SANTA BARBARA CITY COLLEGE
SANTA BARBARA, CALIFORNIA

AUDIT REPORT

NATIONAL DIRECT STUDENT LOAN PROGRAM
COLLEGE WORK - STUDY PROGRAM
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
For the Years Ended June 30, 1977
and June 30, 1978
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The National Direct Student Loan Program was established at Santa Barbara City College in 1962. My audit covered the years ended June 30, 1977 in which sixty six students received loans amounting to $29,700 and June 30, 1978 in which forty three students received loans amounting to $18,476.

The College Work-Study Program was established at Santa Barbara City College in 1965. My audit covered the years ended June 30, 1977 in which three hundred and sixty nine students were employed resulting in expenditures of $322,649 and June 30, 1978 in which four hundred and thirty students were employed resulting in expenditures of $367,801.

The Supplemental Educational Opportunity Grants Program was established in 1970 at Santa Barbara City College. My audit covered the years ended June 30, 1977 in which grants were awarded to two hundred and forty students amounting to $98,577 and June 30, 1978 in which grants were awarded to three hundred and twenty students amounting to $114,719.

Scope

My audit of the National Direct Student Loan Program, College Work-Study Program and Supplemental Educational Opportunity Grants Program was performed in accordance with "Standards for Audit of Governmental Organizations, Programs, Activities and Functions" issued by the Comptroller General in June 1972 (1974 reprint) and the Audit Guide prescribed by the Department of Health, Education and Welfare. The purpose of the audit was to formulate an opinion on the basic financial statements as a whole and to determine if these programs were administered in accordance with applicable laws, regulations, terms of agreements and OE directives. The audit included:

1. Expressing an opinion on the Balance Sheets, related Statement of Changes of Fund Balances, and supplementary schedules.

2. Evaluation of the institution's policies, procedures, and practices used to administer the program.

3. Determination of compliance with applicable sections of the acts, related Federal regulations, and Office of Education policies and procedures.

4. Evaluation of the institution's systems 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 OE Form 646 for the years audited.

As part of my audit I obtained confirmation from selected students on NDSL loans, SEOG awards and students participating in the CWS Program. I mailed out 57 requests for confirmation to students participating in the campus based programs. I received 4 confirmations back from the students which were correct, 38 of the confirmations were not returned by the students and the balance of 15 were returned by the Post Office with the notation "moved, left no forwarding address". Alternate methods of verifying payments were taken to satisfy myself that the students actually received the amounts reported.

The audit covered the period July 1976 through June 30, 1978 and the field work was performed during the month of May, 1980. The audit work was conducted on the campus of Santa Barbara City College in the office of Financial Aids.
HIGHLIGHTS OF AUDIT RESULTS

Our audit disclosed that the institution generally administered its students aid programs (NDSL, CWS and SEOG) in a satisfactory manner and in accordance with the DHEW federal regulations and directives pertaining to the above named programs. However, there were a few minor discrepancies discovered. These matters are discussed more fully under the "Findings and Recommendations" section of this report, see page 16. As to our opinion on the Financial Statements and Schedules, see page 3.
May 23, 1980

Santa Barbara City College
Santa Barbara, California

I have examined the Balance Sheets of the National Direct Student Loan (NDSL) College Work-Study (CWS), and Supplemental Educational Opportunity Grants, (SEOG) Programs of Santa Barbara City College as of June 30, 1978, and the period then ended. My examination was made in accordance with the "Standards for Audits of Governmental Organizations, Programs, Activities and Functions" issued in June 1972 (1974 reprint) by the Comptroller General (GAO), applicable to examination of financial operations and reviews of compliance with applicable laws and regulations, and with the audit requirements set forth in the Audit Guide issued by the Department of Health, Education, and Welfare dated May 1976 and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

Since correspondence from the Department of Health, Education and Welfare (BSFA Bulletin February 1978) has stated that an audit of the year ended June 30, 1977 will meet the initial audit requirement, no examination was made of the prior year records.

In my opinion, the financial statements referred to above present fairly the financial position of the NDSL, CWS, and SEOG Programs, of Santa Barbara City College at June 30, 1978, and the changes in fund balances for the two year period then ended, in conformity with generally accepted accounting principles.

ROBERT M. MOSS ACCOUNTANCY CORPORATION

Robert M. Moss
SANTA BARBARA CITY COLLEGE
NATIONAL DIRECT STUDENT LOAN PROGRAM
BALANCE SHEET, June 30, 1978

ASSETS

CASH ON HAND AND IN DEPOSITORY $ 12,445

STUDENT LOANS RECEIVABLE (see Schedule 1) $ 260,074

Less allowance for doubtful loans (7,802) 252,272

TOTAL ASSETS $ 264,717

LIABILITIES AND FUND BALANCES

LIABILITIES

FUND BALANCES (DEFICIT):

Capital:
Federal contributions:
Authorized
Repaid

Balance 260,402 2,565

Institutional contributions:
Authorized
Repaid

Balance 29,049

Noncapital deficit (Exhibit A-1) (22,169)

Total fund balances 264,717

TOTAL LIABILITIES AND FUND BALANCES $ 264,717

See Notes to Financial Statement

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NATIONAL DIRECT STUDENT LOAN PROGRAM
STATEMENT OF CHANGES IN FUND BALANCES
TWO YEAR PERIOD ENDED June 30, 1978
AND THE PERIOD January, 1959
THROUGH June 30, 1978

<table>
<thead>
<tr>
<th>For the Period</th>
<th>Two Year Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1959 -</td>
<td>Ended</td>
</tr>
<tr>
<td>June 30, 1978</td>
<td>June 30, 1978</td>
</tr>
<tr>
<td>(Unaudited)</td>
<td></td>
</tr>
</tbody>
</table>

NON CAPITAL FUND BALANCE

**ADDITIONS:**

- Interest on loans collected: $5,294
- Reimbursement on loans-canceled: $39

**TOTAL ADDITIONS:** 5,333

**DEDUCTIONS:**

- Loan principal and interest canceled
  - Teaching service: 1,946
  - Military service: 223
  - Death: 1,375
  - Bankruptcy: 4,317
  - Other: 250
  - Administrative expense: 10,459
  - Other collection costs: 1,130
  - Provision for doubtful loans: 7,802

**TOTAL DEDUCTIONS:** 27,502

Net decrease for the period: (22,169)
Fund deficit, beginning of period: (11,100)

**NONCAPITAL FUND DEFICIT,**

JUNE 30, 1978

$ (22,169)  $ (22,169)


**CONTRIBUTIONS:**

For the Period
January 1959 -
June 30, 1978  Year ended
(Unaudited)  June 30, 1978

<table>
<thead>
<tr>
<th>Federal</th>
<th>Institutions</th>
<th>Federal</th>
<th>Institutions</th>
</tr>
</thead>
</table>

**CAPITAL FUND BALANCES:**

- Fund balance, beginning of period: $ -
- Add authorized contributions: $260,402
- Fund balance, June 30, 1978:
  - End of period: $260,402

$242,644  $27,076

$17,758  $1,973

$29,049  $29,049
SANTA BARBARA CITY COLLEGE
COLLEGE WORK-STUDY PROGRAM
BALANCE SHEET
June 30, 1978

ASSETS

Cash

Total Assets

LIABILITIES AND FUND BALANCE

Fund Balance

Total Liabilities and Fund Balance

See Notes to Financial Statements

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SANTA BARBARA CITY COLLEGE
COLLEGE WORK-STUDY PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
For the Year Ended June 30, 1977

Additions:
  Total Grant Award Authorization $ 308,716

Deduct:
  Amount of Grant Award Not Requested
    (Unexpended CNS Grant Award Authorization) 17,053

Balance - Funds Provided by Federal Government 291,663

Add - Funds Provided by Institution
  Funds Transferred from SEOG 64,530

Total Funds Provided 356,193

Deductions:
Wages:
  On Campus:
    Federal Share $112,117
    Institution Share 27,748
  Off Campus:
    Federal Share 146,002
    Institution Share 36,782 322,649

Administrative Expenses 12,906
Funds Transferred to SEOG 20,638

Total Deductions 356,193

Net Increase (Decrease) for Year -

Fund Balance Beginning of Year -

Fund Balance End of Year $ -

See Notes To Financial Statements
SANTA BARBARA CITY COLLEGE  
COLLEGE WORK-STUDY PROGRAM  
STATEMENT OF CHANGES IN FUND BALANCE  
For the Year Ended June 30, 1978

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Grant Award Authorization</td>
<td>$397,955</td>
</tr>
<tr>
<td><strong>Deduct:</strong></td>
<td></td>
</tr>
<tr>
<td>Amount of Grant Award Not Requested</td>
<td>$49,265</td>
</tr>
<tr>
<td>(Unexpended CWS Grant Award Authorization)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance - Funds Provided by Federal Government</strong></td>
<td>$348,690</td>
</tr>
<tr>
<td><strong>Add - Funds Provided by Institution</strong></td>
<td>$73,561</td>
</tr>
<tr>
<td>Funds Transferred from SEOG</td>
<td></td>
</tr>
<tr>
<td><strong>Total Funds Provided</strong></td>
<td>$422,251</td>
</tr>
<tr>
<td><strong>Deductions:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Wages:</strong></td>
<td></td>
</tr>
<tr>
<td>On Campus:</td>
<td></td>
</tr>
<tr>
<td>Federal Share</td>
<td>$119,344</td>
</tr>
<tr>
<td>Institution Share</td>
<td>30,160</td>
</tr>
<tr>
<td>Off Campus:</td>
<td></td>
</tr>
<tr>
<td>Federal Share</td>
<td>174,896</td>
</tr>
<tr>
<td>Institution Share</td>
<td>43,401</td>
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<tr>
<td>Administrative Expenses</td>
<td>14,712</td>
</tr>
<tr>
<td>Funds Transferred to SEOG</td>
<td>39,738</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>$422,251</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) for Year</strong></td>
<td>(-)</td>
</tr>
<tr>
<td><strong>Fund Balance Beginning of Year</strong></td>
<td>(-)</td>
</tr>
<tr>
<td><strong>Fund Balance End of Year</strong></td>
<td>$(-)</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements
SANTA BARBARA CITY COLLEGE
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
BALANCE SHEET
June 30, 1978

ASSETS

Cash
Total Assets

LIABILITIES AND FUND BALANCE

Fund Balance
Total Liabilities and Fund Balance

See Notes to Financial Statements
Additions:
Total Grant Authorization $81,882

Deduct:
Amount of Grant Award Not Requested or Deposited (Unexpended SEOG Grant Award Authorization) —

Balance - Funds Provided by Federal Government 81,882
Add - Funds Transferred from CWS 20,638

Total Funds Provided 102,520

Deductions:
Initial Awards $55,970
Continuing Awards 42,607
Administrative Expenses 3,943

Funds Transferred to CWS —

Total Deductions 102,520

Increase (Decrease) During Year —

Fund Balance Beginning of Year —

Fund Balance End of Year $—
SANTA BARBARA CITY COLLEGE
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
For the Year Ended June 30, 1978

Additions:

<table>
<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Total Grant Authorization</td>
<td>$ 79,570</td>
</tr>
</tbody>
</table>

Deduct:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Grant Award Not Requested or Deposited (Unexpended SEOG Grant Award Authorization)</td>
<td></td>
</tr>
<tr>
<td>Balance - Funds Provided by Federal Government</td>
<td>79,570</td>
</tr>
<tr>
<td>Add - Funds Transferred from CWS</td>
<td>39,738</td>
</tr>
<tr>
<td>Total Funds Provided</td>
<td>119,308</td>
</tr>
</tbody>
</table>

Deductions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Initial Awards</td>
<td>$ 88,643</td>
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<tr>
<td>Continuing Awards</td>
<td>26,076</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>4,589</td>
</tr>
<tr>
<td>Funds Transferred to CWS</td>
<td></td>
</tr>
<tr>
<td>Total Deductions</td>
<td>119,308</td>
</tr>
</tbody>
</table>

Increase (Decrease) During Year                        |          |

Fund Balance Beginning of Year                         |          |

Fund Balance End of Year                               | $        |

See Notes to Financial Statements

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<tr>
<th>For the Period Through June 30, 1978</th>
<th>Two Year Period Ended June 30, 1978</th>
</tr>
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<tbody>
<tr>
<td>BALANCE, BEGINNING OF PERIOD</td>
<td>BALANCE, BEGINNING OF PERIOD</td>
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<tr>
<td>FUNDS ADVANCED TO STUDENTS</td>
<td>FUNDS ADVANCED TO STUDENTS</td>
</tr>
<tr>
<td>TOTAL</td>
<td>TOTAL</td>
</tr>
<tr>
<td>$349,013</td>
<td>$253,808</td>
</tr>
<tr>
<td>349,013</td>
<td>48,176</td>
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<tr>
<td>LESS CREDITS:</td>
<td>LESS CREDITS:</td>
</tr>
<tr>
<td>Collections</td>
<td>Collections</td>
</tr>
<tr>
<td>81,187</td>
<td>39,077</td>
</tr>
<tr>
<td>Cancellations:</td>
<td>Cancellations:</td>
</tr>
<tr>
<td>Teaching service</td>
<td>Teaching service</td>
</tr>
<tr>
<td>1,724</td>
<td>498</td>
</tr>
<tr>
<td>Military service</td>
<td>Military service</td>
</tr>
<tr>
<td>219</td>
<td></td>
</tr>
<tr>
<td>Death</td>
<td>Death</td>
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<tr>
<td>1,374</td>
<td>624</td>
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<tr>
<td>Bankruptcy</td>
<td>Bankruptcy</td>
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<tr>
<td>4,185</td>
<td>1,711</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Principal amount on loans assigned on OE</td>
<td>Principal amount on loans assigned on OE</td>
</tr>
<tr>
<td>Total credits</td>
<td>Total credits</td>
</tr>
<tr>
<td></td>
<td>88,939</td>
</tr>
<tr>
<td></td>
<td>41,910</td>
</tr>
<tr>
<td>BALANCE, at June 30, 1978</td>
<td>BALANCE, at June 30, 1978</td>
</tr>
<tr>
<td>$260,074</td>
<td>$260,074</td>
</tr>
</tbody>
</table>
SANTA BARBARA CITY COLLEGE
NATIONAL DIRECT STUDENT LOAN PROGRAM
COMPUTATION OF DEFAULT RATE
As of June 30, 1978
(Cumulative Information)

PRINCIPAL OUTSTANDING ON LOANS IN DEFAULT

Total amount advanced on loans in default $132,250
Deduct:
Principal amount repaid or cancelled 4,284
Total remaining principal amount which has neither been paid nor cancelled on all notes in default $127,966

TOTAL AMOUNT OF MATURED PRINCIPAL

Total amount advanced - all borrowers $349,013
Deduct - amounts not in Repayment status
   Student status at Santa Barbara City College $38,476
   Student status at another Institution 8,550
   Grace period (armed forces, Peace corps, Vista, hardship) 10,350
Total amount not in repayment status 57,376
Total amount of matured principal $291,637

PERCENTAGE OF LOANS IN DEFAULT

\[ \frac{127,966}{291,637} = 43.9\% \]
CASH BALANCE at beginning of year  $2,131

ADD

Federal Contributions  $17,758
Institution's Contribution  1,973
                        19,731

REPROGRAMMED FUNDS

Sustained Audit Adjustments -
Program Refunds -

Collections  39,077
Reimbursements on loans cancelled  39
Interest on Loans - Collected  2,700
Other Income -

TOTAL CASH AVAILABLE for the period  63,678

FUNDS APPLIED

Funds Advanced to Students  48,176
Administrative Expenses  1,927
Other Collection Costs  1,130

TOTAL FUNDS APPLIED  51,233

Cash balance at end of period  $12,445
(1) Except for amounts reported for the allowance for doubtful loans, the amounts reported on the Statements of Changes in Fund Balance for the NDSL, CWS and SEOG Programs agree with the amounts reported on the Office of Education Fiscal Operations Reports, OE Forms 1152-2, 1152-3 and 1152-4.

(2) Transfers between programs were made during the year and are in accord with the 10 per cent limitation recorded in the federal regulations.

(3) Funds provided by the Institution included amounts provided by outside agencies.
FINDINGS AND RECOMMENDATIONS

FINANCIAL

(1) The NDSL cash account on the books of the Student Finance Office contains amounts designated for other student loans. The amount recorded on the Fiscal Operations Report is the correct amount. The college should transfer the excess funds to another account.

(2) As shown on Schedule 2 page 13 the institution has a default rate in excess of 10%. The college has taken corrective action by assigning all past due accounts in May and July 1977 to an independent collection agency.

(3) NDSL Promissory Notes and Student Ledgers on hand at the institution are not kept in locked fire proof containers. Fire proof file cabinets should be installed. In all other respects student files are kept in excellent condition.
CONCLUSIONS ON INTERNAL ACCOUNTING
AND ADMINISTRATIVE CONTROL AND COMPLIANCE INFORMATION

I have examined the financial statements on the NDSL, CWS and SEOG Programs
of Santa Barbara City College for the years ended June 30, 1977 and 1978.
My opinion on the above statements is contained on page 3 of this report.
As a part of my examination, I reviewed and tested the college system of
internal accounting control to the extent I considered necessary to evaluate
the system as required by "Standards for Audits of Governmental Organizations,
Programs, Activities and Functions" issued by the Comptroller General (CAO)
in June 1972 (1974 reprint). 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.

I have also made a study of those internal accounting control and administrat-
ive control procedures of Santa Barbara City College that I considered
relevant to the criteria established by the Department of Health, Education,
and Welfare as set forth in section 3.2, 3.3, and 3.4 of its Audit Guide
issued July 1978. My study included tests of compliance with such proced-
ures during the period from July 1, 1976 through June 30, 1978.

I understand that procedures in conformity with the criteria referred to
in the second paragraph of this report are considered by the Department of
Health, Education and Welfare to be adequate for its purpose in accordance
with the provisions of the Higher Education Act of 1965 and related regula-
tions, and that procedures not in conformity therewith indicate some inade-
quacy for such purposes. Based on this understanding and on my study, I
believe the Santa Barbara City College procedures were adequate for the
Department's purposes.

This report is intended for use in connection with the grant to which it
refers and should not be used for any other purposes.

Robert M. Moss
FINDING AND RECOMMENDATIONS
COMPLIANCE AND INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS

(1) The college has not filled out a NASFAA self evaluation system check-list as suggested in the Audit Guide. The Financial Aids Department has an ongoing self evaluation system of their own which results in a more detailed evaluation and better records. An EOPS audit review of student records for 1977-1978 revealed this fact. I suggested to the Financial Aid Director that he should fill out the NASFAA Forms.

PRIOR AUDIT REPORTS

No prior audit reports were prepared as stated in our Auditors Report on page 3. This report for the year ended June 30, 1977 and June 30 1978 is considered to be the initial audit requirement. Since no deficiencies were uncovered in the administration of the programs expansion of the audit into the previous five years was not considered necessary.
SANTA BARBARA CITY COLLEGE
SANTA BARBARA, CALIFORNIA

AUDIT REPORT

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
For the Years Ended June 30, 1977
And June 30, 1978
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INTRODUCTION

BACKGROUND:

The Basic Educational Opportunity Grant program was established in 1974 at Santa Barbara City College. My audit covered the years ended June 30, 1977, which grants were awarded to one thousand and forty-one students amounting to $557,041 and June 30, 1978 in which grants were awarded to one thousand and one students amounting to $535,802.

SCOPE

My examination of the 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 & Functions issued by the U.S. Comptroller General in June 1972 (1974 reprint) and the HEW Guide for Audits of Basic Educational Opportunity Grant Program, dated June 1978. The audit covered the period July 1, 1976 through June 30, 1978 and field work was performed during May 1980 at the Institution's business and student financial aid offices.

My examination included:


-- ascertaining whether expenditures claimed for Federal funding under the BEOG authorization on the above financial statements are fairly presented in accordance with generally accepted accounting principles and requirements of the BEOG program as set forth in the Guide for Audits of Basic Educational Opportunity Grant Program.

-- assessing the Institution's internal accounting and administrative controls based on the criteria set forth in Section 3.2 and 3.3 of the HEW audit guide; and

-- determining if the BEOG program was administered in compliance with applicable laws, regulations, and Office of Education instructions as identified in Sections 3.2 and 3.3 of the HEW audit guide and the Terms of Agreement.

As a part of my review I requested confirmations from selected students who received BEOG awards during the period under audit.
HIGHLIGHTS OF AUDIT RESULTS

My audit disclosed that the Institution had generally administered its student BEOG program in a satisfactory manner and in accordance with the DHEW Federal regulations and directives pertaining to that program. However, a minor error was discovered on the Progress Report for the year ended June 30, 1978. This matter is discussed more fully under the "Findings and Recommendations" section of this report, see page 9. As to my opinion on the financial statements, and schedules, see page 3.
Santa Barbara City College  
Santa Barbara, California 93109

I have examined the Statement of Changes in Fund Balances of the Santa Barbara City College applicable to its Basic Educational Opportunity Grant (BEOG) program for the period July 1, 1976 to June 30, 1978. (See Exhibit A.) My examination was made in accordance with the financial and compliance elements of the Standards for Audits of Governmental Organizations, Programs, Activities & Functions, issued by the U.S. Comptroller General in 1972 (1974 reprint). Accordingly, I conducted such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances. The Guide for Audits of Basic Educational Opportunity Grant Program Department of Health, Education, and Welfare, dated June 1978 was used as a guide in the examination.

Since correspondence from the Department of Health, Education and Welfare has stated that an audit of the year ended June 30, 1978 will meet the initial audit requirement, no examination was made of the prior year records.

In my opinion, the Statement referred to above presents fairly the changes in fund balances of Santa Barbara College's BEOG program for the period July 1, 1976 to June 30, 1978 in accordance with generally accepted accounting principles applied on a consistent basis.

My examination was made primarily for the purpose of formulating an opinion on the Statement of Changes in Fund Balances. Although not considered necessary for fair presentation of changes in fund balances, the annual Progress Reports (Exhibits A-1 & B-1) for the period July 1, 1976 to June 30, 1978 is presented for supplementary analysis purposes. The information contained in Section III, "Status of Authorization" — Column A of Exhibits A-1 & B-1 was subjected to the same auditing procedures applied in my examination of the Statement of Changes in Fund Balances and is, in my opinion, fairly stated in all material respects in relation to Exhibits A and B taken as a whole. All other information set forth in Exhibits A-1 and B-1 were not audited by me and I express no opinion thereon.

Robert M. Moss
5/28/80
SANTA BARBARA CITY COLLEGE
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM
STATEMENT OF CHANGES IN FUND BALANCE
For the Year Ended June 30, 1977

ADDITIONS:
Current OE Approved Authorization $690,303

DEDUCT:
Funds Not Requested from DFAFS or Placed in BEOG Cash Account 133,262

TOTAL FUNDS PROVIDED 557,041

DEDUCTIONS
Gross Awards to Students $ 557,804
Less: Recoveries 763

TOTAL DEDUCTIONS 557,041

Net Increase (Decrease) for the Period

Fund Balance, Beginning of Period

Fund Balance, End of Period $
**SECTION FOR GENERAL INFORMATION**

**Institution NAME and ADDRESS:**
Santa Barbara City College  
721 Cliff Drive  
Santa Barbara, CA 93109

**Special responsibility for this PROGRESS REPORT** (Sign item 30)
Name: William J. Cordaro  
Title: Coordinator of Student Services  
Phone: (805) 965-0561 x804

**Type of Institution:**
- University
- Other 4-year
- 

**Expenditures (actual payments to students to date):**

<table>
<thead>
<tr>
<th>Amount (A)</th>
<th>No. of BEOG Recipients (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$557,804</td>
<td>1041</td>
</tr>
<tr>
<td>760</td>
<td>2</td>
</tr>
<tr>
<td>$557,040</td>
<td>N/A</td>
</tr>
<tr>
<td>557,041</td>
<td>N/A</td>
</tr>
<tr>
<td>690,303</td>
<td>2</td>
</tr>
</tbody>
</table>

**Number of Student Eligibility Reports Submitted:**

<table>
<thead>
<tr>
<th>Year</th>
<th>Reports Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>0072</td>
<td>28</td>
</tr>
<tr>
<td>0073</td>
<td>65</td>
</tr>
<tr>
<td>0074</td>
<td>1041</td>
</tr>
</tbody>
</table>

**Number of Student Eligibility Reports Submitted with this Report:**

- 0074: 26

**Date of Submission:**
- 07/31/77

**Accreditation Status:**
- Western Assoc. of Schools & Colleges

**Length of Academic Year:**
- 9 months
- For 1976-77

**Net Expenditures:**
- D-0-MAID FOR ADDITIONAL FUNDS for remainder of academic years

**Approved Authorization per USOE records as of:**
- 06/30/77

**Signature:**
(Required by law)
SANTA BARBARA CITY COLLEGE  
BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM 
STATEMENT OF CHANGES IN FUND BALANCE 
For the Year Ended June 30, 1978

**ADDITIONS:** 
Current OE Approved Authorization $597,094

**DEDUCT:** 
Funds Not Requested from DFAFS or Placed in BEOG Cash Account 61,292

TOTAL FUNDS PROVIDED 535,802

**DEDUCTION**
- Gross Awards to Students $ 535,802
- Less: Recoveries

TOTAL DEDUCTIONS 535,802

Net Increase (Decrease) for the Period

Fund Balance, Beginning of Period

Fund Balance, End of Period $ —

See Notes to Financial Statements
**Exhibit B-1**

<table>
<thead>
<tr>
<th>1. BEG NO:</th>
<th>00125</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. EIN NO:</td>
<td>195600094-02</td>
</tr>
</tbody>
</table>

4. **NAME and ADDRESS:**
   - SANTA CLARA CITY COLLEGE
   - 721 CLIFF DRIVE
   - SANTA CLARA, CA 95050
   - [Check here when NAME and/or ADDRESS has changed and indicate changes below:]

Official responsible for this PROGRESS REPORT (Sign Item 30)

6. **Name:** William J. Cardenas
   - Coordinator of Student Services

7. **Address:**
   - 721 Cliff Drive
   - Santa Clara, CA 95050

8. **Date of Submission:** 12/12/78

9. **Accreditation Status:**
   - Western Assoc. of Schools & Colleges
   - [Fully Accredited]
   - [Candidate]
   - [Correspondent]
   - ["3 Letters"]

10. **Check if NO BEG recipients are expected at this institution. PLEASE return this report for USOE records.**

11. **Type of Institution:**
   - University
   - Other 4-year
   - 2-year
   - 4-year, but less than 2-year
   - At least 1-year, but less than 6-month
   - At least 6-months, but less than 1-year

12. **Control:**
   - Public
   - Private, non-profit
   - Private, profit making

13. **U.S. Congressional District:**

14. **1977-78 Undergraduate Enrollment:**
   - A. Full-time: 3950
   - B. Part-time: 4803
   - Total: 8753

15. **No. of 1977-78 part-time BEG recipients:**

16. **Length of Academic Year:**
   - 2/1/77 to 12/31/77
   - Equivalent to which charges below are based:

17. **Average Institutional Charges per Full-time Undergraduate Student:**
   - For 1977-78:
     - Tuition and Fees (In State) A. $535,802
     - Room (On-Campus) B. $841
     - Board (On-Campus) C. $283
     - Tuition and Fees (Out State) D. $535,802
     - Room (On-Campus) E. $841
     - Board (On-Campus) F. $283

18. **Gross Expenditures (actual payments to students to date):**
   - $535,802

19. **Less Recoveries:**
   - $0

20. **Net Expenditures for Additional Funds:**
   - $535,802

21. **Total Estimated Expenditures and Recipients:**
   - (for ENTIRE academic year: 12/31/77-6/30/78)
   - 21 + 22 + 23 = 244
   - 198 + 238 = 436

22. **Current DE Approved Authorization per USOE records as of:**
   - 6/30/78
   - 24 - 25 = 26

23. **Institution's Estimated Authorization Adjustment:**
   - 61,292

24. **Number of Student Eligibility Reports Previously Submitted:**
   - 1

25. **Number of Student Eligibility Reports Submitted with this Report:**
   - 1

26. **Total Number of Student Eligibility Reports Submitted:**
   - 1

27. **Signature:**

PREVIOUS EDITION IS OBSOLETE

INSTITUTION COPY
(1) The sources of information on the Statements of Changes in Fund Balance are the books and records of the Institution. Any differences from that reported on in the yearly progress reports is explained in the Findings and Recommendations on page 9.
The Progress Report for the year ended June 30, 1978 (exhibit B-1) was in error in that the amount in Section III, Status of Operations, column A, Line 24 A was incorrect. The amount shown was -0- and it should have been $535,802, the total expenditures.
CONCLUSIONS ON INTERNAL ACCOUNTING
AND ADMINISTRATIVE CONTROLS AND COMPLIANCE INFORMATION

I have examined the financial statements on the BEOC Program of Santa Barbara City College for the years ended June 30, 1977 and June 30, 1978. My opinion on the above statements is contained on page 3 of this report. As a part of my examination, I reviewed and tested the college system of internal accounting control to the extent I considered necessary to evaluate the system as required by "Standards for Audits of Governmental Organizations, Programs, Activities and Functions" issued by the Comptroller General (GAO) in June 1972 (1974 reprint). 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.

I have also made a study of those internal accounting control and administrative control procedures of Santa Barbara City College that I considered relevant to the criteria established by the Department of Health, Education, and Welfare as set forth in Section 3.2 and 3.3 of its audit guide issued June 1978. My study included tests of compliance with such procedures during the period from July 1, 1976 through June 30, 1978.

I understand that procedures in conformity with the criteria referred to in the second paragraph of this report are considered by the Department of Health, Education and Welfare to be adequate for its purpose 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 on my study, I believe the Santa Barbara College procedures were adequate for the Department's purposes.

This report is intended for use in connection with the grant to which it refers and should not be used for any other purposes.

Robert M. More
FINDINGS AND RECOMMENDATIONS
COMPLIANCE AND INTERNAL ACCOUNTING AND ADMINISTRATIVE CONTROLS

My examination discovered no instances of noncompliance or lack of internal control.

PRIOR AUDIT REPORTS

No prior audit reports were prepared as stated in our Auditors Report on page 3. This report for the years ended June 30, 1977 and June 30, 1978 is considered to be the initial audit requirement. Since no deficiencies were uncovered in the administration of the programs expansion of the audit into the previous five years was not considered necessary.