applied Scientific Research | 12.300 | ----- | \$ <u>100,898</u> |
| Total U.S. Department of the Navy | | | <u>1,224,462</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| <i>Direct Awards</i> | | | |
| Historically Black Colleges and Universities Program | 14.237 | ----- | <u>25,952</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>25,952</u> |
| <u>U.S. Department of the Interior</u> | | | |
| <i>Direct Awards</i> | | | |
| Fish and Wildlife Management Assistance | 15.608 | ----- | <u>2,666</u> |
| Total U.S. Department of the Interior | | | <u>2,666</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|---|---|---|-----------------|
| <u>U.S. Department of Labor</u> | | | |
| <i>Direct Awards</i> | | | |
| Employment Services and Job Training | 17.249 | ----- | \$ 110,149 |
| <i>Awards From A Pass-Through Entity</i> | | | |
| <u>Through: Career Center of Union Parish Employment and Training Research and and Development Projects</u> | 17.248 | 31113 | 20,972 |
| <u>Through: Coordinating and Development Corporation Workforce Investment Act</u> | 17.255 | 31124-CDC | <u>3,483</u> |
| Total U.S. Department of Labor | | | <u>134,604</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|--|---|---|--------------------------|
| <u>National Aeronautics and Space Administration</u> <i>Awards from a Pass-Through Entity</i> Through: Howard University CSTEA HBCU Academic Research Consortium | N/A | NCC-5197 | \$ 56,747 |
| <u>Research and Development Cluster</u> <i>Direct Awards</i> Polymeizable Monomer Reactants | NCC3-512 | ----- | (2,962) |
| <u>Awards from a Pass-Through Entity</u> Through: New Mexico Highlands University NLO Polymers That Have Enhanced Thermal Stability Alliance for Non-Linear Optics | N/A N/A | NAG8-1392 NAG8-1708 | 50,120 <u>9,777</u> |
| Total National Aeronautics and Space Administration | | | <u>113,682</u> |
| <u>National Science Foundation</u> <i>Direct Awards</i> Education and Human Resources Academic Research Facilities and Implementation | 47.076 ST-1-960-2792 | ----- ----- | 32,681 <u>715,666</u> |
| Total National Science Foundation | | | <u>748,347</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|---|---|---|-----------------|
| <u>U.S. Department of Energy</u> | | | |
| <u>Research and Development Cluster</u> | | | |
| <u>Direct Awards</u> | | | |
| Fossil Energy Research and Development | 81.089 | ----- | \$ 16,313 |
| <u>Awards from a Pass-Through Entity</u> | | | |
| Through: Xavier University of Louisiana Magneto - Chemical Character Studies | N/A | DE-FG22 93PC96225 | <u>4,335</u> |
| Total U.S. Department of Energy | | | <u>20,648</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|---|---|---|--------------------------|
| <u>U.S. Department of Education</u> | | | |
| <i>Direct Awards</i> | | | |
| Higher Education - Institutional Aid | 84.031 | ----- | \$ 3,109,764 |
| Minority Science Improvement | 84.120 | ----- | 28,567 |
| Child Care Access | 84.335 | ----- | 7,215 |
| <i>Trio Cluster</i> | | | |
| <i>Direct Awards</i> | | | |
| Student Support Service | 84.042 | ----- | 208,587 |
| Upward Bound | 84.047 | ----- | 458,407 |
| <i>Awards From a Pass-Through Entity</i> | | | |
| Through: Concordia Parish School Board | 84.303 | 30245 | 40,487 |
| Through: Technology Innovation challenge Grants | 84.165A | S165A980035 | 46,369 |
| Through: Monroe City School System | | | |
| Through: Magnet Schools Assistance | | | |
| <i>Student Financial Assistance Cluster</i> | | | |
| <i>Direct Awards</i> | | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | ----- | 641,286 |
| Federal Family Education Loans | 84.032 | ----- | 19,785,864 |
| Federal Work-Study Program | 84.033 | ----- | 501,177 |
| Federal Pell Grant Program | 84.063 | ----- | <u>7,512,769</u> |
| Total U.S. Department of Education | | | <u>32,340,492</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PASS-THROUGH ENTITY'S NUMBER</u> | <u>ACTIVITY</u> |
|---|---|---|----------------------------|
| <u>U.S. Department of Health and Human Services</u> | | | |
| <i>Direct Awards</i> | | | |
| Mental Health National Research Service Awards | 93.282 | ----- | \$ 233,860 |
| Research for Mothers and Children | 93.865 | ----- | 88,783 |
| Minority Access to Research Careers | 93.880 | ----- | 154,583 |
| Partnership for Minority Access to Baccalaureate | 2R256M51773-02 | ----- | 126,014 |
| MBRS Program at Grambling | 551466MO4531-08 | ----- | 146,040 |
| Special Minority Initiative | 93.960 | ----- | 23,961 |
| <i>Awards from a Pass-through Entity</i> | | | |
| <u>Through: National Youth Sports Program</u> | | | |
| Community Services Block Grants- | | | |
| Discretionary Awards | 93.570 | 98-261 | <u>74,443</u> |
| Total U.S. Department of Health and Human Services | | | |
| | | | <u>847,684</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$35,626,279</u> |

The accompanying notes are an integral part of this Schedule.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - General:

Grambling State University (GSU) located in Grambling, Louisiana is an institution of higher education founded in 1901.

The University is a multi-purpose state supported co-education institution with degree-granting academic units which include the following:

- College of Business;
- College of Education;
- School of Social Work;
- School of Nursing;
- Division of Graduate Studies;
- Division of Academic Support Services;
- College of Science Technology; and
- College of Liberal Arts.

As defined by Government Accounting Standards Board Statement Number 14, **the University** is a component unit of the State of Louisiana (the Financial Reporting Entity) within the executive branch of government and is governed by the Board of Trustees for State Colleges and Universities.

The University has an enrollment of approximately 5,622 students and is accredited by the Southern Association of Colleges and Schools and the National Council for Accreditation of Teachers Education.

Grambling State University is the recipient of various Federal grants, subgrants and awards from the U.S. Department of Education, the Department of Health and Human Services, the State of Louisiana and other agencies to assist in achieving a higher level of learning for its student body. Total direct federal and federal awards passed through other agencies amounted to more than \$36,516,620 for the fiscal year July 1, 2000 through June 30, 2001. Included in this amount is funding for the Student Financial Aid Program Cluster which totaled \$28,441,096 and includes loans to students under the Federal Family Education Loan Program (\$19,785,864).

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 1 - General, Continued:

Student Financial Aid

Grambling State University was approved during January, 1959 by the then Office of Education for participation in the Student Financial Aid Programs. These programs include the Federal Perkins Program, Nursing Student Loan Program, Federal Work Study Program (FWS), Federal Supplemental Education Opportunity Grant Program (FSEOG), Federal PELL Grant and the Federal Family Education Student Loan Program (FFEL). Listed below is a brief description of the Student Aid Programs administered by the University.

o Federal Perkins Loan Program

The University entered into an agreement to establish a NDSL program under the National Defense Education Act of 1958, which was transferred in 1972 to Title IV Part 674 of the Higher Education Act of 1965. Beginning with the 1987-88 award year, the NDSL Program was renamed the Perkins Loan Program in honor of the late Carl D. Perkins, former chairman of the House Education and Labor Committee. The records of the institution indicate that loans aggregating \$7,925,563 have been made to 9,044 students since the establishment of the program at the Institution.

o Nursing Student Loan Program (NSL)

The University entered into an agreement with the U.S. Department of Health and Human Services to establish a Nursing Student loan program. The records of the institution indicate that loans aggregating \$367,941 have been made to students. **The University's** participation in the Nursing Student Loan program was terminated due to the high default rate.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 1 - General, Continued:

o Federal Work-Study Program

The University established the FWS Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2001, federal expenditures totaled \$501,177, of which \$23,866 was for administrative costs and \$477,311 for wages.

The University elected and received approval from the Department of Education to waive the institutional matching requirement for the Federal Work Study program's approved funding level for the fiscal year ended June 30, 2001. The University was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

o FSEOG Program

The FSEOG Program was established at the University in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2001, awards made from Federal funds aggregated \$641,286 and the University recorded indirect costs of \$30,537.

The University received approval from the Department of Education to waive the institutional matching requirement for the FSEOG program.

o Federal PELL Grant Program

The Institution entered into an agreement with the Office of Education to participate in the Federal PELL Grant Program. This program provides eligible students with a foundation of financial aid to help defray the costs of post secondary education. During the year \$7,512,769 was expended for Federal PELL Grant awards to full-time and part-time students. The University received an administrative cost reimbursement of \$14,725.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 1 - General, Continued:

o Federal Family Education Loan Program

The Federal Family Education Loan program enables eligible undergraduate students to borrow directly from a bank or other lending institution. During the current year, approximately \$19,785,864 was disbursed to students under the Federal Family Education Loan program. The Federal Family Education Loan Program's Cohort default rate is 16.3 percent. As such, the University has developed and implemented a Default Management Plan to reduce the default rate among students.

The Student Financial Aid programs are administered by the University's Financial Aid Department. All accounting for the Student Financial Aid programs is performed by the University's Accounting Department. Accounting is under the control of the Vice President for Finance and Financial Aid reports to the Vice-President for Enrollment Management and Academic Services.

NOTE 2 - Basis of Presentation and Accounting:

The information in the Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the *basic* financial statements.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 2 - Basis of Presentation and Accounting, Continued:

The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of **Grambling State University** for the year ended June 30, 2001 which have been financed principally by the U. S. Government (federal awards). For purposes of the schedule, federal awards include all Federal assistance and procurement relationships entered into directly between the **University** and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of the **University**, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures, and other changes of the **University**.

The Schedule of Expenditures of Federal Awards is presented on the modified accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs):

The Perkins Loan Program Fund is operated by the Institution under an agreement with the United States Department of Education. The accounts of the Program are included among the Loan Funds of the **University**.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

The University made loans to students of \$267,244 during the year ended June 30, 2001 using reprogrammed funds. The Program is financed by contributions from the Department of Education which are matched, at a ratio of one-to-three, by contributions from the University. However, the University will not receive federal capital contributions since the University's default rate exceeds 20%. Strategies specified in the Default Management Plan will be implemented for the Federal Perkins Loan program in order to lower the default rate. In addition, the University will implement the following strategies:

- Process the monthly Activity Reports in an aggressive manner from the billing agency, EFG Technologies, in identifying borrowers who are more than 30 days delinquent. Borrowers whose accounts are seriously delinquent will be submitted to the State Attorney General's (AG) Office for collection.
- Implement a signed contract with another collection agency to collect on accounts that have been returned from the AG's Office.

The contributions made to the Program and loans due to the program are as follows:

| <u>Funding Source</u> | <u>Period from Inception to June 30, 2001</u> | <u>For the Year Ended June 30, 2001</u> |
|-----------------------|---|---|
| Federal | \$3,737,084 | \$-0- |
| University | <u>415,232</u> | <u>-0-</u> |
| Total | <u>\$4,152,316</u> | <u>\$-0-</u> |

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

Analysis of Loans Receivable

| | Period from Inception to <u>June 30, 2001</u> | For the Year Ended June 30, <u>2001</u> |
|---|---|---|
| Balance, beginning of period/year | \$ -0- | \$1,820,763 |
| Funds advanced | <u>7,925,563</u> | <u>267,244</u> |
| Total | <u>7,925,563</u> | <u>2,088,007</u> |
| Less: | | |
| Collections | 3,477,129 | 117,777 |
| Cancellations: | | |
| Teaching service | 710,077 | 6,903 |
| Death | 37,620 | 1,794 |
| Bankruptcy | 68,821 | (3,575) |
| Military | 225 | -0- |
| Defaulted loan principal assigned to Federal Government | 1,324,527 | 4,855 |
| Other principal adjustments | <u>347,032</u> | <u>121</u> |
| Total credits | <u>5,965,431</u> | <u>127,875</u> |
| Balance, June 30, 2001 | <u>\$1,960,132</u> | <u>\$1,960,132</u> |

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

The Nursing Student Loan Program is operated by the Institution under an agreement with the Department of Health and Human Services. The accounts of the program are included among the Loan Funds of the University.

The University did not make any loans to students for the year ended June 30, 2001.

The program was financed by contributions from the U.S. Department of Health and Human Services, which were matched, at a ratio of one-to-nine by contributions from the University. However, during the year ended June 30, 1997, the University was notified by the Department of Health and Human Services that the program was terminated due to the high default rate. The contributions made to the program, repayments to the federal government and loans receivables are as follows:

Analysis of Contributions

| <u>Funding Source</u> | <u>Period from Inception to June 30, 2001</u> | <u>For the Year Ended June 30, 2001</u> |
|-----------------------|---|---|
| Federal | \$318,176 | \$-0- |
| University | <u>35,353</u> | <u>-0-</u> |
| Total | <u>\$353,529</u> | <u>\$-0-</u> |

Analysis of Repayments

Funding Source

| | | |
|------------|------------------|-----------------|
| Federal | \$103,192 | \$13,813 |
| University | <u>-0-</u> | <u>-0-</u> |
| Total | <u>\$103,192</u> | <u>\$13,813</u> |

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 3 - Program Organization and Financing-(Perkins and Nursing Student Loan Programs), Continued :

Analysis of Loans Receivable

| | Period from Inception to <u>June 30, 2001</u> | For the Year Ended June 30, <u>2001</u> |
|--------------------------------------|---|---|
| Balance, beginning of period/year | \$ -0- | \$256,640 |
| Funds advanced | <u>367,941</u> | <u>-0-</u> |
| Total | <u>367,941</u> | <u>256,640</u> |
| Less: Collections | 125,614 | 14,813 |
| Adjustments | 500 | -0- |
| Cancellations | <u>15,347</u> | <u>15,347</u> |
| Total credits | <u>141,461</u> | <u>30,160</u> |
| Balance, June 30, 2001 | <u>\$226,480</u> | <u>\$226,480</u> |

NOTE 4 - Department of Education Loan:

The University of Louisiana System Board of Trustees has signed a loan agreement, on behalf of the University, with the U.S. Secretary of Education in the amount of \$3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3% per annum on the unpaid balance. The principal and interest shall be payable in semi-annual installments of \$88,877 over a term of 30 years. The payments are to commence at the point any of the new dormitories become revenue-producing.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 4 - Department of Education Loan, Continued

As of June 30, 2001, the outstanding loan balance is \$2,893,154. Payments totaling \$88,953 were made during the year. This balance is disclosed in the Schedule of Disclosures for Federally Assisted Loans.

NOTE 5 - Supplementary Financial Information:

The Schedule of Disclosures for federally assisted loans summarizes the amount of loans made or disbursed during the year for the Federal Family Education Student Loan Program, College Housing Facilities Loans, the Perkins Loan, the NSL Programs and the Department of Education. Additionally, the Schedule summarizes the amount of principal and interest canceled (military and teacher) for the National Defense/Perkins Loan Program.

The Schedule of Fixed Price Contracts summarizes the total amount of revenues received under fixed-price contracts.

The Schedule of Secondary Subrecipients of major Federal Programs represent disbursements of major program funds to non-state of Louisiana subrecipients.

The Schedule of State Agency/University subrecipients of Federal programs represent disbursement of federal funds to State of Louisiana agencies.

The Schedule of Inter-Agency Expenditures of Federal Awards summarizes federal expenditures financed by the State of Louisiana with funds received from the federal government.

GRAMBLING STATE UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

NOTE 6 - Contingencies:

Participation in Grant Programs

The University administers and participates in certain federal and state programs as disclosed in the Schedule of Expenditures of Federal Awards. In connection with the administration and operations of these grants, the University is to expend grant funds and allocations in accordance with program guidelines and regulations. However, should the University have operated/administered the programs and/or grants in a manner which would be in non-compliance with the guidelines and regulations, the University may be required by the funding sources to repay some portion or all of the grant award.

Our audit disclosed certain items or transactions as findings. The accompanying Schedule of Expenditures of Federal Awards has not been adjusted for disallowed costs that could result from those items. The ultimate resolution or determination as to whether the costs will be allowable or unallowable under the affected grants will be made by the various funding sources.

NOTE 7 - Major Federal Financial Assistance Programs:

Grambling State University major federal financial assistance programs for the year ended June 30, 2001 were determined on a State level based upon program activity. Such programs are the Student Financial Assistance Cluster, Trio Cluster, Child Welfare Grant, and the Research and Development Cluster.

NOTE 8 - Private Grants:

The University expended \$189,288 for activities associated with private grants for the year ended June 30, 2001.

SCHEDULE I

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF DISCLOSURES FOR FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2001**

| <u>Program Name/Title</u> | <u>Federal CFDA NO.</u> | <u>Loans Made or Disbursed During Year</u> | <u>Outstanding Loan Balance</u> | <u>Principal and Interest Cancelled</u> |
|--|-------------------------|--|---------------------------------|---|
| Federal Family Education Loan Program | 84.032 | <u>\$19,785,864</u> | N/A | N/A |
| Perkins Loan Program | 84.038 | <u>\$267,244</u> | <u>\$1,960,132</u> | N/A |
| Nursing Student Loan Program | 93.364 | <u>\$-0-</u> | <u>\$226,480</u> | N/A |
| College Housing and other Facilities Loans | 84.142 | N/A | <u>\$1,676,000</u> | N/A |
| National Defense/ Perkins Loans Military and Teacher Cancellations for Loans Made: | | | | |
| Prior to July 1, 1972 | 84.037 | N/A | N/A | \$-0- |
| After July 1, 1972 | 84.037 | N/A | N/A | <u>\$6,970</u> |
| Department of Education - Housing Act of 1950 | — | N/A | <u>\$2,893,154</u> | N/A |

See the Independent Auditors' Report on Supplementary Information.

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF FIXED PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2001**

| <u>Program Name</u> | <u>CFDA No.</u> | <u>Grantor</u> | <u>Period</u> | <u>Revenues</u> |
|---------------------|-----------------|----------------|---------------|-----------------|
| (1) | (1) | (1) | (1) | (1) |

- (1) Grambling State University did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 2001.

See the Independent Auditors' Report on Supplementary Information.

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF SECONDARY SUBRECIPIENTS
OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2001**

| <u>Federal Grantor</u> | <u>CFDA or Other Number</u> | <u>Program Name</u> | <u>Activity</u> | <u>Secondary Subrecipient</u> |
|--|---------------------------------|---|------------------|-----------------------------------|
| U.S. Department of the Army- Research and Development Cluster | DAAHO4- 95-1-0250 | Parallel and Distributed Evaluation | \$340,882 | Univ. of Houston |
| U.S. Department of the Army- Research and Development Cluster | DAAH04- 95-1-0250 | Parallel and Distributed Evaluation | 199,187 | Florida A&M |
| U.S. Department of the Army - Research and Development Cluster | DAAHO4 95-1-0250 | Parallel and Distributed Evaluation | <u>92,362</u> | Univ. of Central Florida |
| Total | | | <u>\$632,431</u> | |

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**GRAMBLING STATE UNIVERSITY
SCHEDULE OF STATE AGENCY/UNIVERSITY SUBRECIPIENTS
FOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2001**

| <u>Federal Grantor</u> | <u>CFDA or Other Number</u> | <u>Program Name</u> | <u>Activity</u> | <u>Secondary Subrecipient</u> |
|--|---------------------------------|---------------------------------------|-----------------|-----------------------------------|
| U.S. Department of Health and Human Services- National Institute of Health | 2R256M51 773-02 | Partnership for Minority Access | \$23,557 | Louisiana State University |
| U.S. Department of Health Services- National Institute of Health | 2R256M51 773-02 | Partnership for Minority Access | <u>47,407</u> | Southern University |
| Total | | | <u>\$70,964</u> | |

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE V

GRAMBLING STATE UNIVERSITY
SCHEDULE OF INTER-AGENCY EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001

| FEDERAL GRANTOR/ PROGRAM NAME | FEDERAL | | PRIMARY STATE AGENCY | CURRENT YEAR EXPENDITURES |
|--|-------------------------|--|------------------------------------|------------------------------|
| | CFDA OR OTHER NUMBER | | | |
| U.S. Department of Agriculture - Summer Food Service Program | 10.559 | | Department of Education | \$ 45,190 |
| U.S. Department of the Army-Center for Advanced Studies | 12.31109 | | Louisiana Tech | 30,910 |
| U.S. Department of Labor-Workforce Investment Act | 17.255 | | Northwestern State | 32,931 |
| U.S. Department of Labor - Welfare to Work Grants to States and Localities | 17.253 | | Department of Labor | 180,681 |
| U.S. Department of State - Program for Study of Eastern Europe and Independent States of Former Soviet Union | 19.300 | | Louisiana State University | 47,416 |
| U.S. Department of Transportation-Safe and Sober Campaign | 20.0191-57 | | Governor's Highway Safety | 10,257 |
| National Aeronautics and Space Administration - La Space | 43.RI01537 | | Louisiana State University | 2,500 |
| National Science Foundation - Mathematical and Physical Science | 47.049 | | Board of Regents | 249,589 |
| National Science Foundation -Tech/GSU JFAB | 47.EPS9720652 | | Board of Regents | 49,858 |
| U.S. Department of Energy - State Energy Program | 81.041 | | Department of Natural Resources | 83,329 |

See the Independent Auditors' Report on Supplementary Information.

SCHEDULE V

GRAMBLING STATE UNIVERSITY
SCHEDULE OF INTER-AGENCY EXPENDITURES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2001

| <u>FEDERAL GRANTOR/ PROGRAM NAME</u> | <u>FEDERAL CFDA OR OTHER NUMBER</u> | <u>PRIMARY STATE AGENCY</u> | <u>CURRENT YEAR EXPENDITURES</u> |
|---|---|---|--------------------------------------|
| U.S. Department of Energy - Office of Science Finance Assistance Program | 81.049 | University of Louisiana at Lafayette | \$ 17,848 |
| U.S. Department of Energy - University Coal Research | 81.057 | University of Louisiana at Lafayette | (3,456) |
| U.S. Department of Health and Human Services- Child Welfare | 93.658 | Department of Social Services | 105,233 |
| Corporation for National and Community Service - Ameri Corps | 94.006 | Department of Education | <u>38,055</u> |
| | | | <u>\$890,341</u> |

See the Independent Auditors' Report on Supplementary Information.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Dr. Neri F. Warner, Acting President
Grambling State University
Grambling, Louisiana

We were engaged to audit the Schedule of Expenditures of Federal Awards of **Grambling State University (the University)** as of and for the year ended June 30, 2001. We were required to conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A disclaimer of opinion was issued by the State of Louisiana Legislative Auditor (the Legislative Auditor) on the general purpose financial statements for the years ended June 30, 2001, 2000 and 1999. Therefore, we are still uncertain about the completeness of the financial records pertinent to federal, state and local grant expenditures. Because of this condition we were not able to apply the foregoing standards resulting in our disclaiming an opinion on the Schedule of Expenditures of Federal Awards.

Compliance

As part of our attempt to obtain reasonable assurance about whether the University's Schedule of Expenditures of Federal Awards is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2001-01.

Internal Control Over Financial Reporting

In planning and attempting to perform our audit, except for System III Loan Servicing Information System internal control categories at the University's contracted Service Center in connection with processing transactions for the NDSL/Perkins and Nursing Student Loan programs, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedule of Expenditures of Federal Awards and not to provide assurance on the internal control over financial reporting. However, because of uncertainties about the completeness of accounting records pertinent to federal, state and local grant awards, the scope of our work was not sufficient to express, and we do not express, an opinion on the Schedule of Expenditures of Federal Awards and related notes. We noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the University's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2001-01.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Schedule of Expenditures of Federal Awards being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

For the information system internal control categories at the contracted Service Bureau, another accountant performed procedures to obtain reasonable assurance about whether (1) the description of controls related to the System III Loan Servicing System application of EFG Technologies present fairly, in all material respects, the aspects of EFG Technologies' controls that may be relevant to a user organization's internal control structure as it relates to an audit of the financial statements, (2) the controls included in the description were suitably designed to achieve the control objectives specified in the description, if those controls were complied with satisfactory, and (3) such controls had been placed in operation as of June 30, 2001. The other accountants' report has been furnished to us as of our report issuance date in which an unqualified opinion was expressed regarding the previous noted controls.

Also, we noted that other accountants for the Service Bureau expressed an unqualified opinion on specific controls tested.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

(CONTINUED)

This report is intended solely for the information and use of the President, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2002



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Dr. Neri F. Warner, Acting President
Grambling State University
Grambling, Louisiana

Compliance

We were engaged to audit the compliance of **Grambling State University (the University)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. **The University's major federal programs are identified in the Summary of Independent Auditors' results section of the accompanying Schedule of Findings and Questioned Costs.** Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **University's management.** We were responsible for expressing an opinion on the **University's compliance** based on our being engaged to perform an audit.

We were required to conduct our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

As described in Schedule III, audit finding 2001-02 in the accompanying schedule of findings and questioned costs, we are still uncertain about the completeness of the financial records, which result in greater risks of misclassification of accounts and incorrect postings of amounts, and greater risks that transactions and accounts that should be recorded to federal programs might be omitted. As such, we were unable to perform sufficient audit procedures with regard to financial related compliance matters to determine whether all Student Financial Aid Cluster, Trio Cluster, Child Welfare and Research and Development major programs federal amounts were accurately reported and calculated properly in accordance with federal cost principles and related Departments of Education, Navy and Health and Human Services regulations, whether indirect cost amounts are correct, whether accurate costs were charged during the period of availability, whether cash drawdowns were proper, whether federal financial reports accurately reflect the financial activities of the federal programs, and whether certain special tests were performed accurately.

Because of the nature and magnitude of the potential effect of the previously noted financial related compliance matters, their indirect effect on certain programmatic compliance matters, and by their significance to each major program, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on whether the University complied, in all material respects, with the types of requirements described in OMB Circular A-133 Compliance Supplement.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

However, the results of our attempt to perform auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as audit findings 2001-03, 2001-04, 2001-05.

We did not audit the University's compliance with certain regulations governing the processing of student loans for the NDSL/Perkins and Nursing Student Loans programs as set forth therein relative to participation in the Federal Student Financial Assistance Programs. Those administrative requirements govern functions performed by the Service Bureau. Since we did not apply auditing procedures to satisfy ourselves regarding compliance with those requirements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on compliance with those requirements.

The Service Bureau's compliance assertions with respect to its servicing of the Federal Perkins and Nursing Student Loan programs was examined by another accountant, whose report was furnished to us as of our report issuance date. Based on our review of the other accountant's report, we have determined that all of the compliance requirements included in the OMB Circular A-133 Compliance Supplement that are applicable to the programs in which the University participates are addressed in either our report or the report of the other accountant. The independent accountant indicated that no findings or questioned costs were noted as a result of the compliance attestation examination on the Service Bureau.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and attempting to perform our audit, except for the functions performed at the University's contracted Service Bureau in connection with processing transactions for the NDSL/Perkins and Nursing Student Loan programs, we considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of attempting to express an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

For the internal control over compliance categories at the Service Center, another accountant examined management's assertions with respect to establishing internal control systems that assured compliance with reporting, Perkins and Nursing Student Loan collections and due diligence, and servicer eligibility. The other accountant's report has been furnished to us as of our report issuance date.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the University's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2001-02, 2001-03, 2001-04 and 2001-05.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider all of the reportable conditions described above to be material weaknesses.

Also, we noted that another accountant for the Service Bureau indicated that there were no findings or questioned costs noted during the current year's attestation examination.

This report is intended solely for the information and use of the President, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2002

SCHEDULE I

SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2001

1. Type of report issued on the financial statements: Disclaimer .
2. Did the audit disclose any reportable conditions in internal control: Yes .
3. Were any of the reportable conditions material weaknesses: Yes .
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization: Yes .
5. Did the audit disclose any reportable conditions in internal control over major programs: Yes .
6. Were any of the reportable conditions in internal control over major programs material weaknesses: Yes .
7. Type of report issued on compliance for major programs: Disclaimer ..
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 510(a): Yes .

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2000

9. The following is an identification of major programs:

| <u>CFDA Number</u> | <u>Federal Program</u> |
|------------------------|---|
| 12.DAAH-04-95-1-0250 | Parallel and Distributed Evaluation - Research and Development Grant |
| 12.300 | Basic and Applied Scientific Research |
| 84.042 | Trio-Student Support Service |
| 84.047 | Trio-Upward Bound |
| 84.007 | Federal Supplemental Education Opportunity Grants |
| 84.032 | Federal Family Education Loans |
| 84.033 | Federal Work-Study Program |
| 84.063 | Federal Pell Grant Program |
| 84.038 | Federal Perkins Loan Program |
| 93.364 | Nursing Student Loans |
| 93.CFMS 545709 | Child Welfare Grant |

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

| <u>Program</u> | <u>Amount</u> |
|----------------|--|
| Type A | Major Programs are determined on a State level. |

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 530:
No.

SCHEDULE II
FINANCIAL STATEMENT FINDINGS

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FINANCIAL STATEMENTS FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

Audit Finding Reference Number

2001-01 – Financial Management System

CRITERIA

OMB Circular A-110 specifies that financial management systems of the University must provide accurate, current and complete disclosure of the financial results of each federally-sponsored project or program and provide records that adequately identify the source and application of funds for federally-sponsored activities.

CONDITIONS

For the years ended June 30, 2001, 2000 and 1999 a disclaimer of opinion has been issued by the State of Louisiana Legislative Auditor on the general purpose financial statements. Also, we issued a disclaimer of opinion on the Schedule of Expenditures of Federal Awards because of uncertainties about the completeness of the financial records. Due to these conditions, we are still uncertain that accounting transactions were accurately recorded to the accounting records.

RECOMMENDATION

We recommend that management of the University continue in their efforts to ensure a federal and state compliant financial management system (the System) is implemented and that all accounting transactions are properly recorded to the System.

SCHEDULE III

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

2001-02 - Financial Management and Information Systems

Federal Programs

U.S. Department of Defense
U.S. Department of Education
U.S. Department of Health and Human Services

CONDITIONS, EFFECT OF CONDITION AND RECOMMENDATIONS

As described in audit finding 2001-01, we are still uncertain that accounting transaction were accurately recorded and complete and that adequate information systems support and controls existed. Also, because of the noted failures, certain financially related compliance matters were effected such as allowable cost/cost principles, cash management, period of availability, reporting and special tests and provisions.

We recommend that management of the University continue in their efforts to ensure a federal and state compliant financial management system is implemented and that all accounting transactions are properly recorded to the financial reporting module and adequate information systems controls and support exist.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

2001-03 - Federal Financial Reports

Federal Program and Specific Federal Award identification

CFDA TITLE AND NUMBER

| | |
|--------------------|---|
| DAAH04 - 95-1-0250 | Parallel and Distributed Evaluation, Visualization and Reasoning to Advanced Distributive Interactive Simulation Technology |
| CFDA 84.042 | TRIO - Student Support Service |
| CFDA 84.047 | TRIO - Upward Bound |
| CFDA 84.033 | Federal Work-Study Program |

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number, Continued

2001-03 - Federal Financial Reports

FEDERAL AWARD YEAR

June 30, 2001

FEDERAL AGENCIES

U.S. Department of Defense - Department of the Navy
U.S. Department of Education

PASS-THROUGH ENTITY

NONE

CRITERIA

OMB Circular A-133 Compliance Supplement Part 3, Section L stipulates that reports for federal awards shall include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with program requirements. Also, OMB Circular A-133 Compliance Supplement Part 4, Section L stipulates that cumulative drawdown amounts in the Grant Administration and Payment System should accurately reflect the grantee's actual disbursement of funds by award.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number, Continued

2001-03 - Federal Financial Reports

CONDITIONS AND PERSPECTIVE

We noted during our audit that certain grant expenditures reflected on the related federal financial reports submitted during the year ended June 30, 2001 did not agree in total to the University's records as follows:

| <u>Grant Name</u> | <u>CFDA/Contract Number</u> | <u>Total Amount Per Federal Reports</u> | <u>Total Per University's Records</u> | <u>Difference Over (Under)</u> |
|---|-----------------------------|---|---------------------------------------|--------------------------------|
| Parallel and Distributed Evaluation Student Support | DAAH04-95-1-0250 84.042 | \$1,222,469 155,013 | \$1,123,564 208,587 | \$ 98,905 (53,574) |

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number, Continued

2001-03 - Federal Financial Reports

CONDITIONS AND PERSPECTIVE, CONTINUED

| <u>Grant Name</u> | <u>CFDA/Contract Number</u> | <u>Total Amount Per Federal Reports</u> | <u>Total Per University's Records</u> | <u>Difference Over (Under)</u> |
|---------------------------|-----------------------------|---|---------------------------------------|--------------------------------|
| Upward Bound | 84.047 | \$ 523,260 | \$ 458,407 | \$ 64,853 |
| Federal Work-Study - 2001 | 84.033 | 592,091 | 501,177 | 90,914 |

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number, Continued

2001-03 - Federal Financial Reports

CAUSE

The University's accounting system did not provide the necessary financial information to ensure that certain federal financial reports were accurately prepared.

QUESTIONED COSTS

For purposes of this finding, we have not questioned any costs.

EFFECT

It appears that certain federal financial reports contained inaccurate financial information.

RECOMMENDATION

We recommend that management of the University continue in its efforts to correct the noted conditions and to ensure that accurate financial information is submitted to the federal government in the future.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

2001-04 - Special Reporting

Federal Program and Specific Federal Award Identification

CFDA TITLE AND NUMBER

| | |
|-------------|---|
| CFDA 84.038 | Federal Perkins Loan Program |
| CFDA 84.033 | Federal Work-Study Program (CWS) |
| CFDA 84.063 | Federal Pell Grant Program |
| CFDA 84.007 | Federal Supplemental Educational Opportunity Grant (SEOG) |

FEDERAL AWARD YEAR

June 30, 2001

FEDERAL AGENCY

U.S. Department of Education

PASS-THROUGH ENTITY

None

CRITERIA

OMB Circular A-133, Compliance Supplement Part 5, Student Financial Assistance Programs, Section III, Part L-3 (a) specifies that certain information per the Fiscal Operations Report and Application to Participate (the FISAP) must agree to certain accounting and programmatic records.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2001-04 - Special Reporting

CONDITIONS AND PERSPECTIVES

We noted during our audit that certain financial information reported on the FISAP did not agree to the University's accounting and programmatic records as follows:

| <u>PART NUMBER</u> | <u>DESCRIPTION</u> | <u>FISAP AMOUNT</u> | <u>AMOUNT PER UNIVERSITY'S RECORDS</u> |
|--------------------|-------------------------------------|---------------------|--|
| II, Section E | Pell Expenditures | \$7,515,795 | \$7,512,769 |
| III, Section A | Institutional Capital Contributions | 431,779 | 415,232 |
| III, Section A | Cancellations-Bankruptcy | 72,396 | 68,821 |
| | Cancellations-Death | 35,826 | 37,620 |
| Part IV, Section D | Administrative Cost-SEOG | -0- | 30,537 |
| Part V, Section D | Federal Share of Funds - CWS | 508,261 | 477,311 |
| | Administrative Cost | 69,313 | 23,866 |

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number, Continued

2001-04 - Special Reporting

CAUSE

Certain financial and programmatic information was erroneously transferred to the FISAP.

QUESTIONED COSTS

For purposes of this condition, we have not questioned any costs.

EFFECT

The University failed to properly report certain information to the Department of Education.

RECOMMENDATION

We recommend that management of the University adhere to established procedures and ensure that information reported on the FISAP is accurate.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

2001-05 - Return of Title IV Funds

Federal Program and Specific Federal Award Identification

CFDA Title Number

CFDA 84.063 - Federal Pell Grant Program

CFDA 84.032 - Federal Family Education Loan (FFEL)

Federal Award Year

June 30, 2001

Federal Agency

Department of Education

Pass-Through Entity

CRITERIA

OMB Circular A-133 Compliance Supplement, Part 5 Section N94) specifies that when a student receives Title IV assistance and withdraws from an institution, the institution must determine the amount of Title IV aid earned by the student as of the withdrawal date. The difference between any amount earned that is less than the amount disbursed must be returned to the Title IV program in accordance with the prescribed time frame.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number

2001-05 - Return of Title IV Funds, Continued

CONDITIONS AND PERSPECTIVE

We noted during our audit the following:

- Nine (9) students out of fifteen (15) tested whose Return of Title IV Funds calculations were not done within thirty (30) days of the student's withdrawal date;
- Four (4) students out of fifteen (15) tested whose Return of Title IV Funds calculations were done incorrectly. This resulted in an over payment by the University of \$326 and an overpayment by the student of \$330;
- Two (2) students out of fifteen (15) tested who had a grant over payment due and the University did not properly notify the student of the overpayment which totaled \$148, within 30 days;
- Twenty-seven (27) students who withdrew before the 60% point in enrollment and the University did not perform a Return of Title IV Funds calculation; and
- One (1) student out of fifteen (15) tested whereby the University did not process a post-withdrawal disbursement.

CAUSE

It appears that the University did not adhere to federal guidelines in processing certain refunds.

GRAMBLING STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE
(CONTINUED)

Audit Finding Reference Number

2001-05 - Return of Title IV Funds, Continued

QUESTIONED COSTS

For purposes of this condition, we have questioned costs totaling \$148 for the Pell Grant Program.

EFFECT

The University has not complied with Title IV regulations that specify if a student withdraws from school within a certain time frame a refund must be processed, calculated properly and remitted to the Title IV program in accordance with established time frames.

RECOMMENDATION

We recommend that management of the University ensure Title IV refunds are calculated in accordance with Title IV regulations.

GRAMBLING STATE UNIVERSITY

EXIT CONFERENCE

The audit report was discussed at an exit conference which was held with representatives of the University. Those individuals participating were as follows:

GRAMBLING STATE UNIVERSITY

| | | |
|----------------------|----|---|
| Dr. Neari F. Warner | -- | Acting President |
| Mr. Billy Owens, CPA | -- | Vice-President of Finance |
| Dr. Curtis A. Baham | -- | Associate Vice-President Academic Affairs |
| Mr. Barry Dalcomb | -- | Vice President Enrollment Management/Academic Services |
| Mr. Norman Jones | -- | Assistant Vice-President of Finance/Controller |
| Ms. Moroline Sanders | -- | Assistant Controller/Director of Grants Administration |
| Ms. Alvina Thomas | -- | Financial Aid Director |
| Ms. Anna Rugege | -- | Assistant Financial Aid Director |
| Ms. Sharon Reed | -- | Assistant Financial Aid Director |

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

| | | |
|---------------------------------|----|----------------------|
| Mr. Michael B. Bruno, CPA, CGFM | -- | Managing Partner |
| Mr. Sean Bruno, CPA | -- | Supervisor |
| Mr. Eric Griffin | -- | In-Charge Accountant |

The University's responses to the audit report are provided under a separate transmittal.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

September 30, 2002

**GRAMBLING STATE UNIVERSITY
AUDIT INFORMATION SCHEDULE**

Lead Auditor: BRUNO & TERVALON LLP, Certified Public Accountants
Michael B. Bruno, CPA, CGFM, Managing Partner
Edward J. Phillips, Jr., Senior Manager

License Number: I. 1218

Telephone Number: (504) 284-8733

The audit field work was performed between July 16, 2001 and September 30, 2002 at the institution's facilities as follows:

| <u>LOCATION</u> | <u>DESCRIPTION OF FACILITY (ADMIN. OR SFA OFFICES, MAIN CAMPUSES, ETC)</u> |
|--|--|
| Grambling State University (main campus) | Office of Student Financial Aid and Federal Grant office (main campus) |

Institution's Accrediting Organization: Southern Association of Colleges and Schools, and the National Council for Accreditation of Teacher Education.

The institution utilizes a SFA Servicer.

EFG Technologies, Inc.
2400 Reynolda Road
Winston-Salem, North Carolina 27106

The following functions are provided by this SFA Servicer:

1. Billing Students - Perkins Loans and Nursing Student Loans
2. Collection of Loan principal and interest - Perkins Loans and Nursing Student Loans
3. Processing of cancellations and deferments - Perkins Loans and Nursing Student Loans

A review of the Servicer's compliance with Title IV Regulations was performed by the Service Bureau's independent public accountant.

Records for the accounting and administration of the SFA programs are located at:

Grambling State University
Grambling, Louisiana 71245
Office of Student Financial Aid



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 30, 2002

Dr. Daniel G. Kyle, CPA, CFE
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

Enclosed are management's responses to the findings of the A-133 audit as conducted by Bruno & Tervalon, LLP.

Please feel free to contact me if there are questions or need for clarification.

Sincerely,

A handwritten signature in cursive script that reads "Neari F. Warner".

Neari F. Warner
Acting President

NFW:jj



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 29, 2002

Mr. Michael B. Bruno, CPA
Managing Partner
Bruno & Tervalon, LLP
4298 Elysian Fields Avenue
New Orleans, LA 70122

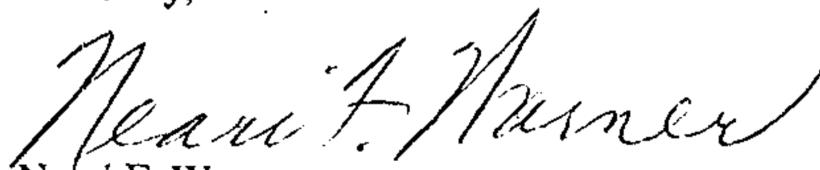
Dear Mr. Bruno:

Re: Audit Finding Reference Number: 2001-01 – Financial Management System

Management Response: Management concurs with the finding on maintaining current and accurate financial records. During FY 2000, the accounting records were reconstructed from FY 1998 through 2001 and adjusted accordingly. The University's records for 2002 are accurate and are maintained in accordance with federal rules and regulations and generally accepted accounting principles.

Under the overall directions of the Billy Owens, Vice President for Finance, and the immediate direction of Norman Jones, Associate Vice President for Finance and Controller, the University is updating and writing new policies and procedures to ensure full compliance with federal rules and regulations.

Sincerely,


Neari F. Warner
Acting President

NFW:jj



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 29, 2002

Mr. Michael B. Bruno, CPA
Managing Partner
Bruno & Tervalon, LLP
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Mr. Bruno:

Re: Audit Finding Reference Number: 2001-02 – Financial Management System

Management Response: Management concurs with the finding on maintaining current and accurate financial records. During FY 2000, the accounting records were reconstructed from FY 1998 through 2001 and adjusted accordingly. The University's records for 2002 are accurate and are maintained in accordance with federal rules and regulations and generally accepted accounting principles.

Under the overall directions of Billy Owens, Vice President for Finance, and the immediate direction of Norman Jones, Associate Vice President for Finance and Controller, the University is updating and writing new policies and procedures to ensure full compliance with federal rules and regulations.

Sincerely,

A handwritten signature in black ink that reads "Neari F. Warner". The signature is written in a cursive style with a large initial "N".

Neari F. Warner
Acting President

NFW:jj



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 29, 2002

Mr. Michael B. Bruno, CPA
Managing Partner
Bruno & Tervalon, LLP
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Mr. Bruno:

Re: Audit Finding Reference Number: 2001-03 – Federal Financial Reporting

Management Response: Management concurs with the finding that the financial reports did not agree with the University financial records for the fiscal year ended June 30, 2001. In March 2002, Ms. Moroline J. Sanders was hired as Assistant Controller/Director of Grants Administration. Under Ms. Sanders' directions, the following actions were taken:

- During fiscal year 2002, expenditures and receipts were reconciled for fiscal years ended 06/30/2000, 06/30/2001 and 06/30/2002. Management revised the grants financial reports to reflect actual expenditures posted to the general ledger as well as actual funds received by each sponsored agency.
- In April 2002, management implemented procedures to ensure that grants financial reports are prepared accurately and in a timely manner. The Grants Accountants prepare all financial reports and invoices. The Assistant Controller/Director of Grants Administration reviews all financial reports for accuracy before they are submitted to the Vice President for Finance and the sponsored agencies. Expenditures reported to sponsored agencies are supported by the University's general ledger, which is attached to a copy of the invoice or financial report and filed in the grant folder.
- Effective April 1, 2002, a reconciliation schedule was created to include grants expenditures, receipts and outstanding invoices. This schedule allows the University to monitor outstanding invoices and aggressively improve our collections efforts of unpaid invoices more than sixty days past due.

Sincerely,

A handwritten signature in cursive script that reads "Neari F. Warner". The signature is written in black ink and is positioned above the printed name and title.

Neari F. Warner
Acting President

NFW:jj



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 29, 2002

Mr. Michael B. Bruno, CPA
Managing Partner
Bruno & Tervalon, LLP
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Mr. Bruno:

Re: Audit Finding Reference Number: 2001-04 – Special Reporting

Management concurs with the finding that the FISAP for the year ended June 30, 2001 did not agree with the University accounting and programmatic records. During the two-year audit for the years ended June 30, 2001 and 2002, where accounting records were reconstructed, it was determined that prior year FISAPs should be revised. Under the directions of the new Assistant Controller/ Director of Grants Administration the following action was taken:

- During September 2002, the University revised the FISAP for the year ended June 30, 2001 to reflect actual accounting data posted to the general ledger and supported by the University's loan servicer's records.
- FISAPs for the years ended June 30, 1999, 2000 and 2001 have been revised and will be filed with the Department of Education on or before November 15, 2002.
- Effective October 2002, management will ensure that its financial records and internal controls are adequate to ensure that financial records are accurate and closed on a timely basis.

Ms. Moroline J. Sanders, Assistant Controller/Director of Grants Administration, and Ms. Alvina Thomas, Director of Student Financial Aid, will work collaboratively to ensure that the information on the FISAP is accurate and supported by amounts on the general ledgers, financial aid records, and the University's loan servicer's detail receivable records.

Sincerely,

A handwritten signature in cursive script that reads "Neri F. Warner".

Neri F. Warner
Acting President

NFW:jj



Grambling State University

OFFICE OF THE PRESIDENT

Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117

FAX: (318) 274-6172

October 29, 2002

Mr. Michael B. Bruno, CPA
Managing Partner
Bruno & Tervalon, LLP
4298 Elysian Fields Avenue
New Orleans, LA 70122

Dear Mr. Bruno:

Re: Audit Finding Reference Number: 2001-05 – Return of Title IV Funds

Management concurs with the finding that the University did not comply with processing certain Title IV refunds. The employee responsible for calculating the refunds was replaced by a new employee and supervisor. Under the direct supervision of the Assistant Controller/Director of Grants Administration, the following actions will be taken.

- The Bursar, Dezandra Blankenship, and the Assistant Controller/Director of Grants Administration, Moroline J. Sanders have established pin numbers and passwords with the U.S. Department of Education to calculate and return Title IV funds on or before November 15, 2002. The Bursar will be responsible for accurately calculating and returning Title IV funds within the established timeframes.
- Management requires the Registrar's Office and the Financial Aid Office to notify the Bursar on a timely basis of withdrawals and stop-outs to ensure proper calculation of refunds, as appropriate.

Management is committed to ensuring that it complies with Title IV refunds rules and regulations.

Sincerely,

A handwritten signature in black ink, reading "Neari F. Warner". The signature is written in a cursive, flowing style.

Neari F. Warner
Acting President

NFW:jj